**UIL ACCOUNTING**

**Invitational 2013-A**

**Group 1**

**For items 1 through 8 indicate whether the account is a real or nominal account.**

**Use the code: R = real N = nominal**

1. Jamie Probst, Capital

2. Accounts Receivable

3. Cash in Bank

4. Jamie Probst, Drawing

5. Sales Taxes Payable

6. Sales

7. Purchases

8. Merchandise Inventory

**Group 2**

An individual started a new business on May 1, 2009. At that time the individual invested his personal life savings in the business. In 2009 revenues were $43,789, expenses were $61,795, and there were no owner withdrawals.

In 2010 the owner made an additional capital contribution of $15,000 and made no withdrawals. Total revenues for 2010 were $152,697 and expenses were $146,987.

In 2011 the owner made no additional contributions of capital. Total revenues for 2011 were $267,850 and expenses were $201,387. During 2011 the owner withdrew $25,000.

In 2012 the owner made no additional contributions of capital. Total revenues for 2012 were $371,867 and expenses were $294,311. The owner determined from the financial statements that his original investment in 2009 was finally indicating a high rate of return on his investment so he withdrew $90,000 for personal use. The ending capital account balance on December 31, 2012 after closing entries were posted was $89,218.

**For question #9, write the correct amount on your answer sheet.**

\*9. What was the amount of the owner’s original investment in the business in 2009?

**Group 3**

**For items 10 through 13, write the correct amount on your answer sheet. None of the owners invested additional capital in their respective businesses during the time period shown.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company**  **Name** | **Ending**  **Amt. of**  **Assets** | **Ending**  **Amt. of**  **Liabilities** | **Beginning Amt. of Owner’s Equity** | **Withdrawals for the period** | **Revenue for the period** | **Expenses for the period** |
| Alvin Co. | 32,414 | 27,482 | 15,749 | 8,500 | Q#10 | 34,782 |
|  |  |  |  |  |  |  |
| Theodore Co. | 87,269 | 39,400 | Q#11 | 15,790 | 63,729 | 40,916 |
|  |  |  |  |  |  |  |
| Simon Co. | **\***Q#12 | 27,416 | 35,438 | 25,800 | 96,723 | **\***Q#13 |
|  | **Simon Company’s total owner’s equity after closing net income but before closing withdrawals is $84,819.** | | | | | |

**Group 4**

**For items 14 through 22, indicate the location where each is written on a balance sheet in account form illustrated below. Write the correct identifying letter on your answer sheet.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A** | | | | | | | | | | | | | | | | |
| **B** | | | | | | | | | | | | | | | | |
| **C** | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
|  | **D** |  |  |  |  |  |  |  | **I** |  |  |  |  |  |  |  |
|  | **E** |  | **G** |  |  |  |  |  | **J** | **O** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **K** | **P** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **L** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **M** | **Q** |  |  |  |  |  |  |
|  | **F** |  | **H** |  |  |  |  |  | **N** | **R** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

14. Words Total Liabilities and Owner’s Equity 19. Title of each liability

15. Section heading Owner’s Equity 20. Words Total Assets

16. Words Total Liabilities 21. Amount of capital

17. Specific date of financial statement 22. Amount of each asset item

18. Total amount of liabilities

**Group 5**

**Write the identifying letter of the best term (items A through Z) to match to the descriptions in questions 23 through 34.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A** | **annul** |  | **N** | **payor** |
| **B** | **blank endorsement** |  | **O** | **postdated check** |
| **C** | **canceled check** |  | **P** | **receiver** |
| **D** | **credit card** |  | **Q** | **reject** |
| **E** | **debit card** |  | **R** | **repudiated check** |
| **F** | **dishonored check** |  | **S** | **restraining endorsement** |
| **G** | **drawee** |  | **T** | **restrictive endorsement** |
| **H** | **drawer** |  | **U** | **special endorsement** |
| **I** | **impeded payment** |  | **V** | **stop payment order** |
| **J** | **impending check** |  | **W** | **unique endorsement** |
| **K** | **irrecoverable check** |  | **X** | **unresolved check** |
| **L** | **outstanding check** |  | **Y** | **vacant endorsement** |
| **M** | **payee** |  | **Z** | **void** |

23. An endorsement indicating a new owner of a check

24. A check that contains errors must be marked with this word so that others will know

it is not to be used

25. The bank on which the check is written

26. A bank card that, when making purchases, automatically deducts the amount of the

purchase from the checking account of the cardholder.

