

Contestant # _____

Team # _____

UNIVERSITY INTERSCHOLASTIC LEAGUE
ACCOUNTING EXAM
Invitational 2018-A

Do not turn this page until the start signal is given!

All answers MUST be written on your answer sheet. Either upper case or lower case letters are acceptable. Write legibly. Write letters far enough above the line so that (for example) an “E” can be distinguished from an “F”.

For each multiple choice question, write only the identifying letter of the correct answer on your answer sheet.

Acceptable responses (and not case sensitive) for the following are:

DR	=	DR (do not spell out the word “debit”)
CR	=	CR (do not spell out the word “credit”)
true	=	true or T
false	=	false or F

If you choose another response for the examples given above, it will be counted as incorrect.

When an answer contains more than one response, all responses must be correct for the answer to be correct. The correct responses may be listed in any order unless the group instructions say otherwise. An incorrect response among the correct responses will cause your answer to be wrong.

If the answer has zero cents, it is not necessary to write the decimal or the zeroes for cents. A dollar amount with cents must have two decimal places. A required decimal point must be clearly visible.

Including commas in an amount where appropriate is encouraged. Marking a comma in the wrong position will cause your answer to be marked wrong. Failure to use commas will not make your answer wrong.

When there are no choices of answers given (not a multiple choice) and the answer is zero, write the number “0” or the word “zero.”

After the start signal is given, you may remove table pages and any work papers from the staple for convenience. Work papers and the test itself are never reviewed by graders.

UIL ACCOUNTING
Invitational 2018-A

Group 1

In items 1 through 5 are listed some of the accounts that appear in the Account Title section of a work sheet. Indicate whether the normal account balance will be entered in the debit or the credit column of the Trial Balance section of the work sheet using the following code:

DR = Trial Balance debit column
CR = Trial Balance credit column

1. Transportation In
2. Sales Tax Payable
3. Prepaid Insurance
4. Sales
5. Petty Cash

Group 2

Use the following information of a sole proprietorship to answer questions 6 through 9. Consider each question independently. Write the identifying letter of the best response on your answer sheet.

	ASSETS	LIABILITIES
Beginning of Year	82,360	12,460
End of Year After Closing	98,320	14,375

6. The owner made an investment of \$5,000 in the business during the year and withdrew nothing. The amount of net income or net loss for the year was:
A. \$3,085 C. \$10,960 E. \$17,045
B. \$9,045 D. \$14,045 F. \$19,045
7. The owner made no investments in the business during the year and withdrew \$3,000. The amount of net income or net loss for the year was:
A. \$1,085 C. \$11,045 E. \$17,045
B. \$4,915 D. \$12,960 F. \$18,960
8. The owner made no investments in the business during the year and withdrew nothing. The amount of net income or net loss for the year was:
A. \$ zero C. \$11,045 E. \$15,960
B. \$1,915 D. \$14,045 F. \$69,900
9. The owner made an investment of \$5,000 and withdrew \$20,000 during the year. The amount of net income or net loss for the year was:
A. \$ 955 C. \$29,045 E. \$39,045
B. \$10,955 D. \$30,960 F. \$54,900

Group 3

The Balance Sheet for Haegan Co. appears below. Refer to it and answer questions 10 through 13 by writing the identifying letter of the best response on your answer sheet. Consider each question independently.

Haegan Co.			
Balance Sheet			
December 31, 2017			
Assets		Liabilities	
Cash	24,610	Accounts Payable	\$ 15,285
Accounts Receivable	9,270		
Computer Equipment	16,890	Owner's Equity	
Office Equipment	24,350	Kay Haegan, Capital	?
Office Furniture	?		
Total Assets	\$?	Total Liabilities and Owner's Equity	\$?
	=====		=====

10. If the balance in the Kay Haegan, Capital account is \$72,080, what would be the balance in the Office Furniture account?
 A. \$3,040 B. \$12,245 C. \$18,325 D. \$56,795 E. \$59,835
11. If the balance of the Office Furniture account was \$22,760, what would be the total liabilities and owner's equity?
 A. \$37,075 B. \$67,645 C. \$82,595 D. \$97,880 E. \$113,165
12. If the balance sheet showed an amount in the Office Furniture account of \$18,730 and if all the computer equipment was sold for its historical cost and cash received, what would be the balance of Kay's capital account?
 A. \$41,105 B. \$42,945 C. \$59,835 D. \$61,675 E. \$78,565 F. \$109,135
- *13. If the balance sheet showed an amount of \$25,720 in the Office Furniture account, and \$3,420 of Accounts Payable were paid and \$4,275 of Accounts Receivable was received, what would be the balance of Kay's capital account?
 A. \$59,835 B. \$60,690 C. \$85,555 D. \$86,410 E. \$88,975 F. \$89,830

Group 4

Selected information from a work sheet is shown below. For questions 14 through 16, write the correct amount on your answer sheet.

