Contestant Number:

 Time:

 Rank:

FUNDAMENTAL ACCOUNTING

(100)

—Secondary—

REGIONAL – 2015

 **Multiple Choice & Short Answer Section:**

Multiple Choice (25 @ 2 points each) (50 points)

Account Classification (10 @ 1 point each) (10 points)

**Production Portion:**

Job 1: Work Sheet (79 points)

Job 2: Journal Entries (23 points)

Job 3: Trial Balance (40 points)

 ***TOTAL POINTS (202 points)***

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

1. **Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.**
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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*Workplace Skills Assessment Program* competition.

# General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates’ own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

Your name and/or school name should NOT appear on any work you submit for grading. Write your contestant number in the provided space. Staple all pages in order before you turn in your test.

**Assumptions to make when taking this assessment:**

* Use whole dollars.
* No recording of cents is necessary.

**Multiple Choice (25 questions at 2 points each)** Record your answer on the Scantron form provided.

1. Which of the following accounts is increased with a debit?
	1. Sales
	2. Notes Payable
	3. Owner’s Withdrawals
	4. Owner’s Capital
2. Prepaid insurance is expensed:
	1. When it is purchased
	2. At no time, since it is already paid for
	3. At no time, since it is an asset
	4. When it is consumed
3. Elżbieta is a salesperson for a car dealer. Last week she received $296.00 salary plus a commission of 1% of her total sales of $63,255. How much were her gross earnings for the week?
	1. $359.25
	2. $928.55
	3. $6,221.50
	4. $632.55
4. If a company’s assets are $106,219 with liabilities of $154,962, how much is capital?
	1. $48,743 credit
	2. $130,591 credit
	3. ($48,743) debit
	4. ($130,591) debit
5. Which of the following is *not* an appropriate form of business organization?
	1. Corporation
	2. Partnership
	3. Charter Certification
	4. Sole Proprietorship
6. Financial statements are prepared with the expectation that a business will remain in operation indefinitely is the accounting concept of:
	1. Going concern
	2. Adequate disclosure
	3. Consistent reporting
	4. Realization of revenue
7. The three most common forms of check endorsement are:
	1. Special, restrictive and inclusive
	2. Blank, special, and restrictive
	3. Blank, special, and exclusive
	4. Special, restrictive, and business owner
8. To calculate the component percentages on an income statement, divide
	1. Total sales by each account
	2. Each account by the total expenses
	3. Each account by total net sales
	4. Each account by the general ledger balance
9. If the transactions for a business are properly analyzed and recorded, the total debits will equal the total credits on the
	1. Cash Flow Statement
	2. Analysis of Debits and Credits
	3. Trial Balance
	4. Income Sheet
10. Cash on hand at the beginning of the month, *plus* total cash received during the month, *less* total cash paid during the month, *equals* cash balance on hand at the end of the month. If the balance on the next unused check stub is the same as the above calculation,
	1. Cash is posted
	2. Money is correct
	3. Dollars are recorded
	4. Cash is proved
11. Assume overtime is paid at 1.5 times the regular earnings rate. If Donatello earns $12.50 per hour and works 43.5 hours in one week, his total earnings are:
	1. $543.75
	2. $565.63
	3. $815.63
	4. $500.00
12. Financial information is recorded and reported separately from the owner’s personal financial information. This is the accounting concept of:
	1. Going concern
	2. Consistent reporting
	3. Business entity
	4. Historical cost
13. Which one of the following accounts is an asset?
	1. Prepaid rent
	2. Supplies expense
	3. Notes payable
	4. Fees earned
14. A chart of accounts typically begins with:
	1. Revenue accounts
	2. Expense accounts
	3. Asset accounts
	4. Liability accounts
15. Which of the following does *not* result in the recording of an expense?
	1. Payment of wages
	2. Owner withdrawal of cash
	3. Purchase of gasoline to fill up a company car
	4. Receipt of a bill from the telephone company
16. When a service has been performed, but no cash has been received as payment, which of the following statements is true?
	1. The entry would include a debit to Accounts Receivable
	2. The entry would include a credit to Accounts Receivable
	3. The entry would include a debit to Accounts Payable
	4. The entry would include a credit to Accounts Payable
17. Accounts that are continuous from one accounting period to the next where balances are carried forward are referred to as:
	1. Fiscally continuous accounts
	2. Post-closing asset accounts
	3. Permanent accounts
	4. Carried forward accounts
18. The balance sheet shows
	1. Revenue and owner’s equity on a specific date
	2. Results of operations on a specific date
	3. Assets and expenses on a specific date
	4. The financial position of a business on a specific date
19. The accounting principle stating that expenses are compared to revenues for the same period is called:
	1. Going concern
	2. Objective evidence
	3. Realization of revenue
	4. Matching
20. Dawnda Corporation paid cash for advertising and debited Miscellaneous Expense instead of Advertising Expense when entering the transaction. The correcting entry should contain:
	1. A debit to Advertising Expense and a credit to Miscellaneous Expense
	2. A debit to Miscellaneous Expense and a credit to Cash
	3. A debit to Advertising Expense and a credit to Cash
	4. A debit to Cash and a credit to Advertising Expense
21. The process of transferring information from the journal to the individual general ledger accounts is called
	1. Journalizing
	2. Carrying forward
	3. Posting
	4. Recording
22. The source document used when a customer makes a payment on his/her account is a
	1. Check
	2. Receipt
	3. Sales invoice
	4. Memorandum
23. Which of the following is *not* a temporary account?
	1. Miscellaneous Expense
	2. Repairs Revenue
	3. Dawn Ovdaded, Drawing
	4. Dawn Ovdaded, Capital
24. A set of rules used by all accountants to provide a consistent form when recording and reposting financial information is referred to as
	1. American Certified Public Accountant Rules
	2. Normally Accepted Accounting Procedures
	3. Generally Accepted Accounting Procedures
	4. Generally Accepted Accounting Principles
25. The accounting concept which states that the actual amount paid for merchandise or other items bought is recorded in the accounting records is
	1. Purchase cost
	2. Actual cost
	3. Historical cost
	4. Current cost

