

國立彰化師範大學104學年度碩士班招生考試試題

系所： 會計學系

科目： 會計學(含中級會計學)

☆☆請在答案紙上作答☆☆

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一、選擇題(共計 25%)

1. During 2015, Polo Company discovered that the ending inventories reported on its financial statements were incorrect by the following amounts:

2013 \$120,000 understated
2014 \$150,000 overstated

Polo uses the periodic inventory system to ascertain year-end quantities that are converted to dollar amounts using the FIFO cost method. Prior to any adjustments for these errors and ignoring income taxes, Polo's retained earnings at January 1, 2015, would be:
(A) Correct. (B) \$30,000 overstated.
(C) \$150,000 overstated. (D) \$30,000 understated.
2. In December 2013, Kojak Insurance Co. received \$500,000 in premiums for a two-year property insurance policy. The company recorded the transaction by debiting cash and crediting insurance premium revenue for the full amount. An internal audit conducted in early 2014 flagged this transaction.
(A) Kojak needs to correct an accounting error.
(B) Kojak has made a change in accounting policy, requiring retrospective adjustment.
(C) Kojak is required to adjust a change in accounting estimate prospectively.
(D) Kojak is not required to make any accounting adjustments.
3. The O'Hara Group is owed \$1,000,000 by Hilton Enterprises under an 8% note with three years remaining to maturity. The prior year of interest was unpaid. O'Hara agrees to restructure the note under terms that yield a present value of \$880,000. The journal entry that O'Hara would make to record this transaction would include a loss on troubled debt restructuring of:
(A) \$0. (B) \$80,000. (C) \$200,000. (D) \$220,000.
4. Brockton Carpet Cleaning prepares a bank reconciliation at the end of every month. At the end of July, the balance in the general ledger checking account was \$2,750 and the bank balance on the bank statement was \$2,980. Outstanding checks totaled \$680 and deposits in transit were \$400. The bank statement revealed that a check written for \$120 was incorrectly recorded by Brockton as a \$220 disbursement. The bank statement listed service charges and NSF check charges totaling \$150. The corrected cash balance is:
(A) \$2,270. (B) \$2,550. (C) \$2,470. (D) \$2,700.

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5. On March 1, 2013, E Corp. issued \$1,000,000 of 10% nonconvertible bonds at 103, due on February 28, 2023. Each \$1,000 bond was issued with 30 detachable stock warrants, each of which entitled the holder to purchase, for \$50, one share of Evan's \$25 par ordinary share. On March 1, 2013, the market price of each warrant was \$4. By what amount should the bond issue proceeds increase shareholders' equity?
- (A) \$0. (B) \$30,000. (C) \$90,000. (D) \$120,000.

二、非選擇題(共計 75%)

1. Lindy Company's auditor discovered two errors. No errors were corrected during 2013. The errors are described as follows:
- (1) Merchandise costing \$4,000 was sold to a customer for \$9,000 on December 31, 2013, but it was recorded as a sale on January 2, 2014. The merchandise was properly excluded from the 2013 ending inventory. Assume the periodic inventory system is used.
- (2) A machine with a five-year life was purchased on January 1, 2013. The machine cost \$20,000 and has no expected salvage value. No depreciation was taken in 2013 or 2014. Assume the straight-line method for depreciation.

Question : (12%)

Prepare appropriate journal entries (assume the 2014 books have not been closed). Ignore income taxes.

2. On January 1, 2013, Comet Products issued \$40 million of 6%, 10-year convertible bonds at a net price of \$40.8 million. The effective interest rate on the bond is 6.1352734%. Comet recently issued similar, but nonconvertible, bonds at 99. The bonds pay interest on June 30 and December 31. Each \$1,000 bond is convertible into 30 shares of Comet's no par ordinary shares. On June 1, 2015, Comet notified bondholders of its intent to call the bonds at face value plus a 1% call premium on July 1, 2015. By June 30 all bondholders had chosen to convert their bonds into shares as of the interest payment date. On June 30, Comet paid the semiannual interest and issued the requisite number of shares for the bonds being converted.

Questions : (28%)

- (1) Prepare the journal entry for the issuance of the bonds by Comet. (4%)
- (2) Prepare the journal entry from June 30, 2013 to Dec 31, 2014. (16%)
- (3) Prepare the journal entries for the June 30, 2015, interest payment by Comet and the conversion of the bonds. (8%)

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3. Following are the income statement and some additional information for Parson Corporation for 2014.

Parson Corporation		
Income Statement		
For the Year Ended December 31, 2014		
Net sales		\$10,000
Cost of goods sold		<u>(1,500)</u>
Gross margin		8,500
Operating expenses	\$2,000	
Depreciation expense	<u>900</u>	<u>(2,900)</u>
Income before taxes		5,600
Income taxes		<u>(1,600)</u>
Net income		\$4,000

All sales were on credit and accounts receivable increased by \$600 this year compared to last year. Merchandise purchases were on credit with an increase in accounts payable of \$400 during the year. Ending inventory was \$500 larger than beginning inventory. Income taxes payable increased \$300 during the year. All operating expenses were paid for in cash.

Question : (17%)

Prepare the cash flows from operating activities section of the statement of cash flows using the indirect method.

4. Hardin Widget Manufacturing began operations in January 2014. Hardin sells widgets that carry a two-year manufacturer's warranty against defects in workmanship. Hardin's management project that 2% of the widgets will require repair during the first year of the warranty while approximately 6% will require repair during the second year of the warranty. The widgets sell for \$400 each. The average cost to repair a widget is \$50. The company sells 60% of the widgets to retail customers who must pay a 6% sales tax. Sales and warranty information for 2014 and 2015 are as follows :

2014 : Sold 200 widgets on account ; incurred warranty expenditures of \$300.

2015 : Sold 300 widgets on account ; actual warranty expenditures were \$500.

Questions : (18%)

(1) Prepare journal entries that summarize the sales and any aspects of the warranty for 2014. (9%)

(2) Prepare journal entries that summarize the sales and any aspects of the warranty for 2015. (9%)