**UIL ACCOUNTING**

**Invitational 2018-B**

**Group 1**

**In items 1 through 17 are listed some of the accounts that appear in the Account Title section of a work sheet. Indicate whether the normal account balance will be entered in the debit or the credit column of the Trial Balance section of the work sheet using the following code:**

 **DR = Trial Balance debit column**

 **CR = Trial Balance credit column**

1. Ben Flynn, Capital 10. Purchases Discounts

2. Store Equipment 11. Transportation In

3. Rent Expense 12. Prepaid Insurance

4. Accounts Payable 13. Ben Flynn, Drawing

5. Service Revenue 14. Sales Tax Payable

6. Accounts Receivable 15. Salary Expense

7 Office Supplies 16. Sales Discounts

8. Sales 17. Purchases

9. Merchandise Inventory

**Group 2**

**On December 1, 2017 Fritz Norman, owner of Norman Transport, received a bank statement dated November 28, 2017. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Fritz compared the company’s checkbook records with the bank statement and found the following:**

* The November bank statement shows a beginning balance of $4,047.07 and an ending balance of $4,872.19
* The statement shows the November bank service charge of $24.15
* A check from Wendy Fogle for $380.19 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 Fritz’s 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 $1,642 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 #3162 for $115.85 Check #3166 for $432.88

 Check #3164 for $1,267.14 Check #3167 for $675.40

**For questions 18 and 19, write the correct amount on your answer sheet.**

18. What is the reconciled (adjusted) bank balance on November 30, 2017?

19. What was the balance in the checkbook immediately before the bank reconciliation

 was prepared?

**Group 3**

**Excelsior Company pays employees in one of three ways based on their position: 1) a salary plus commission based on sales; 2) an hourly wage plus a piece rate; and 3) an hourly wage only. Hourly wage employees also earn overtime at 1½ times the regular hourly rate of pay for hours worked over 40 in a week.**

**For questions 20 through 23, write the correct amount of gross pay for each employee on your answer sheet.**

20. Fiona earns an hourly wage of $9.50, and she worked 39 and ½ hours this

 week.

21. Fidelis earns an hourly wage of $10.50 and he worked 53 hours this week.

22. Fergus earns an hourly wage of $12 and a piece rate of 23 cents. He worked

 48 hours and produced 1,120 pieces.

23. Ferdinand receives a salary of $420 per week plus a 3% commission on sales, and he was responsible for $25,260 worth of sales this week.

**Group 4**

**Below are the normal account balances of Flash Company at the end of the fiscal year from the adjusted trial balance columns of the work sheet.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **A** | **Cash in Bank** | **15,820** |  | **H** | **Income Summary** | **-0-** |
| **B** | **Accounts Receivable** | **4,255** |  | **I** | **Fees Income** | **34,205** |
| **C** | **Supplies on Hand** | **1,860** |  | **J** | **Advertising Expense** | **2,650** |
| **D** | **Prepaid Insurance** | **2,500** |  | **K** | **Insurance Expense** | **5,000** |
| **E** | **Accounts Payable** | **8,430** |  | **L** | **Supplies Expense** | **3,275** |
| **F** | **Gordon Flash, Capital** |  **?**  |  | **M** | **Rent Expense** | **4,200** |
| **G** | **Gordon Flash, Drawing** | **15,000** |  | **N** | **Miscellaneous Expense** | **825** |

**For questions 24 through 36, use the identifying letters to indicate the accounts debited and credited in the following closing entries. Also write the correct amounts as required on your answer sheet. If an answer requires multiple parts, any order in which you write the parts is acceptable. However, all parts of your response must be correct for your answer to be correct.**

24-26. The first closing entry includes a debit to #24 and a credit to #25 for $\_ #26.

27-29. The second closing entry includes a debit to #27 and a credit to #28 for a total of

 $\_ #29\_.

30-32. The third closing entry includes a debit to #30 and a credit to #31 for $\_ #32\_.

