**UIL Accounting**

**Invitational 2017-A**

**Group 1**

**For questions 1 through 8 indicate the decrease side of each of the following by writing on your answer sheet either DR for debit or CR for credit.**

1. Accounts Payable 5. Sales

2. Miscellaneous Expense 6. Prepaid Insurance

3. Cash in Bank 7. Accounts Receivable

4. Bea Nixon, Capital 8. Bea Nixon, Drawing

**Group 2**

**For Q #9 (in table below) write the correct amount on your answer sheet.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** |
| The Owner, Capital, January 1 | **-0-** |  |  |
| Owner’s investments during the year | **150,000** | **75,000** | **10,000** |
| Total revenue | **142,798** | **189,432** | **204,848** |
| Total expenses | **126,944** | **Q# 9** | **126,995** |
| The Owner, Withdrawals | **2,500** | **25,000** | **70,000** |
| The Owner, Capital, December 31 |  |  | **277,846** |

**Group 3**

**In questions 10 through 19, determine the correct column or columns of the work sheet for the year ended December 31, 2016 in which each of the following belongs using the code:**

 **A. Trial Balance debit E. Income Statement debit**

 **B. Trial Balance credit F. Income Statement credit**

 **C. Adjustments debit G. Balance Sheet debit**

 **D. Adjustments credit H. Balance sheet credit**

10. On the line for Office Supplies, the amount used during the year

11. Prepaid Insurance on January 1 plus any premiums paid in 2016

12. The Balance Sheet column used to write the amount of net loss

13. On the line for Office Supplies Expense, the amount of office supplies used during

 the year

14. The column to which Purchases Discounts is extended

15. The amount of Office Supplies available for use next fiscal period

16. The amount of capital on January 1, 2016 plus any owner contributions made during

 the year 2016

17. The Income Statement column used to write the amount of net income

18. The amount of office supplies available to be used during the year 2016

\*19. On the line for Income Summary, the amount of decrease in inventory during the

 period

**Group 4**

**Using the code below, identify how items 20 through 26 would be handled for the December 31, 2016 bank reconciliation of Sun Co. prepared on January 5, 2017. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed.**

 **A. added to the checkbook balance**

 **B. deducted from the checkbook balance**

 **C. added to the bank statement balance**

 **D. deducted from the bank statement balance**

20. Sun Co.’s December checks #4405, #4407, and #4410 were not listed on the

 bank statement as cleared items.

21. There was a bank service charge of $18 (the amount varies each month)

22. Sun Co.’s check #4399 was recorded on the check stub as $430 and correctly

 cleared the bank as $340. The difference should be…

23. An employee of Sun Co. used the company debit card to purchase postage

 stamps and failed to record this in the checkbook.

24. A deposit on December 31 was not listed among the bank statement deposits for

 December.

25. Sun Co. paid a vendor using electronic funds transfer and failed to record this

 transaction in the checkbook.

26. A customer’s check deposited on December 30 by Sun Co. was returned by the

 bank as NSF. Sun Co. first learned about this upon receipt of the December bank

 statement.

**Group 5**

**It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed.**

**Data: Bank Service Charge for December is $26.18**

 **Deposits in transit on December 31 are $845.95 and $4,201.16 Reconciled bank balance on December 31 is $4,409.72**

 **Outstanding checks on December 31 are $92.27, $518.29 and $842.05**

**For questions 27 and 28, write the correct amount on your answer sheet.**

\*27. Given the above facts, what was the amount that was printed on the bank statement

 as the closing balance for December?

28. What was the balance in the cash account in the accounting records prior to

 reconciling the bank statement for December?

**Group 6**

|  |
| --- |
| **PETTY CASH REPORT** |
|  |
| **Date:** | December 31, 2016 | **Custodian: Vanna Green** |
|  **Replenish** |
|  **Explanation Reconciliation Amount** |
| Fund total |  |  | 300.00 |  |  |
| Payments: |  |  |  |  |  |
|  | Supplies |  |  |  |  |
|  | Postage | 98.00 |  |  |  |
|  | Miscellaneous | 52.40 |  |  |  |
|  |  |  |  |  |  |
| Less: | Total payments |  |  |  |  |
| Equals: | Recorded amount on hand |  |  |  |  |
| Less: | Actual amount on hand:  |  |  |  |  |
|  | one $10 bill; one $5 bill; nine $1 bills |  |  |  |  |
|  | three quarters; two dimes; two nickels; |  |  |  |  |
|  | and seventeen pennies |  |  |  |  |
| Equals: | Cash short or over?\_\_short\_ |  | 1.65 |  |  |
| **Amount to replenish** |  |  |  |  |

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

29. What is the amount to replenish?

\*30. What was the amount spent for supplies?