ACCOUNT TITLE	TRIAL BALANCE		ADJUSTED TRIAL BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT
Prepaid Insurance	Q#14		1,680	
Supplies	10,380		1,745	
Merchandise Inventory	42,150		Q#15	
Income Summary				2,455
Insurance Expense			2,320	
Supplies Expense			Q#16	

Group 5

Three customers owed a total of \$64,290 to a business called Fox Company as of November 30, 2017 and one of these customers was ABC Company that owed \$24,370. On December 31, 2017 the balance of Fox’s controlling account for Accounts Receivable had increased by \$3,870 since the beginning of the month.

From Fox’s

General Ledger:

Accounts Receivable

(12-1-17)		
(Dec 2017)	_____	_____ (Dec 2017)
(12-31-17)		

Fox’s Accounts Receivable Subsidiary Ledger:

NBC Company	Debit	Credit	Balance
12-1-17			18,740
Dec 2017		21,620	

CBS Company	Debit	Credit	Balance
12-1-17			
Dec 2017	14,460	18,185	

ABC Company	Debit	Credit	Balance
12-1-17			
Dec 2017		8,720	43,115

For questions 17 through 19 write the correct amount on your answer sheet.

17. What is the total amount of charges made by all three customers in December?

*18. What is the balance of CBS Company account on 12-1-17?

19. What amount was sold on account to NBC Company during December?

Group 6

At the beginning of the fiscal year 2017, Gallo Company’s assets were \$82,647. During the year, assets increased by \$8,942 and liabilities decreased by \$2,795. At the end of the year, liabilities totaled \$7,855. The owner made withdrawals of \$15,000 and invested \$5,000 in the business during the year.

For questions 20 through 22, write the correct amount on your answer sheet. (A net loss must be indicated on your answer sheet either in brackets or in parentheses. A minus sign is NOT acceptable.)

- 20. What was the total owner’s equity at the beginning of the year?
- 21. What was the total owner’s equity at the end of the year?
- *22. What was the amount of net income or net loss for the year?

Group 7

Various account titles from the work sheet of a profitable service business (under normal circumstances) are listed below with identifying letters. In questions 23 through 27, identify which account would reflect each condition given across the work sheet. Write the identifying letter on your answer sheet.

A	Accounts Receivable	D	Income Summary
B	Sam Stone, Capital	E	Insurance Expense
C	Fees Earned	F	Prepaid Insurance

	<u>Trial</u>		<u>Income</u>	<u>Balance</u>
	<u>Balance</u>	<u>Adjustments</u>	<u>Statement</u>	<u>Sheet</u>
23.	N/A	debit amount	debit balance	N/A
24.	N/A	N/A	N/A	N/A
25.	debit balance	N/A	N/A	debit balance
26.	debit balance	credit amount	N/A	debit balance
27.	credit balance	N/A	N/A	credit balance

Group 8

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed.

Data: Bank Service Charge for December is \$14.25
 Deposits in transit on December 31 are \$961.22 and \$3,106.72
 Reconciled bank balance on December 31 is \$3,257.94
 Outstanding checks on December 31 are \$1,984.16, \$950.00 and \$4,894.34

For questions 28 and 29, write the correct amount on your answer sheet.

- *28. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for December?
- 29. What was the balance in the cash account in the accounting records prior to reconciling the bank statement for December?

Group 9

Ringo Blair started a service business in December of 2017. In this month he completed ten transactions which were all journalized and posted correctly. He correctly prepared the trial balance that follows.

**Ring for Service
Trial Balance
December 31, 2017**

	Debit	Credit
Cash	34,075	
Accounts Receivable	1,100	
Supplies	3,700	
Office Furniture	2,800	
Computer Equipment	8,000	
Accounts Payable		2,500
Ringo Blair, Capital		45,000
Ringo Blair, Drawing	1,700	
Sales		4,500
Supplies Expense	0	
Advertising Expense	625	
Totals	52,000	52,000

Additional Information:

- ◆ The owner withdrawal was for cash.
- ◆ All computer equipment (and only computer equipment) was purchased on account with a down payment of \$3,500.
- ◆ Only one customer made a payment on account and it was for \$400.
- ◆ All of the radio and newspaper advertising was broadcast and printed during the month of December.

