



**ADVANCED**

**ACCOUNTING**

(110)

**REGIONAL 2022**

**CONCEPT KNOWLEDGE:**

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

**APPLICATION KNOWLEDGE:**

Account Classification \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (45 points)

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

Effects on Income Statement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (60 points)

Inventory Costing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (36 points)

***TOTAL POINTS*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ***(239 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 decimal places at the final step.
* Round all percentages to one decimal place.
* Use 360 days for interest calculations.

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

**Account Classification – 45 points – 1 point each – Note to Grader - If two Financial Statements are shown, both must be included to earn the point.**

|  |  |  |  |
| --- | --- | --- | --- |
| **ACCOUNT** | **CLASSIFICATION**  **(A, L, SE, R, CM, E)** | **NORMAL**  **BALANCE**  **(DR or CR)** | **FINANCIAL**  **STATEMENT**  **(IS, SOSE, BS)** |
| Notes Payable | **L** | **CR** | **BS** |
| Salary Expense | **E** | **DR** | **IS** |
| Retained Earnings | **SE** | **CR** | **SOSE, BS** |
| Unearned Rent | **L** | **CR** | **BS** |
| Prepaid Advertising | **A** | **DR** | **BS** |
| Sales Tax Payable | **L** | **CR** | **BS** |
| Interest Receivable | **A** | **DR** | **BS** |
| Sales Returns | **R** | **DR** | **IS** |
| Fees Revenue | **R** | **CR** | **IS** |
| Accumulated Depreciation | **A** | **CR** | **BS** |
| Dividends | **SE** | **DR** | **SOSE** |
| Purchases Discount | **CM** | **CR** | **IS** |
| Insurance Expense | **E** | **DR** | **IS** |
| Merchandise Inventory | **A** | **DR** | **IS, BS** |
| Purchases | **CM** | **DR** | **IS** |

**Short Answer Problems — 48 Points, each worth 3 points**

1. **a. Cash**

**b. 13.75**

**c. 17.19**

**d. Feb. 19**

**2. a. 55,958**

**b. 2,907.92**

**c. 52,613.08**

**3 a. 22,880**

**b. 57,200**

**c. 23,070**

**4 a. 2,112**

**b. 1,584**

**c. 704**

**d. 214**

**e. 173**

**f. 470**

**Job 1 – Effects on Income Statement – 60 Points – 2 points each**

|  |  |  |
| --- | --- | --- |
| **Transaction Number** | **Effect on Net Income**  **Increase, Decrease, None** | **Amount of Effect** |
| 1 | **None** | **0** |
| 2 | **Decrease** | **700** |
| 3 | **None** | **0** |
| 4 | **None** | **0** |
| 5 | **Decrease** | **550** |
| 6 | **None** | **0** |
| 7 | **None** | **0** |
| 8 | **Increase** | **2,500** |
| 9 | **Decrease** | **50** |
| 10 | **None** | **0** |
| 11 | **Decrease** | **86.25** |
| 12 | **Increase** | **2,000** |
| 13 | **Decrease** | **500** |
| 14 | **Increase** | **980** |
| 15 | **None** | **0** |

**Job 2 – Inventory Costing - 36 Points – 3 points each**

Weighted  
 LIFO FIFO Average

Balance of Ending Inventory  **47,625 46,140 46,864 or 46,864.08**

Cost of Goods Sold **98,825 100,310 99,586 or 99,585.92 or 99,586.17**

Gross Profit  **123,775 122,290 123,014 or 123,014.08 or 123,013.83**

Gross Profit Margin  **55.6% 54.9% 55.3%**