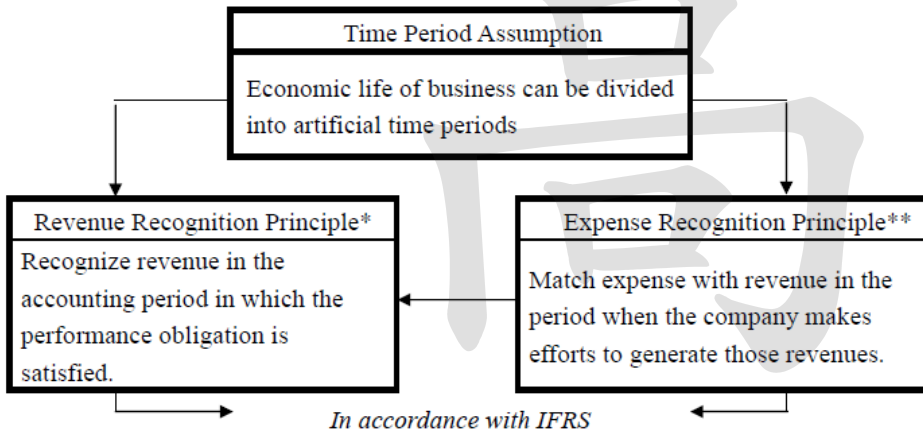


臺灣綜合大學系統 109 學年度學士班轉學生聯合招生考試試題

科目名稱	會計學	類組代碼	B10
		科目碼	B1092

2. The periodicity assumption of accounting (used by the International Accounting Standards Board) makes depreciation and amortization policies justifiable and appropriate.
- A. True
B. False

講義(一)P.2-P3



* 收益於已實現已賺得時認列，通常指的是服務已提供或商品交付。

**費用的認列必須和收入配合(Let expenses follow the revenues)，故費用認列原則，又稱為收入費用配合原則，簡稱配合原則(Matching principle)

【範例】 A list of concepts is provided in the left column below, which a description of the concept in the right column below. Match the description of the concept to the concept. **【觀念澄清】**

1. ___ Accrual-basis accounting	A. Efforts should be matched with results
2. ___ Calendar year	B. Accountants divide the economic life of a business into artificial time periods
3. ___ Time period assumption	C. An accounting time period that starts on January 1 and ends on December 31
4. ___ Expense recognition principle	D. Company record transactions in the period in which the events occur.

解： 1.D 2.C 3.B 4.A

3. Which of the following adjustments would require decreasing the liabilities reported on the statement of financial position?
- A. A company uses \$400 worth of supplies during the year.
B. A company records \$400 worth of depreciation on equipment.
C. A company has earned \$400 of revenue collected at the beginning of the year.
D. A company records \$400 of wages earned by employees that will be paid next year.

講義(一)P.21

1. Advances from customers are classified as
(A)A current liability (B)A revenue
(C)An expense (D)A current asset 【政大會計】
2. A prepaid expense can best be described as an amount
(A)Paid and currently matched with revenues.
(B)Paid and not currently matched with revenues
(C)Not paid and currently matched with revenues
(D)Not paid and not currently matched with revenues 【政大會計】
3. Which of the following is an example of a deferral?
(A)Estimated income taxes for the year
(B)A commission collected in advance
(C)Interest expenses incurred but not yet paid
(D)Medical fees earned but not yet collected 【政大財管】
4. Which of the following situations is an example of an accrual ?
(A)Recording unrecorded revenues
(B)Recording depreciation
(C)Recording supplies consumed
(D)Recording the portion of prepaid rent that has expired 【政大會計】
5. On May 31, 2015, the physical count of office supplies was \$1,200. During June, supplies were acquired at a cost of \$2,600 and the actual supplies on hand totaled \$700. The debit part of the adjusting entry required at the end of June is
(A)office supplies of \$500
(B)office supplies of \$1,200
(C)office supplies expense of \$3,100
(D)office supplies expense of \$700 【政大會計】
6. A liability-revenue relationship exists with
(A)prepaid expense adjusting entries
(B)accrued expense adjusting entries
(C)unearned revenue adjusting entries
(D)accrued revenue adjusting entries

解：1.(A) 2.(B) 3.(B) 4.(A) 5.(C) 6.(C)

4. The following information is available for Ace Company for 2019:

Disbursements for purchases	€1,150,000
Increase in trade accounts payable	75,000
Decrease in merchandise inventory	30,000

Costs of goods sold for 2019 was

- A. €1,255,000.
- B. €1,195,000.
- C. €1,105,000.
- D. €1,045,000.

