**UIL ACCOUNTING**

**Invitational 2014-A**

**Group 1**

**For questions 1 through 5 indicate the increase side of each of the following by writing on your answer sheet either DR for debit or CR for credit.**

1. Fees Income

2. Accounts Receivable

3. Jeremy Teague, Drawing

4. Purchases Returns & Allowances

5. Sales Tax Payable

**Group 2**

**For questions 6 through 11 indicate the decrease side of each of the following by writing on your answer sheet either DR for debit or CR for credit.**

6. Prepaid Insurance

7. Accounts Payable

8. Sales Discounts

9. Merchandise Inventory

10. Repairs Expense

11. Jeremy Teague, Capital

**Group 3**

**At the beginning of the fiscal year 2013, Gabriel Company’s assets were $72,495. During the year, assets decreased by $10,068 and liabilities increased by $8,456. At the end of the year, liabilities totaled $44,874. The owner made withdrawals of $3,000, and invested $5,000 in the business during the year.**

**For questions 12 through 14, write the correct amount on your answer sheet. (A net loss must be indicated on your answer sheet either in brackets or in parentheses. A minus sign is NOT acceptable.)**

12. What was the total owner’s equity at the beginning of the year?

13. What was the total owner’s equity at the end of the year?

14. What was the amount of net income or net loss for the year?

**Group 4**

**For question #15, write the identifying letter of the best response on your answer sheet.**

\*15. For a purchase made on account on November 3, 2013 with terms of 2/15, n/30,

the payment amount of $5,292.06 would be the correct net amount for which of the

following? (Round each calculation to the nearest cent.)

**Gross Sale Shipping Payment Date**

A. $5,247.00 $150 FOB shipping November 18, 2013

B. $5,400.06 $150 FOB destination November 17, 2013

C. $5,292.06 $150 FOB shipping November 20, 2013

D. only A and B

E. only A, B, and C

**Group 5**

**Reconcile the bank statement using the following T-account form. (The form will not be reviewed by graders.) Then answer questions 16 and 17.**

|  |  |  |  |
| --- | --- | --- | --- |
| Betty’s Bakery | | | |
| Bank Reconciliation | | | |
| December 31, 2013 | | | |
| Bank Statement Balance, 12/29 |  | Checkbook Balance, 12/31 |  |
| Add: |  | Add: |  |
|  |  |  |  |
| Deduct: |  | Deduct: |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

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

* The ending bank balance was $7,429.16
* The checkbook balance on Dec. 31 before reconciliation was $8,208.88
* The following checks were written in November, were outstanding in November,

and still did not appear on this bank statement:

check #1398…$82.75

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

statement: check #1402…$143.18 check #1403…$ ????

* The bank charged $12.50 for the month’s service charge
* A check in the amount of $150.00 from Alice Moyer that Betty deposited on Dec. 26

was returned by the bank for insufficient funds. The bank charged Betty’s account

$14.00 for handling the NSF check. No journal entry has been made yet by Betty

for the NSF check or its related fee.

* A deposit of $850.49 made on Dec. 30 does not appear on the bank statement.

**For questions 16 and 17 write the correct amount on your answer sheet.**

16. What is the reconciled bank balance as of December 31, 2013?

\*17. What is the amount of check #1403?

**Group 6**

**The following T-account summarizes the activity for fiscal year end December 31, 2013 for a business that started in 2001. Revenues for 2013 were $146,980 and expenses were $111,980. The owner made one investment in the business during 2013 and also made withdrawals.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Debbie Lincoln, Capital** | |  |  |
|  | **87,692** |  | | |
|  | **25,000** |  | | |
|  | **112,692** | ***(footing before closing entries)*** | | |
| **15,000** | **??** |  | | |
|  |  |  | | |
|  | **??** | ***(footing after closing entries)*** | | |

