**UIL ACCOUNTING**

**District 2015-D1**

**Group 1**

**In questions 1 through 5, use the following code to indicate the account classification:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A** | **Asset** |  | **D** | **Revenue** |
| **B** | **Liability** |  | **E** | **Cost of Merchandise** |
| **C** | **Capital** |  | **F** | **Expense** |

**In questions 6 through 10, indicate how each account would be decreased using the code: DR=debit CR=credit**

|  |  |  |
| --- | --- | --- |
|  | **Account**  **Classification** | **Decrease**  **Side** |
| Payroll Tax Expense | 1. | 6. |
| Accounts Payable | 2. | 7. |
| Purchases Discounts | 3. | 8. |
| Sales | 4. | 9. |
| Merchandise Inventory | 5. | 10. |

**Group 2**

**Write the correct identifying letters (DR or CR or P or NA) on your answer sheet for items 11 through 28. The company does not use the perpetual inventory method. Consider that all accounts have normal balances.**

|  |
| --- |
| **DR = this account is closed with a debit** |
| **CR = this account is closed with a credit** |
| **P = this is a permanent account and is not closed during the closing process** |
| **NA = this is the description of a subtotal on a financial statement** |

11. Net Sales 21. Merchandise Inventory

12. Prepaid Insurance 22. Cost of Merchandise Sold

13. Purchases 23. Blake Medlock, Capital

14. Sales Tax Payable 24. Blake Medlock, Drawing

15. Sales 25. Supplies Expense

16. Purchases Discounts 26. Supplies

17. Transportation In 27. Cost of Delivered Merchandise

18. Sales Returns and Allowances 28. Purchases Returns & Allowances

19. Cost of Merchandise Available for Sale

20. Income Summary (total debits are larger than credits in this account)

**Group 3**

**On September 1, 2014 Shari Fuller, owner of Travel Escapes, received a bank statement dated August 30, 2014. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Shari compared the company’s checkbook records with the bank statement and found the following:**

* The August bank statement shows an ending balance of $2,305.42
* The statement shows the August bank service charge of $18.25
* A check from Abe Bumstead for $450 that was deposited in the business bank account on August 29 was returned by the bank. Shari’s bank charged her account with a $25 fee for handling the dishonored check. (Both the dishonored check and the fee were first discovered upon receipt of the bank statement.)
* A deposit of $8,620 was made on August 31 but does not appear on the bank statement.
* Four July and August checks do not appear on the bank statement:

Check #4073 for $35.00 Check #4265 for $519.87

Check #4264 for $2,346.19 Check #4266 for $364.92

**For questions 29 and 30, write the correct amount on your answer sheet.**

29. What is the reconciled (adjusted) bank balance on August 31, 2014?

30. What was the balance in the checkbook immediately before the bank reconciliation was prepared?

**Group 4**

**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 July 23th when the company increased the fund by $50.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Actual Cash** | **Cash** | **Amount** |
|  | **Vouchers** | **Before** | **Over** | **Needed to** |
| **Month** | **Totaling** | **Replenishment** | **<Short>** | **Replenish** |
| **May 31** |  | **12.20** | **1.60** |  |
| **June 30** |  |  | **<.55>** | **197.85** |
| **July 31** |  | **37.71** | **<1.45>** |  |
| **Aug 31** |  |  | **2.15** | **200.04** |

**For questions 31 and 32, write the correct amount on your answer sheet.**

31. The check needed to replenish petty cash on July 31 is \_\_?\_\_.

\*32. The vouchers for the months of May through August added together equal \_\_?\_\_.

**Group 5**

**The following T-accounts of John’s Automotive Service are presented below. All adjusting and closing entries for the year 2014 have been journalized and posted correctly for this service business organized as a sole proprietorship. The fiscal year end is December.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **John Shaw, Capital** | |  |  | **John Shaw, Drawing** | |
|  | 64,985 | 01-01-14 | 02-18-14 | 3,000 |  |
|  | 10,000 | 06-20-14 | 07-12-14 | 15,500 |  |
|  | 33,690 | 12-31-14 | 12-10-14 | 6,000 |  |
| 24,500 |  | 12-31-14 | 12-31-14 |  | 24,500 |
|  |  |  | |  |  |
|  |  | **Income Summary** | |  |  |
|  | 12-31-14 | 64,950 | 98,640 | 12-31-14 |  |
|  | 12-31-14 | 33,690 |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**For questions 33 through 37, write the identifying letter of the best response on your answer sheet. Use the following code for all questions in this group:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| A | $10,000 |  | D | $50,485 |  | G | $65,795 |  | J | $89,485 |
| B | $24,500 |  | E | $54,985 |  | H | $74,985 |  | K | $98,640 |
| C | $33,690 |  | F | $64,950 |  | I | $84,175 |  | L | $98,675 |

33. During 2014 how much did John contribute to the business from personal funds?

34. During 2014 how much did John withdraw from the business for personal use?

35. The Trial Balance on December 31, 2014 would include what amount for John

Shaw, Capital?