Analyze the trial balance to determine what the ten transactions were. For questions 30 through 40, on your answer sheet, write “True” if the statement is true; write “False” if the statement is false.

30. Sales at the time the services were provided that resulted in an immediate increase to Cash was for \$3,000.
31. The amount of owner’s capital contribution is \$45,000
32. Part of the \$625 in Advertising Expense belongs in an account called Prepaid Advertising.
33. The amount in Computer Equipment should be \$11,500 because of the down payment amount.
34. A customer charged \$1,500 for services performed by Ringo.
35. The \$4,500 in Sales consists of two types of transactions: one for service provided on account and others for services provided for cash.
36. The supplies purchased resulted in a credit to Accounts Payable for \$3,700.
37. The Accounts Receivable account was credited for \$400.
38. The correct amount of Supplies on the Trial Balance cannot be determined because the supplies inventory as of December 31 is not known.
39. The total of the debits to Cash is \$52,000.
40. The total of the credits to Cash is \$14,325.

Group 10

Bavaria Company prepares adjusting and closing entries only at the end of the fiscal year which is December 31.

The information needed to prepare the trial balance for Bavaria Company as of 12-31-17 (before adjusting entries) follows in the chart below. All accounts have normal balances. Total expenses are grouped together for simplicity. The owner made one capital contribution during the year 2017 in the amount of \$7,000.

Ending inventory on 12-31-17 is \$15,940. For items 41 through 52, write the correct amount on your answer sheet.

Cash	7,975	Sales Discounts	2,668
Accounts Receivable	3,720	Sales Returns & Allowances	1,845
Inventory	18,780	Purchases	55,033
Accounts Payable	2,440	Transportation In	2,895
Dee Tress, Capital	?	Purchases Discounts	2,996
Dee Tress, Drawing	10,000	Purchases Returns & Allow.	1,438
Sales	99,993	Total Expenses	22,716

41. The amount of capital on the trial balance is \$_____.
- *42. The amount of capital in the general ledger on 1-1-17 before any 2017 transactions is \$_____.
43. Total debits on the trial balance are \$_____.
44. Cost of Delivered Merchandise is \$_____.
45. Net Purchases is equal to \$_____.
46. Cost of Merchandise Sold is \$_____.
47. Net Sales are \$_____.
48. Cost of Merchandise Available for Sale is \$_____.
49. Gross Profit is \$_____.
- *50. Net Income is \$_____.
- *51. The amount of capital on the Post-Closing Trial Balance dated 12-31-17 is \$_____.
- *52. Total assets on the Balance Sheet dated 12-31-17 are \$_____.

Group 11

For each account title in questions 53 through 62, write the identifying letter of the correct response (A, B, or C) which indicates whether each account should be closed and where, or if it should not be closed at all. Consider that each account has a normal balance. If the account is to be closed, indicate whether that account is closed with a debit or a credit. Use the following sets of codes. An answer might appear in this way: B DR

A. closed into Income Summary	DR=debit
B. closed into the capital account	CR=credit
C. not closed	

- 53. Payroll Tax Expense
- 54. Transportation In
- 55. Sales
- 56. David Conway, Capital
- 57. Purchases
- 58. Accounts Receivable
- 59. David Conway, Drawing
- 60. Medicare Tax Payable
- 61. Sales Discounts
- *62. Income Summary (when revenue closed was \$30,000; purchases closed was \$18,370, expenses closed were \$11,000, beginning inventory was \$5,840; and ending inventory was \$6,210)

Continue to use the data given in Question #62. Write the correct amount on your answer sheet for questions 63 through 66. (You only need to write the dollar AMOUNT. Do not write “debit,” “DR” or “credit,” “CR” on your answer sheet. It is not wrong if you write “debit,” “DR” or “credit,” “CR” as long as what you write is correct.)

- 63. What is the balance in Income Summary at the beginning of the fiscal year?
- *64. What is the balance in Income Summary after all adjusting entries have been posted for the year?
- 65. What is the balance in Income Summary after revenue, purchases, and expenses have been closed?
- 66. What is the balance in Income Summary after all temporary capital accounts have been closed at the end of the fiscal year?