**Group 7**

**For question #31, write the correct amount on your answer sheet. Some of the subtotals on a worksheet before net income or net loss is calculated are as follows:**

|  |  |
| --- | --- |
| **Income Statement Debit** | **42,790** |
| **Balance Sheet Debit** | **72,934** |
| **Balance Sheet Credit** | **79,850** |

31. What is the amount of the Income Statement Credit column subtotal before net

 income or net loss is calculated?

**Group 8**

**Daniels Company owed the three suppliers $42,670 as of August 31, 2016, and one of these was Beltre Company for $12,640. On September 30, 2016 the balance of the controlling account for Accounts Payable had decreased by $7,580 since the beginning of the month.**

**From Daniels Company’s**

**General Ledger**:

 **Accounts Payable**

|  |  |
| --- | --- |
|  |  (09-01-16) |
|  |  |
| (Sept 2016)\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_ (Sept 2016) |
|  |  |
|  |  (09-30-16) |
|  |  |

**Daniels Company’s Accounts Payable Subsidiary Ledger:**

  **Lucroy Company Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 9-01-16 |  |  | ? |
| Sept 2016 | ? | 31,075 | ? |

 **Beltre Company Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 09-01-16 |  |  | ? |
| Sept 2016 | 34,050 | 26,790 | ? |

  **Desmond Company Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 09-01-16 |  |  | ? |
| Sept 2016 | 31,700 | 31,765 | 15,770 |

**For questions 32 through 34, write the correct amount on your answer sheet. All three of these questions examine the subsidiary account of Lucroy Company:**

32. What was the balance of the account on 8-31-16?

33. What was the balance of the account on 9-30-16?

34. How much did Daniels Company pay to Lucroy Company on account in the month of September?

**Group 9**

**Snap Company specializes in three main services: 1) video streaming, 2) music sales, and 3) digital imaging.**

**Snap Company uses the following policy when closing the temporary accounts at the end of the fiscal year:**

**First, close all revenue accounts in one combined entry.**

**Second, close all expense accounts in one combined entry.**

**Third, close the Income Summary account.**

**Fourth, close the owner’s drawing account.**

**The adjusted trial balance data for Snap Company for the calendar year 2016 follows. All accounts have normal balances. Tim Snappolio invested $15,000 in cash in his business during 2016.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash in Bank** | **4,210** |  | **Music Sales**  | **75,431** |
| **Credit Card Receivable** | **9,274** |  | **Digital Imaging Income** | **46,797** |
| **Supplies** | **2,430** |  | **Rent Expense** | **5,400** |
| **Prepaid Insurance** | **1,230** |  | **Utilities Expense** | **2,544** |
| **Office Equipment** | **4,200** |  | **Supplies Expense** | **6,274** |
| **Computer Equipment** | **12,795** |  | **Royalties Expense** | **71,865** |
| **Accounts Payable** | **1,355** |  | **Equip Repairs Expense** | **2,799** |
| **Tim Snappolio, Capital** | **21,754** |  | **Advertising Expense** | **3,279** |
| **Tim Snappolio, Drawing** | **40,000** |  | **Insurance Expense** | **4,687** |
| **Video Streaming Income** | **27,492** |  | **Miscellaneous Expense** | **1,842** |

**For questions 35 through 39, write the correct amount on your answer sheet.**

 \*35. What was the balance of Tim Snappolio, Capital on 1-1-16?

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

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

 \*38. What was the amount of the third closing entry?

 \*39. What was the balance of Tim Snappolio, Capital on 12-31-16 after all closing entries were posted?

