



ADVANCED COLLEGE ACCOUNTING

(115)

—Post-secondary—

REGIONAL – 2019

Multiple Choice:

Multiple Choice (20 @ 2 points each) _____ (40 points)

Problems:

Problem 1: Depreciation _____ (24 points)

Problem 2: Departmentalized Income State _____ (41 points)

Problem 3: Journal Entries _____ (40 points)

TOTAL POINTS _____ ***(145 points)***

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

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Workplace Skills Assessment Program competition.



General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have ninety (90) minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

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

Assumptions to make when taking this assessment:

GAAP
Percents rounded to the tenth percent (Ex: 22.8%)
Perpetual Inventory

Multiple Choice:

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

**Problem 1 (24 Points)**

On April 1 Filagree Corporation purchased some equipment for \$120,000. The equipment is expected to last 10 years or produce 100,000 units and have a residual value of \$5,000. The first year 7,200 units were produced and 11,000 the second year. Calculate the December 31 depreciation for the **first two years** under each of the following methods. Round all answers to the nearest cent.

Grader – Each bolded number is worth 3 points each for a total of 24 points.

	2019	2020
Straight Line	8,625	11,500
Units of Production	8,280	12,650
Double Declining Balance	18,000	20,400
Sum of the Years Digits	15,681.82	18,818.18



Problem 2 (41 Points)

The following table shows the sales for each department in the Taratoni Department Store. Total operating expenses are allocated to each department based on square footage. Use the information in the following table to prepare a Departmentalized Income Statement for the month of December 2019. Do not round until you have calculated the expense for the department.

Grader – Each bolded number is worth two points each and one point for the heading.

 Tartoni Department Store
 Departmentalized Income Statement
 For the month ended December 31, 2019

} **Total 1 point**

	Housewares	Children's	Women's	Men's	Total
Sales	\$ 42,000	\$ 186,000	\$ 344,000	\$ 28,000	\$ 600,000
Cost of Goods Sold	<u>28,700</u>	<u>127,100</u>	<u>235,000</u>	<u>19,200</u>	<u>410,000</u>
Gross Profit	<u>13,300.00</u>	<u>58,900.00</u>	<u>109,000.00</u>	<u>8,800.00</u>	<u>190,000.00</u>
Operating Expenses:					
Salaries Expense	12,187.50	16,250.00	32,500.00	4,062.50	65,000.00
Utilities Expense	2,812.50	3,750.00	7,500.00	937.50	15,000.00
Depreciation Expense	562.50	750.00	1,500.00	187.50	3,000.00
Miscellaneous Exp	187.50	250.00	500.00	62.50	<u>1,000.00</u>
Total Oper Exp	<u>15,750.00</u>	<u>21,000.00</u>	<u>42,000.00</u>	<u>5,250.00</u>	<u>84,000.00</u>
Net Income	<u>\$(2,450.00)</u>	<u>\$ 37,900.00</u>	<u>\$ 67,000.00</u>	<u>\$ 3,550.00</u>	<u>106,000.00</u>

Problem 3 (40 Points)



Prepare the following selected journal entries for the WashWear Corporation. Entries are recorded with the net method and perpetual inventory.

Grader – Two points for each line (or row) in the journal; one point for each correct account and one point for each correct account.

- Jan. 15 Received an invoice dated Jan. 15 for \$15,210 of merchandise with terms 2/10 net 30, FOB Shipping Point. A shipping charge of \$210 was included in the invoice.

- Jan. 21 Paid the invoice from Jan. 15.

- Jan. 29 Recorded sales on account for the month of \$210,500 with terms FOB Destination. The cost of the goods was \$101,920.

- Feb. 10 Received cash of \$150,000 from customers on account.

- Feb. 26 Wrote off an account of \$500 deemed uncollectible. The company uses the Allowance Method.

- Mar. 15 The Board of Directors declared \$88,000 in cash dividends.

- Apr. 15 The company paid the cash dividends.

- Apr. 30 Recorded the depreciation of equipment for the month \$1,500.

- June 30 Took a physical inventory which amounted to \$90,800. The Merchandise Inventory account has a balance of \$92,500. Record the entry to adjust to the physical inventory balance.



General Journal

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Date	Description	Debit	Credit
Jan. 15	Merchandise Inventory	14,910	
	Accounts Payable		14,910
Jan. 21	Accounts Payable	14,910	
	Cash		14,910
Jan. 29	Accounts Receivable	210,500	
	Sales		210,500
	Cost of Goods Sold	101,920	
	Merchandise Inventory		101,920
Feb. 10	Cash	150,000	
	Accounts Receivable		150,000
Feb. 26	Allow for Doubtful Acct	500	
	Accounts Receivable		500
Mar. 15	Cash Dividends	88,000	
	Cash Dividends Payable		88,000
Apr. 15	Cash Dividends Payable	88,000	
	Cash		88,000
Apr. 30	Depreciation Expense – Equipment	1,500	
	Accumulated Depr – Equipment		1,500
Jun. 30	Cost of Goods Sold	1,700	
	Merchandise Inventory		1,700