



ADVANCED COLLEGE ACCOUNTING (115) —Post-secondary— REGIONAL – 2018

Multiple Choice & Short Answer Section:

Multiple Choice (15 @ 2 points each) _____ (30 points)

Short Answer _____ (52 points)

Production Portion:

Problem 1: Journal Entries _____ (30 points)

Problem 2: Closing Entries _____ (20 points)

Problem 3: Income Statement _____ (12 points)

TOTAL POINTS _____ (***144 points***)

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 ninety (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.

Assumptions to make when taking this assessment:

Calculate all calculations to 4 decimals, then round to the nearest dollar or cent.



Multiple Choice: (30 points, 2 each)

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

Short Answer Questions

Short Answer #1 (8 points, 2 points each)

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Month End	INSURANCE EXPENSE	175.00	
	PREPAID INSURANCE		175.00

Short Answer #2 (8 points, 2 points each)

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Month End	PREPAID INSURANCE	525.00	
	INSURANCE EXPENSE		525.00



Short Answer #3 (16 points, 2 points each) Round to the nearest cent.

Term, Rate	Loan Amount	Date Issued	Year End Payment	Interest Paid	Principal Paid
10 year, 6%	\$50,000	01/31/2017	\$5,000	\$2750.00	\$2250.00
6 month, 9%	\$6,000	06/30/2017	<u>Due on 12/31</u>	\$270.00	\$6000.00
20 year, 3.25%	\$110,000	03/31/2017	\$5,000	\$2681.25	\$2318.75
15 year, 4.5%	\$75,000	09/01/2017	\$7,000	\$1125.00	\$5875.00

Short Answer #4 (20 points, 2 points each)

Inventory		COGS	
68,146			
186,535		139,468	
	139,468		
115,213			

Accounts Payable		Retained Earnings	
	13,942		85,450
179,887	186,535		41,230
		12,650	
	20,590		114,030



Problem #1 (30 points, 1 point each account & amount; no points for date)

Jan 2: Purchased \$3,225 in inventory on account.

Jan 6: Purchased \$875 in supplies on account.

Jan 10: Cash sales of \$5,600

Jan 12: Sales on account for \$3,065

Jan 14: Purchased equipment for \$10,000; \$8,000 was taken on note, the rest was paid in cash

Jan 15: Collected cash on account in the amount of \$2,840

Jan 15: Paid \$2,200 to vendors owed

JOURNAL		PAGE 11	
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
2016:JAN2	PURCHASES	3225	
	ACCOUNTS PAYABLE		3225
JAN 6	SUPPLIES	875	
	ACCOUNTS PAYABLE		875
JAN 10	CASH	5600	
	SALES		5600
JAN 12	ACCOUNTS RECEIVABLE	3065	
	SALES		3065
JAN 14	EQUIPMENT	10000	
	NOTE PAYABLE		8000
	CASH		2000
JAN 15	CASH	2840	
	ACCOUNTS RECEIVABLE		2840
JAN 16	ACCOUNTS PAYABLE	2200	
	CASH		2200



Problem #2 (20 points, 1 point each account & amount)

Record the closing entries for Felix Company at December 31, 2017. *Use Retained Earnings as your Equity account. Do not skip any lines in journal.*

Sales Revenue	\$65,745
Supplies Expense	\$832
Utilities Expense	\$1,540
Salaries Expense	\$32,088
Unearned Revenue	\$3,400
Interest Revenue	\$132
Office Expense	\$1,750
Cash Dividends	\$2,000

	JOURNAL		PAGE 110
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
2016, DEC31	SALES REVENUE	65745	
	INTEREST REVENUE	132	
	RETAINED EARNINGS		65877
DEC 31	RETAINED EARNINGS	36210	
	SUPPLIES EXPENSE		832
	UTILITIES EXPENSE		1540
	SALARIES EXPENSE		32088
	OFFICE EXPENSE		1750
DEC 31	RETAINED EARNINGS	2000	
	CASH DIVIDENDS		2000



Problem #3 (12 points, 2 points each)

Complete the following Income Statement with the missing amounts for the first year of operations for Skill Corporation.

Additional information: dividends declared and paid were \$30,400. Gross profit is 40%. 100,000 shares of common stock were outstanding throughout the year.

**SKILL CORPORATION
INCOME STATEMENT
DECEMBER 31, 2017**

Sales Revenue		400,000
Sales Discounts	22,000	
Sales Returns	<u>11,500</u>	
Net Sales		<u>366500</u>
 COGS		 <u>219900</u>
Gross Profit		<u>146600</u>
 Operating Expenses		
Salaries	<u>39411</u>	
Utilities	32,655	
Supplies	14,277	
Insurance	<u>8,345</u>	
Total Operating Expenses		<u>94,688</u>
 Net Income (Loss)		 <u>51912</u>
 Earnings Per Share		 <u>\$.52</u>