講義(一)P.81

【範例】

ABC company 's accounting records show the following at year-end:

Purchase discount	\$ 3,400	Freight-in	\$ 6,100
Sales	240,000	Purchase	162,500
Beginning inventory	18,000	Ending inventory	20,000
Sales discount	10,000	Purchase return	5,200
Operating expenses	57,000		

Required: Compute the following amount ABC company.

1. Net sales
2. Cost of goods purchased
3. Cost of goods sold
4. Gross profit
5. Net income

【解】

1. Net sales
 $240,000 - 10,000 = \$230,000$
2. Cost of goods purchased
 $162,500 - 5,200 - 3,400 + 6,100 = \$160,000$
3. Cost of goods sold
 $18,000 + 160,000 - 20,000 = \$158,000$
4. Gross profit
 $230,000 - 158,000 = \$72,000$
5. Net income
 $72,000 - 57,000 = \$15,000$

5. Leonard Corporation reports the following information:

Correction of overstatement of depreciation expense in prior years, net of tax	£ 215,000
Dividends declared, 2019	160,000
Net income for 2019	500,000
Retained earnings, 1/1/19, as reported	1,200,000

Leonard should report retained earnings, December 31, 2019, at

- A. £985,000.
- B. £1,325,000.
- C. £1,540,000.
- D. £1,755,000.

講義(八)P.15

【原文常見基本格式】

ABC Inc.	
Retained earnings statement	
For the year ended December 31, 20xx	
Balance , January 1, as reported	¥2,100,000
Correction for understatement of net income in prior period	<u>100,000</u>
Balance, January 1, as adjusted	2,200,000
Add: Net income	<u>720,000</u>
	2,920,000
Less: Cash dividends	¥200,000
Share dividends	<u>400,000</u> <u>600,000</u>
Balance , December 31	<u>¥2,320,000</u>

6. Vasquez Corporation had a 1/1/19 balance in the Allowance for Doubtful Accounts of €20,000. During 2019, it wrote off €14,400 of accounts and collected €4,200 on accounts previously written off. The balance in Accounts Receivable was €400,000 at 1/1 and €480,000 at 12/31. At 12/31/19, Vasquez estimates that 5% of accounts receivable will prove to be uncollectible. What is Bad Debt Expense for 2019?
- A. €4,000
 B. €14,200
 C. €18,400
 D. €24,000

講義(三)P.39

20. A company's Accounts Receivable balance at its December 31 year-end is

\$125,650, and its Allowance for Doubtful Accounts has a credit balance of \$328 before year-end adjustment. Its net sales are \$572,300. It estimates that 4% of outstanding accounts receivable are uncollectible. What amount of Bad Debts Expense is recorded at December 31?

- (A) \$5,354
 (B) \$328
 (C) \$5,026
 (D) \$4,698
 (E) \$34,338

D

7. Hudson, Inc. is a calendar-year corporation. Its financial statements for the years 2019 and 2018 contained errors as follows. Assume that no correcting entries were made at December 31, 2018. Ignoring income taxes, by how much will retained earnings at December 31, 2019 be overstated or understated?

	2019	2018
Ending inventory	€3,000 overstated	€8,000 overstated
Depreciation expense	€2,000 understated	€6,000 overstated

- A. €1,000 understated
 B. €5,000 overstated
 C. €5,000 understated
 D. €9,000 understated

講義(四)P.43+講義(五)P.42+講義(四)P.45

(一)存貨錯誤的特點—自動抵銷的錯誤

1. 使損益表和資產負債表均發生錯誤
2. 損益表之本期淨利將會錯二年，若其中一年高估，另一年即低估；錯誤金額相同但方向相反，故二年損益合計數會抵銷變成正確
3. 資產負債表只錯當年，第二年因實帳戶累計結轉之故，自動將錯誤抵銷變成正確。

(二)折舊的錯誤更正

所謂會計錯誤係指計算錯誤、或是誤用會計原則、將資本支出誤為收益支出…等，凡是在後期才發現以前年度的錯誤，均應調整期初保留盈餘，通常設「前期損益調整或保留盈餘」科目來更正。

