

系所組別：財務金融研究所

考試科目：中級會計

考試日期：0225，節次：2

※ 考生請注意：本試題可使用計算機，並限「考選部核定之國家考試電子計算器」機型

I. Multiple-Choice Questions (81%): Select the best answer for each question (3% for each question)

1. The cash account shows a balance of \$45,000 before reconciliation. The bank statement does not include a deposit of \$2,300 made on the last day of the month. The bank statement shows a collection by the bank of \$940 and a customer's check for \$320 was returned because it was NSF. A customer's check for \$450 was recorded on the books as \$540, and a check written for \$79 was recorded as \$97. The correct balance in the cash account was
 - a. \$45,512.
 - b. \$45,548.
 - c. \$45,728.
 - d. \$47,848.

2. Given the following:

Net income	\$1,000,000
EPS	3.25
Dividend/ordinary shares	1.5
Weighted average ordinary shares outstanding	200,000

 Determine the amount of the preference share dividend.
 - a. \$350,000
 - b. \$650,000
 - c. \$50,000
 - d. \$300,000

3. Which of the following is *not* a generally practiced method of presenting the income statement?
 - a. Including prior period adjustments in determining net income.
 - b. The condensed income statement.
 - c. The consolidated income statement.
 - d. Including gains and losses from discontinued operations of a component of a business in determining net income.

4. For the year ended December 31, 2010, Dent Co. estimated its allowance for uncollectible accounts using the year-end aging of accounts receivable. The following data are available:

Allowance for uncollectible accounts, 1/1/10	\$56,000
Provision for uncollectible accounts during 2010 (2% on credit sales of \$2,000,000)	40,000
Uncollectible accounts written off, 11/30/10	46,000
Estimated uncollectible accounts per aging, 12/31/10	69,000

 After year-end adjustment, the uncollectible accounts expense for 2010 should be
 - a. \$46,000.
 - b. \$62,000.
 - c. \$69,000.
 - d. \$59,000.

Use the following information for questions 5 through 6.

(背面仍有題目,請繼續作答)

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The following data concerning the retail inventory method are taken from the financial records of Welch Company.

	<u>Cost</u>	<u>Retail</u>
Beginning inventory	\$ 49,000	\$ 70,000
Purchases	224,000	320,000
Freight-in	6,000	—
Net markups	—	20,000
Net markdowns	—	14,000
Sales	—	336,000

5. The ending inventory at retail should be
- \$74,000.
 - \$60,000.
 - \$64,000.
 - \$42,000.
6. If the ending inventory is to be valued at approximately the lower of cost or market, the calculation of the cost to retail ratio should be based on goods available for sale at (1) cost and (2) retail, respectively of
- \$279,000 and \$410,000.
 - \$279,000 and \$396,000.
 - \$279,000 and \$390,000.
 - \$273,000 and \$390,000.

Use the following information for questions 7 through 8

Gross Corporation adopted the dollar-value LIFO method of inventory valuation on December 31, 2009. Its inventory at that date was \$220,000 and the relevant price index was 100. Information regarding inventory for subsequent years is as follows:

<u>Date</u>	<u>Inventory at Current Prices</u>	<u>Current Price Index</u>
December 31, 2010	\$256,800	107
December 31, 2011	290,000	125
December 31, 2012	325,000	130

7. What is the cost of the ending inventory at December 31, 2011 under dollar-value LIFO?
- \$232,000.
 - \$232,840.
 - \$231,840.
 - \$240,000.
8. What is the cost of the ending inventory at December 31, 2012 under dollar-value LIFO?
- \$256,240.
 - \$254,800.
 - \$250,000.
 - \$263,400.
9. If a petty cash fund is established in the amount of \$250, and contains \$150 in cash and \$95 in receipts for disbursements when it is replenished, the journal entry to record replenishment should include credits to the following accounts
- Petty Cash, \$75.
 - Petty Cash, \$100.
 - Cash, \$95; Cash Over and Short, \$5.
 - Cash, \$100.