**For questions 18 through 24, write the identifying letter of the correct answer on your answer sheet using the following choices. A choice may be used more than once.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A. none** |  | **D. $35,000** |  | **G. $111,980** |
| **B. $15,000** |  | **E. $87,692** |  | **H. $112,692** |
| **C. $25,000** |  | **F. $97,692** |  | **I. $146,980** |

18. the amount of capital that would be found in the unadjusted trial balance column of

the work sheet for 2013

19. net loss for 2013

20. the amount of capital on January 1, 2013

21. the amount of owner withdrawals for 2013

22. the amount of capital extended to the balance sheet credit column of the work sheet

for 2013

23. the amount of owner investments made in 2013

24. the resulting amount of owner investments, owner withdrawals, net profits, and net

losses from years prior to 2013

**Continue to use the information above. For questions 25 and 26, write the correct amount on your answer sheet.**

25. What is the amount of the net income for 2013?

26. What is the amount of ending capital that would be found on the balance sheet for

December 31, 2013

**Group 7**

**Use the following information to answer questions 27 through 32. Write the identifying letter of the best response on your answer sheet.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sales | 91,695 |  | Sales Discounts | 2,798 |
| Transportation In | 2,447 |  | Purchases Returns | 1,430 |
| Net Sales | 87,432 |  | Ending Inventory | 9,180 |
| Sales Returns | ? |  | Beginning Inventory | ? |
| Purchases | 55,413 |  | Purchases Discounts | 3,040 |
| Gross Profit | 34,972 |  |  |  |

27. The amount of sales returns is:

A. zero D. $2,798

B. $1,430 E. $2,930

C. $1,465 F. $7,061

28. The amount of net purchases is:

A. $48,496 D. $53,390

B. $49,575 E. $55,413

C. $50,943 F. $57,860

\*29. The amount of cost of delivered merchandise is:

A. $50,943 D. $53,390

B. $52,460 E. $57,860

C. $52,966 F. $61,640

30. The amount of cost of merchandise sold is:

A. $34,972 D. $51,127

B. $50,013 E. $52,460

C. $50,990 F. $61,675

\*\*31. The amount of beginning inventory is:

A. $ 8,118 D. $10,697

B. $ 8,250 E. $11,048

C. $10,110 F. $13,144

\*32. The amount of cost of merchandise available for sale is:

A. $44,152 D. $59,193

B. $52,460 E. $61,508

C. $56,746 F. $61,640

**Group 8**

**For items 33 through 38, match each item to the correct acronym in the following list by writing the best identifying letter on your answer sheet. (Some acronyms are specifically identified for clarity.)**

**A. BOFAS (Board of Financial Accounting Standards)**

**B. CIA (Certified Inside Accountant)**

**C. COA (Certified Outside Accountant)**

**D. CSCB (Corporate Stock Control Board)**

**E. CMA**

**F. CPA**

**G. FASB (Financial Accounting Standards Board)**

**H. FTCA (Federal Tax Collection Agency)**

**I. GAAP**

**J. IRS**

**K. SEC**

33. This board was established in 1973 to develop financial accounting standards for

businesses.

34. Collects federal taxes and enforces federal tax laws.

35. These principles are the foundation for all accounting procedures and practices.

36. A certificate that shows an accountant passed an examination that included such

management topics as determining the cost of products, preparing budgets, and

providing information to a business’s managers.

37. This state license refers to accountants who provide services to various clients on a

fee basis.

38. Established by Congress in 1934 to regulate the sale of stock certificates to the

general public.