在發現折舊計算錯誤或是因為資本支出與收益支出劃分錯誤時，應立即分析錯誤對相關資產及其累計折舊的影響，一方面更正資產或累計折舊科目，一方面則調整「相關損益科目或前期損益調整」。

會計錯誤之處理應採追溯調整法或稱為追溯重編法：以前期損益調整來更正

1. 前期損益調整列保留盈餘表，期初保留盈餘的調整項目
2. 在編製比較報表時，以前年度的報表應追溯重編。

【範例】台中商行於X7年初購入機器一台\$100,000，殘值為成本的十分之一，估計耐用3年，誤以雜項費用入帳。

試作：X8年結帳後發現此項錯誤應有之更正

解：

機器	100,000	
累計折舊—機器		60,000
保留盈餘—前期損益調整		40,000

【範例】ABC Company reported annual net income as follows:

2018.....	\$27,200
2019.....	28,400
2020.....	24,000

Analysis of the inventories shows that certain clerical errors were made with the following results:

	Incorrect Inventory Amount	Correct Inventory Amount
Dec 31, 2018	\$4,800	\$5,680
Dec 31, 2019	5,600	4,680

Required:

【重要題】

- (a) What is the corrected net income for 2018, 2019, and 2020.
- (b) Prepare a journal entry to correct ABC Co.'s accounting record on Dec. 31, 2020.
- (c) Prepare a journal entry to correct ABC Co.'s accounting record on Jan. 5, 2021.

10. On February 10, 2019, after issuance of its financial statements for 2018, House Company entered into a financing agreement with Lebo Bank, allowing House Company to borrow up to €4,000,000 at any time through 2021. Amounts borrowed under the agreement bear interest at 2% above the bank's prime interest rate and mature two years from the date of loan. House Company presently has €1,500,000 of notes payable with First National Bank maturing March 15, 2019. The company intends to borrow €2,500,000 under the agreement with Lebo and liquidate the notes payable to First National. The agreement with Lebo also requires House to maintain a working capital level of €6,000,000 and prohibits the payment of dividends on ordinary shares without prior approval by Lebo Bank. From the above information only, the total short-term debt of House Company as of the December 31, 2018 statement of financial position date is
- €0.
 - €1,500,000.
 - €2,000,000.
 - €4,000,000.

講義(六)P.73

(六)一年內到期之長期負債

公司之負債若到期日在 12 個月以上者，會先分類為非流動負債，但當負債隨著時間之經過，將於 12 個月內到期清償者，應將其改分類轉列流動負債。

若企業有意圖及能力將此即將到期的負債再融資或展期至 12 個月以上者，則該負債應分類為流動或非流動？

1. 必須在報導期間終了日之前已完成此長期性再融資，則此負債繼續列為非流動負債。
2. 若於報導期間終了日之後才完成長期性再融資者，則此債務應列流動負債。
3. 按照目前的借款合同，企業有權（無須債權人同意，可自主決定，此情況稱為企業具有裁量能力 discretion）將該負債展期至資產負債表日以後超過 12 個月，且企業意圖作長期性再融資，則該負債仍可列非流動負債。

長期負債採分期償還者，屬於次年度(12 個月內)到期部分應列為流動負債，其餘部分才可列非流動負債。

【練習題】 Smith Company issued a five-year interest-bearing note payable for \$100,000 on January 1, 2020. Each January the company is required to pay \$20,000 on the note. How will this note be reported on the December 31, 2021 ?

- (A) Long-term debt, \$100,000
- (B) Long-term debt, \$80,000
- (C) Long-term debt, \$80,000; Long-term debt due within one year, \$20,000
- (D) Long-term debt, \$60,000; Long-term debt due within one year, \$20,000

解：(D)

2. Some of Chengdu Ltd.'s investment securities are classified as FVTPL securities and some are classified as FVTOCI securities. The cost and fair value of each category at December 31, 2017, are shown as follows.

	Cost	Fair Value	Unrealized Gain (Loss)
FVTPL securities	¥936,000	¥949,000	¥13,000
FVTOCI securities	¥488,000	¥514,000	¥26,000

At December 31, 2016, the Fair Value Adjustment for FVTPL Financial Assets account had a debit balance of ¥92,000, and the Valuation Adjustment for FVTOCI Financial Assets account had a credit balance of ¥57,500.