**Group 10**

**A company’s unadjusted and adjusted trial balances for the twelve months ending December 31, 2016 are as follows:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Unadjusted** |  | **Adjusted** |
|  | **Trial Balance** |  | **Trial Balance** |
|  | **Debit** | **Credit** |  | **Debit** | **Credit** |
| **Cash** | **8,438** |  |  | **8,438** |  |
| **Office Supplies** | **11,228** |  |  | **3,043** |  |
| **Merchandise Inventory** | **21,460** |  |  | **20,240** |  |
| **Prepaid Insurance** | **5,044** |  |  | **2,184** |  |
| **Equipment** | **15,000** |  |  | **15,000** |  |
| **Accounts Payable** |  | **3,295** |  |  | **3,295** |
| **Ruth Babs, Capital** |  | **43,440** |  |  | **43,440** |
| **Ruth Babs, Drawing** | **12,000** |  |  | **12,000** |  |
| **Income Summary** |  |  |  | **1,220** |  |
| **Sales** |  | **84,320** |  |  | **84,320** |
| **Purchases** | **47,685** |  |  | **47,685** |  |
| **Rent Expense** | **10,200** |  |  | **10,200** |  |
| **Office Supplies Expense** |  |  |  | **8,185** |  |
| **Insurance Expense** |  |  |  | **2,860** |  |
|  **Subtotals** | **131,055** | **131,055** |  | **131,055** | **131,055** |

**For questions 40 through 52, write the correct amount on your answer sheet.**

40. What is the amount of office supplies used during 2016?

41. What is the amount of unexpired insurance on 12-31-16 after the end-of-year

 adjustment?

42. If the company bought $7,958 of office supplies during 2016, what was the amount

 of supplies on hand on January 1, 2016?

43. What is the amount of expired insurance?

44. If the Prepaid Insurance account had a January 1, 2016 debit balance of $1,300,

 what was the amount of insurance purchased during the year 2016?

45. If the owner’s capital account had a January 1, 2016 credit balance of $41,690, what

 amount of capital contribution did the owner make to the business during the year

 2016?

46. What is the amount of Cost of Merchandise Available for Sale?

47. What is the amount of Cost of Merchandise Sold?

\*48. What is the amount of Gross Profit?

49. On the Income Statement for the twelve months ended December 31, 2016, what is

 the amount of Total Expenses?

50. What is the amount of net income that should be shown on the Statement of

 Changes in Owner’s Equity for the twelve months ended 12-31-16?

\*51. On the Statement of Changes in Owner’s Equity for the twelve months ended

 December 31, 2016, what is the correct amount of ending capital?

52. On the Post-Closing Trial Balance dated December 31, 2016, what is the amount of

 Ruth Babs, Capital?

**Group 11**

**Jenny Simmons purchased a building in a retail shopping center that was placed into service on May 1, 2016. On this date she began her new business as a sole proprietorship. One of the first transactions on this date was to write a check for $4,080 for insurance covering the building and contents for one year.**

**On June 1, 2016 Ms. Simmons paid for a separate liability insurance policy for two years at a cost of $3,480.**

**Ms. Simmons purchased a delivery van on August 1, 2016. On this date she paid for insurance that covered this van for a six-month period at a total cost of $1,068.**

**It is company policy to journalize and post all insurance payments to the appropriate asset account when the insurance is purchased. The cost of each policy is to be allocated to expense over the respective term of each insurance policy as an adjusting entry.**

**Adjusting and closing entries are prepared only at fiscal year-end, which is December 31. Consider that the work sheet for the year ending December 31, 2016 has been prepared correctly.**

**For questions 53 through 56, write the identifying letter of the best response on your answer sheet.**

53. The amount in the Trial Balance debit column on the line for Prepaid Insurance is

 A. zero B. $4,625 C. $5,148 D. $6,888 E. $7,560 F. $8,628

\*54. The amount in the Adjustments credit column on the line for Prepaid Insurance is

 A. zero B. $4,003 C. $4,625 D. $4,803 E. $5,640

55. The amount in the Balance Sheet debit column on the line for Prepaid Insurance is

 A. zero B. $2,988 C. $3,825 D. $4,003 E. $4,625

56. If no other insurance premiums were paid in 2017 or 2018, what would be the

 amount of Insurance Expense in the year 2018?

 A. zero B. $145 C. $178 D. $340 E. $725

**Group 12**

**The following Post-Closing Trial Balances are for 2015 and 2016. All accounts have normal balances. The business started in 2013.**

|  |  |
| --- | --- |
|  | **Post-Closing****Trial Balance** |
|  | **12-31-15** | **12-31-16** |
| **Cash in Bank** | **4,800** | **11,750** |
| **Accounts Receivable** | **2,400** | **3,200** |
| **Supplies on Hand** | **640** | **580** |
| **Prepaid Insurance** | **50** | **550** |
| **Office Equipment** | **0** |  **?**  |
| **Accounts Payable** | **1,800** | **1,650** |
| **Liza Clark, Capital** |  **?** |  **?**  |

**2016 Transactions and Other Information:**

* Services performed on account, $39,000
* Insurance premium paid by writing a check, $600
* Various expenses incurred and charged on account, $28,000
* The owner wrote a check for personal use for $4,000
* The supplies used during the year was $460
* The supplies bought during the year were paid for with cash
* Liza made an owner contribution in the cash amount of $6,000
* The remainder of the credits to Cash in Bank represents cash purchases of new office equipment.