36. The dollar amount of net income or net loss for 2014 was

\*37. The balance of John’s capital account on the Post-Closing Trial Balance dated

December 31, 2014 is

**Group 6**

**For Q #38 (in table below) write the correct amount on your answer sheet.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2012** | **2013** | **2014** |
| The Owner, Capital, January 1 | **-0-** |  |  |
| Owner’s investments during the year | **100,000** | **65,000** | **15,000** |
| Total revenue | **135,684** | **172,961** | **197,428** |
| Total expenses | **137,439** | **Q# 38** | **115,432** |
| The Owner, Withdrawals | **3,000** | **20,000** | **75,000** |
| The Owner, Capital, December 31 |  |  | **173,852** |

**Group 7**

**Three customers owed a total of $51,745 to a business called Peter Pan Co. as of November 30, 2014 and one of these customers was Captain Hook Co. that owed $12,150. On December 31, 2014 the balance of Peter Pan’s controlling account for Accounts Receivable had increased by $4,195 since the beginning of the month.**

**From Peter Pan’s**

**General Ledger**: **Accounts Receivable**

|  |  |
| --- | --- |
| (12-1-14) |  |
|  |  |
| (Dec 2014) \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_ (Dec 2014) |
|  |  |
| (12-31-14) |  |
|  |  |

**Peter Pan’s Accounts Receivable Subsidiary Ledger:**

**Tinker Bell Co. Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 12-1-14 |  |  |  |
| Dec 2014 | 10,850 | 22,000 |  |

**Wendy Darling Co. Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 12-1-14 |  |  | 14,812 |
| Dec 2014 |  | 14,700 | 24,956 |

**Captain Hook Co. Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 12-1-14 |  |  |  |
| Dec 2014 |  | 9,490 | 17,351 |

**For questions 39 through 41 write the correct amount on your answer sheet.**

39. What is the total amount of charges made by all three customers in December?

40. What is the balance of the Tinker Bell account on 12-1-14?

41. What amount was sold on account to Captain Hook during December?

**Group 8**

**Adobe Sales prepares adjusting and closing entries only at the end of the fiscal year which is December 31.**

**The information below is taken from the adjusted trial balance of the worksheet for the twelve months ended 12-31-14. All accounts have normal balances. Total expenses are grouped together for simplicity.**

**The owner made one capital contribution during the year 2014 in the amount of $5,000. The gross profit percentage based on net sales is 45%.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash** | **8,941** |  | **Sales Discounts** | **2,688** |
| **Accounts Receivable** | **4,075** |  | **Sales Returns & Allowances** | **1,749** |
| **Inventory** | **19,875** |  | **Purchases** | **103,371** |
| **Accounts Payable** | **3,799** |  | **Transportation In** | **2,744** |
| **Sam Teal, Capital** | **?** |  | **Purchases Discounts** | **2,870** |
| **Sam Teal, Drawing** | **36,000** |  | **Purchases Returns & Allow.** | **2,469** |
| **Income Summary** | **1,755 DR** |  | **Total Expenses** | **42,410** |
| **Sales** | **?** |  |  |  |

**For items 42 through 53, write the correct amount on your answer sheet.**

\*42. The amount of Sales on the trial balance is $\_\_\_\_\_.

43. The amount of capital on the trial balance is $\_\_\_\_\_.

\*44. The amount of capital in the general ledger on 1-1-14 before any 2014 transactions

is $\_\_\_\_\_.

\*45. Total debits on the trial balance are $\_\_\_\_\_.

46. Cost of Delivered Merchandise is $\_\_\_\_\_.

47. Net Purchases is equal to $\_\_\_\_\_.

48. Cost of Merchandise Sold is $\_\_\_\_\_.

49. Net Sales are $\_\_\_\_\_.

50. Cost of Merchandise Available for Sale is $\_\_\_\_\_.

51. Gross Profit is $\_\_\_\_\_.

\*52. Net Income is $\_\_\_\_\_.

\*53. The amount of capital on the Post-Closing Trial Balance dated 12-31-14 is $\_\_\_\_\_.

**Group 9**

**Refer to the information in Table 1 on pages 9 and 10. For questions 54 through 62, write the identifying letter of the best response on your answer sheet.**

54. If the employee earnings record for Lenny is totaled at the end of November,

what is the year-to-date (Jan—Nov) total of net pay?

A. $66,731 C. $73,002 E. $73,206

B. $66,935 D. $73,020 F. $93,935

\*55. What is the net pay for Lenny for December?