Instructions: (16%)

Prepare the required journal entries for each group of securities for December 31, 2017.

講義(八)P.85

【範例】 Marsh Corporation started business on January 1, 2020, and has the following data at December 31, 2020

<u>Securities</u>	<u>Cost</u>	<u>Fair value</u>
FVTPL	\$240,000	\$250,000
FVTOCI	200,000	180,000

The FVTOCI financial assets are held as a long-term investment.

Instruction

Prepare the adjusting entries to report each class of securities at fair value

解：

FVTPL

Adjusting entry

Valuation adjustment for FVTPL financial assets	10,000	
Gain on FVTPL financial assets		10,000

FVTOCI

Adjusting entry

Unrealized gain or loss on FVTOCI financial assets	20,000	
Valuation adjustment for FVTOCI financial assets		20,000

Closing entry

Accumulated other comprehensive income*—unrealized gain or loss on FVTOCI financial assets	20,000	
Unrealized gain or loss on FVOCI financial assets		20,000

*累計其他綜合損益可簡寫成 AOCI，中文稱為其他權益—透過其他綜合損益按公允價值衡量之金融資產未實現損益

4. On June 1, 2019, Laserwords contracted with Black Construction to have a new building constructed for \$4,000,000 on land owned by Laserwords. The payments made by Laserwords to Black Construction are shown in the schedule below.

Date	Amount
July 31, 2019	\$900,000
January 31, 2020	1,500,000
May 31, 2020	1,600,000
Total payments	\$4,000,000

Construction began on July 31, 2019. Construction was completed, and the building was ready for occupancy on May 31, 2020. Laserwords had no new borrowings directly associated with the new building but had the following debt outstanding at May 31, 2020, the end of its fiscal year.

10%, 5-year note payable of \$2,000,000, dated December 31, 2016, with interest payable annually on December 31.

12%, 10-year bond issue of \$3,000,000 sold at par on December 31, 2012, with interest payable annually on December 31.

The new building qualifies for interest capitalization. The effect of capitalizing the interest on the new building, compared with the effect of expensing the interest, is material.

Instructions: (14%)

Determine the amount of interest to be capitalized in 2019 and 2020 in relation to the construction of the building.

講義(五)P.19-20

一、利息資本化之觀念

【IAS No.23 借款成本】核心原則

直接可歸屬於取得、建造或生產符合要件之資產之借款成本，構成該資產成本之一部分（利息資本化）。其他借款成本則認列為費用（計入當期損益之中）。

1. 借款成本：

係指企業與舉借資金有關而發生之利息及其他成本。因此借款成本可能包括下列各項

- (1) 按照有效利息法所計算之利息費用
- (2) 因融資租賃所認列之財務費用
- (3) 外幣借款之兌換差中視為利息成本之調整部分

2. 符合要件之資產：

係指必須經一段相當長期間才能達到預定使用或出售狀態之資產。根據上述之定義，符合資本化條件之資產有：

- (1) 供企業本身使用而購置，或由自己或委由他人建造之資產（不動產、廠房

及設備及無形資產)

(2) 專案建造或生產，以供出租或出售之資產，如：造船業建造船舶、房地產開發對外出售之不動產以及營建業建造房屋等（存貨、投資性不動產）。

3. 不得或無須適用將借款成本資本化者

- (1) 已供或已能供營業使用或出售
- (2) 目前雖未能供營業使用，但未在進行使其達到預定使用狀況或出售狀況之必要工作
- (3) 金融資產及短期內製造或生產之存貨
- (4) 大量且重複製造或生產之存貨
- (5) 以公允價值衡量之符合要件的資產，例如：生物資產（因為不論成本多少，最後均是以公允價值衡量，故資本化並無意義）

4. 利息資本化的期間

資本化期間係指從借款成本開始資本化的時點（購建資產支出已發生），到停止資本化時點（達可供使用狀況），且正在進行使該資產達到預定使用或出售狀況之必要活動。

5. 應資本化之利息的金額僅限於在該項資產購建期間，為支付該項資產成本所必須負擔之借款成本。亦即應予資本化之利息須為若不購建該項資產即無須負擔之利息（該資產之支出若未發生即可避免之借款成本），故稱為「可避免利息」。但應注意應利息資本化的金額不得超過當期實際發生的借款成本。