**For questions 57 through 64, write the correct amount on your answer sheet.**

57. What was the owner’s capital account balance on 1-1-16?

58. How much cash was paid on account in 2016 to vendors owed?

59. How much cash was received on account in 2016 from customers?

\*\*60. What was the total amount of office equipment purchased in 2016?

61. What is the amount of Total Expenses on the Income Statement for the year 2016?

\*62. What is the net income for the year 2016?

\*63. What is the amount of owner’s capital on the worksheet for the year 2016?

\*64. What is the amount of owner’s capital as found in the general ledger after all 2016

 adjusting and closing entries are posted?

**Group 13**

**Bruce Langton began business operations on July 1, 2016. Bruce designs and builds webpages for the public. Table 1 on page 10 contains his chart of accounts and the transactions he completed for July. Bruce uses the accrual basis of accounting. It is company policy to record supplies and insurance as respective assets when purchased. Adjusting entries are prepared monthly; however, closing entries are prepared only at the end of the fiscal year, which is December 31.**

**For questions 65 through 70, write the correct chart of accounts number (shown in Table 1) on your answer sheet.**

65. In Trans 1, what account is credited?

66. In Trans 2, what account is debited?

67. In Trans 3, what account is credited?

68. In Trans 5, what account is debited?

69. In Trans 7, what account is credited?

70. In Trans 8, what account is credited?

**Continue to refer to Table 1. For questions 71 through 73, write the correct amount on your answer sheet. Consider in each case that all the transactions for July have been journalized and posted correctly, but no adjusting entries have been prepared.**

On July 31, what is the balance of:

71. Cash in Bank

72. Accounts Receivable

73. Accounts Payable

**Continue to Refer to Table 1. For questions 74 through 80, write the correct amount on your answer sheet. Consider that the worksheet for the month of July has been completed correctly. On July 31, the physical inventory of office and computer supplies is $600.**

\*74. What is the total of the debits on the trial balance?

75. What is the amount of capital in the Balance Sheet column?

76. What is the amount of revenue in the Income Statement column?

\*77. What is the subtotal of the Income Statement Debit column?

\*78. What is the net income for the month of July?

\*79. What is the subtotal of the Balance Sheet Debit column before net income is

 calculated?

\*\*80. What is the ending balance of capital, as reported on the Statement of Changes in

 Owner’s Equity?

**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 65 through 80)**

|  |  |
| --- | --- |
| **Account #** | **Account Title** |
| 100 | Cash in Bank |
| 105 | Accounts Receivable |
| 110 | Office & Computer Supplies |
| 115 | Office Furniture |
| 120 | Computer Equipment |
| 200 | Accounts Payable |
| 300 | Bruce Langton, Capital |
| 305 | Bruce Langton, Drawing |
| 310 | Income Summary |
| 400 | Professional Fees Revenue |
| 500 | Electricity Expense |
| 505 | Internet Access Expense |
| 506 | Office & Computer Supplies Expense |

**Transactions for July:**

**Trans. # Transaction**

 1 Bruce used his personal savings of $12,000 to invest in the business.

 2 Purchased computer supplies for $675 by writing a check

 3 Invested in the business a personally owned computer and printer, which

 is appraised today with a value of $1,500.

 4 Paid Delta Link a fee of $125 by check for unlimited high-speed internet

 access for the month of July.

 5 Billed a client, Jeff Jones, $200 to set up a 10-page web site.

 6 Bought a used computer desk for $175 by writing a check.

 7 Bought a new printer from Sonic Computers for $1,200 on account.

 8 Completed a multilevel web site today and received $600 from Dale’s

 Service Center.

 9 Paid $100 on account to Sonic Computers.

 10 Withdrew $50 by writing a check for personal use.

 11 Received $100 on account from Jeff Jones.

 12 Paid the electric bill for the current month $115 by writing a check.