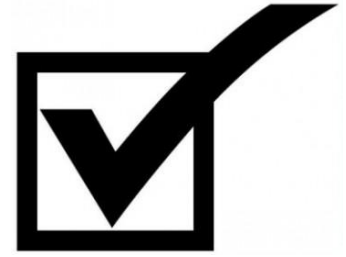


**BUSINESS
PROFESSIONALS
of AMERICA**
Giving Purpose to Potential



ADVANCED ACCOUNTING

(110)

REGIONAL 2026

CONCEPT KNOWLEDGE:

Multiple Choice (30 @ 2 points each) _____ (60 points)

APPLICATION KNOWLEDGE:

Accounting Calculations _____ (87 points)

Job 1: Adjusting Entries _____ (38 points)

Job 2: Income Statement _____ (76 points)

TOTAL POINTS _____ (***261 points***)

Test Time: 90 minutes

MULTIPLE CHOICE (2 points each; 60 points total)

1.	B	16.	A
2.	A	17.	D
3.	B	18.	B
4.	C	19.	A
5.	D	20.	B
6.	C	21.	C
7.	A	22.	B
8.	C	23.	A
9.	B	24.	D
10.	A	25.	C
11.	B	26.	A
12.	B	27.	D
13.	A	28.	C
14.	C	29.	B
15.	A	30.	C

ACCOUNTING CALCULATIONS (87 points total)

1. (1 point each; 32 points total)

Plant Asset: Shuttle Van

Depreciation Method: Comparison of Two Methods

Original Cost: \$87,500.00

Estimated Salvage Value: \$7,500.00

Estimated Useful Life: 5 years

Year	Straight-Line Method			Double-Declining Balance Method		
	Beginning Book Value	Annual Depreciation	Ending Book Value	Beginning Book Value	Annual Depreciation	Ending Book Value
1	\$87,500.00	\$16,000.00	\$71,500.00	\$87,500.00	\$35,000.00	\$52,500.00
2	\$71,500.00	\$16,000.00	\$55,500.00	\$52,500.00	\$21,000.00	\$31,500.00
3	\$55,500.00	\$16,000.00	\$39,500.00	\$31,500.00	\$12,600.00	\$18,900.00
4	\$39,000.00	\$16,000.00	\$23,500.00	\$18,900.00	\$7,560.00	\$11,340.00
5	\$23,500.00	\$16,000.00	\$7,500.00	\$11,340.00	\$3,840.00	\$7,500.00
Total Depreciation		\$80,000.00			\$80,000.00	

2. (1 point each; 30 points total)

Employee	Hours Worked	Gross Earnings	Social Security Tax	Medicare Tax	Federal Income Tax	Net Pay
Aldarez, Yuri	45	1,187.50	73.63	17.22	237.50	859.15
McDowell, Conner	50	1,375.00	85.25	19.94	275.00	994.81
Oberland, Samantha	47.5	1,281.25	79.44	18.58	256.25	926.98
Peng, Shi	42	1,075.00	66.65	15.59	215.00	777.76
Yamaguchi, Yukari	43.5	1,131.25	70.14	16.40	226.25	818.46
Totals		6,050.00	375.11	87.73	1,210.00	4,377.16

3. (5 points each; 10 points total)

Model #	No. of Units on Hand	Unit Price	Cost of Ending Inventory
Malibu 9.5	14	12 @ \$93.00 5 @ \$98.50 10 @ \$95.00	\$1344.00
Challenger S1	16	10 @ 103.00 6 @ \$108.00 15 @ \$99.00	\$1,593.00

4. (5 points each; 15 points total)

A. Estimated Gross Profit on Operations \$109,696.25B. Estimated Cost of Merchandise Sold \$63,053.75C. Estimated Ending Merchandise Inventory \$106,926.25*Note to graders: below are the calculations for the answer.*

Beginning inventory, November 1	\$89,710.00
Plus net purchases, November 1 to November 30	+ \$80,270.00
Equals cost of merchandise available for sale	<u>\$169,980.00</u>

