**UIL ACCOUNTING**

**District 2017-D**

**Group 1**

**Determine whether each of the following in items 1 through 7 is a debit or credit using this code: DR=debit; CR=credit. Mark the correct answer on your answer sheet.**

1. The decrease side of Macy Conner, Capital

2. The balance side of Sales

3. The balance side of Cash in Bank

4. The decrease side of Sales Taxes Payable

5. The decrease side of Prepaid Insurance

6. The decrease side of Miscellaneous Expense

7. The increase side of Purchases Returns & Allowances

**Group 2**

**On December 1, 2016 Hector Garcia, owner of Garcia Supply, received a bank statement dated November 28, 2016. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Mr. Garcia compared the company’s checkbook records with the bank statement and found the following:**

* The November bank statement shows a beginning balance of $4,682.19 and an ending balance of $5,124.16
* The statement shows the November bank service charge of $18.50
* A check from Bonnie Smith for $625.08 that was deposited in the business bank account on November 26 was returned by the bank on November 28. On November 28, the bank charged Mr. Garcia’s account with a $20 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 $2,810 was made on November 30 but does not appear on the bank statement.
* Four checks written in November do not appear on the bank statement:

Check #1907 for $45.00 Check #1909 for $36.42

Check #1908 for $1,437.24 Check #1910 for $97.88

**For questions 8 and 9, write the correct amount on your answer sheet.**

8. What is the reconciled (adjusted) bank balance on November 30, 2016?

\*9. What was the balance in the checkbook immediately before the bank reconciliation

was prepared?

**Group 3**

**For questions 10 through 14, write the identifying letter of the best response on your answer sheet.**

**On the first day of March, the Petty Cash account had a balance of $200, which agreed to the amount of actual cash in the petty cash box.**

**During the month of March the fund was increased by $50.**

**Actual vouchers in the box on March 31 before replenishment totaled $218.45. At the time of replenishment on March 31, it was determined that the fund was short by $0.25.**

10. Prior to March, the entry to first establish the petty cash fund consisted of

A. a debit to the Petty Cash account for $250

B. a credit to the Petty Cash account for $200

C. a debit to Petty Cash for $200

D. a credit to Cash in Bank for $50

11. The entry during the month of March to record the increase in the Petty Cash fund

included a

A. debit to the Petty Cash account for $50.25

B. credit to the Petty Cash account for $50.25

C. credit to the Petty Cash account for $50.00

D. debit to the Petty Cash account for $50.00

12. The entry on March 31 to replenish the petty cash fund would include a

A. debit to the Petty Cash account for $218.45

B. credit to the Cash in Bank account for $218.20

C. credit to the Cash in Bank account for $218.45

D. credit to the Cash in Bank account for $218.70

13. The entry on March 31 to replenish the petty cash fund would include a

A. debit to the Petty Cash account for $0.25

B. debit to Cash Short and Over for $0.25

C. credit to Cash Short and Over for $0.25

D. credit to Petty Cash for $0.25

14. The actual amount of cash in the petty cash box on March 31 prior to the

replenishment was

A. zero D. $18.70

B. $18.20 E. $31.30

C. $18.45 F. $31.55

**Group 4**

**Shawn Stone owns a business called Rock-Solid Repairs. He specializes in three types of repair services: 1) computers, 2) cell phones, and 3) printers. Shawn set up his general ledger so he could track the revenue for each of the three services.**

**Shawn 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 Rock-Solid Repairs for the calendar year 2016 follows. All accounts have normal balances. Shawn Stone invested $12,260 in cash in his business during 2016.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash in Bank** | **18,684** |  | **Cell Phone Repair Fees** | **7,327** |
| **Accounts Receivable** | **3,814** |  | **Printer Repair Fees** | **4,950** |
| **Supplies on Hand** | **2,430** |  | **Rent Expense** | **4,500** |
| **Prepaid Insurance** | **1,160** |  | **Utilities Expense** | **2,220** |
| **Repair Equipment (Tools)** | **11,155** |  | **Supplies Expense** | **3,219** |
| **Computer Equipment** | **8,790** |  | **Equip. Repairs Expense** | **1,430** |
| **Accounts Payable** | **2,530** |  | **Cleaning Expense** | **900** |
| **Shawn Stone, Capital** | **37,243** |  | **Advertising Expense** | **1,565** |
| **Shawn Stone, Drawing** | **15,000** |  | **Insurance Expense** | **3,180** |
| **Computer Repair Fees** | **26,415** |  | **Miscellaneous Expense** | **418** |

