



ADVANCED ACCOUNTING (110)

—Secondary— REGIONAL – 2016

Multiple Choice (20 @ 2 points each)	_____	(40 points)
Short Answer	_____	(50 points)
Problem 1 – Inventory	_____	(27 points)
Problem 2 – Uncollectible Accounts	_____	(30 points)
Problem 3 – Plant Asset Entries	_____	(37 points)
<i>TOTAL POINTS</i>	_____	<i>(184 points)</i>

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

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ANSWER KEY
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Multiple Choice Questions

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



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Short Answer

1. Graders: Contestants may write the classification out in full. Still give them credit for their answer. (1 point – 30 total)

Account	Asset, Liability, Stockholders' Equity, Revenue, Cost, or Expense	Income Statement or Balance Sheet	Normal Balance – Debit or Credit
Preferred Stock	SE	BS	Cr
Accumulated Depreciation	A	BS	Cr
SS Tax Payable	L	BS	Cr
Purchases	C	IS	Dr
Unearned Rent	L	BS	Cr
Merchandise Inventory	A	BS	Dr
Supplies Expense	E	IS	Dr
Dividends - Common	SE	BS	Dr
Truck	A	BS	Dr
Sales Returns	R	IS	Dr

2. (2 points each)

Interest for 2015 \$75.93

Interest for 2016 \$20.32

Maturity Date January 19, 2016

3. (2 points each)

EPS \$1.58

P/E Ratio 14.7 or 14.71



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4. (2 points each)

Gross Profit	<u> \$86,950</u>
Gross Profit %	<u> 40.6%</u>
Net Income after Tax	<u> \$31,305</u>
Ending Retained Earnings	<u> \$104,510</u>
Return on Equity	<u> 13.6%</u>

Problem 1 (27 points – Each answer worth 3 points)

Inventory Costing Method	FIFO	LIFO	Weighted Average
Ending Inventory	\$4,946.85	\$4,766.90	\$4,977.90
Cost of Merchandise Sold	\$7,829.45	\$8,009.40	\$7,798.40
Gross Profit	\$43,670.55	\$43,490.60	\$43,701.60

Problem 2 (30 points)

Grader – Each item in shaded area = 1 point

Customer	Account Balance	Not Yet Due	1-30 days past due	31-60 days past due	61-90 days past due	> 90 days past due
George Smit	410.15		410.15			
Tracy Chan	141.50			141.50		
Marie Rodriguez	1,356.75	920.00		436.75		
Chad Fitters	85.30	85.30				
Katie Reese	589.20				589.20	
Emmanuelle Ruiz	365.24	155.24	210.00			
Jan Pawelski	274.20					274.20
Totals	3,222.34	1,160.54	620.15	578.25	589.20	274.20
Percentages		0.1%	0.5%	1.25%	6.5%	50.0%
Uncollectible	186.89	1.16	3.10	7.23	38.30	137.10

Total Accounts Receivable Balance **\$3,222.34** (3 pts.)

Total Amount of Estimated Uncollectible **\$186.89** (3 pts.)

Account Debited **Uncollectible Accounts Expense** (3 pts.) Amount **\$218.54** (3 pts.)

Account Credited **Allowance for Uncollectible Accounts** (3 pts.) Amount **\$218.54** (3 pts.)



Problem 3 – Journalizing Plant Asset Entries (37 points – 1 point for account and amount, plus 1 point for adjusting entry wording)

General Journal

Date	Description	Doc	Debit	Credit
Apr 25	Equipment	C205	\$2,200	
	Cash			\$2,200
June 10	Depreciation Expense - Furniture	M52	\$500	
	Accumulated Depreciation - Furniture			\$500
June 10	Cash	R107	\$750	
	Accumulated Depreciation - Furniture		\$2,700	
	Loss on Plant Assets		\$50	
	Furnishings			\$3,500
Oct 3	Accumulated Depreciation - Equipment	C347	\$1,100	
	Equipment		\$3,200	
	Equipment			\$2,900
	Cash			\$1,400
Oct 24	Accumulated Depreciation - Equipment	R185	\$8,050	
	Cash		\$2,000	
	Equipment			\$9,500
	Gain on Plant Assets			\$550
	Adjusting Entry			
Dec 31	Depreciation Expense - Equipment		\$266.67	
	Accumulated Depreciation - Equipment			\$266.67