Classify each account listed below as one of the following:

A = Asset

L = Liability

OE = Owner’s Equity

R = Revenue

E = Expense

Write the classification letter NEATLY and CLEARLY in the space provided.

ACCOUNTS:

1. \_\_\_\_\_ Sales
2. \_\_\_\_\_ Accounts Payable
3. \_\_\_\_\_ Cash
4. \_\_\_\_\_ Repair Services
5. \_\_\_\_\_ Repair Expense
6. \_\_\_\_\_ Accounts Receivable
7. \_\_\_\_\_ Equipment
8. \_\_\_\_\_ Income Summary
9. \_\_\_\_\_ Micha Monroe, Drawing
10. \_\_\_\_\_ Prepaid Insurance

**Job 1 – Eight column worksheet including adjusting entries**

The final balances in the general ledger of Dawnda Design Company at the end of November are listed below.

* Use this information to prepare the Trial Balance columns of a worksheet.

101 Cash $1,229

105 Accounts Receivable – M. Henderson 625

110 Computer Equipment 4,800

115 Office Equipment 700

120 Office Furniture 1,500

140 Supplies 540

150 Prepaid Insurance 900

205 Accounts Payable – Quick Office Supply 325

210 Accounts Payable – Madeus Co. 540

301 Linda Dawn, Capital 3,500

305 Linda Dawn, Drawing 650

401 Sales 8,800

501 Advertising Expense 365

505 Insurance Expense

510 Miscellaneous Expense 146

515 Rent Expense 1,200

520 Supplies Expense

525 Utilities Expense 510

* Use this information to prepare the Adjustment columns of a worksheet.

*Adjustments should be indicated in the Adjustments column of the worksheet using (a) and (b).*

On November 30, the value of the remaining Supplies-Office (Supplies Inventory) is $140. (This represents supplies that were purchased but have not been consumed.)

On November 30, the value of the remaining Prepaid Insurance premiums is $675. (This represents the remaining value of the insurance policy.)

* Finalize the worksheet.

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| Account Title | Trial Balance | Adjustments | Income Statement | Balance Sheet |  |
|   | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit |  |
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**Job 2 – Journal entries**

Record a journal entry for the following transactions:

On November 19, 2014, received a notice from the bank of a dishonored check from Amazing Onion Supply, $602.00, plus a $40.00 fee. Memorandum 263.

Received a bank statement dated November 30, 2014. Record a Bank Service Charge of $37.50. Memorandum 277.

Record the Adjusting entries from **Job 1.**

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| Date 2014 | Account Title | Doc. No. | Post Ref | Debit | Credit |  |
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**Job 3 – Account Balances, Trial Balance, Profit**

*Calculate the ending balance in the following T-accounts for Ovdaded Services Co. and prepare the trial balance on the following page.*

T T T T T T T T T T T T

457

(h) 550

100

(f) 800

(a) 1000

(d) 125

(f) 800

(i) 400

(k) 500

(l) 2000

Utilities Expense

(i) 400

(a) 1000

Rent Expense

(d) 125

Advertising Expense

(b) 2600

(e) 1800

(j) 2400

(l) 2000

Dawn Ovdaded, Drawing

10000

Dawn Ovdaded, Capital

(k) 500

212

(h) 550

2810

(e) 1800

(c) 2200

(g) 1800

2335

(b) 2600

(c) 2200

(g) 1800

(j) 2400

5000

Revenue

Accounts Payable

Equipment

Prepaid Insurance

Accounts Receivable

Supplies

Cash

*Prepare a trial balance for Ovdaded Services dated February 28, 2014.*

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| Account Title | Debit | Credit  |  |
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What was Ovdaded Services profit for the month? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What is the total value of Ovdaded Services assets at the end of the month? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How much did Ovdaded Services owe at the end of the month? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_