Net sales for November 1 to November 30	\$172,750.00
Times previous year's gross profit percentage	x 63.5%
Equals estimated gross profit on operations	<u>\$109,696.25</u>

Net sales for November 1 to November 30	\$172,750.00
Less estimated gross profit on operations	- \$109,696.25
Equals estimated cost of merchandise sold	<u>\$63,053.75</u>

Cost of merchandise available for sale	\$169,980.00
Less estimated cost of merchandise sold	- \$63,053.75
Equals estimated ending merchandise inventory	<u>\$106,926.25</u>

Job 1: Journalizing Adjusting Entries (1 point for correct date; 1 point for page number; 1 point for each correct account and amount; 38 points total)

GENERAL JOURNAL

Page **20**

	DATE	ACCOUNT TITLE	DOC. NO.	POST REF.	DEBIT	CREDIT	
1	2025						1
2	Nov 30	<i>Interest Receivable</i>			40.00		2
3		<i>Interest Income</i>				40.00	3
4	30	<i>Uncollectible Accounts Expense</i>			95.00		4
5		<i>Allowance for Uncollectible Accounts</i>				95.00	5
6	30	<i>Merchandise Inventory</i>			2,550.00		6
7		<i>Income Summary</i>				2,550.00	7
8	30	<i>Supplies Expense</i>			300.00		8
9		<i>Supplies</i>				300.00	9
10	30	<i>Dep. Expense—Office Equipment</i>			500.00		10
11		<i>Accum. Depr.—Office Equipment</i>				500.00	11
12	30	<i>Dep. Expense—Store Equipment</i>			650.00		12
13		<i>Accum. Depr.—Store Equipment</i>				650.00	13
14	30	<i>Dep. Expense—Vehicles</i>			850.00		14
15		<i>Accum. Depr.—Vehicles</i>				850.00	15
16	30	<i>Interest Expense</i>			15.00		16
17		<i>Interest Payable</i>				15.00	17
18	30	<i>Federal Income Tax Expense</i>			425.00		18
19		<i>Federal Income Tax Payable</i>				425.00	19
20							20
21							21
22							22
23							23

Note to graders: Student may abbreviate account titles as needed. Accept as correct similar account names.

Job 2: Income Statement: (1 point for each amount and account; 3 points for the title; 76 points total)

Music City Rowers
Income Statement
For the Month Ending November 30, 2025

Revenue:					
Sales—Store		60,000.00			
Sales—Tours		20,000.00			
Total Sales			80,000.00		
Less: Sales Discounts		1,500.00			
Sales Returns and Allowances		2,000.00	3,500.00		
Net Sales				76,500.00	
Cost of Merchandise Sold:					
Merchandise Inventory, November 1, 2025			12,000.00		
Purchases		30,000.00			
Less: Purchases Discount	1,000.00				
Purchases Returns and Allowances	500.00	1,500.00			
Net Purchases			28,500.00		
Total Cost of Merchandise Available for Sale			40,500.00		
Less Merchandise Inventory, November 30, 2025			15,000.00		
Cost of Merchandise Sold				25,500.00	
Gross Profit on Sales				51,000.00	
Operating Expenses:					
Advertising Expense			1,200.00		
Cash Short and Over			100.00		
Credit Card Fee Expense			300.00		
Depreciation Expense—Office Equipment			400.00		
Depreciation Expense—Store Equipment			600.00		
Depreciation Expense—Vehicles			1,200.00		
Insurance Expense			1,000.00		
Miscellaneous Expense			500.00		
Payroll Taxes Expense			1,000.00		
Rent Expense			2,500.00		
Salary Expense			10,000.00		
Supplies Expense—Office			800.00		
Supplies Expense—Store			600.00		
Uncollectible Accounts Expense			200.00		
Utilities Expense			1,500.00		
Total Operating Expenses				21,900.00	
Operating Income				29,100.00	
Less: Federal Corporate Income Tax Expense				1,500.00	
Net Income				27,600.00	

Note to graders: Accept as correct similar wording and formatting; Different textbooks have different account names and different ways to format the Income Statement.