



ADVANCED COLLEGE ACCOUNTING (115) —Post-Secondary— **REGIONAL – 2020**

Multiple Choice & Short Answer Section:

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

Short Answer _____ (52 points)

Production Portion:

Problem 1: Journal Entries _____ (30 points)

Problem 2: Closing Entries _____ (20 points)

Problem 3: Income Statement _____ (12 points)

TOTAL POINTS _____ ***(144 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:

Calculate all calculations to 4 decimals, then round to the nearest dollar or cent.



Multiple Choice: (30 points, 2 each)

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

Short Answer Questions

Short Answer #1 (8 points, 2 points each)

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Month End	INSURANCE EXPENSE	150.00	
	PREPAID INSURANCE		150.00

Short Answer #2 (8 points, 2 points each)

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Month End	PREPAID INSURANCE	600.00	
	INSURANCE EXPENSE		600.00



Short Answer #3 (16 points, 2 points each) Round to the nearest cent.

Term, Rate	Loan Amount	Date Issued	Year End Payment	Interest Paid	Principal Paid
10 year, 6%	\$50,000	03/31/2019	\$5,000.00	\$2250.00	\$2750.00
6 month, 7%	\$6,000	06/30/2019	Due on 12/31	\$210.00	\$6000.00
20 year, 3.5%	\$110,000	03/31/2019	\$5,000.00	\$2887.50	\$2112.50
15 year, 4.75%	\$75,000	10/01/2019	\$8,000.00	\$890.63	\$7109.37

Short Answer #4 (20 points, 2 points each)

Inventory		COGS	
68,146			
172,865		147,422	
	147,422		
93,589			

Accounts Payable		Retained Earnings	
	13,942		85,450
179,887	172,865		54,700
		13,550	
	6,920		126,600



Problem #1 (30 points, 1 point each account & amount; no points for date)

Jan 2: Purchased \$2,985 in inventory on account

Jan 6: Purchased \$970 in supplies on account

Jan 10: Cash sales of \$6,200

Jan 12: Sales on account for \$4,085

Jan 14: Purchased equipment for \$20,000; \$15,000 was taken on note, the rest was paid in cash

Jan 15: Collected cash on account in the amount of \$3,740

Jan 16: Paid \$2,570 to vendors owed

JOURNAL		PAGE 11	
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
2019, JAN 2	PURCHASES	2985	
	ACCOUNTS PAYABLE		2985
JAN 6	SUPPLIES	970	
	ACCOUNTS PAYABLE		970
JAN 10	CASH	6200	
	SALES		6200
JAN 12	ACCOUNTS RECEIVABLE	4085	
	SALES		4085
JAN 14	EQUIPMENT	20000	
	NOTE PAYABLE		15000
	CASH		5000
JAN 15	CASH	3740	
	ACCOUNTS RECEIVABLE		3740
JAN 16	ACCOUNTS PAYABLE	2570	
	CASH		2570



Problem #2 (20 points, 1 point each account & amount)

Record the closing entries for Felix Company at December 31, 2019 *Use Retained Earnings as your Equity account. Do not skip any lines in journal.*

Sales Revenue	\$69,875
Supplies Expense	\$830
Utilities Expense	\$2,140
Salaries Expense	\$42,230
Unearned Revenue	\$2,300
Interest Revenue	\$162
Office Expense	\$1,550
Cash Dividends	\$2,100

JOURNAL			PAGE 110
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
2019, DEC31	SALES REVENUE	69875	
	INTEREST REVENUE	162	
	RETAINED EARNINGS		70037
DEC 31	RETAINED EARNINGS	46750	
	SUPPLIES EXPENSE		830
	UTILITIES EXPENSE		2140
	SALARIES EXPENSE		42230
	OFFICE EXPENSE		1550
DEC 31	RETAINED EARNINGS	2100	
	CASH DIVIDENDS		2100



Problem #3 (12 points, 2 points each)

Complete the following Income Statement with the missing amounts for the first year of operations for Skill Corporation.

Additional information: dividends declared and paid were \$21,060. Gross profit is 55%. 78,000 shares of common stock were outstanding throughout the year.

**SKILL CORPORATION
INCOME STATEMENT
DECEMBER 31, 2019**

Sales Revenue		516,000
Sales Discounts	32,485	
Sales Returns	<u>14,500</u>	
Net Sales		<u>469,015</u>
COGS		<u>211,057</u>
Gross Profit		<u>257,958</u>
Operating Expenses		
Salaries	<u>157,613</u>	
Utilities	47,552	
Supplies	11,644	
Insurance	<u>8,738</u>	
Total Operating Expenses		<u>225,547</u>
Net Income (Loss)		<u>32,411</u>
Earnings Per Share (Round to nearest cent)		<u>\$.42</u>