**For questions 15 through 21, write the identifying letter of the best response on your answer sheet.**

15. What was the balance of Shawn Stone, Capital on 1-1-16?

A. $15,983 B. $24,983 C. $30,983 D. $37,243 E. $39,983 F. $49,503

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

A. $12,277 B. $17,432 C. $26,415 D. $32,432 E. $37,243 F. $38,692

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

A. $17,432 B. $22,382 C. $29,709 D. $32,432 E. $38,692 F. $44,709

18. What was the amount that affected Income Summary in the third closing entry?

A. $3,294 B. $6,260 C. $15,000 D. $21,260 E. $36,260 F. $38,692

19. The third closing entry will include a debit to which account?

A. Shawn Stone, Capital B. Income Summary C. Shawn Stone, Drawing

20. The fourth closing entry will include a debit to which account?

A. Shawn Stone, Capital B. Income Summary C. Shawn Stone, Drawing

\*21. What was the balance of Shawn Stone, Capital on 12-31-16 after all closing entries were posted?

A. $22,243 B. $37,243 C. $43,503 D. $51,952 E. $57,503 F. $66,952

**Group 5**

**On your answer sheet, write the identifying letter of the explanation (letters A through K) that best matches each step of the accounting cycle in questions 22 through 32.**

A. Prove that the permanent general ledger accounts are in balance at the close of the

accounting period.

B. Update the general ledger accounts for changes that result from the internal

operations of the business or from the passage of time.

C. An important activity is to check the arithmetic on each source document.

D. Prove the equality of total debits and credits in the general ledger after all the regular

business transactions are posted.

E. This accounting work paper could have six, eight, or ten columns and is used to

organize end-of-period tasks.

F. Prepare schedules of accounts payable and accounts receivable from the subsidiary

ledgers.

G. Transfer the regular business transaction entries from the journal to an account.

H. Report the financial progress of the fiscal period of time and the financial position or

condition of the business as of a specific date.

I. Transfer the temporary account balances to a permanent account.

J. Review the source documents to determine the debit and credit parts of each

transaction.

K. Transactions are recorded on this accounting form in chronological order.

22. Journalize and post the adjusting entries.

23. Analyze business transactions.

24. Prepare the trial balance (unadjusted).

25. Journalize each business transaction.

26. Journalize and post the closing entries.

27. Post to the general ledger, the accounts payable ledger, and the accounts

receivable ledger.

28. Prepare a post-closing trial balance.

29. Prepare financial statements

30. Collect and verify source documents.

31. Complete the work sheet.

32. Reconcile the subsidiary ledgers to the respective controlling accounts.

**Continue to refer to the steps in the accounting cycle listed in A through K. Write the identifying letter of the best response for question #33 on your answer sheet.**

33. The correct order of the accounting cycle is:

|  |  |
| --- | --- |
| A. | J, C, K, G, F, D, E, H, B, I, A |
| B. | C, J, K, G, F, D, E, B, I, H, A |
| C. | C, J, K, G, F, D, E, H, B, I, A |
| D. | A, I, K, G, C, H, E, B, D, F, J |

**Group 6**

**The adjusted trial balance columns of the work sheet of Brookline Co. (a service business) for the year ended December 31, 2016 revealed the following information:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Assets** | **46,105** |  | **Owner’s withdrawals** | **3,000** |
| **Total Liabilities** | **6,840** |  | **Total Revenue** | **97,350** |
| **Owner’s capital account balance** | **43,775** |  | **Total Expenses** | **98,860** |

**The general ledger also revealed that the owner made two investments in the business during 2016 as follows:**

|  |  |
| --- | --- |
| **March 4, 2016** | **$5,000** |
| **August 8, 2016** | **8,000** |

**For questions 34 through 39, write “True” if the statement is true; write “False” if it is false.**

34. The net loss for the year 2016 was <$1,510>.

35. The balance in the capital account in the Trial Balance column of the worksheet

for the twelve months ended December 31, 2016 was $30,775.

36. There is an adjusting entry on the worksheet for the twelve months ended

December 31, 2016 that includes a credit to the capital account for $13,000.

37. The balance in the capital account in the General Ledger on January 1, 2016

was $43,775.

38. If Brookline Co. does not use a separate financial statement that reports the

changes in owner’s equity from the beginning of the year to the end of the year,

then this information could be presented in the owner’s equity section of the

balance sheet dated December 31, 2016.

39. The balance of the capital account on the post-closing trial balance dated

December 31, 2016 was $39,265.

