

# 淡江大學八十八學年度進修學士班轉學生招生考試試題

17

系別：會計學系三年級

科目：會計學(二)

本試題共 3-1 頁

本試題雙面印製

On July 1, 1996, DiCenta Construction Company, Inc. contracted to build an office building for Laroche Corp. for a total contract price of \$1,900,000. On July 1, DiCenta estimated that it would take between 2 and 3 years to complete the building. On December 31, 1998, the building was deemed substantially completed. Following are accumulated contract costs incurred, estimated costs to complete the contract, and accumulated billings to Laroche for 1996, 1997, and 1998.

	At 12/31/96	At 12/31/97	At 12/31/98
Contract costs incurred to date	\$ 150,000	\$1,200,000	\$2,100,000
Estimated costs to complete the contract	1,350,000	800,000	-0-
Billings to Laroche	300,000	1,100,000	1,800,000

**Instructions**

- (a) Using the percentage-of-completion method, prepare schedules to compute the profit or loss to be recognized as a result of this contract for the years ended December 31, 1996, 1997, and 1998. Ignore income taxes.
- (b) Using the completed-contract method, prepare schedules to compute the profit or loss to be recognized as a result of this contract for the years ended December 1996, 1997, and 1998. Ignore income taxes. (24%)

Presented below is summarized information for Myriam Bedard Co., which sells merchandise on the installment basis:

	1996	1997	1998
Sales (on installment plan)	\$250,000	\$260,000	\$280,000
Cost of sales	150,000	169,000	196,000
Gross profit	<u>\$100,000</u>	<u>\$ 91,000</u>	<u>\$ 84,000</u>
Collections from customers on:			
1995 installment sales	\$ 75,000	\$100,000	\$ 50,000
1996 installment sales		100,000	120,000
1997 installment sales			110,000

**Instructions**

- (a) Compute the realized gross profit for each of the years 1996, 1997, and 1998.
- (b) Prepare in journal form all entries required in 1998, applying the installment method of accounting (ignore interest charges). (28%)

Basalt Inc. recently hired a new accountant with extensive experience in accounting for partnerships. Because of the pressure of the new job, the accountant was unable to review what he had learned earlier about corporation accounting. During the first month, he made the following entries for the corporation's capital stock.

May 2	Cash	192,000	
	Capital Stock		192,000
	(Issued 12,000 shares of \$10 par value common stock at \$16 per share)		



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本試題共 3-2 頁

10	Cash	600,000	
	Capital Stock		600,000
	(Issued 10,000 shares of \$50 par value preferred stock at \$60 per share)		
15	Capital Stock	15,000	
	Cash		15,000
	(Purchased 1,000 shares of common stock for the treasury at \$15 per share)		
31	Cash	8,500	
	Capital Stock		5,000
	Gain on Sale of Stock		3,500
	(Sold 500 shares of treasury stock at \$17 per share)		

**Instructions**

On the basis of the explanation for each entry, prepare the <sup>Correcting</sup> entries that should have been made for the capital stock transactions. ( 假設尚未結帳 ) (16%)

20.

Land Corp. was a 30% owner of Jersey Company, holding 210,000 shares of Jersey's common stock on December 31, 1994. The investment account had the following entries:

Investment in Jersey			
1/1/93 Cost	\$3,180,000	12/6/93 Dividend received	\$150,000
12/31/93 Share of Income	390,000	12/31/93 Amortization of under-valued assets	30,000
12/31/94 Share of Income	510,000	12/5/94 Dividend received	240,000
		12/31/94 Amortization of under-valued assets	30,000

On January 2, 1995, Land sold 119,000 shares of Jersey for \$3,250,000, thereby losing its significant influence. During the year 1995 Jersey experienced the following results of operations and paid the following dividends to Land.

	Jersey Income (Loss)	Dividends Paid to Land
1995	\$300,000.	\$54,600

At December 31, 1995, the fair value of Jersey shares held by Land is \$1,700,000. This is the first reporting date since the January 2 sale.

**Instructions**

- (a) What effect does the January 2, 1995, transaction have upon Land's accounting treatment for its investment in Jersey?
- (b) Compute the carrying amount in Jersey as of December 31, 1995.
- (c) Prepare the adjusting entry on December 31, 1995, applying the fair value method to Land's Available for sale in Jersey Company securities. ( 20% )

本試題雙面印製

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本試題共 3-3 頁

本試題雙面印製

五. Lena Horn Company has outstanding 40,000 shares of \$5 par common stock which had been issued at \$30 per share. Lena Horn then entered into the following transactions:

1. Purchased 5,000 treasury shares at \$40 per share.
2. Resold 2,000 of the treasury shares at \$44 per share.
3. Resold 500 of the treasury shares at \$35 per share.
4. Retired the remaining treasury shares.

**Instructions**

Use the following code (I = Increase; D = Decrease; NE = No effect) to indicate the effect each of the four transactions has on the financial statement categories listed in the table below for the par value method.

#	Assets	Liabilities	Stockholders' Equity	paid-in Capital	Retained Earnings	Net Income
1						
2						
3						
4						

(12%)