27. A check returned by the bank with the word “paid” and the date of payment

28. An endorsement consisting only of the endorser’s signature

29. A check that has been written but has not yet been presented to the bank for

payment

30. An endorsement that limits use of the check to whatever purpose is stated in the

endorsement.

31. The person or business to which a check is written

32. A check that a bank refuses to pay

33. A check with a future date on it (upper right-hand corner on the face of the check)

34. A demand by the drawer that the bank not honor a certain check

**Group 6**

**Reconcile the bank statement using the following T-account form. (The form will not be reviewed by graders.) Then answer questions 35 and 36.**

|  |  |  |  |
| --- | --- | --- | --- |
| Ben’s Skate Shop | | | |
| Bank Reconciliation | | | |
| December 31, 2012 | | | |
| Bank Statement Balance, 12/29 |  | Checkbook Balance, 12/31 |  |
| Add: |  | Add: |  |
|  |  |  |  |
| Deduct: |  | Deduct: |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

On December 31, Ben received the company bank statement dated Dec. 29 and reviewed it along with other accounting records and found the following facts:

1. The ending bank balance was $234.63

2. The checkbook balance on Dec. 31 before reconciliation was $4,399.45

3. The following checks were written in November, were outstanding in November,

and still did not appear on this bank statement:

check #6042…$2,468.74 check #6048…$18.00

4. The following checks were written in December and did not appear on this bank

statement: check #6118…$367.41 check #6121…$7.32

check #6120…$749.73 check #6122…$320.00

5. The bank charged $27.45 for the month’s service charge

6. A check in the amount of $147.50 from Betty Ford that Ben deposited on Dec. 20 was

returned by the bank for insufficient funds. The bank charged Ben’s account $18.50 for

handling the NSF check. No journal entry has been made yet by Ben for the NSF check

or its related fee.

7. A deposit of $8,349.67 made on Dec. 30 does not appear on the bank statement.

8. A check Ben wrote in early December for $865 made out to Fast Rolling Supply was lost

in the mail and never found. Ben requested a stop payment order, which cost $25

and was issued by Ben’s bank on Dec. 29. Ben needs to record this fee and the

voided check in the checkbook. He plans to write a replacement check on Jan. 2.

9. Ben’s review of the bank statement reminded him that he had used the debit card

on this account to make a $45 payment at the post office and forgot to record it in

the company checkbook.

10. The bank statement revealed an electronic funds transfer to a vendor for $347.90 that Ben

forgot to record in the company checkbook. This forgetfulness caused him to schedule a

long-overdue family vacation.

**For questions 35 and 36 write the correct amount on your answer sheet.**

35. What is the total of the deductions listed on the checkbook side of the T account

form?

\*36. What is the reconciled bank balance as of December 31, 2012?

**Group 7**

**Princess Toadstool owed the three suppliers $74,650 as of December 31, 2012, and one of these was Luigi Company for $41,475. On January 31, 2013 the balance of the controlling account for Accounts Payable had decreased by $5,210 since the beginning of the month.**

**From Princess Toadstool’s**

**General Ledger**:

**Accounts Payable**

|  |  |
| --- | --- |
|  | (01-01-13) |
|  |  |
| (Jan 2013)\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_ (Jan 2013) |
|  |  |
|  | (01-31-13) |
|  |  |

**Princess Toadstool’s Accounts Payable Subsidiary Ledger:**

**Luigi Company Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 01-01-13 |  |  | ? |
| Jan 2013 | 35,695 | 32,750 | ? |