**Group 7**

**A trial balance is out of balance. The debit column total is $82,435 and the credit column total is $78,595. All transactions were journalized correctly, but one journal entry was posted to the ledger incorrectly. The transaction was a sale on account (not subject to sales tax) that was posted with a $1,920 debit to Accounts Receivable and another $1,920 debit to Sales. The trial balance (before correction) shows Accounts Receivable with a debit balance of $18,410 and Sales with a credit balance of $39,080. For questions 40 and 41 use the following code:**

**A. Overstated B. Understated C. Correctly stated**

40. The debit column total of $82,435 is \_?\_.

41. The credit column total of $78,595 is \_?\_.

**For questions 42 and 43 write the correct amount on your answer sheet. Consider that the above-mentioned posting error has now been corrected and that the trial balance is also corrected.**

\*42. What is the correct credit balance of Sales?

43. What is the correct debit balance of Accounts Receivable?

**Group 8**

**Jason Daily leased a building in a retail shopping center on March 1, 2016. On this date he began his new business as a sole proprietorship. One of the first transactions on this date was to write a check for $3,300 for insurance covering the contents of his leased space for one year. Jason began moving in on this same day.**

**On April 1, 2016 Jason paid for a separate liability insurance policy for two years of coverage by writing a check for $3,240.**

**Jason purchased a delivery van on September 1, 2016. On this date he paid for insurance that covered this van for a six-month period at a total cost of $1,230.**

**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 44 through 48, write the identifying letter of the best response on your answer sheet.**

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

A. zero B. $2,575 C. $4,785 D. $5,195 E. $7,770 F. $11,010

\*45. The amount in the Adjustments credit column on the line for Prepaid Insurance is

A. zero B. $4,785 C. $5,195 D. $6,000 E. $6,410

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

A. zero B. $1,360 C. $1,770 D. $2,575 E. $2,985

\*47. If no other insurance premiums were paid in 2017, what would be the amount of

insurance expense in the year 2017?

A. $1,360 B. $1,770 C. $2,170 D. $2,580 E. $2,985

48. 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. $135 C. $270 D. $405 E. $540

**Group 9**

**Snowman 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 12-31-16. All accounts have normal balances. Total expenses are grouped together for simplicity.**

**The owner made one capital contribution during the year 2016 in the amount of $5,000. The gross profit percentage based on net sales is 42%.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash** | **26,285** |  | **Sales Discounts** | **3,689** |
| **Accounts Receivable** | **8,744** |  | **Sales Returns & Allowances** | **1,247** |
| **Inventory** | **18,380** |  | **Purchases** | **53,722** |
| **Accounts Payable** | **3,842** |  | **Transportation In** | **2,498** |
| **Eddie Snow, Capital** | **?** |  | **Purchases Discounts** | **1,729** |
| **Eddie Snow, Drawing** | **12,000** |  | **Purchases Returns & Allow.** | **1,643** |
| **Income Summary** | **860 DR** |  | **Total Expenses** | **23,462** |
| **Sales** | **?** |  |  |  |

**For items 49 through 60, write the correct amount on your answer sheet.**

\*49. The amount of Sales on the trial balance is $\_\_\_\_\_.

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

\*51. The amount of capital in the general ledger on 1-1-16 before any 2016 transactions

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

\*52. Total debits on the trial balance are $\_\_\_\_\_.

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

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

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

56. Net Sales are $\_\_\_\_\_.

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

58. Gross Profit is $\_\_\_\_\_.

\*59. Net Income is $\_\_\_\_\_.

\*60. The amount of capital on the Post-Closing Trial Balance dated 12-31-16 is $\_\_\_\_\_.

**Group 10**

**A business with a fiscal year end of Dec 31 has the following normal account balances and other information for the dates given in the year 2016.**

**The company prepares monthly adjusting entries, but closes the temporary accounts only at the end of the fiscal year. Therefore, the date Dec. 31 refers to balances after closing entries are posted.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash, Jan 1** | **18,261** |  | **Accounts Payable, Jan 1** | **4,820** |
| **Cash, Dec 31** | **29,416** |  | **Accounts Payable, Dec 31** | **….?….** |
| **Accounts Receivable, Jan 1** | **6,845** |  | **Ben Reyes, Capital, Jan 1** | **….?….** |
| **Accounts Receivable, Dec 31** | **10,920** |  | **Ben Reyes, Capital, Dec 31** | **….?….** |
| **Merchandise Inventory, Jan 1** | **22,630** |  |  |  |
| **Merchandise Inventory, Dec 31** | **21,450** |  |  |  |
| **Owner withdrew cash for personal use on March 9, 2016** | | | | **5,000** |
| **Owner made additional investment in his business on Aug 2, 2016** | | | | **10,000** |
| **Total Expenses on the Income Statement for the year 2016** | | | | **30,422** |
| **Net Sales on the Income Statement for the year 2016** | | | | **94,200** |
| **Gross Profit Percentage on the Income Statement for the year 2016** | | | | **41%** |

**For questions 61 through 65, write the correct amount on your answer sheet.**

61. What was the total owner’s equity on January 1, 2016?

62. What was the total owner’s equity on December 31, 2016?

\*63. By what amount did the Accounts Payable account increase from January 1, 2016

to December 31, 2016?

