



COMPUTERIZED ACCOUNTING (03)

Regional– 2013

START TIME _____ END TIME _____

Matching (15 @ 2 points each)	_____	(30)
Detailed Customer Ledger	_____	(5)
Detailed Vendor Ledger	_____	(5)
Standard Income Statement	_____	(5)
Balance Sheet	_____	(5)
Audit Test (15 @ 5 points each)	_____	(75)

TOTAL POINTS _____ **(125)**

Failure to adhere to any of the following rules will result in disqualification:

- 1. Contestant must hand in this test booklet and all printouts.***
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.***
- 3. Electronic devices will be monitored according to ACT standards.***

No more than ten (10) minutes orientation
No more than 90 minutes testing time
No more than ten (10) minutes wrap-up

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Matching: write the letter from the list at the bottom of the page for each term, each definition is used only once.

1.		Revenues and expenses
2.		Assets, liabilities and capital
3.		Error where the digits of a number are switched
4.		Error involving a misplaced decimal point
5.		A credit-balance account
6.		A debit-balance account
7.		Revenue = expenses
8.		Certificate representing ownership interest in a corporation
9.		Examination of a company's financial records
10.		Increase side of an account
11.		Always a liability
12.		Opposite of its related account
13.		Business organization that is recognized by law to have a life of its own
14.		A business that buys goods and resells for a profit
15.		A business owned by two or more persons operating as co-owners

Lettered Matching List of Terms

A	Audit
B	Break-even
C	Capital
D	Contra account
E	Corporation
F	Drawing
G	Merchandising business
H	Normal Balance
I	Partnership
J	Payable
K	Permanent accounts
L	Slide
M	Stock
N	Temporary accounts
O	Transposition

Other Information

PLEASE NOTE:

You will be asked to use the Lohman's Network Solutions you have created as pre-work for the Regional, State, and National level.

Jim Lohman, the owner of Lohman's Network Solutions, a sole proprietorship, asked you to computerize his business records. Mr. Lohman uses a periodic inventory system for his merchandising and service business. His primary sales are from the sale of computers, computer hardware and software. He also has service income from consulting and troubleshooting computer and network systems. The state he is located in has No Sales Tax.

The company chooses to use accrual basis of accounting, real-time posting, and a twelve month accounting period that uses a calendar year with inventory valued at cost.

The transactions you will be recording begin on December 1, 2012. Activities needing to be completed may include recording the business transactions, adding any new customers and vendors, adding accounts as needed, and recording the adjusting entries.

GENERAL INFORMATION:

Beginning source document numbers:

Because of software differences, use whatever numbering system you choose or your software chooses for you. The source document numbers will not be a part of this test that will be graded, nor will you get any additional points for using an elaborate system.

Cash Payments

You may handle cash payments in the method you choose. If you choose to use the check writing method to make cash payments and your software requires a vendor to be created before a check can be written, no points will be awarded or deducted for these additional vendors.

IMPORTANT REMINDER NOTES OF INFORMATION:

- Assume all prior sales on account were for merchandise.**
- Lohman's Network Solutions is on a periodic inventory system.**
- Put the type of software you are using on your cover page of your test.**

Instructions

Using the company you previously created, carefully follow the instructions below in the order listed.

1. **Print** the chart of accounts for your use if needed.
2. **Record** December transactions (add new accounts as needed).
3. **Print** a detailed customer ledger and vendor ledger.
4. **Record** adjusting entries.
5. **Print** Year End 2012 Income Statement (DO NOT INCLUDE ACCOUNTS WITH CUMULATIVE ZERO AMOUNTS).
6. **Print** Year End December 31, 2012 Balance Sheet (DO NOT INCLUDE ACCOUNTS WITH CUMULATIVE ZERO AMOUNTS).
7. **Complete** the Audit Test. Use your printouts to find the answers to the questions. Circle and number each answer on the printout to correspond with your answer on the Audit Test.

December Transactions

- 2 Jim withdrew \$1,000 for personal use, check no. 4323.
- 2 Made December vehicle lease payment of \$415 to Mayfield Auto, check no. 4324.
- 6 Received full payment from Logan School District for invoice S100.
- 7 Discovered that a deposit on for \$375 was incorrectly journalized and posted to the consulting income account instead of the troubleshooting income account.
- 9 Paid Hall's Supply Co. in full for invoice no. 5628, check no. 4325.
- 9 Sold computer equipment to cash customers for \$3,280.
- 13 Purchased \$175 of merchandise on account from Red's Computer Supply, invoice no. 623.
- 15 Set up a computer network for Littrell Company and billed them for \$5,000. Terms 2/15, n/30. S109
- 15 Paid December mortgage payment of \$1,500 to Bank One with check no. 4326. Included in this amount was \$610 of interest.
- 16 Purchased computer equipment (for resale) on account for \$18,000 from First Rate Computer, terms 2/10, n/30, invoice no. 12120.
- 20 Paid utility bill of \$360 to Eastland Electric, check no. 4327.
- 21 Sold merchandise on account to Logan School District totaling \$22,000. S110
- 31 Recorded bank service charge of \$15 from December bank statement. (Miscellaneous Expense)

Year End Adjustments

Depreciation of Equipment for December is \$175.

Depreciation for the Building for December is \$225.

Insurance expired for the month of December is \$100.

Audit Test

1. _____ How much does Lohman's Network Solutions owe on the mortgage after the December payment?
2. _____ What is the company's Net Income for the year?
3. _____ What is the company's Gross Profit for the year?
4. _____ How much did the company pay to lease a vehicle for the year?
5. _____ What is J. Lohman's ending capital balance?
6. _____ What is the balance of Cash at December 31, 2012?
7. _____ What is the balance of the Purchases account at year end?
8. _____ How much Computer Equipment Sales did Lohman's Network Solutions have for the year?
9. _____ What is the balance of the Drawing account at year end?
10. _____ What is the balance of Troubleshooting Income at 12/31/12?
11. _____ What is the balance of Logan School District's account at year end?
12. _____ How much does Lohman's Network Solutions owe Red's Computer Supplies on December 15?
13. _____ What are the total Current Liabilities at December 31, 2012?
14. _____ What is the balance of Accounts Receivable at year end?
15. _____ What is the balance of Prepaid Insurance after adjustments?