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)

 ***TOTAL POINTS (224 points)***

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

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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.

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

**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

**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 |

**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.



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
5. What are total Current Assets? $99,000
6. What are total Plant Assets? $8,000
7. What are total Assets? $107,000
8. What are total Current Liabilities? $31,500
9. What are total Long-term Liabilities? $39,000
10. What is total Stockholders’ Equity? $36,500

**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 |

1. Provide the closing entry for Revenue.
2. Provide the closing entry for Expenses.
3. Provide the closing entry for Income Summary.
4. Provide the closing entry for Retained Earnings.

|  |
| --- |
| **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 |
|  |  |  |  |
|  |  |  |  |
| 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 |