

元智大學 102 學年度研究所 碩士班 招生試題卷

系(所)別: 管理學院商學碩士班 組別: 會計碩士學程 科目: 財務會計 用紙第 1 頁共 3 頁

● 可使用現行『國家考試電子計算器規格標準』規定第一類之計算機

1. Assume that the following data relative to Kane Company for 2012 is available:

Net Income	\$2,100,000	
<u>Transactions in Ordinary Shares</u>		
Jan. 1, 2012, Beginning number		700,000
Mar. 1, 2012, Purchase of treasury shares	(60,000)	640,000
June 1, 2012, Share split 2-1	640,000	1,280,000
July 1, 2012, stock dividends 25%		
Nov. 1, 2012, Issuance of shares	120,000	1,400,000
<u>8% Cumulative Convertible Preference Shares</u>		
Sold at par, convertible into 200,000 ordinary shares (adjusted for split).		\$1,000,000
<u>Convertible 6% bonds.</u>		
Each of the 300, \$1,000 bonds is convertible into 30 ordinary shares at the present date and for the next 10 years.		300,000
<u>Share Options</u>		
Exercisable at the option price of \$25 per share. Average market price in 2012, \$30 (market price and option price adjusted for split and stock dividends).		60,000 shares
<u>Income Tax rate: 30%</u>		

Instructions (20 points)

- (a) Compute the basic earnings per share for 2012. (Round to the nearest penny.) (5 points)
- (b) Compute the diluted earnings per share for 2012. (Round to the nearest penny.) (15 points)

2. Rensing, Inc., has \$800,000 of 8% preference shares and \$1,200,000 of ordinary shares outstanding, each having a par value of \$10 per share. No dividends have been paid or declared during 2009 and 2010. As of December 31, 2011, it is desired to distribute \$488,000 in dividends.

Instructions (20 points)

How much will the preference and ordinary shareholders receive under each of the following assumptions:

- (a) The preference is noncumulative and nonparticipating. (5 points)
- (b) The preference is cumulative and nonparticipating. (5 points)
- (c) The preference is cumulative and fully participating. (5 points)
- (d) The preference is cumulative and participating to 12% total. (5 points)

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3. Penn Company is in the process of adjusting and correcting its books at the end of 2010. In reviewing its records, the following information is compiled.

(1) Penn has failed to accrue sales commissions payable at the end of each of the last 2 years, as follows.

December 31, 2009 \$ 3,500  
December 31, 2010 \$ 2,500

(2) In reviewing the December 31, 2011, inventory, Penn discovered errors in its inventory-taking procedures that have caused inventories for the last 3 years to be incorrect, as follows.

December 31, 2008 Understated \$16,000  
December 31, 2009 Understated \$19,000  
December 31, 2010 Overstated \$ 6,700

Penn has already made an entry that established the incorrect December 31, 2010, inventory amount.

(3) At December 31, 2010, Penn decided to change the depreciation method on its office equipment from double-declining-balance to straight-line. The equipment had an original cost of \$100,000 when purchased on January 1, 2008. It has a 10-year useful life and no residual value. Depreciation expense recorded prior to 2010 under the double-declining-balance method was \$36,000. Penn has already recorded 2010 depreciation expense of \$12,800 using the double-declining-balance method.

(4) Before 2010, Penn accounted for its income from long-term construction contracts on the cost-recovery basis. Early in 2010, Penn changed to the percentage-of-completion basis for accounting purposes. It continues to use the cost-recovery method for tax purposes. Income for 2010 has been recorded using the percentage-of-completion method. The following information is available.

	Pretax Income	
	Percentage-of-Completion	Cost-Recovery
Prior to 2010	\$150,000	\$105,000
2010	60,000	20,000

**Instructions (20 points)**

Prepare the journal entries necessary at December 31, 2010, to record the above corrections and changes. The books are still open for 2010. The income tax rate is 40%. Penn has not yet recorded its 2010 income tax expense and payable amounts so current-year tax effects may be ignored. Prior-year tax effects must be considered in item 4.

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4. The records for the Clothing Department of Wei's Discount Store are summarized below for the month of January (000 omitted).

Inventory, January 1: at retail HK\$25,000; at cost HK\$17,000

Purchases in January: at retail HK\$137,000; at cost HK\$82,500

Freight-in: HK\$7,000

Purchase returns: at retail HK\$3,000; at cost HK\$2,300

Transfers in from suburban branch: at retail HK\$13,000; at cost HK\$9,200

Net markups: HK\$8,000

Net markdowns: HK\$4,000

Inventory losses due to normal breakage, etc.: at retail HK\$400

Sales at retail (gross method, but after employee discounts): HK\$95,000

Sales returns: HK\$2,400

Sales Cash discount: HK\$3,500

Employee discounts granted: HK\$ 600

**Instructions: (20 points)**

(a) Compute the inventory for this department as of January 31, at retail prices. (10 points)

(b) Compute the ending inventory using lower-of-average-cost-or-net realizable value. (10 points)

5. Titania Co. sells \$600,000 of 12% bonds on June 1, 2010. The bonds pay interest on December 1 and June 1. The due date of the bonds is June 1, 2014. The bonds yield 10%, selling for \$638,780. On October 1, 2011, Titania buys back \$300,000 worth of bonds for \$315,000 (include accrued interest). Give entries through October 1, 2012.

**Instructions** (Round to the nearest dollar.) (20 points)

Prepare all of the relevant journal entries from the time of sale until the date indicated. Amortize premium or discount on interest-paid dates and at year-end. (Assume that no reversing entries were made.)