

作答方式：為維護您的權益，請依下列規定作答，未依規定方式作答者，不予計分。

一、選擇題請於答案卷第一頁一下列方式作答

1	2	3	4	5
6	7	8	9	10

二、問答題及計算題，一律以橫式書寫方式作答，並應清楚列示計算式

一、選擇題(40%)，每題4分

1. A company bought display racks for \$100,000 by issuing a noninterest-bearing, 3-year note payable. The note plus compounded interest at an annual rate of 8% is due in three years. (The present value of 1 due in three years at 8% is 0.7938.) The entry to record this transaction would include:

- A). A debit to Store Equipment for \$100,000.
- B). A debit to Discount on Notes Payable for \$20,620.
- C). A credit to Discount on Notes Payable for \$20,620.
- D). A credit to Notes Payable for \$79,380.
- E). A debit to Notes Payable for \$79,380.

2. Which of the following items is not likely to be an extraordinary item?

- A). Loss from an unexpected union strike.
- B). Condemnation of property by the city government.
- C). Loss of use of property due to a new and unexpected environmental regulation.
- D). Loss due to an earthquake in Florida.
- E). Expropriation of property by a foreign government.

3. Which of the following statements is true?

- A). Partners are employees of the partnership.
- B). Salaries to partners are expenses on the partnership income statement.
- C). Salary allowances usually reflect the relative value of services provided by partners.
- D). Salary allowances are expenses.
- E). Interest allowances are expenses.

4. Short-term investments in held-to-maturity debt securities are accounted for using the:

- A). Market value method with market adjustment to income.
- B). Market value method with market adjustment to equity.
- C). Cost method with amortization.
- D). Cost method without amortization.
- E). Equity method.

## 5. Uncertainties:

- A). Are not contingent liabilities because they are future events not arising out of past transactions or events.
- B). Are contingent liabilities because they are future events arising from past transactions or events.
- C). Should be disclosed because of their usefulness to financial statements.
- D). Are estimated liabilities because the amounts are uncertain.
- E). Arise out of transactions such as debt guarantees.

## 6. The deferred income tax liability:

- A). Represents income tax payments that are deferred until future years because of temporary differences between GAAP rules and tax accounting rules.
- B). Is a contingent liability.
- C). Can result in a deferred income tax asset.
- D). Is never recorded.
- E). Is recorded whether or not the difference between taxable income and financial accounting income is permanent or temporary.

## 7. An insignificant stock dividend transaction requiring a transfer of an amount from retained earnings to common stock should

- A). Be reported in the statement of cash flows as an operating activity.
- B). Be reported in the statement of cash flows as an investing activity.
- C). Be reported in the statement of cash flows as a financing activity.
- D). Be reported as a footnote to the statement of cash flows.
- E). Not be reported in the statement of cash flows.

## 8. When treasury stock is purchased with cash, what is the impact on the balance sheet equation?

- A). No change: the reduction of the asset Cash is offset with the addition of the asset Treasury Stock.
- B). Assets decrease and Stockholders' Equity increase.
- C). Assets increase and Stockholders' Equity decrease.
- D). Assets decrease and Stockholders' Equity decrease.

9. After posting is completed, there may be an error if:

- A). The sum of the customer account balances does not equal the total in the sales journal.
- B). The sum of the accounts receivable ledger does not equal the balance in the Sales account.
- C). The sum of the customer account balances does not equal the Accounts Receivable controlling account balance.
- D). The balance in the sales journal does not equal the Accounts Receivable account balance.
- E). The sum of the accounts receivable ledger does not equal the balance in the sales journal.

10. To compute trend percents the analyst should:

- A). Select a base period, assign each item in the base period statement a weight of 100%, and then express financial numbers from other periods as a percent of the related base period number.
- B). Subtract the analysis period number from the base period number.
- C). Subtract the base period amount from the analysis period amount, divide the result by the analysis period amount, then multiply that amount by 100.
- D). Compare amounts across industries using Dun and Bradstreet.
- E). All of the above.

二、問答題及計算題(60%)，每題 10 分

1. (10%) A company plans to borrow about \$30,000 for 90 days at 12% interest. The bank offers 2 types of notes, a \$30,000 interest-bearing note and a \$30,000 noninterest-bearing note (with \$29,100 cash received at the note's issuance). Which type of note would be better for this company's? Justify your answer by showing calculations.

2. (10%) Prepare general journal entries to record the following investments-related transactions of a company for its first year of operations:

- a. On March 24, the company purchased 800 shares of ABC Company stock at 125 per share plus a \$1000 brokerage fee as a short-term investment in a security available for sale.
- b. On July 1, received a \$3.20 per share cash dividend on the ABC Company stock purchased in transaction (a).
- c. On October 28, sold 250 shares of ABC Company stock purchased in transaction (a) for \$130 per share, less a \$325 brokerage fee.
- d. The December 31 end-of-year market value of the company's short-term investments consisted solely, of the ABC Company stock, at 112 per share

3. (10%) A corporation plans to invest \$1,000,000 in oil exploration. The corporation is considering two plans to raise the money. Under Plan #1, bonds with a contract rate of interest of 8.3% would be issued. Under Plan #2, additional shares of common stock would be issued at \$20 per share. The corporation currently has 400,000 shares of stock outstanding, and it expects to earn \$650,000 per year before bond interest and income taxes (taxes rate is 35%).

Comment on the relative effects of each alternative, including the net income and return on investment for both plans and when one form of financing is preferred to another.

4. (10%) DEF Corporation's income statement showed the following: net income, \$248,000; depreciation expense, \$24,600; amortization expense, \$12,300; and gain on sale of plant assets, \$1,400. An examination of the company's current assets and current liabilities showed that the following changes occurred because of operating activities: accounts receivable decreased \$9,000; merchandise inventory increased \$23,000; prepaid expenses increased \$9,000; accounts payable increased \$8,000. Using the indirect method, calculate net cash provided (or used) by operating activities.

5. (10%) A company wants to estimate its inventory destroyed by a flood this period. Its average gross profit rate is 25%. The following information is available for the current period:

Beginning inventory: \$102,400

Purchases: \$687,500

Purchases returns and allowances: \$3,900

Transportation-in: \$4,500

Sales: \$975,000

Sales returns and allowances: \$4,700

Calculate the value of the destroyed ending inventory using the gross profit method.

6. (10%) A company adopted the LIFO cost flow assumption for valuing the majority of remaining inventories. The company believes that the use of the LIFO method better matches current costs with current revenues. The cumulative effect of this change on retained earnings at the beginning of the year is neither determinable, nor are the existing effects of retroactive application of LIFO to prior years. The effect of this change on the current year was to decrease net income by \$20.0 million, or \$0.3 per share. Assume a 35% tax rate. If you are an analyst, what is the tax effect by adoption of the LIFO? How would you react to the \$0.3 per share decrease in income?