**Mario Bros. Co. Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 01-01-13 |  |  | ? |
| Jan 2013 | ? | 41,790 | ? |

**Bowser Koopa Co. Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 01-01-13 |  |  | ? |
| Jan 2013 | 8,370 | 10,085 | 26,480 |

**For questions 37 through 39, write the correct amount on your answer sheet. All three of these questions examine the subsidiary account of Mario Bros. Co.:**

37. What was the balance of the account on 12-31-12?

\*38. What was the balance of the account on 1-31-13?

39. How much did Princess Toadstool pay to Mario Bros. Co. on account in the month

of January?

**Group 8**

**Below are selected accounts from the general ledger of DOTCOM for the ten months ended October 31, 2012. Sales taxes collected in a given month are paid to the state by the 20th of the following month along with a sales report. All sales made by DOTCOM are taxable by the state. It is company policy to close the temporary accounts only at the end of the fiscal year, which is December 31.**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cash** | |  | **Accounts Receivable** | |  | **Sales Tax**  **Payable** | |  | **Sales** | |
| **1,685** |  |  | **1,296** |  |  |  | **496** |  |  | **57,430** |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |

**Analyze the following transactions using the T accounts (which will not be reviewed by the graders.) Add 8% sales tax to each sale. (In the following transactions that involve sales of merchandise, the amounts given are the selling prices only.)**

Nov 2 Recorded bank credit card sale of $725 to Dixie Furhman.

Nov 6 Sold merchandise on account to Jennifer Gables $650.

Nov 12 Sold merchandise on account to Maddie Alderson $2,600.

Nov 19 Paid sales taxes collected in October to the state of Texas.

Nov 20 Received $810 on account from George Whitson.

Nov 21 Recorded cash sale to Susan Poole $425.

Nov 27 Recorded bank credit card sale of $3,500 to Mitt O’Rommel.

**For questions 40 through 43, write the correct amount on your answer sheet.**

\*40. What is the amount of sales that should appear on an Income Statement for the

month of November?

41. In the month of November what was the total amount of all debits to Accounts

Receivable?

42. On November 30, what amount is owed to the state of Texas?

\*43. In the month of November what was the total amount of all debits to the Cash

account?

**Group 9**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **PETTY CASH REPORT** | | | | | | | |
|  | | | | | | | |
| **Date:** | | December 31, 2012 | **Custodian: Emily Post** | | | | |
| **Replenish** | | | | | | | |
| **Explanation Reconciliation Amount** | | | | | | | |
| Fund total |  | | |  | 250.00 |  |  |
| Payments: |  | | |  |  |  |  |
|  | Supplies | | |  |  |  |  |
|  | Postage | | | 90.00 |  |  |  |
|  | Miscellaneous | | | 16.85 |  |  |  |
|  |  | | |  |  |  |  |
| Less: | Total payments | | |  |  |  |  |
| Equals: | Recorded amount on hand | | |  |  |  |  |
| Less: | Actual amount on hand: | | |  |  |  |  |
|  | one $10 bill; two $5 bills; five $1 bills | | |  |  |  |  |
|  | four quarters; one dime; one nickel; | | |  |  |  |  |
|  | and three pennies | | |  |  |  |  |
| Equals: | Cash short or over?\_\_short\_ | | |  | .56 |  |  |
| **Amount to replenish** | | | |  |  |  |  |

**For questions 44 and 45, write the correct amount on your answer sheet.**

44. What is the amount to replenish?

\*45. What was the amount spent for supplies?

**Group 10**

**Refer to Table 1 on page 11. For questions 46 through 50, write the correct amount on your answer sheet.**

What was the balance of each of the following on January 1, 2012?

