

淡江大學九十二學年度碩士班招生考試試題

系別：會計學系

科目：會計學

准帶項目請打「○」否則打「x」
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○

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本試題雙面印製

I. Multiple Choice (15%)

- The Howe, Inc., sells \$40,000 of accounts receivable to a factor and receives 94% of the value of the factored accounts less a 10% commission based on the gross amount of factored accounts receivable. After the journal entry to record this factoring transaction is made, Howe's total assets will be:
 - reduced by \$2,400
 - reduced by \$4,000
 - increased by \$4,000
 - increased by \$33,600
 - none of the above
- For operating segments, which one of the following is not included in the determination of whether a segment is reportable?
 - cash flows
 - revenues
 - segment assets
 - profit (loss)
 - none of the above
- Distributions that are paid to owners would affect both the:
 - balance sheet and statement of cash flows
 - balance sheet and income statement
 - income statement and statement of changes in equity
 - income statement and statement of cash flows
 - none of the above
- Which of the following accounting principles or conventions is most likely to be violated by the current requirement to expense R&D costs immediately?
 - historical cost principle
 - conservatism
 - comparability
 - matching principle
 - none of the above
- Hillard Company acquired a new forklift in exchange for an old forklift that it had acquired. The old forklift was purchased for \$20,000 and had a book value of \$5,000. On the date of the exchange the old forklift had a market value of \$6,000. In addition, Hillard Company paid \$18,000 cash for the new forklift, which had a list price of \$25,000. At what amount should Hillard record the new forklift for financial accounting purposes?
 - \$20,000
 - \$22,000
 - \$24,000
 - \$25,000
 - none of the above

II. Below is a list of financial statement components with a corresponding letter code. Indicate where each component would be reported in the financial statements by inserting the corresponding code letters in the space provide. If the information would not appear in any of the above components, place an (X) in the space. (20%)

- | | |
|--------------------------|-----------------------|
| a. long-term investments | b. operating expenses |
|--------------------------|-----------------------|

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- c. other revenues and expenses
e. results from discontinued operations
- d. extraordinary items
f. cost of good sold

- _____ 1. Cash dividends declared on common stock.
_____ 2. Loss on early retirement of long-term debt.
_____ 3. Expenses incurred as a result of a strike.
_____ 4. Additional depreciation on office equipment resulting from decrease in estimated useful life.
_____ 5. Loss from write-off of a significant accounts receivable.
_____ 6. Transportation-iff.
_____ 7. Cash surrender value of life insurance policy.
_____ 8. Unrealized decrease in value in available for sale securities
_____ 9. Transportation-Out
_____ 10. Gain on disposal of a major segment of the business.

III. The Iva Majoli Company began operations at the beginning of 2003. The following information pertains to this company.

1. Pretax financial income for 2003 is \$1,000,000
 2. The tax rate enacted for 2003 and future years is 40%
 3. Differences between the 2003 income statement and tax return are listed below:
 - (1). Warranty expense accrued for financial reporting purposes amounts to \$50,000. Warranty deductions per the tax amount to \$20,000.
 - (2). Gross profit on construction contracts using the percentage-of-completion method for books amounts to \$920,000. Gross profit on construction contracts for tax purposes amounts to \$620,000.
 - (3). Depreciation of property, plant, and equipment for financial reporting purposes amounts to \$600,000. Depreciation of these assets amounts to \$800,000 for the tax return.
 - (4). Interest revenue earned on an investment in tax-exempt governmental bonds amounts to \$14,000.
 - (5). A \$35,000 fine paid for violation of pollution laws was deducted in computing pretax financial income.
- (Assume (1) is short-term in nature; assume (2) and (3) are long-term in nature. Taxable income is expected for the next few years.)

Instructions

- (a) Prepare the journal entry to record income tax expense, deferred taxes, and income taxes payable for 2003.
- (b) Draft the income tax expense section of the income statement beginning with "income before income taxes."
(16%)

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IV. Tamkang Corp. was a 30% owner of ABC Company, holding 210,000 shares of ABC's common stock and the book value of the investment account was \$3,630,000 on December 31, 2002. Tamkang Corp. sold 126,000 shares of ABC for \$3,440,000 on January 2, 2003, thereby losing its significant influence. During the year 2003 ABC experienced the net income of \$300,000 and paid the dividends of \$50,400 to Tamkang on December 31, 2003. The fair value of ABC share held by Tamkang is \$1,570,000 at December 31, 2003. This is the first reporting date since the January 2 sale.

Instructions

Prepare the necessary entries on January 2, and December 31, 2003. (Please follow the U.S. GAAP) *for Tamkang Corp.*
(15%)

V.

1. A company has current assets of \$600,000 and current liabilities of \$240,000. The board of directors declares a cash dividend of \$180,000. What is the current ratio after the declaration but before payment? What is the current ratio after the payment of the dividend? If the type of dividend is stock (not cash) dividend, what is the current ratio after the payment of the stock dividend? (12%)

2. On January 1, 2000 Higgins Company purchased machinery costing \$2,000,000. The company uses straight-line depreciation and estimated the machinery's useful life to be 15 years and its residual value to be \$200,000. At the end of 2003, the company felt that technological advances had caused an impairment of its machinery, and that its remaining useful life was only 4 years. The company estimates the machinery will generate cash inflows of \$500,000 and cash outflows of \$200,000 each of the next four years. The company uses a 15% rate of return to evaluate capital budgeting project. (The present value of an annuity is 2.85498; present value of \$1 is 0.57175; and future value of annuity is 4.99338) Determine if an impairment loss has occurred (show all calculations), and calculate the amount of any impairment loss to be recognized. (12%)

3. The Flowers Company is mad up of five operating segments. The operating profit (loss) concern these segment for 2003 is shown below:

Dept. A: \$8,000 Dept. B: \$5,000 Dept. C: \$(4,000)

Dept. D: \$(2,000) Dept. E: \$1,000

Indicate which operating segment(s) of Flowers Company should be reported under the profit test, based on the provisions of FASB Statement No.131. (10%)