



COLLEGE ACCOUNTING (105) —Post-Secondary— **REGIONAL – 2020**

Multiple Choice & Short Answer Section:

Multiple Choice (25 @ 2 points each) _____ (50 points)

Short Answer _____ (78 points)

Production Portion:

Problem 1: Journal Entries _____ (78 points)

Problem 2: Trial Balance _____ (59 points)

TOTAL POINTS _____ ***(265 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 ninety (90) minutes testing time
No more than ten (10) minutes wrap-up

Property of Business Professionals of America.
May be reproduced only for use in the Business Professionals of America
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.

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.

Unless otherwise instructed, round all answers to 2 decimal places.

MULTIPLE CHOICE

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

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

Short Answer (78 points)

Match the definition with the term listed below.

Grader: Each question is worth 2 points

1. A The owners of a corporation
2. P The equity earned by profitable operations that is not distributed to stockholders
3. O Resources used in order to generate revenue
4. F An example of a contra-asset
5. D The financial statement that lists the firm's assets, liabilities, and stockholders' equity
6. G Resources owned by the firm that are expected to provide a future economic benefit
7. C The accounting rules in the United States
8. I Debts owed by the corporation
9. B The process of allocating the cost of a plant asset over its useful life
10. H The organization that creates the accounting rules in the US
11. L Should be recognized when it is earned
12. K The financial statement that reports the profit of a business

A. Stockholders	B. Depreciation
C. GAAP	D. Balance Sheet
E. Dividends	F. Accumulated Depreciation
G. Assets	H. FASB
I. Liabilities	J. Common Stock
K. Income Statement	L. Revenue
M. Comprehensive Income	N. Treasury Stock
O. Expenses	P. Retained Earnings

For each account name below, indicate its classification, its normal balance side, and on which financial statement the account appears. Use the appropriate abbreviations for your answers.

Grader: Each box is worth 1 point!

Classifications	Normal Balances	Financial Statement
A = Asset L = Liability OE = Owner's Equity R = Revenue E = Expense	D = Debit C = Credit	IS = Income Statement BS = Balance Sheet

Account Name	Classification	Normal Balance	Financial Statement
Accounts Receivable	A	D	BS
Accounts Payable	L	C	BS
Fees Earned	R	C	IS
Equipment	A	D	BS
Rent Expense	E	D	IS
Depreciation Expense	E	D	IS
Common stock	OE	C	BS
Retained Earnings	OE	C	BS
Unearned Revenue	L	C	BS
Cost of Goods Sold	E	D	IS

Michael Scott Paper Co. purchased equipment on January 2, 2019 for \$16,000. The equipment is expected to remain in service for four years. At the end of the equipment's useful life, Michael Scott estimates that its residual value will be \$1,200.

Prepare a schedule of depreciation for each year using the straight-line method. Complete all shaded areas of the table below. Round to the nearest whole number.

Grader: Each shaded box is worth 2 points

Year	Depreciation Expense	Accumulated Depreciation	Net Book Value
2019	3,700	3,700	12,300
2020	3,700	7,400	8,600
2021	3,700	11,100	4,900
2022	3,700	14,800	1,200

Problem 1 (78 Points)

The current general ledger of the Dunder Mifflin Academy contains the following information:

Cash	\$18,000	Accumulated Depreciation	2,800
Accounts Receivable	800	Accounts Payable	\$1,200
Supplies	100	Notes Payable	9,400
Equipment	7,500	Common Stock	11,000
		Retained Earnings	2,000
	<u>\$26,400</u>		<u>\$26,400</u>

The following transactions occurred during the first quarter. Prepare the appropriate journal entries (use the question number as the date).

1. Prepaid rent for 5 months, \$1,500
2. Borrowed \$2,500 and signed a promissory note payable due in six months.
3. Billed students for January tutoring fees, \$5,000
4. Purchased supplies on account, \$350
5. Paid salaries of \$5,000
6. Paid \$300 owed on account
7. Collected \$4,000 from students on account
8. Purchased additional equipment for \$5,000 cash.
9. Recorded depreciation on the equipment, \$200
10. Three months of rent expired
11. Accrued unpaid salaries at the end of the quarter, \$2,500
12. Unused supplies at the end of the quarter are \$75



Grader: Each account debited or credited is worth 3 points; the two shaded amounts are worth 3 points, otherwise no points are given for amounts. Exact account names may vary.

General Journal			
Date	Account	Debit	Credit
1)	Prepaid Rent	1500	
	Cash		1500
2)	Cash	2500	
	Note Payable		2500
3)	Accounts Receivable	5000	
	Fees Earned		5000
4)	Supplies	350	
	Accounts Payable		350
5)	Salaries Expense	5000	
	Cash		5000
6)	Accounts Payable	300	
	Cash		300
7)	Cash	4000	
	Accounts Receivable		4000
8)	Equipment	5000	
	Cash		5000
9)	Depreciation Expense	200	
	Accumulated Depreciation		200
10)	Rent Expense	900	
	Prepaid Rent		900
11)	Salaries Expense	2500	
	Salaries Payable		2500
12)	Supplies Expense	375	
	Supplies		375

Problem 2 (59 Points)

Grader: Each line of the trial balance is worth 3 points, the totals are worth 3 points each, and the profit question is worth 5 points

Dunder Mifflin Academy		
Trial Balance		
March 31, 20XX		
Cash	12700	
Accounts Receivable	1800	
Supplies	75	
Prepaid Rent	600	
Equipment	12500	
Accumulated Depreciation		3000
Accounts Payable		1250
Salaries Payable		2500
Note Payable		11900
Common Stock		11000
Retained Earnings		2000
Fees Earned		5000
Rent Expense	900	
Depreciation Expense	200	
Salaries Expense	7500	
Supplies Expense	375	
Totals	<u>\$36,650</u>	<u>\$36,650</u>

How much profit did Dunder Mifflin earn in the first quarter? (\$3,975)