\*64. What was the amount of merchandise purchased during the year 2016?

\*65. What was the amount of net income for the year 2016?

**Group 11**

**The balance in the Supplies account on January 1 was $3,290. During the year supplies were purchased as follows: $1,968, $3,747, $1,152, and $719. A physical inventory taken on December 31 totaled $2,750.**

**Use the information above to answer questions 66 through 69. Write the identifying letter of the best response on your answer sheet.**

66. What amount should appear in the work sheet’s unadjusted trial balance column for

the account called Supplies?

A. zero C. $3,290 E. $7,586 G. $10,336

B. $2,750 D. $7,046 F. $8,126 H. $10,876

67. What amount should appear in the work sheet’s unadjusted trial balance column for

the account called Supplies Expense?

A. zero C. $3,290 E. $7,586 G. $10,336

B. $2,750 D. $7,046 F. $8,126 H. $10,876

\*68. What amount should appear in the work sheet’s adjustment columns to indicate the

supplies usage for the period?

A. zero C. $3,290 E. $7,586 G. $10,336

B. $2,750 D. $7,046 F. $8,126 H. $10,876

69. What amount should appear in the work sheet’s balance sheet column for the

account called Supplies?

A. zero C. $3,290 E. $7,586 G. $10,336

B. $2,750 D. $7,046 F. $8,126 H. $10,876

**Group 12**

**Refer to Table 1 on page 11. For questions 70 through 80, write the identifying letter of the best response on your answer sheet.**

70. What is the amount of total gross earnings for Robby for December?

A. $1,600 B. $1,860 C. $1,920 D. $2,040 E. $2,080

71. What is the amount of total gross earnings for Gary for December?

A. $1,750 B. $2,800 C. $2,856 D. $2,920 E. $3,264

72. What is the amount of total gross earnings for Betty for December?

A. $1,000 B. $1,500 C. $8,500 D. $10,000 E. $12,000

\*73. How many hours of overtime did Robby work in November?

A. 12 B. 15 C. 17.33 D. 18 E. 32

74. What is the total amount of gross overtime pay for all employees in December?

A. $540 B. $840 C. $1,020 D. $4,160 E. $5,000

75. What is Betty’s net take home pay for December?

A. $6,100 B. $6,193 C. $6,235 D. $6,328 E. $9,100

**Group 12 continued**

\*76. What is the total amount of Social Security tax withheld from the December pay of

all three employees?

A. $403 B. $837 C. $930 D. $1,054.50 E. $1,147.50

\*77. How much is owed to the state for unemployment tax for the December payroll?

A. $25.30 B. $27.50 C. $35.64 D. $36.80 E. $138.16

\*78. How much is owed to the federal government for unemployment tax for the

December payroll?

A. zero B. $19.84 C. $20.16 D. $40 E. $132.16

\*79. The debit to Payroll Tax Expense for December is

A. $427.64 B. $1,054.50 C. $1,099.64 D. $1,192.64 E. $4,859.64

\*80. The employer will need to pay December’s liability for employee income tax withheld

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

January 15, 2017 in the amount of

A. $2,109 B. $3,760 C. $5,869 D. $5,962 E. $5,914.14

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

***Table 1***

**(for questions 70 through 80)**

Cowtown Company has three employees who are paid monthly. Betty Blue is paid an annual salary of $120,000 per year. She is paid equally each month and receives no extra pay for overtime.

Robby Redd became an employee of Cowtown in September 2016. His total gross earnings in the month of September were $1,440 and in the month of October were $1,740.

The regular work month is 168 hours for November 2016 and it is 160 hours for December 2016. Robby and Gary are paid time and a half for hours worked that exceed the regular work month.

The 2016 tax rate information is as follows:

Social Security tax is 6.2% on the first $118,500 of wages

Medicare tax is 1.45% of all wages

Federal unemployment tax is .8% on the first $7,000 of wages

State unemployment tax is .55% on the first $9,000 of wages

The employer rates for Social Security and Medicare are the same respective rates as for employees.

Accumulated earnings through November 30, 2016 are as follows:

Betty Blue $110,000

Robby Redd 5,040

Gary Green 6,480

Hours worked, rates of pay, and days missed for the month of December 2016 are:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Total Hours Worked** | **Regular Rate** | **Days Missed** |
| Betty Blue | 192 | ? | 0 |
| Robby Redd | 192 | $10.00 | 0 |
| Gary Green | 175 | $16.00 | 0 |

Federal Income Tax to be withheld from the December pay is given for simplicity:

Betty Blue $3,000

Robby Redd 310

Gary Green 450