A. $5,770 C. $6,001 E. $6,271

B. $5,956 D. $6,085 F. $6,519

56. What is the amount of Conner’s gross wages for December?

A. $1,760 C. $1,852 E. $2,720

B. $1,840 D. $1,880 F. $2,760

57. What is the net pay for Conner for December?

A. $1,361.36 C. $1,432.52 E. $2,103.92

B. $1,423.24 D. $1,454.18 F. $2,134.86

\*58. What is Conner’s net pay for the period January through November?

A. $6,652.10 C. $8,066.80 E. $8,600

B. $7,660.10 D. $8,106.28 F. $10,480

\*\*59. What are Dave’s year-to-date (January through December) gross wages?

A. $1,200 C. $7,000 E. $7,920

B. $6,720 D. $7,280 F. $8,480

\*60. Baldwin Company will need to pay December’s liability for employee income tax and

the employer and employee portion of Social Security and Medicare taxes by

January 15 in the amount of

A. $814.62 C. $3,916.62 E. $7,833.24

B. $1,629.24 D. $4,731.24 F. $8,713.38

61. When the employer’s payroll tax entry for December is journalized, what amount

must be credited to State Unemployment Tax Payable?

A. $12.24 C. $28.80 E. $55.44

B. $21.60 D. $48.24 F. $235.44

\*\*62. After the December payroll entries are posted, what is the balance of the account

called Payroll Tax Expense?

A. $10,994.16 C. $11,047.08 E. $11,199.60

B. $11,013.60 D. $11,180.16 F. $13,909.20

**Group 10**

**For items 63 through 67 write the identifying letter of the best response on your answer sheet.**

63. A system that enables banks to transfer funds from the account of one depositor to the account of another without the immediate exchange of checks is called

A. Internet Funds Exchange C. Electronic Funds Transfer System

B. Checkless Funds Transfer System D. E-bank Money Moving System

64. The total of a single-column purchases journal would be posted to \_\_\_ as a debit

and \_\_\_ as a credit.

A. Accounts Receivable; Sales C. Accounts Payable; Purchases

B. Accounts Payable; Sales D. Purchases; Accounts Payable

65. Debits are used to increase or decrease the following accounts:

**Assets Revenues Liabilities Expenses**

A. increase increase decrease decrease

B. decrease decrease increase increase

C. increase decrease decrease increase

D. decrease increase decrease decrease

66. What is the correct order of usage of the following documents?

A. purchase order, invoice, purchase requisition, packing slip

B. purchase order, purchase requisition, invoice, packing slip

C. purchase requisition, purchase order, packing slip, invoice

D. packing slip, purchase requisition, purchase order, invoice

67. The length of time for which a business summarizes and reports financial

information or a period of time covered by an accounting report is a

A. physical year C. calendar year but only in a leap year

B. fizicle year D. fiscal year

**Group 11**

**Refer to Table 2 on page 11 and the work sheet on page 12. For questions 68 through 71, write the correct amount on your answer sheet. These questions refer to the properly completed work sheet.**

What was the balance in each of the following accounts in the unadjusted trial balance?

68. Office Supplies

69. Prepaid Insurance

70. Jill Abrams, Capital

71. Jill Abrams, Drawing

**Group 12**

**Continue to refer to Table 2. For questions 72 through 77, write the correct amount on your answer sheet. These questions refer to the properly completed work sheet.**

What was the balance in each of the following accounts in the adjusted trial balance?

72. Office Supplies

73. Prepaid Insurance

74. Office Supplies Expense

75. Insurance Expense

\*\*76. Fees Earned

\*77. Accounts Payable

**Group 13**

**Continue to refer to Table 2. For questions 78 through 80, write the correct amount on your answer sheet.**

\*78. What was the balance of Prepaid Insurance in the general ledger on 1-1-14?

79. What is the amount of net income for the year 2014?

\*\*80. What is the balance of Jill Abrams, Capital on the Post-Closing Trial Balance dated

December 31, 2014?