33-35. The fourth closing entry includes a debit to #33 and a credit to #34 for $\_ #35\_.

36. What is the balance of the capital account on the post-closing trial balance?

**Group 5**

**The following rates and maximums per employee per year are in effect:**

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $127,200** |
| **Medicare** | **1.45% on all earnings** |
| **Employee Federal Income Tax** | **15% on all earnings** |
| **Employee State Income Tax** | **1% on all earnings** |
| **Federal Unemployment Tax** | **.6% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **2.5% on first $9,000 of gross earnings** |
| **Overtime** | **1½ times regular rate for hours worked in excess of 40 hours in a 5-day work week** |

**The applicable employer matching taxes are at the same rate as the employee rate. In this state only employers are subject to unemployment taxes. Any taxes withheld from an employee for state income tax must be remitted by the employer directly to the state. Health insurance premiums are remitted to El Bama Health Insurance Co.**

**Selected information from a weekly payroll register for one employee is presented below with some amounts intentionally omitted. Prior to this week’s paycheck the employee had accumulated gross earnings of $6,860. The payroll clerk is new to the job and was unsure what to deduct.**

|  |  |
| --- | --- |
| **Gross Earnings:** |  |
| **Regular** |  |
| **Overtime (8 hours)** | **180.00** |
| **Total Gross Earnings** |  |
| **Deductions: ????** |  |
| **Social Security** |  |
| **Medicare** |  |
| **Federal Income Tax** |  |
| **State Income Tax** |  |
| **Health Insurance Premium** | **165.00** |
| **Federal Unemployment Tax** |  |
| **State Unemployment Tax** |  |
| **Total Deductions** |  |
| **Net Pay:** |  |

**For questions 37 through 39, write the correct amount on your answer sheet.**

37. What is the correct amount of the employee’s paycheck?

\*38. What is the correct amount of the employer’s payroll tax expense for this employee

 for this week?

\*39. The employer must pay the liability (for this paycheck) for employee federal income

 tax withheld and the employer and employee portion of Social Security and

 Medicare taxes by the 15th of the following month. What is this amount?

**Group 6**

**The work sheet for a sole proprietorship service business was prepared for the year ending December 31, 2017. The owner’s withdrawals for the year 2017 were $3,000. The known subtotals on the work sheet before the net income (or loss) is calculated are as follows:**

|  |  |
| --- | --- |
| **Income Statement Credit** | **72,843** |
| **Balance Sheet Debit** | **98,460** |
| **Balance Sheet Credit** | **87,320** |

**For questions 40 through 45 write the identifying letter of the best response on your answer sheet.**

40. The amount of $72,843 (from the chart above) in theory represents

 A. liabilities only

 B. liabilities plus owner’s equity as of 1-1-17 plus any owner investments made

 during the year 2017

 C. all revenue

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

 E. all of the owner’s equity only

41. The amount of $98,460 (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 1-1-17 capital plus owner investments made during 2017

42. The amount of $87,320 (from the chart above) in theory represents

 A. liabilities plus owner’s equity as of 1-1-17 only

 B. liabilities only

 C. owner’s equity as of 1-1-17 only

 D. liabilities plus owner’s equity as of 1-1-17 plus any owner investments made

 during the year 2017

 E. liabilities and owner’s equity as of 12-31-17 after all closing entries

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

 A. $8,140 B. $11,140 C. $14,140 D. $14,477 E. $25,617

44. 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

45. What is the total expense for 2017?

 A. $61,703 B. $64,703 C. $72,843 D. $87,320 E. $98,460

**Group 7**

**Use the following information to answer questions 46 through 51. Write the identifying letter of the best response on your answer sheet.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sales | 102,520 |  | Sales Discounts | 3,811 |
| Transportation In | 3,854 |  | Purchases Returns | 2,780 |
| Net Sales | 96,240 |  | Ending Inventory | 18,270 |
| Sales Returns |  ? |  | Beginning Inventory |  ? |
| Purchases | 56,122 |  | Purchases Discounts | 5,644 |
| Gross Profit | 43,308 |  |  |  |

