

Contestant Number: _____

Time: _____

Rank: _____



College Accounting (105)

REGIONAL 2025

CONCEPT KNOWLEDGE:

Multiple Choice (15 @ 2 points each) _____ (30 points)

APPLICATION KNOWLEDGE:

Short Answer (9 @ 3 points each) _____ (27 points)

Problem 1 – Journal Entries _____ (48 points)

Problem 2 – Adjusting Journal Entries _____ (42 points)

Problem 3 – Balance Sheet _____ (25 points)

TOTAL POINTS _____ (***172 points***)

Test Time: 90 minutes

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

Multiple Choice Questions (30 Points)

Directions: Identify the letter of the choice that best completes the statement or answers the question.

1. Which of the following appears on more than one financial statement?
 - A. Sales Revenue
 - B. Retained Earnings
 - C. Dividends
 - D. Common Stock
2. Which of the following is not an expense?
 - A. Wages of employees
 - B. Dividends
 - C. Corporate Income Tax
 - D. Office Supplies that were used during the period
3. If Chiron Farms has Common Stock of \$40,000, total assets of \$85,000, and total liabilities of \$25,000, its Retained Earnings equals:
 - A. \$20,000
 - B. \$45,000
 - C. \$50,000
 - D. \$55,000
4. The following contains information from the records of Hephaestus Architects.

	2023	2024
Current Assets	\$57,000	\$198,750
Current Liabilities	12,000	79,500

In comparison, how has the current ratio changed from 2023 to 2024 for Hephaestus?

- A. It has increased by 4.75
 - B. It has decreased by 4.75
 - C. It has increased by 2.25
 - D. It has decreased by 2.25
5. Which of the following January transactions would NOT impact the January income statement?
 - A. Paying employee January wages
 - B. Providing services to customers
 - C. Collecting cash related to Accounts Receivable
 - D. Using office supplies

6. Which of the following accounts will be included in a post-closing trial balance?
 - A. Service Revenue
 - B. Rent Expense
 - C. Interest Expense
 - D. Unearned Revenue
7. During its first year of operations, Tyson Incorporated reported Sales Revenue of \$389,200 but only collected \$313,000 in cash from customers. At the end of the year, Accounts Receivable equals:
 - A. \$76,200
 - B. \$389,200
 - C. \$702,200
 - D. \$313,000
8. What are the guidelines for accounting information in the United States called?
 - A. FASB
 - B. IFRS
 - C. GAAP
 - D. SEC
9. Who prepares the guidelines for accounting information in the United States?
 - A. FASB
 - B. IFRS
 - C. GAAP
 - D. SEC
10. An adjusting entry will NOT take the format of which one of the following entries?
 - A. A debit to an expense account and a credit to a liability account
 - B. A debit to an asset account and a credit to a revenue account
 - C. A debit to an expense account and a credit to a revenue account
 - D. A debit to a liability account and a credit to a revenue account
11. _____ represents a short-term liability created by purchasing “on account.”
 - A. Accounts Receivable
 - B. Accounts Payable
 - C. Notes Payable
 - D. Expense
12. Which financial statement is normally prepared first?
 - A. Balance Sheet
 - B. Statement of Retained Earnings
 - C. Income Statement
 - D. Statement of Cash Flows

13. The owners of a corporation are the _____.
A. Board of Directors
B. Shareholders
C. Trustees
D. Chief Executive Officer
14. What is the normal balance of Accounts Receivable?
A. Debit
B. Credit
C. Profit
D. There is no normal balance
15. _____ is the equity earned by profitable operations that is not distributed to stockholders.
A. Retained Earnings
B. Common Stock
C. Dividends
D. Assets

Short Answer (27 Points)

1. The classified balance sheet for Thalia Inc. contained the following information:

Common Stock	\$13,500	Total Assets	\$191,000
Accounts Payable	68,500	Retained Earnings	39,300

Notes Payable is the only other item on the Balance Sheet.

What must Notes Payable equal?	
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2. On December 31, Demeter Inc. prepared adjusting entries that included the following items:

- Depreciation expense: \$40,000
- Accrued sales revenues: \$30,000
- Accrued expenses: \$26,000
- Used insurance: \$6,000; the insurance was initially recorded as prepaid
- Rent revenue earned: \$4,000; the rent was initially prepaid by the tenant and credited to unearned rent revenue

If Demeter reported total assets of \$380,000 prior to the adjusting entries, how much are Demeter's total assets after the adjusting entries?	
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3. Ares Security performed \$2,400 of security services during January for customers that had paid in advance for these services in December. The company performed an additional \$1,500 of services during January and collected payment from those customers in February. Also, during January, the company accepted an order to perform \$750 of services in February; the customers will pay for these services in February. The company uses accrual basis accounting. How much should be credited to the Service Revenue account each month?