黑點

1	全方位 1 P4-38 6 之 C 小題
2	全方位 2 P8-18 例 6
3	全方位 1 P6-41 例 15
4	全方位 1 P7-98 1
5	全方位 2 P9-68 例 34
6	初會下 P15-24 例 12
7	初會下 P16-30 例 13
8	全方位 2 12-37 初會下 P13-18 例 12
9	初會下 P16-53 2
10	初會下 P17-48 4
11	題庫 105 東吳企管二 又考了和上面政大同一題

1	全方位 1 P4-38 6 之 C 小題
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- The adjusted trial balance of Aimex Company at December 31, 2017 includes the following accounts: Retained Earnings \$50,000; Dividends \$3,000; Service Revenue \$40,000; Salaries and Wages Expense \$10,000; Insurance Expense \$2,000; Rent Expense \$5,000; Supplies Expense \$800; and Depreciation Expense \$500. Prepare a retained earnings statement for the year. (13%)

6 ▸ The adjusted trial balance for Modern Architects, Inc., follows.

	<u>Debits</u>	<u>Credits</u>
Cash	\$50,000	
Accounts Receivable	20,000	
Interest Receivable	200	
Notes Receivable	4,000	
Prepaid Insurance	960	
Prepaid Rent	2,400	
Supplies on Hand	600	
Equipment	60,000	
Accumulated Depreciation-Equipment		\$12,500
Buildings	140,000	
Accumulated Depreciation-Buildings		15,000
Land	56,240	
Accounts Payable		60,000
Notes Payable		10,000
Interest Payable		750
Salaries Payable		7,000
Capital Stock		100,000
Retained Earnings, January 1, 2012		20,200
Dividends	40,000	
Service Revenue		320,000
Insurance Expense	1,920	
Rent Expense	9,600	
Advertising Expense	1,200	
Depreciation Expense-Equipment	2,500	
		200
	<u>\$545,650</u>	<u>\$545,650</u>

REQUIRED:

- A. Prepare an income statement.
- B. Prepare a statement of retained earnings.
- C. Prepare a classified balance sheet.
- D. Prepare the closing journal entries.

【東吳會計】

2. Prepare the necessary journal entries to record the following transactions, assuming a periodic inventory system: (11%)

- (a) Purchased \$630,000 of merchandise on account, terms 2/10, n/30. (3%)
- (b) Returned \$30,000 of damaged merchandise for credit. (3%)
- (c) Paid for the merchandise purchased within 10 days. (5%)

例6. Journalize the following transactions for S Company, using (a) a periodic and (b) perpetual system:

- July 4 Purchased merchandise on credit for \$3,800 from J Company, FOB shipping point, term 2/10,n/30
- 4 Paid \$150 freight costs.
- 8 Return \$300 of the merchandise purchase on July 4
- 14 Paid for the merchandise purchased on July 4.
- 20 Sold merchandise on account to T Company for \$2,000, the cost of merchandise was \$1,400
- 25 Granted T Company \$200 credit for merchandise returned costing \$140

3. The cash records of Panama Company show the following:

- 1) In June, deposits per the bank statement totaled €39,600; deposits per books €37,000; and deposits in transit at September 30 were €2,500.
- 2) In June, cash disbursements per books were €35,500; checks clearing the bank were €37,800; and outstanding checks at September 30 were €4,500.

There were no bank debit or credit memoranda and no errors were made by either the bank or Sanders Company. Answer the following questions (15%)

- (a) What were the deposits in transit at May 31? (7.5%)
- (b) What were the outstanding checks at May 31? (7.5%)

例 15. The cash records of Norris Company show the following:

1. The June 30 bank reconciliation indicated that deposits in transit totaled \$390. During July the general ledger account Cash shows deposits of \$9,800, but the bank statement indicates that only \$9,240 in deposits were received during the month.
2. The June 30 bank reconciliation also reported outstanding checks of \$800. During the month of July, Norris Company books show that \$11,070 of checks were issued, yet the bank statement showed that \$11,100 of checks cleared the bank in July.

Required:

- (a) What were the deposits in transit at July 31?
- (b) What were the outstanding checks at July 31?

