

Member ID: _____

Time: _____

Rank: _____



ADVANCED COLLEGE ACCOUNTING (115)

REGIONAL 2025

Multiple Choice & Short Answer Section:

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

Short Answer (26 @ 2 points each) _____ (52 points)

Production Portion:

Problem 1: Journal Entries (30 @ 1 point each) _____ (30 points)

Problem 2: Closing Entries (18 @ 1 point each) _____ (18 points)

Problem 3: Income Statement (6 @ 2 points each) _____ (12 points)

TOTAL POINTS _____ (***142 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 at the final step.
- Round all percentages to one decimal place.
- Use 360 days for interest calculations.

MULTIPLE CHOICE (30 points, 2 points each)

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

1. Expenses and revenue are recognized as they occur in a(n) _____.
 - A. Cash accounting system
 - B. Accrual accounting system
 - C. GAP driven system
 - D. All tax accounting systems
2. If \$3,000 is received as an advance payment of rent, it should be classified as a(n) _____.
 - A. Expense
 - B. Revenue
 - C. Liability
 - D. Contra Asset
3. An alternative way to write the accounting equation is _____.
 - A. $\text{Revenue} - \text{Expenses} = \text{Net Income (Loss)}$
 - B. $\text{Assets} = \text{Liabilities} - \text{Equity}$
 - C. $\text{Equity} = \text{Assets} + \text{Liabilities}$
 - D. $\text{Equity} = \text{Assets} - \text{Liabilities}$
4. GAAP stands for _____.
 - A. Generally Acceptable Accounting Premises
 - B. Generally Accountable Asset Placement
 - C. Generally Accepted Asset Principles
 - D. None of the choices
5. An adjusting entry always contains a(n) _____ and a(n) _____.
 - A. Expense, Revenue
 - B. Contra Asset, Expense
 - C. Balance Sheet account, Income Statement account
 - D. Liability, Expense
6. Straight-line depreciation expenses _____.
 - A. The same amount every full year
 - B. An increasing amount each year
 - C. Starts at a high amount and decreases every year
 - D. According to the usage of the asset each year

7. The three categories in a Statement of Cash Flows are _____.
A. Operating, Investigating, and Financing
B. Objective, Investing, and Financing
C. Operating, Investing, and Financing
D. Operational, Investing, and Fair Value
8. Revenue – Cost of Goods Sold = _____.
A. Operating Expenses
B. Net Income
C. Net Loss
D. Gross Profit
9. Current assets – Current Liabilities = _____.
A. Current Ratio
B. Current Net Worth
C. Working Capital
D. Current Equity
10. The formula Principal X Rate X Time = _____.
A. Long Term Interest
B. Simple Interest
C. Cumulative Interest
D. Cost of Goods Sold
11. Manufacturing has three inventory accounts; they are _____.
A. Materials, Work in Process, Finished Goods
B. Materials, Work to be Completed, Finished Goods
C. Materials, Work in Line, Finnish Goods
D. Current assets, Work in Process, Danish Goods
12. If a piece of machinery costs \$50,000, has no salvage value, and is expected to last 5 years or 21,000 hours, what is the depreciation taken under double declining balance if the machine was put into service on June 1 of the current calendar year and was used 6,000 hours? **Round to the nearest dollar.**
A. \$12,500
B. \$14,280
C. \$20,000
D. \$11,667

13. Using the information from Question 12 above, how much depreciation would be taken if the units of productions method is used?
- A. \$12,500
 - B. \$14,286
 - C. \$20,000
 - D. \$11,667
14. A one year, 8% loan was authorized on February 2, 2024, for \$11,000. If the lien holder's fiscal year ends on June 30, 2024, how much interest expense would be accrued by the lien holder?
- A. \$366.67
 - B. \$806.67
 - C. \$293.33
 - D. None of the choices
15. Which of the following are considered Cash & Cash Equivalents?
- A. Petty cash
 - B. Certificates of deposit
 - C. Undeposited funds
 - D. All of the choices

Short Answer Questions

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

Benito Company purchased a one-year liability insurance policy on April 1st of the current year for \$2,100 in cash and it was correctly recorded. Record the monthly adjustment below.

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Apr 30			

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

Refer to Short Answer #1 above. If the entire amount of the liability insurance was recorded in an expense account instead, what would the year end adjustment be? Record the correcting entry below.

	JOURNAL		PAGE 12
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
Dec 31			

Short Answer #3 (16 points, 2 points each)

Calculate the year end interest and principal payment for each scenario. Assume in each scenario the loan is not compounded and the payment is due on 12/31/24. **Round to the nearest cent.**

Term, Rate	Loan Amount	Date Issued	Year End Payment	Interest Paid	Principal Paid
10 year, 6%	\$50,000	01/31/2024	\$5,000.00		
6 month, 9%	\$6,000	06/30/2024	Due on 12/31		
20 year, 3.25%	\$110,000	03/31/2024	\$5,000.00		
15 year, 4.5%	\$75,000	09/01/2024	\$7,000.00		

Fill in the missing amounts from the T accounts below and calculate the ending balances. Net income for the year was \$41,230 and \$12,650 in dividends were declared and paid. Assume all purchases were on account, net purchases for inventory for the year were 186,535; COGS were 139,468; and payments made on account were 179,887.

[illegible]

PRODUCTION PROBLEMS

Problem #1 (30 points)

Record the following journal entries for 2024 using a periodic inventory system. *Do not skip any lines in between journal entries.*

Jan 2: Purchased \$3,225 in inventory on account

Jan 6: Purchased \$875 in supplies on account

Jan 10: Cash sales of \$5,600

Jan 12: Sales on account for \$3,065

Jan 14: Purchased equipment for \$10,000; \$8,000 was taken on note, the rest was paid in cash

Jan 15: Collected cash on account in the amount of \$2,840

Jan 16: Paid \$2,200 to vendors owed on account

	JOURNAL		PAGE 11
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT

Problem #2 (18 points)

Record the closing entries for Felix Company on December 31, 2024. *Use Retained Earnings as your Equity account. Do not skip any lines in journal.*

Sales Revenue	\$65,745
Supplies Expense	\$832
Utilities Expense	\$1,540
Salaries Expense	\$32,088
Unearned Revenue	\$3,400
Interest Revenue	\$132
Office Expense	\$1,750
Cash Dividends	\$2,000

	JOURNAL		PAGE 110
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT

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 \$30,400. Gross profit is 40%. 100,000 shares of common stock were outstanding throughout the year.

**SKILL CORPORATION
INCOME STATEMENT
DECEMBER 31, 2023**

Sales Revenue		400,000
Sales Discounts	22,000	
Sales Returns	<u>11,500</u>	
Net Sales		_____
COGS		_____
Gross Profit		_____
Operating Expenses		
Salaries		_____
Utilities	32,655	
Supplies	14,277	
Insurance	<u>8,345</u>	
Total Operating Expenses		<u>94,688</u>
Net Income (Loss)		_____
Earnings Per Share		=====