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!**

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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 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.**

**\_\_\_\_\_\_\_\_Huntington Hocking Company\_\_\_\_\_\_\_\_\_\_\_**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Income Statement\_\_\_\_\_\_\_\_\_\_\_\_\_** 3 Points

**\_\_\_\_\_\_\_\_\_\_\_\_For the Year Ended 5/31/19\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | North East | South East | North West | South West | Total |
| Sales | $ 1,200,000 | $ 800,000 | $ 900,000 | $ 1,100,000 | **$ 4,000,000** |
| 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** |
| Total Expenses | **1,112,100** | **572,900** | **741,400** | **943,600** | **3,370,000** |
| Net Income | **$ 87,900** | **$ 227,100** | **$ 158,600** | **$ 156,400** | **$ 630,000** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**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** Page 202

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Description | Post  Ref | Debit | Credit |
| June 1 | **Cash** (Cash in Bank) |  | **15,000** |  |
|  | **J. Comptu, Capital** (J.C. Cap, Cap) |  |  | **15,000** |
| June 2 | **Van** |  | **86,000** |  |
|  | **Cash (**Cash in Bank**)** |  |  | **10,000** |
|  | **Notes Payable** (Note Pay or N/P) |  |  | **76,000** |
| June 2 | **Prepaid Insurance** (Prepaid Ins or Ppd Ins) |  | **1,200** |  |
|  | **Cash (**Cash in Bank) |  |  | **1,200** |
| June 8 | **Supplies (**Supp) |  | **900** |  |
|  | **Accounts Payable** (Acct Pay, A/P) |  |  | **900** |
| June 10 | **Accounts Receivable** (Acct Rec, A/R) |  | **25,000** |  |
|  | **Fees Earned** (Fees Revenue or Sales) |  |  | **25,000** |
| June 12 | **Cash** (Cash in Bank) |  | **8,100** |  |
|  | **Fees Earned** (Fees Revenue or Sales) |  |  | **8,100** |
| June 15 | **Vehicle Maintenance Expense** |  | **80** |  |
|  | **Cash (**Cash in Bank) |  |  | **80** |
| June 20 | **Cash** (Cash in Bank) |  | **18,000** |  |
|  | **Accounts Receivable** (Acct Rec, A/R) |  |  | **18,000** |
| June 25 | **Bad Debts Expense** (Bad Debts Exp, Uncollectible Accounts Exp) |  | **750** |  |
|  | **Accounts Receivable** (Acct Rec, A/R) |  |  | **750** |
| June 28 | **Accounts Receivable** (Acct Rec, A/R) |  | **30,000** |  |
|  | **Fees Earned** (Fees Revenue, Sales) |  |  | **30,000** |
|  | Adjusting Entries – this notation may or may not be included. Do not deduct points. |  |  |  |
| June 30 | **Insurance Expense** (Insur Exp or Ins Exp) |  | **100** |  |
|  | **Prepaid Insurance** (Prepaid Ins or Ppd Ins) |  |  | **100** |
| June 30 | **Depreciation Expense – Van** (Depr Exp – Van) |  | **350** |  |
|  | **Accumulated Depreciation – Van** (Accum  Depr – Van) |  |  | **350** |
| June 30 | **Supplies Expense (**Supplies Exp or Supp Exp) |  | **690** |  |
|  | **Supplies (**Supp) |  |  | **690** |
| June 30 | **Interest Expense** (Interest Exp or Int Exp) |  | **380** |  |
|  | **Interest Payable** (Interest Pay or Int Pay) |  |  | **380** |

**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 \_\_\_\_**$ 4,200**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cost of Goods Sold \_\_\_\_**$ 143,300**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. LIFO Ending Inventory \_\_\_\_**$ 3,100**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cost of Goods Sold \_\_\_\_**$ 144,400**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Average Cost Ending Inventory \_\_\_**$ 3,783 or $ 3783.05 (due to rounding)**

Cost of Goods Sold \_\_\_**$ 143,717 or $ 143,717.95**