



ADVANCED COLLEGE ACCOUNTING (115)

—Post-secondary—

REGIONAL – 2017

Multiple Choice, Matching, & Short Answer Section:

Multiple Choice (15 @ 2 points each)	_____	(30 points)
Matching (8 @ 2 points each)	_____	(16 points)
Short Answer: Income Statement (11 @ 2 points each)	_____	(22 points)

Production Portion:

Job 1: Allowance for Doubtful Accounts (6 @ 2 points each)	_____	(12 points)
Job 2: Aging of Accounts Receivable (9 @ 2 points each)	_____	(18 points)
Job 3: Perpetual LIFO (46 @ 1 point each)	_____	(46 points)
Job 4: Vertical Analysis (16 @ 2 points each)	_____	(32 points)

TOTAL POINTS _____ ***(176 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.

Your name and/or school name must *NOT* appear on any work you submit for grading. Write your contestant number in the upper right-hand corner of each page. Staple all pages in order before you turn in your test!

Round calculations to two decimal places unless instructed otherwise.

Use 360 days for calculating interest.



Part 1: Multiple Choice- 2 points each (30 points).

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

Part 1: Matching- 2 points each (16 points)

1. F
2. D
3. E
4. B
5. A
6. H
7. C
8. G

Part 1: Income Statement Completion (11 @ 2 points each):

Revenues:		
Sales (net)	\$861,200	
Cost of Goods Sold	\$473,660	
Gross Profit		\$387,540
Operating Expenses:		
Salaries Expense	\$167,500	
Rent Expense	\$41,875	
Utilities Expense	\$83,750	
Depreciation Expense	\$41,875	
Total Operating Expenses		\$335,000
Net Income before income tax:	\$52,540	
Income Tax Expense (30%)	\$15,762	
Net Income	\$36,778	



Job #1 (6 @ 2 points each) Allowance for Doubtful Accounts

Determine

A/R		AfDA		Bad Debt Expense	
562000		33560	33120	Beg Bal	
				Write Off	
			2140	Reinstate	
			30800	ADJUST	30800
			32500	End Bal	

(a) **30,800**

(b) $NRV = 562,000 - 32,500 = 529,500$

(c)			
No Points	Bad Debt Expense	30800	
For Date	Allow. For Doubtful Accts		30800

Job #2 (9 @ 2 points each) Allowance for Doubtful Accounts

Age Interval:	A/R Balance:	Percentage:	Amount:
Not past due:	700,000	3.50%	24500.00
1-30 days past due:	46,000	5.00%	2300.00
31-60 days past due:	20,500	10.00%	2050.00
61-90 days past due:	14,640	20.00%	2928.00
91-180 days past due:	4,105	30.00%	1231.50
181-365 days past due:	2,100	50.00%	1050.00
Over 365 days past due:	<u>1,245</u>	95.00%	1182.75
Total:	788,590	XXX	35242.25



Job #3 (46 @ 1 point each) Perpetual LIFO

Beginning inventory, purchases, and sales data for tennis rackets are as follows:

April 3	Inventory		13 units	@	\$35
11	Purchase		12 units	@	\$37
14	Sale		19 units		
21	Purchase		11 units	@	\$41
25	Sale		8 units		

Date	Purchases			Cost of Merchandise Sold			Inventory		
	Qty.	Unit Cost	Total Cost	Qty.	Unit Cost	Total Cost	Qty.	Unit Cost	Total Cost
April 3							13	\$35	\$455
11	12	\$37	\$444				13	\$35	\$455
							12	\$37	\$444
14				12	\$37	\$444	6	\$35	\$210
				7	\$35	245			
21	11	\$41	\$451				6	\$35	\$210
							11	\$41	\$451
25				8	\$41	\$328	6	\$35	\$210
							3	\$41	\$123
Balances						<u>\$1,017</u>			<u>\$333</u>

**Job #4 (16 @ 2 points each)**

**A-1 Corporation
Income Statement
For Year Ended December 31, 2015**

		Vertical Analysis %
Sales (net)	324,000	<u>100.00%</u>
Cost of Goods Sold	<u>186,000</u>	<u>57.41%</u>
Gross Profit	138,000	<u>42.59%</u>
Operating Expenses:		
Salaries Expense	62,000	<u>19.14%</u>
Rent Expense	24,000	<u>7.41%</u>
Utilities Expense	13,500	<u>4.17%</u>
Depreciation Expense	<u>10,600</u>	<u>3.27%</u>
Total Operating Expenses	110,100	<u>33.98%</u>
Income Before Income Taxes		
Taxes	27,900	<u>8.61%</u>
Income Tax Expense	<u>11,160</u>	<u>3.44%</u>
Net Income (Loss)	<u>16,740</u>	<u>5.17%</u>