

# 淡江大學九十一學年度日間部轉學生招生考試試題

系別：商管組三年級

科目：會計學(一)

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## I. Multiple Choice (18%)

1. Which of the following approaches for bad debts is best described as a balance sheet method?
  - a. Percentage of receivables basis.
  - b. Direct write-off method
  - c. Percentage of sales basis
  - d. Both a and c.
2. Valuing assets at their liquidation value rather than their cost is *inconsistent* with the:
  - a. time period assumption.
  - b. matching principle.
  - c. going concern assumption.
  - d. materiality constraint.
3. The organization that issues international accounting standards is the:
  - a. Securities and Exchange Commission
  - b. Financial Accounting Standards Board.
  - c. International Auditing Standards Committee.
  - d. International Accounting Standards Committee.
4. All of the following are required steps in the accounting cycle *except*:
  - a. preparing a work sheet
  - b. journalizing and posting closing entries.
  - c. preparing financial statements.
  - d. journalizing the transaction.
5. Adjustments for unearned revenues:
  - a. decrease liabilities and increase revenues.
  - b. decrease revenues and decrease assets.
  - c. have an assets and revenues account relationship.
  - d. increase assets and increase revenues.
6. All but one of the following is reported in a retained earnings statement. The exception is:
  - a. cash and stock dividends.
  - b. prior period adjustment.
  - c. sales of treasury stock above and below cost.
  - d. net income and net loss.

II. Tamkang Company was organized on January 1. During the first year of operations, the following plant asset expenditures and receipts were recorded in random order.

1. Cost of filling and grading the land	\$ 6,000
2. Full payment to building contractor	900,000
3. Real estate taxes on land paid for the current year	8,000
4. Cost of demolishing building to make land suitable for construction of new building	12,000
5. Cost of parking lots and driveways	50,000
6. Cost of real estate purchased as a plant site (land \$100,000 and building \$70,000)	170,000
7. Architect's fees on building plans	15,000
8. Accrued real estate taxes paid at time of purchase of real estate	5,000
9. Proceeds from salvage of demolished building	2,000

**Required:**

Analyze the foregoing transactions using the following column headings. Insert the number of each transaction in the Item space, and insert the amounts in the appropriate columns. For amounts

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entered in the Other Accounts column, also indicate the account titles.

<u>Item</u>	<u>Land</u>	<u>Building</u>	<u>Other Accounts</u>	(18%)
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III. The inventory of ABC Company was destroyed by fire on March 1. From an examination of the accounting records, the following data for the first 2 months of the year are obtained: Sales \$50,000, Sales Returns and Allowances \$1,000, Purchases \$30,000, Freight-in \$1,600, Purchase Returns and Allowances \$1,500, Freight-out \$2,000.

**Required:**

Determine the merchandise lost by fire, assuming:

- A beginning inventory of \$60,000 and gross profit rate of 25% on net sales.
- A beginning inventory of \$50,000 and gross profit rate of 30% on cost of goods sold. (12%)

IV. Tagawa Company issued \$600,000, 11%, 10-year bonds on January 1, 2002, for \$637,387. This price resulted in an effective interest rate of 10% on the bonds. Interest is payable semiannually on July 1 and January 1. Half of the bonds were purchased by Perabo Incorporation on January 1, 2002 as its available-for-sale securities. Both Tagawa and Perabo use the effective-interest method to amortize bond premium or discount.

**Required:**

- prepare the journal entries to record July 1, 2002 transaction for Tagawa and Perabo.
- If the fair value of the Tagawa's bonds at December 31, 2002 was 635,000, prepare the necessary entries for Tagawa and Perabo at December 31, 2002.
- If the above investment for Perabo was the trading securities, what were the differences of year 2002 net income and total stockholders' equity between available-for-sale and trading securities accounting? (18%)

V. The financial statements of XYZ Company appear below.

XYZ Company  
Comparative Balance Sheets  
December 31

<u>Assets</u>	<u>2003</u>	<u>2002</u>
Cash	\$ 24,000	\$ 13,000
Accounts receivable	20,000	14,000
Merchandise inventory	38,000	35,000
Property, plant, and equipment	70,000	78,000
Less: Accumulated depreciation	<u>(30,000)</u>	<u>(24,000)</u>
Total	<u>\$ 122,000</u>	<u>\$ 116,000</u>
<u>Liabilities and Stockholders' Equity</u>		
Accounts payable	\$ 26,000	\$ 33,000
Income taxes payable	15,000	20,000
Bonds payable	20,000	10,000

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Common stock	25,000	25,000
Retained earnings	<u>36,000</u>	<u>28,000</u>
Total	<u>\$ 122,000</u>	<u>\$ 116,000</u>

### XYZ Company

#### Statement of Cash Flows

For the year Ended December 31, 2003

Cash flows form operating activities

Cash receipts from customers		\$234,000
Cash paid		
To suppliers	\$190,000	
For operating expenses	23,000	
For interest	2,000	
For income taxes	<u>12,000</u>	<u>227,000</u>
Net cash provided by operating activities		7,000

Cash flow from investing activities

Sale of equipment	\$ 10,000	
Purchase of equipment	<u>(7,000)</u>	
Net cash provided by investing activities		3,000

Cash flow from financing activities

Issuance of bonds	\$ 10,000	
Payment of cash dividends	<u>(9,000)</u>	
Net cash provided by financing activities		<u>1,000</u>

Net increase in cash \$ 11,000

Cash at beginning of period 13,000

Cash at end of period \$ 24,000

Additional information:

- (1) Dividends of \$9,000 were declared and paid.
- (2) During the year equipment was sold for \$10,000 cash. This equipment cost \$15,000 originally and had a book value of \$10,000 at the time of sale.
- (3) All depreciation expense, \$11,000, is in the selling expense category.
- (4) All sales and purchases are on account.
- (5) Additional equipment was purchased for \$7,000 cash.
- (6) Accounts payable pertains to merchandise creditors. All operating expenses except of r depreciation are paid in cash.

**Required:**

- (a) What were the amounts of cost of goods sold, gross profit, operating income, and income before income tax of year 2003.
- (b) Compute the following ratios for year 2003 :
 

(1) Current cash debt coverage ratio.	(2) Inventory turnover.
(3) Times interest earned.	(4) Cash return on sales ratio.

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(5) Cash debt coverage ratio.

(6) Acid-test (quick) ratio.

(7) Payout ratio.

(c) Did the XYZ Company make effective use of leverage (trading on the equity) of year 2003?  
Explain. (34%)