COLLEGE ACCOUNTING

(105)

# —Post-secondary—

REGIONAL – 2019

**Multiple Choice and Short Answer:**

Multiple Choice (20 @ 2 points each) (40 points)

Short Answer (11 @ 3 points each) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (33 points)

**Problems:**

Problem 1: Journal Entries (54 points)

Problem 2: Income Statement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (45 points)

***TOTAL POINTS (172 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 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:

GAAP

Percents rounded to the tenth percent (Ex: 22.8%)

Perpetual Inventory

Round all dollar amounts to the nearest cent.

**MULTIPLE CHOICE (Each answer is worth 2 point for a total of 40 points):**

1. B 8. B 15. B

2. D 9. D 16. B

3. C 10. A 17. A

4. B 11. C 18. C

5. D 12. A 19. D

6. A 13. D 20. D

7. C 14. C

1. Bank Reconciliation 6. Current, Long-term (3 points each)

2. Chart of Accounts 7. Temporary

3. Accrual 8. Contra

4. Income Statement 9. Liability

5. Credit, Debit (3 points each)

**Problem 1 (54 Points) -** Record the following entries in general journal form using the following accounts: Cash; Accounts Receivable; Supplies; Prepaid Insurance; Equipment; Land; Accounts Payable; Unearned Rent; Notes Payable; Sarah Tyler, Capital; Sarah Tyler, Drawing; Revenue; Wages Expense; Utility Expense; Advertising Expense; Postage Expense; Supplies Expense; Miscellaneous Expense. A journal is provided on the next 2 pages.

**Graders – each account and amount are worth 1 point each**

Jan. 3 Provided services of $25,000 on account.

5 Purchased $1,200 of supplies on account.

8 Purchased equipment for $15,000, paying $2,000 down and signing a note for the remainder.

10 Provided services of $1,800 cash.

12 Paid $900 for a one-year insurance policy.

15 Paid $2,000 for semi-monthly wages.

18 Paid $250 for monthly advertising.

22 Provided services of $32,000 on account.

24 Received $20,000 from customers on account.

29 Paid $1,200 to creditors on account.

30 Paid the monthly bills utilities of $110, postage of $40, and miscellaneous of $20.

31 $500 of supplies have been used.

**General Journal** Page 12

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Description | Post  Ref | Debit | Credit |
| Jan 3 | **Accounts Receivable** (Acct Rec, A/R) |  | **25,000** |  |
|  | **Revenue** |  |  | **25,000** |
| 5 | **Supplies** (Supp) |  | **1,200** |  |
|  | **Accounts Payable** (Acct Pay, A/P) |  |  | **1,200** |
| 8 | **Equipment** (Equip, Eq) |  | **15,000** |  |
|  | **Cash** |  |  | **2,000** |
|  | **Notes Payable** (Note Pay) |  |  | **13,000** |
| 10 | **Cash** |  | **1,800** |  |
|  | **Revenue** |  |  | **1,800** |
| 12 | **Prepaid Insurance** (Prepaid Ins, Ppd Ins) |  | **900** |  |
|  | **Cash** |  |  | **900** |
| 15 | **Wages Expense** (Wages Exp, Wages Ex) |  | **2,000** |  |
|  | **Cash** |  |  | **2,000** |
| 18 | **Advertising Expense** (Advert Exp, Adv Ex) |  | **250** |  |
|  | **Cash** |  |  | **250** |
| 22 | **Accounts Receivable** (Acct Rec, A/R) |  | **32,000** |  |
|  | **Revenue** |  |  | **32,000** |
| 24 | **Cash** |  | **20,000** |  |
|  | **Accounts Receivable** (Acct Rec, A/R) |  |  | **20,000** |
| 29 | **Accounts Payable** (Acct Pay, A/P) |  | **1,200** |  |
|  | **Cash** |  |  | **1,200** |
| 30 | **Utilities Expense** (Util Exp, Util Ex) |  | **110** |  |
|  | **Postage Expense** (Post Exp, Post Ex) |  | **40** |  |
|  | **Miscellaneous Expense** (Misc Exp, Misc Ex) |  | **20** |  |
|  | **Cash** |  |  | **170** |
| 31 | **Supplies Expense** (Supp Exp, Supp Ex) |  | **500** |  |
|  | **Supplies** |  |  | **500** |

**Problem 2 (45 Points) -** Use the following information for the Candy Company to prepare an Income Statement for the month of July 2019.

|  |  |  |
| --- | --- | --- |
|  | Debit | Credit |
| Cash | $ 10,000 |  |
| Accounts Receivable | 2,500 |  |
| Supplies | 1,000 |  |
| Accounts Payable |  | $ 2,000 |
| J. D., Capital |  | 8,000 |
| J. D., Drawing | 1,500 |  |
| Revenue |  | 6,000 |
| Salaries Expense | 700 |  |
| Utilities Expense | 200 |  |
| Miscellaneous Expense | 100 |  |
| Totals | $ 16,000 | $ 16,000 |

**Graders – all bolded items are worth 3 points. Please note that abbreviations are allowed.**

**Candy Company**

**Income Statement**

**For the month ended (ending) July 31, 2019**

|  |  |  |
| --- | --- | --- |
| Revenue: |  |  |
| **Revenue** |  | **$ 6,000** |
| Operating Expenses: |  |  |
| **Salaries Expense** (Sal Exp, Sal Ex) | **$ 700** |  |
| **Utilities Expense** (Util Exp, Util Ex) | **200** |  |
| **Miscellaneous Expense** (Misc Exp, Misc Ex) | **100** |  |
| **Total Operating Expenses or Total Expenses**  (Oper Exp, Oper Ex or Exp, Exp) |  | **1,000** |
| **Net Income or Net Profit** (Net Inc or Net Prof) |  | **$ 5,000** |
|  |  |  |