4. Valley Oak Company often requires customers to sign promissory notes for major credit purchases. Journalize the following transactions for Valley Oak Company. (16.5%)

- March 2 Accepted a \$50,000, 6%, 90-day note from Casey Morris for a custom built software.
- June 4 Received notification from Casey Morris that he was unable to honor his promissory note but that he expects to pay the amount owed in May.
- July 15 Received a check from Casey Morris for the total amount owed.
- Sep. 23 Received notification by the bank that Casey Morris check was being returned "NSF" and that Casey Morris had declared personal bankruptcy.

I The following selected transactions are from Seeker Company.

2014

- Nov. 1 Accepted a \$4,800, 90-day, 8% note dated this day in granting Julie Stephens a time extension on her past-due account receivable.
- Dec. 31 Made an adjusting entry to record the accrued interest on the Stephens note.

2015

- Jan. 30 Received Stephens's payment for principal and interest on the note dated November 1.
- Feb. 28 Accepted a \$12,600, 6%, 30-day note dated this day in granting a time extension on the past-due account receivable from Kramer Co.
- Mar. 1 Accepted a \$6,200, 60-day, 8% note dated this day in granting Shelly Myers a time extension on her past-due account receivable.
- 30 The Kramer Co. dishonored its note when presented for payment.
- April 30 Received payment of principal plus interest from Myers for the March 1 note.
- June 15 Accepted a \$2,000, 60-day, 10% note dated this day in granting a time extension on the past-due account receivable of Rhonda Rye.
- 21 Accepted a \$9,500, 90-day, 12% note dated this day in granting J. Striker a time extension on his past-due account receivable.
- Aug. 14 Received payment of principal plus interest from R. Rye for the note of June 15.
- Sep. 19 Received payment of principal plus interest from J. Striker for the June 21 note.
- Nov. 30 Wrote off Kramer's account against Allowance for Doubtful Accounts.

Required

Prepare journal entries to record these transactions and events. (Assume 360 days one year)

5**全方位 2 P9-68 例 34**

5. Stellar Company sold the following machine in 2017:

Cost	\$100,000
Purchase date	1/1/17
Useful life	5 years
Residual value	\$6,000
Depreciation method	Double-declining-balance
Date sold	7/1/18
Sales price	\$60,000

Instructions

Journalize all entries required to update depreciation and record the sales of the two assets in 2018. The company has recorded depreciation on the machine through December 31, 2017. (9%)

例34. On January 1, 2014, Marsh Company purchased equipment at a cost of \$560,000. The equipment has been depreciated by the straight-line method using a 4-year service life and \$80,000 residual value.

Instructions:

Prepare the journal entry or entries to record the disposal of the equipment assuming:

- (a) Retired and scrapped with no residual value on January 1, 2018.
- (b) Sold for \$150,000 on July 1, 2017.

6**初會下 P15-24 例 12**

6. The following information is available for Samuel Corporation:

Share capital—ordinary (\$5 par)	\$800,000
Share premium—ordinary	300,000
Retained earnings	200,000
Treasury shares	50,000
Ordinary shares issued	200,000 shares
Ordinary shares outstanding	100,000

Instructions

Based on the preceding information, calculate the book value per share. (2%)

例12. At December 31, Chieftain Corporation has the following equity accounts

Share capital-preference, \$50 par 8%, cumulative	\$ 250,000
Share capital-ordinary, \$5 par	1,000,000
Share premium-preference	25,000
Share premium-ordinary	35,000
Retained earnings	<u>290,000</u>
Total equity	<u>\$1,600,000</u>

Instructions

Compute the book value per share of ordinary shares. Assume preference dividends are one year in arrears, and preference shares have a call price of \$60

7

初會下 P16-30 例 13

7. On January 1, 2017, Wachat Company purchased 5,000 ordinary shares of Klein Company for \$1,000,000. Wachat's investment represents 30 percent of the total outstanding shares of Klein. During 2017, Klein paid total dividends of \$450,000 and reported net income of \$500,000. What revenue does Wachat report related to this investment and what is the amount to be reported as the Investment in Klein at December 31? (5%)

例13. Agee Corporation acquired a 25% interest in Trent Co. on January 1, 2014, for \$500,000. At that time, Trent had 1,000,000 shares of its \$1 par common stock issued and outstanding. During 2014, Trent paid cash dividends of \$160,000 and thereafter declared and issued a 5% common stock dividend when the market value was \$2 per share. Trent's net income for 2014 was \$360,000.