**Group 9**

**The following chart correctly summarizes the activity in the petty cash fund of a business for four months although much of the information is missing. All vouchers were prepared correctly and according to company policies. The company reconciles petty cash on the last day of each month and has always maintained a $200 balance in the account until May 15th when the company increased the fund by $50.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Actual Cash** | **Cash** | **Amount** |
|  | **Vouchers** | **Before** | **Over** | **Needed to** |
| **Month** | **Totaling** | **Replenishment** | **<Short>** | **Replenish** |
| **Mar 31** |  |  | **<.85>** | **180.28** |
| **Apr 30** |  | **16.45** | **.60** |  |
| **May 31** |  | **46.92** | **<1.34>** |  |
| **June 30** |  |  | **1.30** | **214.60** |

**For questions 39 and 40, write the identifying letter of the best response on your answer sheet.**

39. The check needed to replenish petty cash on May 31 is

A. $46.92 B. $153.08 C. $154.82 D. $201.74 E. $203.08

\*40. The vouchers for the months of March through June added together equal

A. $780.93 B. $781.22 C. $781.51 D. $781.80

**Group 10**

**The work sheet for a sole proprietorship service business was prepared for the year ending December 31, 2013. The known subtotals on the work sheet before the net income (or loss) is calculated are as follows:**

|  |  |
| --- | --- |
| **Income Statement Credit** | **59,430** |
| **Balance Sheet Debit** | **92,760** |
| **Balance Sheet Credit** | **94,650** |

**For questions 41 through 46 write the identifying letter of the best response on your answer sheet.**

41. The amount of $59,430 (from the chart above) in theory represents

A. liabilities only

B. liabilities plus owner’s equity as of 1-1-13 plus any owner investments made

during the year 2013

C. all revenue

D. all of the owner’s equity plus all revenue

E. all of the owner’s equity only

42. The amount of $92,760 (from the chart above) in theory represents

A. assets only

B. assets plus owner’s withdrawals

C. assets plus owner’s withdrawals plus expenses

D. assets less net income

E. liabilities plus the 1-1-13 capital plus owner investments made during 2013

43. The amount of $94,650 (from the chart above) in theory represents

A. liabilities plus owner’s equity as of 1-1-13 only

B. liabilities only

C. owner’s equity as of 1-1-13 only

D. liabilities plus owner’s equity as of 1-1-13 plus any owner investments made

during the year 2013

E. liabilities and owner’s equity as of 12-31-13 after all closing entries

44. What is the amount of net income or net loss?

A. $1,890 B. $8,820 C. $33,330 D. $35,220 E. $61,320

45. On this particular work sheet the net income/loss will be written in which two

columns?

A. Income Statement Debit and Balance Sheet Debit

B. Income Statement Credit and Balance Sheet Credit

C. Income Statement Credit and Balance Sheet Debit

D. Income Statement Debit and Balance Sheet Credit

\*46. What is the total expense for 2013?

A. $57,540 B. $59,430 C. $61,320 D. $63,210

**Group 11**

**Use the following information to answer questions 47 and 48.**

**On a given balance sheet, total assets were $115,865 and liabilities were $25,468.**

**The following errors and omissions were made by the accountant:**

**1. Charge sales of $1,500 were not recorded.**

**2. The invoice for repairs expense on account $650 was lost in the mail and**

**was not recorded.**

**3. The accountant misread the insurance policy term, which caused**

**Prepaid Insurance to be understated by $265.**

**4. The accountant failed to take an inventory of office supplies, which**

**caused the Office Supplies account to be overstated by $1,418.**

**5. The physical count of ending merchandise inventory was overstated by**

**$3,850.**

**For question #47, write the identifying letter of the best response on your answer sheet.**

\*47. These combined errors will cause the following sections of the UNCORRECTED

balance sheet to be:

**Total Assets** **Total Liabilities** **Owner’s Equity**

A. correctly stated correctly stated correctly stated

B. understated correctly stated understated

C. overstated understated overstated

D. understated understated understated

E. overstated overstated overstated

**For question #48, write the correct amount on your answer sheet.**

\*48. What is the amount of capital on the CORRECTED balance sheet?