December	
January	
February	

4. Hermes Incorporated's trial balance was in balance at the end of the period and showed the following accounts:

Account	Balance
Accounts Payable	\$26,000
Cash	44,200
Common Stock	21,400
Equipment	10,400
Land	39,800
Notes Payable	47,000

What is the balance of the credit column on Hermes' trial balance?	
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5. The following is the adjusted trial balance as of December 31st of Grover Inc.

Account	Debit	Credit
Cash	\$178,850	
Accounts Receivable	13,000	
Supplies	150	
Prepaid Rent	1,200	
Equipment	75,000	
Accumulated Depreciation-Equipment		\$2,000
Accounts Payable		300
Salaries Payable		800
Deferred Revenue		1,200
Notes Payable		9,400
Common Stock		200,000
Retained Earnings		50,000
Dividends	5,800	
Service Revenue		38,000
Salaries Expense	24,000	
Supplies Expense	1,700	
Depreciation Expense-Equipment	2,000	
Total	<u>\$301,700</u>	<u>\$301,700</u>

What was Grover's year end Net Income?	
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6. Referring to the information in the previous problem, what will be the balance in the Retained Earnings account after the closing entries are posted? Be sure to indicate what side of the T-account the balance will be on.

Grover's year end Retained Earnings balance?	
What side of the T-account does the balance appear on?	

Problem 1: Journal Entries (48 Points)

Write your answer in the journal paper below. Be sure to include the date.

September 3	Repaired cars in the current month for \$8,000 on account.
September 8	Purchased equipment for \$11,000 cash.
September 12	Purchased office supplies on account for \$1,500.
September 15	Paid employee salaries of \$2,200 for the current month.
September 19	Purchased advertising to appear in the current month for \$1,100 cash.
September 22	Paid \$3,400 for the six-month insurance policy.
September 26	Received \$5,000 from September 3 rd customers.
September 30	Received cash of \$4,000 in advance from a customer who plans to have his car repaired in October.

General Journal			
Date	Account	Debit	Credit

Problem 2 Adjusting Journal Entries (42 Points)

Prepare the appropriate adjusting entries as of December 31, 2024, on the journal paper provided. Use the question number as the date.

1.	Annabeth has three employees who each earn \$120 per day. On December 31, four days' salaries have been earned but not paid.
2.	A customer paid Annabeth \$16,000 on December 1, 2024, for services to be rendered from December 1 through January 31, 2025. The receipt was credited to a liability account. Half of the services were rendered in December.
3.	Annabeth purchased equipment costing \$48,000 on January 1, 2024. Monthly depreciation is \$400.
4.	Annabeth provided services to a customer in 2024 at a fee of \$500. This fee has not yet been received or billed.
5.	Annabeth started the year with no supplies on hand. They purchased \$6,000 in supplies during the year and have \$1,500 on hand on December 31. Supplies were debited to an asset account when purchased.
6.	Annabeth paid \$15,000 for a three-year insurance policy on July 1, 2024, debiting an asset account at that time.
7.	Annabeth borrowed \$30,000 by signing a three-month, 6% interest, note payable on December 1, 2024.

General Journal			
Date	Account	Debit	Credit

Problem 3 (25 Points)

The Percy Jackson Company began operations on January 1, 2024, and prepared their first Adjusted Trial Balance on December 31, 2024. Answer the questions below for Percy Jackson Company as of December 31, 2024.

Accounts	Debit	Credit
Cash	\$ 18,000	
Accounts Receivable	30,000	
Prepaid Insurance	7,500	
Supplies	3,200	
Land	200,000	
Equipment	75,000	
Accumulated Depreciation-Equipment		9,000
Accounts Payable		12,000
Salaries Payable		2,000
Deferred Revenue		25,000
Mortgage Payable		100,000
Common Stock		25,790
Dividends	23,000	
Service Revenue		296,000
Salaries Expense	58,000	
Depreciation Expense - Equipment	6,150	
Supplies Expense	14,040	
Insurance Expense	14,000	
Utilities Expense	20,900	
Total	<u>\$469,790</u>	<u>\$469,790</u>

Total Current Assets	
Total Assets	
Total Current Liabilities	
Total Liabilities	
Total Stockholders' Equity	