Required

1. Prepare the necessary entries for Agee's investment during 2014.
2. What is the balance in Agee's investment account at the end of 2014?

8

全方位 2 P12-37 初會下 P13-18 例 12

8. Quest Corporation issues a £5,000,000, 5%, 20-year mortgage note payable on December 31, 2017, to obtain needed financing for the construction of a factory. The terms provide for annual installment payments of £350,000 on December 31. (9.5%)

Instructions

- (a) Prepare the journal entries to record the mortgage loan on December 31, 2017, and the first installment payment. (4%)
- (b) Will the amount of principal reduction in the second installment payment be more or less than with the first installment payment? (5.5%)

例23. Wendy Inc. issued a \$500,000, 12%, 15-year mortgage note payable on January 1, 2016. The terms provide for semiannual installment payments of \$36,324 on June 30 and December 31.

Instructions

- (A) Prepare the entry for the issuance of the note on January 1, 2016
- (B) Prepare a payment schedule for the first four installment payments
- (C) Indicate the current and noncurrent amounts for the mortgage note payable on statement of financial statement at December 31, 2016.

例12. Sam's Club issue \$250,000, 8%, 20-year mortgage note to obtain needed financing for a new building. The terms call for semiannual payment of \$12,631 each.

Required

Prepare the entries to record issue the mortgage note and the first installment payment.

9 初會下 P16-53 2

9. Weaver Company has the following data at December 31, 2017 for its securities.

<u>Securities</u>	<u>Cost</u>	<u>Fair Value</u>
Trading	\$100,000	\$110,000
Non-Trading	90,000	85,000

Instructions

Prepare the adjusting entries to report the securities at fair value. (6%)

2. Terra Firma Company has the following data at December 31, 2014 for its securities:

<u>Securities</u>	<u>Cost</u>	<u>Fair Value</u>
Non-trading	\$35,000	\$38,000
Trading	45,000	40,000

Required

Prepare the adjusting entry to report the securities at fair value at December 31, 2014.

10. The income statement of Overflow Inc. for the year ended December 31, 2017, reported the following condensed information:

Service revenue	\$1,000,000
Operating expenses	<u>500,000</u>
Income from operations	500,000
Income tax expense	<u>300,000</u>
Net income	<u>\$200,000</u>

Overflow's statement of financial position contained the following comparative data at December 31:

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$800,000	\$750,000
Accounts payable	200,000	300,000
Income taxes payable	25,000	20,000

Redman has no depreciable assets. Accounts payable pertains to operating expenses.

Instructions

Prepare the operating activities section of the statement of cash flows using the direct method. (9%)

4. The income statement of Ryan Inc. for the year ended December 31, 2015, reported the following condensed information:

Service revenue	\$500,000
Operating expenses	<u>260,000</u>
Income from operations	240,000
Income tax expense	<u>60,000</u>
Net income	<u>\$180,000</u>

Ryan's statement of financial position contained the following comparative data at December 31:

	<u>2015</u>	<u>2014</u>
Accounts receivable	\$55,000	\$30,000
Accounts payable	35,000	50,000
Income taxes payable	8,000	5,000

Ryan has no depreciable assets. Accounts payable pertains to operating expenses.

Instructions

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

11. Previous employees of Paulo Corporation stole its accounting records on December 31, 2017. The company was only able to recompose some of the records and has ascertained the following balances.

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Cash	\$ 30,000	\$ 10,000
Accounts receivables (net)	84,000	126,000
Inventory	300,000	200,000
Accounts payable	50,000	90,000
Notes payable	30,000	60,000
Share capital – ordinary, \$100 par	500,000	500,000
Retained earnings	150,000	100,000

Additional information:

1. The inventory turnover is 10 times
2. The return on ordinary shareholders' equity is 30%. The company had no share premium.
3. The accounts receivable turnover is 9.4 times.
4. The return on assets is 20%.
5. Total assets at December 31, 2016, were \$900,000.

