



COLLEGE ACCOUNTING (105)

—Post-secondary— REGIONAL – 2016

Multiple Choice & Short Answer Section:

Multiple Choice (20 @ 2 points each)	_____ (40 points)
Matching (20 @ 2 points each)	_____ (40 points)
Short Answer (10 @ 4 points each)	_____ (40 points)

Production Portion:

Problem: Journal Entries	_____ (104 points)
<i>TOTAL POINTS</i>	_____ (<i>224 points</i>)

Judge/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. 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.

Unless otherwise instructed, round all answers to 2 decimal places.



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Multiple Choice:

- 1) B
- 2) A
- 3) A
- 4) B
- 5) A
- 6) C
- 7) B
- 8) B
- 9) C
- 10) D
- 11) A
- 12) B
- 13) C
- 14) D
- 15) D
- 16) B
- 17) D
- 18) D
- 19) A
- 20) D



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Matching:

Grader: Each answer is worth 1 point.

For each account listed below, identify which financial statement the account will appear on – Income Statement (IS), Statement of Retained Earnings (RE), or Balance Sheet (BS) – and whether each account has a normal debit (DR) or credit (CR) balance.

Account	Financial Statement	Normal Balance
Accounts Receivable	BS	DR
Accounts Payable	BS	CR
Accumulated Depreciation	BS	CR
Advertising Expense	IS	DR
Building	BS	DR
Bonds Payable	BS	CR
Cash	BS	DR
Common Stock	BS	CR
Cost of Goods Sold	IS	DR
Depreciation Expense	IS	DR
Dividends	RE	DR
Furniture	BS	DR
Land	BS	DR
Notes Payable	BS	CR
Preferred Stock	BS	CR
Prepaid Insurance	BS	DR
Supplies	BS	DR
Supplies Expense	IS	DR
Treasury Stock	BS	DR
Unearned Revenue	BS	CR



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Short Answer:

Grader: Each answer is worth 4 points

Simpson Coffee reports the following account balances for December 31, 2015. Use this information to answer the questions below.

Cash	\$ 32,000
Accounts Receivable	20,000
Inventory	16,000
Supplies	31,000
Equipment	25,000
Accumulated Depreciation—Equipment	17,000
Accounts Payable	25,000
Wages Payable	4,000
Interest Payable	1,000
Unearned Revenue	1,500
Notes Payable (due in 5 years)	39,000
Common Stock	20,000
Dividends	30,000
Retained Earnings	28,000
Sales	147,500
Sales Discounts	2,000
Cost of Goods Sold	68,000
Rent Expense	9,000
Wages Expense	36,000
Insurance Expense	2,000
Depreciation Expense—Equipment	6,000
Supplies Expense	2,000
Interest Expense	4,000

- 1) What is Gross Profit? \$77,500
- 2) What is Income from Operations? \$22,500
- 3) What is Net Income? \$18,500
- 4) What is the Retained Earnings balance on December 31, 2015? \$16,500



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- | | |
|--|------------------|
| 5) What are total Current Assets? | <u>\$99,000</u> |
| 6) What are total Plant Assets? | <u>\$8,000</u> |
| 7) What are total Assets? | <u>\$107,000</u> |
| 8) What are total Current Liabilities? | <u>\$31,500</u> |
| 9) What are total Long-term Liabilities? | <u>\$39,000</u> |
| 10) What is total Stockholders' Equity? | <u>\$36,500</u> |



Problem: Journal Entries

Grader: Each account title is worth 2 points and each amount is worth 2 points. No points are given for the date/question number. Account titles may vary slightly but should be representative of the account in question.

Record the entries on the Journal page that follows. Use the question number as the date.

- 1) Simp Dogs paid salaries of \$6,000 in cash.
- 2) Spencer McQueen performed services of \$8,000 on January 24 and invoiced the customer.
- 3) Spencer McQueen received the \$8,000 from the customer on January 31.
- 4) Anna’s Boutique purchased office supplies for \$250 on account on February 1.
- 5) Anna’s Boutique paid \$250 for the office supplies on February 15.
- 6) On March 1, a physical inventory account revealed that only \$40 of office supplies remain for Anna’s Boutique.
- 7) On May 1, Kenny’s Sports Clinic prepaid \$15,000 to lease batting cages for 3 months.
- 8) Provide the adjusting journal entry for the Kenny’s Sports Clinic batting cages on June 31.

Use the following Adjusted Trial Balance for questions 9-12. Assume all account balances are normal.

Cash	\$1,700
Accounts Receivable	8,500
Supplies	100
Equipment (net)	5,500
Accounts Payable	1,200
Salaries Payable	800
Unearned Revenue	600
Common Stock	3,400
Dividends	2,300
Service Revenue	40,000
Salaries Expense	24,000
Supplies Expense	2,300
Depreciation Expense	1,600

- 9) Provide the closing entry for Revenue.
- 10) Provide the closing entry for Expenses.
- 11) Provide the closing entry for Income Summary.
- 12) Provide the closing entry for Retained Earnings.



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General Journal			
Date	Account	Debit	Credit
1)	Salary Expense	6,000	
	Cash		6,000
2)	Accounts Receivable	8,000	
	Revenue		8,000
3)	Cash	8,000	
	Accounts Receivable		8,000
4)	Office Supplies	250	
	Accounts Payable		250
5)	Accounts Payable	250	
	Cash		250
6)	Office Supplies Expense	210	
	Office Supplies		210
7)	Prepaid Rent	15,000	
	Cash		15,000
8)	Rent Expense	10,000	
	Prepaid Rent		10,000
9)	Revenue	40,000	
	Income Summary		40,000



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10)	Income Summary	27,900	
	Salary Expense		24,000
	Supplies Expense		2,300
	Depreciation Expense		1,600
11)	Income Summary	12,100	
	Retained Earnings		12,100
12)	Retained Earnings	2,300	
	Dividends		2,300