46. Supplies \*49. Sally Morgan, Capital

47. Prepaid Insurance 50. Sally Morgan, Drawing

48. Merchandise Inventory

**Group 11**

**Refer to Table 1. For questions 51 through 59, on your answer sheet write “true” if the answer is true; write “false” if the answer is false.**

51. The amount $735 on the line for Income Summary resulted from a closing entry.

52. Insurance expense for the year 2012 consists of the amount of prepaid insurance

premiums on January 1, 2012 plus eight-twelfths of the premium paid on 5-1-12.

53. The amount of supplies used during 2012 was $3,795.

54. An adjusting entry resulted in an increase to Cash.

**Group 11 continued**

55. The amount of insurance that should be reported as an asset on the Balance Sheet

dated December 31, 2012 is $840.

56. The physical inventory of supplies on hand on December 31, 2012 was $945.

57. Merchandise Inventory decreased from January 1, 2012 to December 31, 2012.

58. The gift from Sally’s aunt is the main reason the owner’s drawing account has a

balance of $10,200 (because when the deposit was made, Drawing was credited).

59. Total Expenses on the Income Statement for the twelve months ending

December 31, 2012 equal $37,115.

**Group 12**

**Refer to Table 1. For questions 60 through 74, write the identifying letter of the best response on your answer sheet.**

60. The first line of the heading on a work sheet includes

A. the words “Work Sheet”

B. the date of the workpaper

C. the name of the business

61. The heading of a work sheet includes a

A. specific date or point in time

B. date that describes a period of time

62. The insurance premium that was paid on 5-1-12 was posted to the general ledger

with a posting date of May 1, 2012

A. in the asset account called Prepaid Insurance in the debit column

B. in an expense account called Insurance Expense in the debit column

C. in the asset account called Prepaid Insurance in the credit column

D. in an expense account called Insurance Expense in the credit column

63. Which of the following statements is false?

A. The balance of the Merchandise Inventory account in the general ledger on

January 1, 2012 was $18,430.

B. Until the adjusting entries are journalized and posted, Merchandise Inventory will

continue to have a general ledger balance of $18,430.

C. The clerk who performed the physical inventory of the merchandise in the store

on December 31, 2012 determined the correct amount of merchandise

inventory to be $18,430.

D. The adjustment for merchandise inventory on December 31, 2012 requires a

debit to the asset account called Merchandise Inventory.

64. The first closing entry includes a

A. credit to Income Summary for $51,000

B. credit to Income Summary for $51,735

C. debit to Sales for $51,735

D. credit to Sally Morgan, Capital for $51,000

**Group 12 continued**

65. The second closing entry includes a

A. debit to Sally Morgan, Capital for $43,300

B. debit to Income Summary for $37,115

C. credit to Income Summary for $37,115

D. debit to Income Summary for $43,300

66. To close the drawing account

A. debit Income Summary for $10,200

B. credit Sally Morgan, Drawing for $10,200

C. debit Sally Morgan, Capital for $10,200

D. both A and B are correct

E. both B and C are correct

67. The only remaining closing entry of a temporary capital account requires a

A. debit to Income Summary

B. debit to Sally Morgan, Capital

C. credit to Sally Morgan, Drawing

D. credit to Income Summary

E. Both A and C are correct

\*\*68. The balance of the capital account on the Post-Closing Trial Balance dated

December 31, 2012 is

A. $42,920 B. $48,655 C. $50,420 D. $54,840 E. $58,855

69. On the line for Insurance Expense on the work sheet, the amount in the Adjusted

Trial Balance column represents the value of insurance

A. in force at the beginning of the fiscal period

B. bought during the fiscal period

C. available during the fiscal period

D. used during the fiscal period

E. still in force at the end of the fiscal period

70. On the line for Supplies on the work sheet, the amount in the Trial Balance column

represents the value of supplies

A. on hand at the beginning of the fiscal period only

B. bought during the fiscal period only

C. available during the fiscal period

D. still on hand at the end of the fiscal period

\*71. If the accountant fails to adjust the supplies account, it will result in an