**Group 12**

**Mike Clark owns Graphics Design Services which offers website design and graphics services (the making of posters and other signs) to the public. Mike started his business on June 1, 2013 when he invested cash of $5,000 and computer equipment with a current fair market value of $2,000. The opening entry was correctly recorded.**

**His fiscal year ends December 31, at which time adjusting entries and financial statements will be prepared for the year. Regular operating transactions are journalized daily and posted no less often than monthly. Mike hopes to pay off a substantial amount of his liabilities by the end of the year, so on November 12, 2013 he invested an additional amount of cash into his business.**

**Table 1 on pages 11 and 12 shows his unadjusted trial balance as of November 30, 2013 and his transactions for the month of December 2013. All accounts have normal balances. Additional information is provided including data needed for end of year adjusting entries.**

**Company procedure is to record purchases of supplies and insurance in asset accounts and adjust for ending supplies on hand and unexpired insurance at the end of the fiscal year.**

**For questions 49 through 58, indicate for the transaction numbers listed below the debit and credit part of each transaction. Write the correct chart of accounts number (shown in Table 1) on your answer sheet.**

|  |  |  |
| --- | --- | --- |
| **Trans. #** | **DEBIT** | **CREDIT** |
| 3 | 49. | xxx |
| 5 | 50. | 51. |
| 6 | 52. | 53. |
| 10 | xxx | 54. |
| 12 | 55. | 56. |
| 19 | 57. | xxx |
| 20 | xxx | 58. |

**For questions 59 through 67 use the above data and Table 1. Consider in each case that all the transactions for December 2013 have been journalized and posted correctly. Write the identifying letter of the best answer on your answer sheet.**

59. The opening entry on June 1, 2013 when Mike started his new business had the

following effects on the accounting equation:

**Assets** **Liabilities** **Owner’s Equity**

1. increase no change decrease
2. increase increase increase
3. decrease no change increase
4. increase no change increase

**Group 12 continued**

60. Mike purchased insurance on June 1, 2013 and recorded the transaction correctly

in the journal. For this question only, if Mike had incorrectly recorded the purchase

of insurance directly to an expense account, what would be wrong with the following

items on the unadjusted trial balance?

**Assets** **Revenue** **Expense**

A. understated understated not affected

B. understated not affected overstated

C. overstated not affected overstated

D. understated overstated understated

61. Transaction #13 had the following effects on the accounting equation:

**Assets** **Liabilities** **Owner’s Equity**

A. decrease no change increase

B. decrease decrease no change

C. decrease no change decrease

D. increase decrease decrease

62. Transaction #17 had the following effects on the accounting equation:

**Assets** **Liabilities** **Owner’s Equity**

A. increase no change increase

B. no overall effect no change increase

C. no overall effect no change no change

D. no overall effect increase increase

63. Transaction #26 had the following effects on the accounting equation:

**Assets** **Liabilities** **Owner’s Equity**

A. decrease no change decrease

B. decrease decrease no change

C. decrease increase no change

D. no change decrease increase

\*64. The balance of Office Supplies on the unadjusted trial balance for 12-31-13 is

A. zero B. $260 C. $265 D. $940 E. $945 F. $1,205

\*65. Accounts Payable on December 31, 2013 consisted of:

A. $2,850 owed to Furniture Depot

B. $6,250 owed to Best Computer Store

C. $7,500 owed to Leigh Healthcare

D. none of the above

\*66. The total of all the expenses shown in the unadjusted trial balance of the worksheet

for the year ended December 31, 2013 is equal to:

A. $9,340 B. $11,819 C. $13,444 D. $14,129 E. $14,885 F. $15,455

\*67. What amount of computer equipment was purchased after the opening entry and

prior to December 1, 2013?

A. zero B. $2,500 C. $3,100 D. $5,600 E. $5,700 F. $12,500 G. $18,200

**Continue using the previous data in Group 12 and Table 1. Consider in each case that adjusting entries have been journalized and posted. Closing entries have not been prepared. For items 68 through 71, write True if the statement is true; write False if the statement is false.**

68. The expired insurance for 2013 is $2,030 and is found in the Insurance Expense

account.

69. The amount of insurance premiums that represents all insurance coverage for

January 1, 2014 and beyond is $2,271.