46. The amount of sales returns is:

 A. zero D. $3,811

 B. $ 311 E. $6,280

 C. $2,469 F. $10,091

47. The amount of net purchases is:

 A. $43,844 D. $51,552

 B. $47,698 E. $56,122

 C. $50,521 F. $59,976

\*48. The amount of cost of delivered merchandise is:

 A. $ 3,854 D. $51,552

 B. $43,844 E. $52,932

 C. $47,698 F. $59,976

49. The amount of cost of merchandise sold is:

 A. $51,552 D. $59,212

 B. $52,932 E. $69,822

 C. $55,401 F. $71,202

\*50. The amount of beginning inventory is:

 A. $ 1,380 D. $22,119

 B. $18,270 E. $29,741

 C. $19,650 F. $34,662

 \*51. The amount of cost of merchandise available for sale is:

 A. $71,202 D. $81,293

 B. $73,671 E. $83,762

 C. $77,482 F. $89,472

**Group 8**

**Simona Cowell owns Sweets & Eats, a sole-proprietorship, which has been in business for several years. From her bakery located in a busy shopping center, she sells baked goods and she also caters banquets, parties and dinners.**

**Regular operating transactions are journalized daily and posted no less often than monthly. Adjusting entries and financial statements are prepared monthly. Closing entries are prepared only at the end of the fiscal year, which is December 31. Disregard sales taxes.**

**Table 1 on pages 8 and 10 (page 9 is blank) shows her adjusted trial balance as of November 30, 2017 and her transactions for the month of December 2017. All accounts have normal balances. Additional information is provided including data needed for the December 31 adjusting entries.**

**Company procedure is to record purchases of food, supplies, and insurance in separate asset accounts and adjust monthly for ending food inventory, supplies on hand and unexpired insurance.**

**On March 5, 2017 Simona made a capital contribution in the amount of $5,000. The food purchases made in January through November were $172,945. Supplies purchased in January through November were $8,365**

**For questions 52 through 58 write the correct amount on your answer sheet.**

\*52. What was the balance of Prepaid Insurance on January 1, 2017?

\*53. What was the balance of Prepaid Insurance on November 30, 2017?

\*54. What was the balance of the owner’s capital account on January 1, 2017?

\*55. What was the balance of Insurance Expense on November 30, 2017?

\*56. What was the net income for the eleven months ended November 30, 2017?

\*57. What was the balance in Food Inventory on January 1, 2017?

\*58. What was the balance in Supplies on January 1, 2017?

**For questions 59 through 68, 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** |
| **2** | Q#59 | Q#60 |
| **9** | Q#61 | Q#62 |
| **15** | Q#63 | Q#64 |
| **20** | Q#65 | Q#66 |
| **27** | Q#67 | XXXXX |
| **30** | Q#68 | XXXXX |

**Group 8 continued**

**Continue to refer to Table 1. For questions 69 through 80, write the correct amount on your answer sheet. Consider that all the transactions for December 2017 have been journalized and posted correctly.**

What was the balance in each of the following accounts on December 31, 2017 before adjusting journal entries are posted?

\*69. Food Inventory

70. Supplies

\*71. Prepaid Insurance

72. Equipment

What was the balance in each of the following accounts on December 31, 2017 after adjusting entries are posted but before closing entries are posted?

73. Food Expense

\*74. Supplies Expense

\*75. Insurance Expense

\*76. Prepaid Insurance

77. Catering Revenue

What was the balance in each of the following accounts on December 31, 2017 after all closing entries are posted?

