



# ADVANCED ACCOUNTING (110)

## REGIONAL – 2020

**CONCEPT KNOWLEDGE:**

Multiple Choice (25 @ 2 points each) \_\_\_\_\_ (50 points)

**APPLICATION KNOWLEDGE:**

Short Answer (16 @ 3 points each) \_\_\_\_\_ (48 points)

Job 1: Account Classification (75 @ 1 point each) \_\_\_\_\_ (75 points)

Job 2: Inventory Valuation (21 @ 2 points each) \_\_\_\_\_ (42 points)

Job 3: Depreciation Methods (19 @ 2 points each) \_\_\_\_\_ (38 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(253 points)***

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

- 1. Contestant must hand in this test booklet and all printouts. 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 or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.**
- 3. Electronic devices will be monitored according to ACT standards.**

No more than ten (10) minutes orientation

No more than (90) minutes testing time

No more than ten (10) minutes wrap-up

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

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:

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



1.	<b>D</b>	14.	<b>B</b>
2.	<b>C</b>	15.	<b>C</b>
3.	<b>D</b>	16.	<b>C</b>
4.	<b>A</b>	17.	<b>A</b>
5.	<b>C</b>	18.	<b>C</b>
6.	<b>B</b>	19.	<b>D</b>
7.	<b>B</b>	20.	<b>B</b>
8.	<b>C</b>	21.	<b>B</b>
9.	<b>B</b>	22.	<b>B</b>
10.	<b>D</b>	23.	<b>C</b>
11.	<b>B</b>	24.	<b>B</b>
12.	<b>D</b>	25.	<b>D</b>
13.	<b>B</b>		

**SHORT ANSWER PROBLEMS—each worth 3 points, total 48 points**

1.    a.    **\$90.91**  
      b.    **\$114.92**  
      c.    **March 7**  
      d.    **\$9,705.83**  
      e.    **Yes**
2.    a.    **\$24,800**  
      b.    **60%**  
      c.    **40%**
3.    **131.7%**
4.    a.    **\$843,750**  
      b.    **43.8%**
5.    a.    **\$3,329.70**  
      b.    **\$1,598.26**
6.    a.    **\$84.00**  
      b.    **\$100.37**  
      c.    **\$26.34**



**JOB 1 - ACCOUNT CLASSIFICATION**—Each worth 1 point, total points 75

For each account listed below state its classification (*asset, liability, stockholder's equity, revenue, cost of merchandise, expense*), whether it has a normal debit or credit balance, and what financial statement (*Income statement, Statement of Stockholders' Equity, or Balance Sheet*) it will appear on (*can be more than one*). Use codes provided above the columns. The first one is done as an example.

ACCOUNT	CLASSIFICATION (A, L, SE, R, CM, E)	NORMAL BALANCE (DR or CR)	FINANCIAL STATEMENT (IS, SOSE, BS)
Advertising Expense ( <i>Example</i> )	E	DR	IS
Notes Receivable	A	DR	BS
Bankcard Fees Expense	E	DR	IS
Treasury Stock	SE	DR	SOSE, BS
Cash	A	DR	BS
Payroll Tax Expense	E	DR	IS
Federal Corporate Income Tax Payable	L	CR	BS
Retained Earnings	SE	CR	SOSE, BS
Insurance Expense	E	DR	IS
Purchases	CM	DR	IS
Sales	R	CR	IS
Equipment	A	DR	BS
Purchases Discounts	CM	CR	IS
Supplies	A	DR	BS
Sales Returns & Allowances	R	DR	IS
Sales Tax Payable	L	CR	BS
Purchases Returns & Allowances	CM	CR	IS
Prepaid Rent	A	DR	BS
Allowance for Uncollectible Accounts	A	CR	BS
Dividends	SE	DR	SOSE
Sales Discounts	R	DR	IS
Accumulated Depreciation--Equipment	A	CR	BS
Federal Corporate Income Tax Expense	E	DR	IS
Merchandise Inventory	A	DR	BS
Capital Stock	SE	CR	SOSE, BS



**JOB 2—INVENTORY VALUATION**—each worth 2 points, total points 42

LIFO     **\$955.80**                          FIFO     **\$998.65**                          Weighted Average     **\$976.55**    

<b>INVENTORY COSTING METHOD</b>	<b>FIFO</b>	<b>LIFO</b>	<b>WEIGHTED AVERAGE</b>
Net Sales	\$7,832.00	\$7,832.00	\$7,832.00
Beginning Inventory	<b>\$337.50</b>	<b>\$337.50</b>	<b>\$337.50</b>
Net Purchases	\$2,450.00	\$2,450.00	\$2,450.00
Merchandise Available for Sales	<b>\$2,787.50</b>	<b>\$2,787.50</b>	<b>\$2,787.50</b>
Ending Inventory	<b>\$998.65</b>	<b>\$955.80</b>	<b>\$976.55</b>
Cost of Merchandise Sold	<b>\$1,788.85</b>	<b>\$1,831.70</b>	<b>\$1,810.95</b>
Gross Profit	<b>\$6,043.15</b>	<b>\$6,000.30</b>	<b>\$6,021.05</b>
Operating Expense	\$3,654.00	\$3,654.00	\$3,654.00
Net Profit	<b>\$2,389.15</b>	<b>\$2,346.30</b>	<b>\$2,367.05</b>

**JOB 3—DEPRECIATION METHODS**— 2 points for each, total points 38

<b>DEPRECIATION METHOD</b>	<b>STRAIGHT-LINE</b>	<b>DOUBLE-DECLINING BALANCE</b>	<b>UNITS-OF-PRODUCTION</b>
2017	<b>\$10,000</b>	<b>\$24,000</b>	<b>\$12,800</b>
2018	<b>\$10,000</b>	<b>\$12,000</b>	<b>\$10,880</b>
2019	<b>\$10,000</b>	<b>\$4,000</b>	<b>\$8,400</b>
2020	<b>\$10,000</b>	<b>-0-</b>	<b>\$8,000</b>

1.     **\$8,000**
2.     **\$16,000**
3.     **\$12,000**
4.     **Loss**
5.     **\$5,200**
6.     **\$10,000**
7.     **\$2,500**