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

***Table 1***

**(for questions 54 through 62)**

**Lenny Dawson has worked for Baldwin Company as an manager for 25 years and receives an annual salary of $120,000, paid monthly in equal amounts. His voluntary deductions include $450 per month to a savings plan.**

**Also employed by Baldwin Company are Conner Powell who is paid $10.00 per hour in a standard 40-hour work week and Dave Jackson who is paid $8.00 per hour in a standard 40-hour work week. Neither Conner nor Dave has any voluntary deductions.**

**Baldwin Company prepares adjusting entries monthly and closing entries only at the end of the fiscal year, which is December 31. Calculations should be rounded to the nearest cent.**

1. **The employee and employer pay Social Security tax at a rate of 6.2% on the first $117,000 in earnings.**
2. **The employee and employer pay Medicare tax at the rate of 1.45% on all earnings.**
3. **State unemployment taxes are paid on the first $9,000 in wages per employee at a rate of 1.8%.**
4. **Federal unemployment taxes are paid on the first $7,000 in wages per employee at a rate of .6%. FUTA tax in the amount of $1.68 is owed based solely on Dave’s December wages.**
5. **Overtime pay is one and one-half times the regular rate of pay.**
6. **In the month of December, Lenny was not absent from work; Conner worked 176 regular hours and 8 hours of overtime; Dave worked 150 regular hours and no overtime.**

**Federal income tax withholding is as follows:**

**Lenny Dawson $2,700 per month**

**Conner Powell 15% of gross wages**

**Dave Jackson 10% of gross wages**

***Table 1 continued***

**(for questions 54 through 62)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Lenny Dawson** | | | |
|  | **Jan-Nov** | **Dec** | **YTD** |
| Gross |  |  |  |
| SS |  |  |  |
| Med |  |  |  |
| Fed W/H |  |  |  |
| Savings |  |  |  |
| Net |  |  |  |
| **Conner Powell** | | | |
|  | **Jan-Nov** | **Dec** | **YTD** |
| Gross |  |  |  |
| SS | 533.20 |  |  |
| Med |  |  |  |
| Fed W/H |  |  |  |
| Savings |  |  |  |
| Net |  |  |  |
| **Dave Jackson** | | | |
|  | **Jan-Nov** | **Dec** | **YTD** |
| Gross |  |  |  |
| SS |  |  |  |
| Med |  |  |  |
| Fed W/H |  |  |  |
| Savings |  |  |  |
| Net |  |  |  |

***TABLE 2***

**(for questions 68 through 80)**

**Jill Abrams is the owner of Abrams Appraisals. The selected amounts that appear on the work sheet on page 12 are accurate.**

**Acquisitions of office supplies and insurance are properly recorded in their respective asset accounts. Adjusting and closing entries are prepared only at the end of the fiscal year, which is December 31.**

**All adjusting entries made in prior years were prepared correctly.**

**Additional Information:**

* **Office Supplies:**

**Inventory on January 1, 2014………...$ 1,970**

**Purchased during 2014………………… 4,689**

**Inventory on December 31, 2014…..… 1,780**

* **Insurance information:**

**paid by check $2,880 on May 1, 2013 for a 12-month policy**

**paid by check $3,180 on May 1, 2014 for a 12-month policy**

* **Jill Abrams, Capital:**

**General Ledger balance January 1, 2014 $17,960**

**owner capital contribution July 9, 2014 $7,500**

* **Cash withdrawals by owner for personal use were equal payments of $1,500 per month during 2014.**

UIL Accounting District 2015-D1 -12-

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Abrams Appraisals** | | | | | | | | | | |
| **Work Sheet** | | | | | | | | | | |
| **For the Year Ended December 31, 2014** | | | | | | | | | | |
| **Account Title** | **Trial Balance** | | **Adjustments** | | **Adjusted Trial Balance** | | **Income Statement** | | **Balance Sheet** | |
|  | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** |
| **Cash in Bank** | **6,328** |  |  |  | **6,328** |  |  |  |  |  |
| **Accounts Receivable** | **1,500** |  |  |  | **1,500** |  |  |  |  |  |
| **Prepaid Insurance** |  |  |  |  |  |  |  |  |  |  |
| **Office Supplies** |  |  |  |  |  |  |  |  |  |  |
| **Equipment** | **32,500** |  |  |  | **32,500** |  |  |  |  |  |
| **Accounts Payable** |  |  |  |  |  |  |  |  |  |  |
| **FICA Taxes Payable** |  | **159** |  |  |  | **159** |  |  |  |  |
| **Fed. Income Tax Payable** |  | **220** |  |  |  | **220** |  |  |  |  |
| **Jill Abrams, Capital** |  |  |  |  |  |  |  |  |  |  |
| **Jill Abrams, Drawing** |  |  |  |  |  |  |  |  |  |  |
| **Fees Earned** |  |  |  |  |  |  |  |  |  |  |
| **Rent Expense** | **4,200** |  |  |  | **4,200** |  |  |  |  |  |
| **Utilities Expense** | **1,788** |  |  |  | **1,788** |  |  |  |  |  |
| **Salaries Expense** | **25,000** |  |  |  | **25,000** |  |  |  |  |  |
| **Payroll Tax Expense** | **2,054** |  |  |  | **2,054** |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Subtotals Before Net Income** |  |  |  |  |  |  |  |  |  | **26,709** |
| **Net Income** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |