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)

***TOTAL POINTS (184 points)***

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

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*Workplace Skills Assessment Program* competition.

**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

**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**

4. **(2 points each)**

Gross Profit **$86,950**

Gross Profit % **40.6%**

Net Income after Tax **$31,305**

Ending Retained Earnings **$104,510**

Return on Equity **13.6%**

**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** |