A. understatement of liabilities

B. overstatement of expenses

C. overstatement of assets only

D. overstatement of assets and ending owner’s capital

**Group 12 continued**

**For questions 72 through 74 consider the Income Statement for the twelve months ending December 31, 2012.**

72. The Cost of Merchandise Available for Sale is

A. $21,420 B. $29,580 C. $30,315 D. $48,745 E. $49,480

73. The Cost of Merchandise Sold is

A. $29,580 B. $31,050 C. $48,745 D. $49,480 E. $51,000

\*74. The amount of Gross Profit is

A. $13,885 B. $19,950 C. $21,420 D. $20,685 E. $29,580

**Group 13**

**Refer to Table 1. The following chart represents the bottom three lines of selected columns on the completed work sheet: subtotals before net income or net loss is calculated; the line for net income or net loss; and the line for the respective balancing totals for the income statement columns and the balance sheet columns.**

**For each of the questions 75 through 78 (found in the chart below), write the correct amount on your answer sheet.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Income Statement** | | **Balance Sheet** | |
|  | **Debit** | **Credit** | **Debit** | **Credit** |
| **Subtotals** | \*#75 | \*#76 | \*#77 | \*#78 |
| **Net Income or <Net Loss>** | Red | Yellow | Blue | Green |
| **Totals** |  |  |  |  |

**For questions 79 and 80, write the identifying letter of the best response on your answer sheet.**

\*\*79. What is the amount of net income for the year?

A. $8,435 B. $13,885 C. $14,620 D. $21,420 E. $51,000

\*80. After the net income is calculated, indicate in which columns of the work sheet the

amount would appear in the chart above using colors as indicators.

A. Blue Green B. Blue Yellow C. Red Yellow D. Red Green

**This is the end of the exam. Please hold your exam and answer sheet until the contest director asks for them. Thank you.**

***Table 1***

**(for questions 46 through 80)**

**A company owned by Sally Morgan has the following unadjusted and adjusted trial balances as of December 31, 2012.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unadjusted** | |  | **Adjusted** | |
|  | **Trial Balance** | |  | **Trial Balance** | |
|  | **Debit** | **Credit** |  | **Debit** | **Credit** |
| **Cash** | **3,455** |  |  | **3,455** |  |
| **Supplies** | **4,670** |  |  | **945** |  |
| **Prepaid Insurance** | **3,300** |  |  | **840** |  |
| **Merchandise Inventory** | **18,430** |  |  | **19,165** |  |
| **Equipment** | **32,500** |  |  | **32,500** |  |
| **Accounts Payable** |  | **8,250** |  |  | **8,250** |
| **Sally Morgan, Capital** |  | **50,420** |  |  | **50,420** |
| **Sally Morgan, Drawing** | **10,200** |  |  | **10,200** |  |
| **Income Summary** |  |  |  |  | **735** |
| **Sales** |  | **51,000** |  |  | **51,000** |
| **Purchases** | **30,315** |  |  | **30,315** |  |
| **Rent Expense** | **4,690** |  |  | **4,690** |  |
| **Utilities Expense** | **1,570** |  |  | **1,570** |  |
| **Advertising Expense** | **540** |  |  | **540** |  |
| **Supplies Expense** |  |  |  | **3,725** |  |
| **Insurance Expense** |  |  |  | **2,460** |  |
| **Subtotals** | **109,670** | **109,670** |  | **110,405** | **110,405** |

**Company Policies:**

* The temporary capital accounts are closed only at the end of the fiscal year, which is December 31.
* The first two steps (there are four steps) of the closing process include:

1. close all revenue accounts in one combined entry

2. close all expense and cost of merchandise accounts in one combined entry

**Information Found in the General Ledger:**

* Sally’s aunt gave her a cash gift of $7,500 on July 15, 2012, which Sally deposited to her business bank account and treated it as a capital contribution.
* Supplies purchased throughout the year 2012 totaled $3,795
* The only insurance premium paid during 2012 was on May 1 for $2,520, which was a twelve-month policy