



# ADVANCED ACCOUNTING

## (110)

### —Secondary— REGIONAL – 2019

**Multiple Choice:**

Multiple Choice (15 @ 2 points each) \_\_\_\_\_ (30 points)

Matching (10 @ 2 points each) \_\_\_\_\_ (20 points)

**Problems:**

Problem 1: Territorial Income Statement \_\_\_\_\_ (39 points)

Problem 2: Journal Entries \_\_\_\_\_ (58 points)

Problem 3: Periodic Inventory \_\_\_\_\_ (18 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(165 points)***

**Graders: Please double check and verify all  
scores and answer keys!**



### 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 three parts. The multiple choice should be completed first; the matching and 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:

- Round all calculations to two decimals.
- Use 360 days for interest calculations.

### Multiple Choice:

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

### Matching:

- |       |        |
|-------|--------|
| 1. I. | 6. F.  |
| 2. T. | 7. K.  |
| 3. M. | 8. H.  |
| 4. B. | 9. S.  |
| 5. A. | 10. C. |



**Problem 1 (39 Points)** - The Huntington Hocking Company had four sales territories throughout the United States. The sales for the territories are listed below. Total expenses are allocated based on the number of employees in each branch. Allocate the expenses and prepare an Income Statement for the year ended May 31, 2019.

**Graders - This is a working table, no points to be awarded**

	North East	South East	North West	South West	Total
Sales	\$ 1,200,000	\$ 800,000	\$ 900,000	\$ 1,100,000	\$ 4,000,000
Number of Employees	165	85	110	140	500
Expenses:					
Wages Expense	429,000	221,000	286,000	364,000	1,300,000
Utilities Expense	323,400	166,600	215,600	274,400	980,000
Repairs Expense	267,300	137,700	178,200	226,800	810,000
Depreciation Expense	72,600	37,400	48,400	61,600	220,000
Miscellaneous Expense	19,800	10,200	13,200	16,800	60,000

**Graders:** The heading is worth 3 points. Each bolded number in the income statement is worth 1 point for a total of 36 points. Total points are 39.

<u>Huntington Hocking Company</u>	3 Points
<u>Income Statement</u>	
<u>For the Year Ended 5/31/19</u>	

	North East	South East	North West	South West	Total
Sales	<u>\$ 1,200,000</u>	<u>\$ 800,000</u>	<u>\$ 900,000</u>	<u>\$ 1,100,000</u>	<u>\$ 4,000,000</u>
Expenses:					
Wages Expense	<u>429,000</u>	<u>221,000</u>	<u>286,000</u>	<u>364,000</u>	<u>1,300,000</u>
Utilities Expense	<u>323,400</u>	<u>166,600</u>	<u>215,600</u>	<u>274,400</u>	<u>980,000</u>
Repairs Expense	<u>267,300</u>	<u>137,700</u>	<u>178,200</u>	<u>226,800</u>	<u>810,000</u>
Depreciation Expense	<u>72,600</u>	<u>37,400</u>	<u>48,400</u>	<u>61,600</u>	<u>220,000</u>
Miscellaneous Expense	<u>19,800</u>	<u>10,200</u>	<u>13,200</u>	<u>16,800</u>	<u>60,000</u>
Total Expenses	<u>1,112,100</u>	<u>572,900</u>	<u>741,400</u>	<u>943,600</u>	<u>3,370,000</u>
Net Income	<u>\$ 87,900</u>	<u>\$ 227,100</u>	<u>\$ 158,600</u>	<u>\$ 156,400</u>	<u>\$ 630,000</u>



**Problem 2 (58 Points)** - Prepare the following selected journal entries for the ComptuCare Company for the month of June. The company uses the Direct Write Off method of handling bad debts and the Straight-Line method for depreciation.

**Graders:** Each line in the journal is worth 2 points, one point for the account, one point for the correct debit/credit. Total points are 58. Abbreviations and/or different account names are allowed – examples are shown.

