ADVANCED ACCOUNTING (S) - REGIONAL 2014 ANSWER KEY Page 1 of 4

Objective & Short Answer:



ADVANCED ACCOUNTING (110)

—Secondary— REGIONAL – 2014

TOTAL POINTS	(151 points)
Problem 2	(29 points)
Problem 1	(40 points)
Production:	
Short Answer	(22 points)
Objective (30 @ 2 points each)	(60 points)

Judges/Graders: Please double check and verify all scores and answer keys!

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Workplace Skills Assessment Program competition.

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ANSWER KEY

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MULTIPLE CHOICE: (2 pts. each)

1. B 2. B 3. D 4. A 5. B 6. B 7. B 8. D 9. B 10. C 11. A 12. A

MATCHING: (2 pts. each)

16. L 17. H 18. J 19. D 20. F 21. A 22. C 23. B 24. K 25. O 26. N 27. I 28. M 29. E 30. G

SHORT ANSWER (22 pts.)

13. C

14. B

15. C

1.	What is the cost of ending inventory using LIFO?	<u>\$17,000</u>	(2 pts.)
	What is the cost of ending inventory using FIFO?	<u>\$20,000</u>	(2 pts.)
	What is the weighted-average unit cost?	<u>\$15.33</u>	(2 pts.)
	What is the cost of ending inventory using weighted-average?	\$18,396	(2 pts.)

2. Journalize the sale of the equipment, assuming straight-line depreciation was used.

Accounts	Debit	Credit	
Cash	26,000		(2 pts.)
Accumulated Depreciation	16,000		(2 pts.)
Equipment		36,000	(2 pts.)
Gain on Asset		6,000	(2 pts.)

3. \$3,400,000 (3	ľ	ots	۶.))
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PROBLEM #1 (40 total points)

Your company purchases a machine that costs \$30,000, has a residual value of \$2,000, and an estimated useful life of 4 years. Complete the depreciation table below.

Year	Straight-Line	Double-Declining Balance	Sum-of-Year-Digits	_
1	7,000	15,000	11,200	(3 pts.)
2	7,000	7,500	8,400	(3 pts.)
3	7,000	3,750	5,600	(3 pts.)
4	7,000	1,750	2,800	(3 pts.)
Totals	28,000	28,000	28,000	(3 pts.)
Ending Value	2,000	2,000	2,000	(3 pts.)

Journalize the following plant asset transactions in the general journal spaces provided. Assume all plant assets are kept track of using the account: Equipment.

2-Jan Received cash from sale of a table, \$140; original cost, \$600; total accumulated depreciation through 12/31 of last year, \$420. Receipt 20.

Accounts	Debit	Credit	
Cash	140		(2 pts.)
Accum Deprec – Equipment	420		(2 pts.)
Loss on Plant Assets	40		(2 pts.)
Equipment		600	(2 pts.)

4-Jan Assume the machine at the start of the problem has been depreciated down to a residual value of \$2,000. You are going to discard this machine as it has broken down and is unusable. Memo 62.

Accounts	Debit	Credit	_
Accum Deprec - Equipment	28,000		(2 pts.)
Loss on Plant Assets	2,000		(2 pts.)
Equipment		30,000	(2 pts.)

6-Jan Paid cash, \$5,800, plus traded an old piece of equipment for a new/updated piece of equipment. Original cost of old equipment, \$7,000; total accumulated depreciation of old equipment, \$5,400. Check 522.

Accounts	Debit	Credit	_
Equipment	7,400		(2 pts.)
Accum Deprec - Equipment	5,400		(2 pts.)
Equipment		7,000	(2 pts.)
Cash		5,800	(2 pts.)

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PROBLEM #2 (29 Points)

The following information is taken from the records of Clemente Company as of December 31, 2013. Clemente Company uses the Allowance method to account for its uncollectible accounts. Complete the aging table below by filling in the Totals and Uncollectible rows. (1 point each)

						Over 90 days
	Account		1-30 days past	31-60 days	61-90 days	past due
Customer	Balance	Not Yet Due	due	past due	past due	
Billy Beru	125.75	125.75				
Max Ames	423.67		423.67			
Lisa Carr	389.60	389.60				
Gena Johnson	765.28				765.28	
Liza Scott	157.80					157.80
Kate Holden	268.20			268.20		
Bob Allen	658.15			658.15		
Totals	2,788.45	515.35	423.67	926.35	765.28	157.80
Percentages		0.2%	0.5%	1.0%	5.0%	60.0%
Uncollectible		1.03	2.12	9.26	38.26	94.68

Use the above table to calculate the following:	
Total Accounts Receivable Balance \$2,788.45	(3 pts.)
Total Amount of Estimated Uncollectible \$145.35	(3 pts.)
The current balance of Allowance for Uncollectible Accounts shentry for Uncollectible Accounts Expense below:	nows a debit of \$85.35. Record the appropriate adjusting
Account Debited <u>Uncollectible Accounts Expense</u> (3	pts.) Amount <u>\$230.70</u> (3 pts.)
Account Credited <u>Allowance for Uncollectible Accounts</u> (3	3 pts.) Amount\$230.70 (3 pts.)

Note to Grader – Give 1 point for each item in Totals row on Aging table, plus 1 point for each item on Uncollectibles row, total 11 points. Also give 3 points each for short answer question, total 18 points. Problem total = 29 points.