

# 東海大學 105 學年度碩士班考試入學試題

考試科目：財務會計

科目代碼：43111

應考系組：會計系甲組

考試日期：105 年 03 月 06 日 第 1 節

使用計算機：可

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請於答案卷作答，違者不予計分

## I. Multiple Choices (4 points for each; 40 points in total)

- One of the elements on a financial statement is comprehensive income. Comprehensive income excludes changes in equity resulting from which of the following?
  - Loss from discontinued operations
  - Unrealized loss from foreign currency translation
  - Dividends paid to stockholders
  - Unrealized loss on investments in noncurrent marketable equity securities
- According to the concept framework for financial reporting, neutrality is an ingredient of faithful representation? Of relevance?
  - Yes Yes
  - Yes No
  - No Yes
  - No No
- Which of the following information should be included in Melay, Inc.'s 2015 summary of significant accounting policies?
  - Property, plant, and equipment is recorded at cost with depreciation computed principally by the straight-line method.
  - During 2015, the Delay Segment was sold.
  - Business segment 2015 sales are Alay, \$1M; Belay, \$2M; and Celay, \$3M.
  - Future common share dividends are expected to approximate 60% of earnings
- Accounts receivable has a beginning balance of \$425,000 and an ending balance of \$437,000. Cash collected from customers during the period was \$1,263,000. Sales for the period were:
  - \$1,251,000.
  - \$1,263,000.
  - \$1,275,000.
  - \$1,287,000.
- When the allowance method of recognizing uncollectible accounts is used, the entry to record the write-off of a specific account would:
  - Decrease both accounts receivable and the allowance for uncollectible accounts.
  - Decrease accounts receivable and increase the allowance for uncollectible accounts.
  - Increase the allowance for uncollectible accounts and decrease net income.
  - Decrease both accounts receivable and net income.
- Cole Co. began constructing a building for its own use in January 2015. During 2015, Cole incurred interest of \$50,000 on specific construction debt and \$20,000 on other borrowings. The amount of interest that could have been avoided if the building construction expenditures had been used to pay off debt during 2015 was \$40,000. What amount of interest cost should Cole capitalize?
  - \$20,000
  - \$40,000
  - \$50,000
  - \$70,000

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7. Turtle Co. purchased equipment on January 2, 2013, for \$50,000. The equipment had an estimated five-year service life with an expected salvage value of \$0. Turtle's policy for five-year assets is to use the double-declining-balance depreciation method for the first two years of the asset's life and then switch to the straight-line depreciation method. In its December 31, 2015, balance sheet, what amount should Turtle report as accumulated depreciation for equipment?
- (a) \$30,000  
(b) \$38,000  
(c) \$39,200  
(d) \$42,000
8. On July 31, 2016, Dome Co. issued \$1,000,000 of 10%, 15-year bonds at par and used a portion of the proceeds to call its 600 outstanding 11%, \$1,000 face value bonds, due on July 31, 2024, at 102. On that date, unamortized bond premium relating to the 11% bonds was \$65,000. In its 2015 comprehensive income statement, what amount should Dome report as gain or loss, before income taxes, from retirement of bonds?
- (a) \$5,3000 gain  
(b) \$0  
(c) (\$65,000) loss  
(d) (\$75,000) loss
9. Which of the following should be reported as a stockholders' equity contra account?
- (a) Discount on convertible bonds  
(b) Premium on convertible bonds  
(c) Cumulative foreign exchange translation loss  
(d) Organization costs
10. A company should report the marketable equity securities that it has classified as trading at:
- (a) Lower of cost or market, with holding gains and losses included in earnings  
(b) Lower of cost or market, with holding gains included in earnings only to the extent of previously recognized holding losses.  
(c) Fair value, with holding gains included in earnings only to the extent of previously recognized holding losses.  
(d) Fair value, with holding gains and losses included in earnings.

## II. Please explain following terms briefly. (5 points for each)

1. Complete information
2. Operating cycle
3. Accrual accounting
4. Fair value option
5. Gain on bargain purchase

## III. Salvage Company reported the following net income amounts:

2014 ..... \$62,000

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2015 ..... \$48,000

2016 ..... \$60,000

In 2017, the company discovered errors that been made in computing the ending inventories for 2014 and 2015, as follows:

2014 Ending inventory understated by \$4,000.

2015 Ending inventory understated by \$8,000.

Compute the correct net incomes for (1) 2014, (2) 2015, and (3) 2016 (5 points for each).

**IV. During 2014, Belladonna Corp. had outstanding 125,000 shares of common stock and 7,500 shares of noncumulative, 8 percent, \$50 par preferred stock. Each preferred share is convertible into 8 shares of common stock. In 2014, net income was \$231,500.**

(1) Compute basic and diluted earnings per share for 2014 assuming no dividends were declared or paid. (10 points)

(2) Compute basic and diluted earnings per share for 2014 assuming dividends were declared and paid on the preferred stock. (10 points)