78. Cash in Bank

\*\*\*79. Simona Cowell, Capital

80. Simona Cowell, Drawing

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

***TABLE 1***

**(This table consists of pages 8 and 10.)**

**(for questions 52 through 80)**

|  |
| --- |
| **Sweets & Eats** |
| **Adjusted Trial Balance** |
| **November 30, 2017** |
| **Acct #** | **Account Title** | **Amount** |
| 110 | Cash in Bank | 8,620 |
| 120 | Accounts Receivable—Wilmon Coffman, Atty | 1,500 |
| 125 | Accounts Receivable—Jackson ISD | 0 |
| 130 | Food Inventory | 2,600 |
| 135 | Supplies | 3,685 |
| 140 | Prepaid Insurance | ??? |
| 150 | Equipment | 15,000 |
| 160 | Delivery Van | 25,000 |
| 210 | Accounts Payable—Quality Meats | 2,430 |
| 215 | Accounts Payable—Superior Appliance Co. | 1,800 |
| 220 | Accounts Payable—McLane Foods | 0 |
| 310 | Simona Cowell, Capital | ??? |
| 315 | Simona Cowell, Withdrawals | 27,500 |
| 320 | Income Summary | 0 |
| 410 | Bakery Revenue | 72,650 |
| 420 | Catering Revenue | 193,420 |
| 505 | Food Expense | 172,195 |
| 510 | Rent Expense | 3,465 |
| 515 | Utilities Expense | 4,158 |
| 520 | Advertising Expense | 4,370 |
| 525 | Insurance Expense | ??? |
| 530 | Supplies Expense | 7,030 |
| 535 | Equipment Repair Expense | 3,870 |
| 540 | Gasoline & Oil Expense | 4,565 |

**Other Information Noted as of December 31, 2017:**

**1. Physical inventory of food is $1,900.**

**1. Physical inventory of supplies is $2,200.**

**2. The insurance policy that covers the equipment and van renews each year**

 **on June 1. As of 1-1-17, this is the only insurance policy the business has.**

 **In 2016 the policy cost $3,060.**

 **In 2017 the policy cost $3,360.**

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***TABLE 1 continued***

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

 1 Issued a check for $315 for the December rent.

 2 Purchased on account beef steaks from Quality Meats for $1,625.

 4 Deposit $2,030 from cash bakery sales

 5 Bought two commercial refrigerators on account for a total invoice of

 $12,600 from Superior Appliance Co. Each appliance cost the same amount.

 6 Issued a check for $325 to On the Spot Media for advertising to run on various

 social media outlets between now and Christmas.

 7 Purchased on account from McLane Foods $3,200 for baking ingredients.

 8 Issued a check to Superior Appliance Co. for the amount owed to them on

 November 30, 2017

 9 Catered the Jackson High School winter banquet on account $3,500.

 11 Deposit $2,890 from cash bakery sales

 12 Issued a check for $490 for food ingredients for a small catering job.

 13 Deposit $735 from a cash catering job.

 14 Issued a check for $2,890 for supplies.

 15 Returned only one of the refrigerators to Superior Appliance Co. because it was

 defective. Superior Appliance Co. accepted the return and issued full credit.

 Simona did not purchase any other equipment from this company at this time.

 16 Issued a check to Superior Appliance Co. for the balance owed to them after

 the return of one refrigerator.

 18 Deposit $4,015 from cash bakery sales.

 19 Issued a check for $220 for utilities.

 20 Deposit a check received on account from Wilmon Coffman $1,500.

 21 Issued a check for $750 to repair the oven.

 22 Issued a check to Quality Meats for the full amount owed on this date.

 23 Deposit $925 for a cash catering job.

 26 Deposit $6,430 from cash bakery sales.

 27 Issued a check for $5,000 for owner’s personal use.

 28 Issued a check for $615 to Stop & Shop for all gasoline charged for the

 month of December. All gasoline was used in the company van for business

 purposes.

 29 Deposit $895 from cash bakery sales.

 30 Issued a check for $1,380 for general liability insurance coverage that goes

 into effect on January 1, 2018.