70. The adjusting entry for office supplies includes a credit to Office Supplies for $945.

71. On the work sheet for the year ended December 31, the total of the unadjusted trial

balance debit column is $71,880.

**Continue using the above data in Group 12 and Table 1. Consider in each case that financial statements have been prepared and that closing entries have been journalized and posted. For questions 72 through 80 write the correct amount on your answer sheet.**

\*72. What was the amount of the owner’s investment on November 12, 2013?

73. What was the amount that affected Income Summary in the first closing entry?

74. What was the amount that affected Income Summary in the second closing entry?

75. What is the amount that affected Income Summary in the third closing entry?

\*76. What is the amount that affected Income Summary in the fourth closing entry?

\*\*77. What is the balance of the capital account on the Post-Closing Trial Balance dated

December 31, 2013?

\*78. What is the balance in the Cash account on the Post-Closing Trial Balance dated

December 31, 2013?

\*79. What is the amount of total assets on the Balance Sheet dated December 31, 2013?

80. What is the amount of total liabilities on the Balance Sheet dated December 31,

2013?

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

***TABLE 1***

**(This table consists of pages 11 and 12.)**

**(for questions 49 through 80)**

**Graphics Design Services**

Trial Balance

November 30, 2013

|  |  |  |
| --- | --- | --- |
| **Acct #** | **Account Title** | **Amount** |
| 110 | Cash | 17,990 |
| 120 | Accounts Receivable—Leigh Healthcare | 1,420 |
| 125 | Accounts Receivable—Clay Community Theater | 0 |
| 130 | Office Supplies | 940 |
| 140 | Prepaid Insurance | 2,340 |
| 150 | Computer Equipment | 14,500 |
| 160 | Office Furniture & Equipment | 5,700 |
| 210 | Accounts Payable—Best Computer Store | 12,500 |
| 215 | Accounts Payable—Furniture Depot | 5,700 |
| 310 | Mike Clark, Capital | 20,000 |
| 315 | Mike Clark, Withdrawals | 18,000 |
| 320 | Income Summary | 0 |
| 410 | Web Design Fees | 26,310 |
| 420 | Graphics Fees | 5,720 |
| 510 | Rent Expense | 3,360 |
| 515 | Utilities Expense | 1,680 |
| 520 | Advertising Expense | 2,870 |
| 525 | Insurance Expense | 0 |
| 530 | Office Supplies Expense | 0 |
| 535 | Equipment Repair Expense | 1,430 |

***TABLE 1 continued***

**Trans. # (Transaction numbers also represent the date in December.)**

2 Issued a check for $675 for the December rent.

3 Issued a check to purchase office supplies $265.

4 Issued a check to buy office equipment for $650.

5 Received invoice from Best Computer Store for a used server purchased on

account, $2,500.

6 Received $2,485 in checks from various customers for graphics fees by making

signs and posters.

9 Issued a check to Furniture Depot that pays the full amount owed to them.

10 Received full amount from Leigh Healthcare on account.

11 Issued a check for $1,296 for general liability insurance coverage that will go

into effect in January 2014.

12 Completed web site design on account for Clay Community Theater $625.

13 Issued a check for $204 for utilities used.

16 Issued a check for $350 for repair of computer equipment.

17 Issued a check for $3,100 for a new laptop computer.

18 Received a check $4,960 for new web site design for Premium Dairy Co.

19 Issued a check for $2,500 for owner’s personal use.

20 Received $4,280 for new website design for Jayton Transportation Co.

23 Issued a check to Giggle Co. for December’s online advertising $1,250.

26 Sent a check to Best Computer Store that pays half of the amount owed to

them as of this date.

27 Issued check for $2,000 for owner’s personal use.

**Other Information Noted as of December 31, 2013:**

**1. Physical inventory of office supplies is $260.**

**2. Mike has only two insurance policies:**

* **The insurance policy bought on June 1, 2013 was for coverage on the**

**computer equipment and office furniture & equipment for one year.**

* **general liability insurance purchased in December 2013**