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Use the following information for questions 10 through 12.

A comparative statement of financial position for Orozco Corporation is present below.

	December 31	
	2012	2011
Land	\$ 71,000	\$110,000
Equipment	270,000	200,000
Accumulated depreciation-equipment	(69,000)	(42,000)
Inventory	180,000	189,000
Accounts receivable (net).....	82,000	66,000
Cash.....	63,000	22,000
TOTAL.....	<u>\$597,000</u>	<u>\$545,000</u>
Share capital—ordinary	\$214,000	\$ 164,000
Retained earnings	199,000	134,000
Bonds payable	150,000	200,000
Accounts payable	34,000	47,000
TOTAL.....	<u>\$597,000</u>	<u>\$545,000</u>

Additional data for 2012:

1. Net income was \$105,000.
2. Cash dividends of \$40,000 were declared and paid
3. Bonds payable amounting to \$50,000 were retired through issuance of ordinary shares.

10. The net cash flow provided by operating activities for 2012 is:

- a. \$112,000
- b. \$131,000
- c. \$40,000
- d. None of the above.

11. The net cash flow provided by investing activities is:

- a. (\$12,000)
- b. (\$31,000)
- c. (\$40,000)
- d. None of the above.

12. The net cash flow provided by financing activities is:

- a. (\$112,000)
- b. (\$41,000)
- c. (\$40,000)
- d. None of the above.

Use the following information for questions 13- and 14.

Miles Company, a wholesaler, budgeted the following sales for the indicated months:

	June	July	August
Sales on account	\$1,800,000	\$1,840,000	\$1,900,000
Cash sales	180,000	200,000	260,000
Total sales	<u>\$1,980,000</u>	<u>\$2,040,000</u>	<u>\$2,160,000</u>

All merchandise is marked up to sell at its purchase cost plus 20%. Merchandise inventories at the beginning of each month are at 30% of that month's projected cost of goods sold.

(背面仍有題目,請繼續作答)

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13. The cost of goods sold for the month of June is anticipated to be
- \$1,440,000.
 - \$1,500,000.
 - \$1,520,000.
 - \$1,650,000.
14. Merchandise purchases for July are anticipated to be
- \$1,632,000.
 - \$2,076,000.
 - \$1,700,000.
 - \$1,730,000.
15. During the prior fiscal year, Jeremiah Corp. signed a long-term noncancellable purchase commitment with its primary supplier to purchase \$2.5 million of raw materials. Jeremiah paid the \$2.5 million to acquire the raw materials when the raw materials were only worth \$2.2 million. Assume that the purchase commitment was properly recorded. What is the journal entry to record the purchase?
- Debit Inventory for \$2,200,000, and credit Cash for \$2,200,000.
 - Debit Inventory for \$2,200,000, debit Unrealized Holding Loss for \$300,000, and credit Cash for \$2,500,000.
 - Debit Inventory for \$2,200,000, debit Purchase Commitment Liability for \$300,000 and credit Cash for \$2,500,000.
 - Debit Inventory for \$2,500,000, and credit Cash for \$2,500,000.
16. Goren Corporation had the following amounts, all at retail:
- | | | | |
|---------------------|----------|-----------------|-----------|
| Beginning inventory | \$ 3,600 | Purchases | \$100,000 |
| Purchase returns | 6,000 | Net markups | 18,000 |
| Abnormal shortage | 4,000 | Net markdowns | 2,800 |
| Sales | 72,000 | Sales returns | 1,800 |
| Employee discounts | 1,600 | Normal shortage | 2,600 |
- What is Goren's ending inventory at retail?
- \$34,400.
 - \$36,000.
 - \$37,600.
 - \$38,400.
17. Boxer Inc. reported inventory at the beginning of the current year of \$400,000 and at the end of the current year of \$360,000. If net sales for the current year are \$1,938,000 and the corresponding cost of sales totaled \$1,634,000, what is the inventory turnover ratio for the current year?
- 5.383
 - 4.3.
 - 5.1.
 - 4.085.
18. The sales price for a product provides a gross profit of 50% of sales price. What is the gross profit as a percentage of cost?
- 100%.
 - 50%.
 - 25%.
 - Not enough information is provided to determine.

