淡江大學95學年度進修學士班轉學生招生考試試題

系別：會計學系三年級　　　科目：會　計　學(二)

准帶項目請打「V」	
V	簡單型計算機

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本試題雙面印製

一、Multiple Choice (20%)

1. Pine Company estimates the cost of its physical inventory at March 31 for use in an interim financial statement. The rate of markup on cost is 25%. The following account balances are available:

Inventory, March 1	$1,160,000
Purchases during March	500,000
Purchase returns	26,000
Sales during March	1,000,000

The estimate of the cost of inventory at March 31 would be

a. $750,000. b. $800,000. c. $834,000. d. $884,000.

2. Jorden Company values its inventory by using the retail method (LIFO basis, stable prices). The following information is available for the year 2004.

	Cost	Retail
Beginning inventory	$ 78,000	$140,000
Purchases	368,000	628,000
Freight-in	16,000	
Markups (net)	—	18,000
Markdowns (net)	—	6,000
Sales		610,000

At what amount would Jorden Company report its ending inventory?

a. $95,700. b. $96,000. c. $100,300. d. $102,000.

3. The net income for the year ended December 31, 2004, for Ryan Company was $720,000. Additional information is as follows:

Capital expenditures	$1,200,000
Depreciation on plant assets	450,000
Cash dividends paid on common stock	180,000
Increase in noncurrent deferred tax liability	45,000
Amortization of patents	21,000

Based on the information given above, what should be the net cash provided by operating activities in the statement of cash flows for the year ended December 31, 2004?

a. $1,056,000. b. $1,146,000. c. $1,191,000. d. $1,236,000.

4. Oswald Company's account balances at December 31 for Accounts Receivable and the related Allowance for Doubtful Accounts are $750,000 and $20,000, respectively. From an analysis of accounts receivable, it is estimated that $42,000 of the December 31 receivables will be uncollectible. After adjustment for the above facts, the net realizable value of accounts receivable would be

a. $750,000. b. $730,000. c. $688,000. d. $708,000.

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5. Certain information relative to the 2004 operations of Ross Co. follows:

Accounts receivable, January 1, 2004	$20,000
Accounts receivable collected during 2004	39,000
Cash sales during 2004	12,000
Inventory, January 1, 2004	18,000
Inventory, December 31, 2004	16,500
Purchases of inventory during 2004	33,000
Gross margin on sales	13,500

What is Ross's accounts receivable balance at December 31, 2004?

a. $14,000. b. $17,000. c. $20,000. d. [illegible],000.

二、 Unruh Company reported net incomes for a three year period as follows: (18%)

2003, $62,000; 2004, $63,000; 2005, $6[illegible],000.

In reviewing the accounts in 2006 after the books for the prior year have been closed, you find that the following errors have been made in summarizing activities:

	2003	2004	2005
Overstatement of ending inventory	$14,000	$17,000	$8,000
Understatement of accrued advertising expense	2,200	4,000	2,400

INSTRUCTIONS

(a) Determine corrected net incomes for 2003, 2004, and 2005.

(b) Give the entry to bring the books of the company up to date in 2006, assuming that the books have been closed for 2005.

三、 On December 31, 2003 Kline Corporation sold some of its product to Doane Company, accepting a 3%, four-year promissory note having a maturity value of $600,000 (interest payable annually on December 31). Kline Corporation pays 6% for its borrowed funds. Doane Company, however, pays 8% for its borrowed funds. The product sold is carried on the books of Kline at a manufactured cost of $380,000. Assume Kline uses a perpetual inventory system. (24%)

Instructions

(a) Prepare the journal entries to record the transaction on the books of Kline Corporation at December 31, 2003. (Assume that the effective interest method is used. Use the interest tables below and round to the nearest dollar.)

(b) Make all appropriate entries for 2004 on the books of Kline Corporation.

(c) Make all appropriate entries for 2005 on the books of Kline Corporation.

	Present Value of 1			Present Value of Ordinary Annuity of 1			
Periods	3%	6%	8%	Periods	3%	6%	8%
4	0.88849	0.79209	0.73503	4	3.71710	3.46511	3.31213

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四、 On January 2, 2004, Reese Company issued a 5-year, $5,000,000 note at LIBOR with interest paid annually. The variable rate is reset at the end of each year. The LIBOR rate for the first year is 6.8% (18%)

Reese Company decides it prefers fixed-rate financing and wants to lock in a rate of 6%. As a result, Reese enters into an interest rate swap to pay 7% fixed and receive LIBOR based on $5 million. The variable rate is reset to 7.4% on January 2, 2005.

Instructions

(a) Compute the net interest expense to be reported for this note and related swap transactions as of December 31, 2004.

(b) Compute the net interest expense to be reported for this note and related swap transactions as of December 31, 2005.

五、 During the course of your examination of the financial statements of Simpson Corporation for the year ended December 31, 2004, you found a new account, "Investments." Your examination revealed that during 2004, Simpson began a program of investments, and all investment-related transactions were entered in this account. Your analysis of this account for 2004 follows: (20%)

Simpson Corporation
Analysis of Investments
For the Year Ended December 31, 2004

Date—2004			Debit	Credit
		(a)		
		Pinson Company Common Stock		
Feb.	14	Purchased 1,000 shares @ $55 per share.	$55,000	
July	26	Received 100 shares of Pinson Company common stock as a stock dividend. (Memorandum entry in general ledger.)		
Sept.	28	Sold the 100 shares of Pinson Company common stock received July 26 @ $70 per share.		$7,000
		(b)	Debit	Credit
		Watts Inc., Common Stock		
Apr.	30	Purchased 5,000 shares @ $40 per share.	$200,000	
Oct.	28	Received dividend of $1.20 per share.		$6,000

Additional information:

1. The fair value for each security as of the 2004 date of each transaction follow:

Security	Feb. 14	Apr. 30	July 26	Sept. 28	Dec. 31
Pinson Co.	$55		$62	$70	$72
Watts Inc.		$40			32
Simpson Corp.	25	28	30	33	35

2. All of the investments of Simpson are nominal in respect to percentage of ownership (5% or less).

3. Each investment is considered by Simpson's management to be available-for-sale.

Instructions

(1) Prepare any necessary correcting journal entries related to investments (a) and (b).

(2) Prepare the entry, if necessary, to record the proper valuation of the available-for-sale equity security portfolio as of December 31, 2004.