Group 12

Refer to Table 1 on page 9 and the work sheet on page 10. For questions 67 through 80, write the correct amount on your answer sheet. These questions refer to the properly completed work sheet.

What was the balance in each of the following accounts in the unadjusted trial balance?

- *67. Cash in Bank
- *68. Landscaping Supplies
- *69. Prepaid Insurance
- 70. Jerry Zenith, Capital
- 71. Jerry Zenith, Drawing

What was the balance in each of the following accounts in the adjusted trial balance?

- 72. Landscaping Supplies
- *73. Prepaid Insurance
- 74. Landscaping Supplies Expense
- 75. Insurance Expense
- **76. Landscaping Revenue
- *77. Cash in Bank

Continue to refer to Table 1. Write the correct amount on your answer sheet.

- *78. What was the balance of Prepaid Insurance in the general ledger on 1-1-17?
- 79. What is the amount of net income for the year 2017?
- **80. What is the balance of Jerry Zenith, Capital on the Post-Closing Trial Balance dated December 31, 2017?

This is the end of the exam. Please hold your answer sheet and test until the contest director asks for them. Thank you!

TABLE 1
(for questions 67 through 80)

Jerry Zenith is the sole owner of Zenith Landscaping. The selected amounts that appear on the work sheet on page 10 are accurate. However, Jerry forgot to replenish petty cash before he prepared the work sheet. Therefore, Jerry prepared the replenishment check correctly as he prepared the adjusting entries. He corrected the bank reconciliation to show the replenishment check as an outstanding check.

Acquisitions of office supplies and insurance are properly recorded in their respective asset accounts. Adjusting and closing entries are prepared only at the end of the fiscal year, which is December 31.

All adjusting entries made in prior years were prepared correctly.

Additional Information:

- **Petty Cash:**
the last time Petty Cash was reconciled was November 30, 2017
vouchers dated December 2017 in the Petty Cash box are for gasoline and oil
and the total of all vouchers is \$161.00
actual cash in Petty Cash box on December 31, 2017 was \$37.00
- **Landscaping Supplies:**
Inventory on January 1, 2017.....\$ 2,480
Purchased during 2017..... 18,640
Inventory on December 31, 2017..... 2,165
- **Insurance information:**
paid by check \$3,060 on June 1, 2016 for a 12-month policy
paid by check \$3,348 on June 1, 2017 for a 12-month policy
- **Jerry Zenith, Capital:**
General Ledger balance January 1, 2017 \$14,758
owner capital contribution February 4, 2017 \$10,000
- **Cash withdrawals by owner for personal use were equal payments of \$2,500 per month during 2017.**

UIL ACCOUNTING—Invitational 2018-A KEY

Group 1	
1	DR
2	CR
3	DR
4	CR
5	DR

Group 2	
6	B
7	E
8	D
9	C

Group 3	
10	B
11	D
12	E
*13	C

Group 4	
14	\$ 4,000
15	\$ 44,605
16	\$ 8,635

Group 5	
17	\$ 52,395
*18	\$ 21,180
19	\$ 10,470

Group 6	
20	\$ 71,997
21	\$ 83,734
*22	\$ 21,737

Group 7	
23	E
24	D
25	A
26	F
27	B

Group 8	
*28	\$ 7,018.50
29	\$ 3,272.19

Group 9	
30	True
31	True
32	False
33	False
34	True
35	True
36	False
37	True
38	False
39	False
40	True

Group 10	
41	\$ 18,765
*42	\$ 11,765
43	\$ 125,632
44	\$ 57,928
45	\$ 53,494
46	\$ 56,334
47	\$ 95,480
48	\$ 72,274
49	\$ 39,146
*50	\$ 16,430
*51	\$ 25,195
*52	\$ 27,635

Group 11	
53	A CR
54	A CR
55	A DR
56	C
57	A CR
58	C
59	B CR
60	C
61	A CR
*62	B DR
63	\$ 0 or zero

Group 11 cont.	
*64	\$ 370
65	\$ 1,000
66	\$ 0 or zero

Group 12	
*67	\$ 5,430
*68	\$ 21,120
*69	\$ 4,623
70	\$ 24,758
71	\$ 30,000
72	\$ 2,165
*73	\$ 1,395
74	\$ 18,955
75	\$ 3,228
**76	\$ 158,408
*77	\$ 5,267
*78	\$ 1,275
79	\$ 59,509
**80	\$ 54,267