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19. Which of the following statements is true regarding the differences between amortized cost and fair value for debt investments?
- When bonds sold at a discount and are accounted for using amortized cost, interest revenue will be greater than the interest revenue recorded under fair value.
 - When bonds sold at a premium and are accounted for using amortized cost, interest revenue will be less than the interest revenue recorded under fair value.
 - Under the fair value approach, an unrealized gain or loss is recorded in each year whereas no unrealized gains or losses are recorded under the amortized cost method.
 - All of the choices are correct.
20. A gain on sale of a debt investment is the excess of the selling price over the bonds
- market price.
 - fair value.
 - face value.
 - book value.
21. Recognition of tax benefits in the loss year due to a loss carryforward requires
- the establishment of a deferred tax liability.
 - the establishment of a deferred tax asset.
 - the establishment of an income tax refund receivable.
 - only a note to the financial statements.
22. The relationship between the amount funded and the amount reported for pension expense is as follows:
- pension expense may be greater than, equal to, or less than the amount funded.
 - pension expense will be less than the amount funded.
 - pension expense will be more than the amount funded.
 - pension expense must equal the amount funded.
23. Which of the following statements is correct?
- In a direct-financing lease, initial direct costs are added to the net investment in the lease.
 - In a sales-type lease, initial direct costs are expensed in the year of incurrence.
 - For operating leases, initial direct costs are deferred and allocated over the lease term.
 - All of these.
24. If a government entity provides an interest free loan to a company and the company accounts for the grant using the deferred revenue approach,
- no interest expense will be recorded.
 - the interest element is initially recorded as Discount on Noted Payable.
 - the interest element is amortized to Deferred Grant Revenue over the term of the loan.
 - all of these.
25. Assets that qualify for interest cost capitalization include
- assets under construction for a company's own use.
 - assets that are ready for their intended use in the earnings of the company.
 - assets that are not currently being used because of excess capacity.
 - All of these assets qualify for interest cost capitalization.
26. When cash is involved in an exchange having commercial substance.
- gains or losses are recognized in their entirety.
 - a gain or loss is computed by comparing the fair value of the asset received with the fair value of the asset given up.
 - only gains should be recognized.
 - only losses should be recognized.

(背面仍有題目,請繼續作答)

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27. Solar Products purchased a computer for \$13,000 on June 1, 2010. The company intends to depreciate it over 4 years using the double-declining balance method. Residual value is \$1,000. Depreciation for 2010 is
- \$6,500
 - \$3,250
 - \$4,875
 - \$3,792

II. (19%)

The following information is taken from French Corporation's financial statements:

	December 31	
	2011	2010
Cash	\$90,000	\$ 27,000
Accounts receivable	92,000	80,000
Allowance for doubtful accounts	(4,500)	(3,100)
Inventory	155,000	175,000
Prepaid expenses	7,500	6,800
Land	90,000	60,000
Buildings	287,000	244,000
Accumulated depreciation	(32,000)	(13,000)
Patents	20,000	35,000
	<u>\$705,000</u>	<u>\$611,700</u>
Accounts payable	\$ 90,000	\$ 84,000
Accrued liabilities	54,000	63,000
Bonds payable	125,000	60,000
Share capital-ordinary	100,000	100,000
Retained earnings—appropriated	80,000	10,000
Retained earnings—unappropriated	271,000	302,700
Treasury shares, at cost	(15,000)	(8,000)
	<u>\$705,000</u>	<u>\$611,700</u>
	<u>For 2011 Year</u>	
Net income	\$58,300	
Depreciation expense	19,000	
Amortization of patents	5,000	
Cash dividends declared and paid	20,000	
Gain or loss on sale of patents	none	

Required:

Prepare a statement of cash flows for French Corporation for the year 2011. (Use the indirect method.)