Instructions

Compute the following for Paulo Corporation. (4%)

- (a) Cost of goods sold for 2017. (2%)
- (b) Total Assets at December 31, 2017 (2%)

題庫班第二回 P16

H. Santo Corporation experienced a fire on December 31, 2017, in which its financial records were partially destroyed. It has been able to salvage some of the records and has ascertained the following balances.

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Cash	\$ 30,000	\$ 10,000
Accounts receivables (net)	84,000	126,000
Inventory	200,000	180,000
Accounts payable	50,000	90,000
Notes payable	30,000	60,000
Share capital – ordinary, \$100 par	400,000	400,000
Retained earnings	130,000	101,000

Additional information:

1. The inventory turnover is 5 times
2. The return on ordinary shareholders' equity is 18%. The company had no share premium.
3. The accounts receivable turnover is 9.4 times.
4. The return on assets is 16%.
5. Total assets at December 31, 2016, were \$585,000.

Instructions (12%)

Compute the following for Santo Corporation.

- (a) Cost of goods sold for 2017.
- (b) Net sales (credit) for 2017.
- (c) Net income for 2017.
- (d) Total assets at December 31, 2017.

~ The End ~

2	初會下 P17-54 9
3	初會下 P 16-31 例 15

2	初會下 P17-54 9
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2. Jim Yount, M.D., keeps his accounting records on the cash basis. During 2015, Dr. Yount collected Rp 460,000 from his patients. At December 31, 2014, Dr. Yount had accounts receivable of Rp 50,000. At December 31, 2015, Dr. Yount had accounts receivable of Rp 70,000 and unearned revenue of Rp 10,000. On the accrual basis, how much was Dr. Yount's patient service revenue for 2015?
- A. Rp 410,000.
 B. Rp 470,000.
 C. Rp 480,000.
 D. Rp 490,000.

9. The financial statements of Meenan Company appear below:

MEENAN COMPANY
 Comparative Statement of Financial Position
 December 31

	2014	2013
<u>Assets</u>		
Property, plant, and equipment	€ 50,000	€ 78,000
Accumulated depreciation	(20,000)	(24,000)
Inventory	30,000	15,000
Accounts receivable	21,000	34,000
Cash	43,000	23,000
Total	€124,000	€126,000
<u>Equity and Liabilities</u>		
Share capital-ordinary	€ 41,000	€ 24,000
Retained earnings	46,000	38,000
Bonds payable	7,000	33,000
Accounts payable	17,000	23,000
Income taxes payable	13,000	8,000
Total	€124,000	€126,000

MEENAN COMPANY
 Income Statement
 For the Year Ended December 31, 2014

Sales revenue	€400,000
Cost of goods sold	280,000
Gross profit	120,000
Operating expenses	56,000
Income from operations	64,000

Interest expense	<u>4,000</u>
Income before income taxes	60,000
Income tax expense	<u>18,000</u>
Net income	<u>€ 42,000</u>

The following additional data were provided:

1. Dividends declared and paid were €34,000.
2. During the year, equipment was sold for €15,000 cash. This equipment cost €28,000 originally and had a book value of €15,000 at the time of sale.
3. All depreciation expense is in the operating expenses.
4. All sales and purchases are on account.
5. Accounts payable pertain to merchandise suppliers.
6. All operating expenses except for depreciation were paid in cash.

Instructions

Prepare a statement of cash flows for Meenan Company using the direct method.

3 初會下 P 16-31 例 15

3. Accounts often need to be adjusted because
 - A. there are never enough accounts to record all the transactions.
 - B. many transactions affect more than one time period.
 - C. there are always errors made in recording transactions.
 - D. management can't decide what they want to report.

例15. Presented below are two independent situations.

1. Grand Cosmetics acquired 10% of the 200,000 ordinary shares of Cey Fashion at a total cost of \$12 per share on March 18, 2014. On June 30, Cey declared and paid a \$60,000 dividend. On December 31, Cey reported net income of \$110,000 for the year. At December 31, the market price of Cey Fashion was \$15 per share. The shares are classified as non-trading.
2. Unruh, Inc., obtained significant influence over Olsen Corporation by buying 25% of Olsen's 40,000 outstanding ordinary shares at a total cost of \$7 per share on January 1, 2014. On June 15, Olsen declared and paid a cash dividend of \$30,000. On December 31, Olsen reported a net income of \$80,000 for the year.