



Advanced Accounting

(110)

REGIONAL 2025

Multiple Choice (20 @ 2 points each)	_____	(40 points)
Account Identification	_____	(30 points)
Short Answer	_____	(33 points)
Problem 1 – Inventory Costing	_____	(30 points)
Problem 2 – Uncollectible Accounts	_____	(44 points)
Problem 3 – Financial Analysis	_____	(48 points)
<i>TOTAL POINTS</i>		<i>(225 points)</i>

Graders: Please double check and verify all scores and answer keys!

GENERAL GUIDELINES:

Failure to adhere to any of the following rules will result in disqualification:

1. Member must hand in this test booklet and all printouts if any. Failure to do so will result in disqualification.
2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

EXAM GUIDELINES:

You have been hired as a Financial Assistant and will be keeping the accounting records for Digital Solutions, located at 700 Morse Road, Suite 201, Columbus, Ohio 43214. Digital Solutions provides accounting and other financial services for clients. You will complete jobs for Digital Solutions' own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts: concept knowledge and application knowledge.

Your name and/or school name should *not* appear on any work you submit for grading. Write your Member ID in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Round all calculations to two decimal places at the final step.
- Round all percentages to one decimal place.
- Use 360 days for interest calculations.

Multiple Choice (20 @ 2 points each; 40 total points)

1.	A	11.	B
2.	C	12.	C
3.	D	13.	B
4.	C	14.	A
5.	B	15.	A
6.	A	16.	D
7.	D	17.	A
8.	A	18.	C
9.	A	19.	C
10.	A	20.	B

Account Identification (1 point each; 30 total points)

****Note to Grader** – If students spell out answers, or if they only put D or C as Normal Balance, count as correct. For the two accounts showing BS and SOSE, both must be there to be counted as correct.

Account	Classification (A, L, SE, R, CM, E)	Financial Statement (IS, SOSE, BS, None)	Normal Balance (Dr, Cr, None)
Petty Cash	A	BS	DR
Prepaid Rent	A	BS	DR
Income Tax Payable	L	BS	CR
Sales Discount	R	IS	DR
Preferred Stock	SE	BS AND SOSE	CR
Fees	R	IS	CR
Insurance Expense	E	IS	DR
Income Summary	SE	N	N
Retained Earnings	SE	BS AND SOSE	CR
Purchases	CM	IS	DR

Short Answer Problems (3 points each; 33 Total Points)

1. Account Debited Interest Expense Amount \$24.94

Account Credited Interest Payable Amount \$24.94

a. \$14.44

b. February 2, 2025

2. a. 675

b. 900

c. 4,825

d. Gain

e. 400

Problem 1 – Inventory Costing (5 points each; 30 points total)

	FIFO	LIFO	Weighted Average
Ending Inventory	<u>\$21,840</u>	<u>\$20,010</u>	<u>\$20,904</u>
Gross Profit	<u>\$61,415</u>	<u>\$59,585</u>	<u>\$60,479</u>

Grader Note:

For the weighted average (Ending Inventory) also accept 20,909.52 or 20,909.43 as correct.

For the weighted average (Gross Profit) also accept \$60,484.43 or \$60,484.33 as correct.

Problem 2 – Allowance Method of Uncollectibles (2 points per account and per amount; 44 points total)

****Notes to Grader -** Allowance for Uncollectible Accounts might be called Allowance for Doubtful Accounts, or something similar. Accounts Receivable could be written as A/R. Accept as correct. Entry on April 17th could be done as two separate entries (DR Cash, CR A/R – Erin Graham for 240 – Then DR Allowance for UA, CR A/R – Erin Graham for 240) Accept as correct

DATE	ACCOUNT	DEBIT	CREDIT
Jan 14	Allowance for Uncollectible Accounts	752	
	Accounts Receivable / Keith Paul		752
Apr 17	Cash	240	
	Allowance for Uncollectible Accounts	240	
	Accounts Receivable / Erin Graham		480
Sept 25	Accounts Receivable / Keith Paul	300	
	Allowance for Uncollectible Accounts		300
Sept 25	Cash	300	
	Accounts Receivable / Keith Paul		300
Dec 31	Uncollectible Accounts Expense (or Bad Debts)	1,696	
	Allowance for Uncollectible Accounts		1,696

Problem 3 – Financial Analysis (4 points each; 48 points total)

Net Income after Tax	<u>\$60,905</u>	Working Capital	<u>\$147,526</u>
Ending Retained Earnings	<u>\$101,478</u>	Current Ratio	<u>3.1 or 3.14</u>
Gross Profit Percentage	<u>52.8%</u>	Debt Ratio	<u>23.3%</u>
Return on Sales	<u>20.0% or 24.5%</u>	Debt to Equity Ratio	<u>30.4%</u>
Return on Assets	<u>20.6%</u>	EPS	<u>\$1.02</u>
Return on Equity	<u>26.9%</u>	P/E Ratio	<u>34.0 or 34.04</u>