**FUNDAMENTAL ACCOUNTING**

**(100)**

# —Secondary—

REGIONAL – 2016

**CONCEPT KNOWLEDGE:**

True/False (20 @ 2 points each) (40 points)

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

**APPLICATION KNOWLEDGE:**

Job 1: Accounting Identification (60 @ 1 point each) (60 points)

Job 2: Analyzing Transactions (30 @ 2 points each) (60 points)

Job 3: Accounting Calculations (4 @ 7 points each) (28 points)

Job 4: Financial Statements (13 @ 2 points each) (26 points)

 ***TOTAL POINTS (264 points)***

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*Workplace Skills Assessment Program* competition.

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

# 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: concept knowledge and application of knowledge.

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:

* Round all calculations to two decimals.
* Use 360 days for interest calculations.

***2 points for each answer***

|  |  |  |
| --- | --- | --- |
| **TRUE/FALSE** |  | **MULTIPLE CHOICE** |
| **1.** | **T** |  | **1.** | **C** |
| **2.** | **T** |  | **2.** | **D** |
| **3.** | **F** |  | **3.** | **A** |
| **4.** | **T** |  | **4.** | **A** |
| **5.** | **T** |  | **5.** | **B** |
| **6.** | **F** |  | **6.** | **C** |
| **7.** | **T** |  | **7.** | **B** |
| **8.** | **T** |  | **8.** | **B** |
| **9.** | **T** |  | **9.** | **B** |
| **10.** | **T** |  | **10.** | **C** |
| **11.** | **F** |  | **11.** | **A** |
| **12.** | **T** |  | **12.** | **D** |
| **13.** | **F** |  | **13.** | **B** |
| **14.** | **T** |  | **14.** | **C** |
| **15.** | **F** |  | **15.** | **B** |
| **16.** | **F** |  | **16.** | **B** |
| **17.** | **F** |  | **17.** | **B** |
| **18.** | **F** |  | **18.** | **C** |
| **19.** | **F** |  | **19.** | **D** |
| **20.** | **T** |  | **20.** | **B** |
|  |  |  | **21.** | **B** |
|  |  |  | **22.** | **A** |
|  |  |  | **23.** | **B** |
|  |  |  | **24.** | **C** |
|  |  |  | **25.** | **A** |

**ACCOUNT IDENTIFICATION—*Each worth 1 point, total points 60***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account** **Name** | **Classification** | **Normal****Balance** | **Permanent/****Temporary** | **Financial****Statements** |
| Accounts Payable | **L** | **CR** | **P** | **BS** |
| Cash | **A** | **DR** | **P** | **BS** |
| Fees Income | **R** | **CR** | **T** | **IS** |
| Accounts Receivable | **A** | **DR** | **P** | **BS** |
| B. John, Capital | **OE** | **CR** | **P** | **BS** |
| Advertising Expense | **E** | **DR** | **T** | **IS** |
| Income Summary | **OE** | **N** | **T** | **N** |
| B. John, Drawing | **OE** | **DR** | **T** | **Accept****N or BS** |
| Supplies | **A** | **DR** | **P** | **BS** |
| Notes Payable | **L** | **CR** | **P** | **BS** |
| Prepaid Advertising | **A** | **DR** | **P** | **BS** |
| Land | **A** | **DR** | **P** | **BS** |
| Salaries Expense | **E** | **DR** | **T** | **IS** |
| Office Equipment | **A** | **DR** | **P** | **BS** |
| Prepaid Insurance | **A** | **DR** | **P** | **BS** |

**ANALYZING TRANSACTIONS—*Each worth 2 points, total 60 points***

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| 1. | **A** | **G** |
| 2. | **L** | **A** |
| 3. | **E** | **A, F** |
| 4. | **D** | **A** |
| 5. | **A** | **D** |
| 6. | **C** | **I** |
| 7. | **D** | **F** |
| 8. | **J** | **A** |
| 9. | **A** | **I** |
| 10. | **M** | **A** |
| 11. | **H** | **A** |
| 12. | **B** | **A** |
| 13. | **K** | **A** |
| 14. | **D, K** | **A** |
| 15. | **F** | **A** |

**ACCOUNTING CALCULATIONS—*Each question is worth 4 points, total 28 points***

1. **$41,700**

2. a. **Net Income**

b. **$1,675**

3. **$16,300**

4. a. **$2,420**

b. **DR—Supplies Expense**

c. **CR—Supplies**

**FINANCIAL STATEMENTS—*Each answer worth 2 points, total 26 points***

|  |
| --- |
| **Professional Business Associates** |
| **Income Statement** |
| **Month Ended, January 31, 2016** |
| Revenue: |  |  |
|  Fees Income | 13,810 |  |
|  Total Revenue |  | **$13,810** |
| Expenses: |  |  |
|  Advertising Expense | 2,000 |  |
|  Miscellaneous Expense | 1,250 |  |
|  Salaries Expense | 4,000 |  |
|  Telephone Expense | 375 |  |
|  Utilities Expense | 560 |  |
|  Total Expenses |  | **$8,185** |
| Net I**NCOME** |  | **$5,625** |

|  |
| --- |
| **Professional Business Associates** |
| **Statement of Owner’s Equity** |
| **Month Ended, January 31, 2016** |
| P. Buck’s, Capital, January 1, 2016 |  | 30,000 |
| Net  **INCOME** for January | **$5,625** |  |
| Less Withdrawals for January | 3,500 |  |
|  **INCREASE** In Capital |  | **2,125** |
| P. Buck’s, Capital, January 31, 2016 |  | **$32,125** |

|  |
| --- |
| **Professional Business Associates** |
| **Balance Sheet** |
| **January 31, 2016** |
| **ASSETS** |  | **LIABILITIES** |  |
| Cash | 23,960 | Accounts Payable | 940 |
| Accounts Receivable | 3,450 | Total Liabilities | **940** |
| Office Furniture | 5,080 |  |  |
| Office Equipment | 575 | **OWNER’S EQUITY** |  |
|  |  | P. Buck, Capital | **32,125** |
| Total Assets | **$33,065** | Total Liabilities and Owner’s Equity | **$33,065** |