**General Journal**

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Date	Description	Post Ref	Debit	Credit
June 1	<b>Cash</b> (Cash in Bank)		<b>15,000</b>	
	<b>J. Comptu, Capital</b> (J.C. Cap, Cap)			<b>15,000</b>
June 2	<b>Van</b>		<b>86,000</b>	
	<b>Cash</b> (Cash in Bank)			<b>10,000</b>
	<b>Notes Payable</b> (Note Pay or N/P)			<b>76,000</b>
June 2	<b>Prepaid Insurance</b> (Prepaid Ins or Ppd Ins)		<b>1,200</b>	
	<b>Cash</b> (Cash in Bank)			<b>1,200</b>
June 8	<b>Supplies</b> (Supp)		<b>900</b>	
	<b>Accounts Payable</b> (Acct Pay, A/P)			<b>900</b>
June 10	<b>Accounts Receivable</b> (Acct Rec, A/R)		<b>25,000</b>	
	<b>Fees Earned</b> (Fees Revenue or Sales)			<b>25,000</b>
June 12	<b>Cash</b> (Cash in Bank)		<b>8,100</b>	
	<b>Fees Earned</b> (Fees Revenue or Sales)			<b>8,100</b>
June 15	<b>Vehicle Maintenance Expense</b>		<b>80</b>	
	<b>Cash</b> (Cash in Bank)			<b>80</b>
June 20	<b>Cash</b> (Cash in Bank)		<b>18,000</b>	
	<b>Accounts Receivable</b> (Acct Rec, A/R)			<b>18,000</b>
June 25	<b>Bad Debts Expense</b> (Bad Debts Exp, Uncollectible Accounts Exp)		<b>750</b>	
	<b>Accounts Receivable</b> (Acct Rec, A/R)			<b>750</b>
June 28	<b>Accounts Receivable</b> (Acct Rec, A/R)		<b>30,000</b>	
	<b>Fees Earned</b> (Fees Revenue, Sales)			<b>30,000</b>



	<u>Adjusting Entries</u> – this notation may or may not be included. Do not deduct points.			
June 30	<b>Insurance Expense</b> (Insur Exp or Ins Exp)		<b>100</b>	
	<b>Prepaid Insurance</b> (Prepaid Ins or Ppd Ins)			<b>100</b>
June 30	<b>Depreciation Expense – Van</b> (Depr Exp – Van)		<b>350</b>	
	<b>Accumulated Depreciation – Van</b> (Accum Depr – Van)			<b>350</b>
June 30	<b>Supplies Expense</b> (Supplies Exp or Supp Exp)		<b>690</b>	
	<b>Supplies</b> (Supp)			<b>690</b>
June 30	<b>Interest Expense</b> (Interest Exp or Int Exp)		<b>380</b>	
	<b>Interest Payable</b> (Interest Pay or Int Pay)			<b>380</b>

**Problem 3 (18 Points)** - The Kick Start Company is contemplating which inventory costing method to use. Calculate their ending inventory and cost of goods sold for: (Round each answer to the nearest cent).

1. FIFO (First In First Out)
2. LIFO (Last In First Out)
3. Average Cost

March	1	Beginning Inventory	200 @ \$10 per unit
	9	Purchased	2,500 @ \$11 per unit
	17	Purchased	4,000 @ \$12 per unit
	25	Purchased	5,000 @ \$14 per unit
	31	Ending Inventory	300

**Grader:** Each bolded answer is worth 3 points for a total of 18 points.

1.	FIFO	Ending Inventory	<u>\$ 4,200</u>
		Cost of Goods Sold	<u>\$ 143,300</u>
2.	LIFO	Ending Inventory	<u>\$ 3,100</u>
		Cost of Goods Sold	<u>\$ 144,400</u>
3.	Average Cost	Ending Inventory	<u>\$ 3,783 or \$ 3783.05 (due to rounding)</u>
		Cost of Goods Sold	<u>\$ 143,717 or \$ 143,717.95</u>