

Contestant # _____

Team # _____

**UNIVERSITY INTERSCHOLASTIC LEAGUE
ACCOUNTING EXAM
Invitational 2021-B**

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”.

Carefully read the instructions for each group of questions. Pay particular attention to instructions regarding: 1) the required format of answers; and 2) rounding.

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

True	=	True
False	=	False

If you choose another response for the examples given above, it will be counted as incorrect. The reason for this strict code is to test your ability to read and follow instructions. It also facilitates in the grading process.

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 and in the correct position.

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.”

Work papers and the test itself are never reviewed by graders.

UIL Accounting Invitational 2021-B

Group 1

Write the correct identifying letters (DR or CR or P or NA) on your answer sheet for items 1 through 8. The answer code letters (DR, CR, P, NA) must be used exclusively. Do not spell out the words they represent. The company does not use the perpetual inventory method. Consider that all accounts have normal balances.

DR = this account is closed with a debit
CR = this account is closed with a credit
P = this is a permanent account and is not closed during the closing process
NA = this is the description of a subtotal on a financial statement

- | | |
|--|--------------------------|
| 1. Supplies Expense | 6. Transportation In |
| 2. Sales Returns and Allowances | 7. Merchandise Inventory |
| 3. Prepaid Insurance | 8. Purchases Discounts |
| 4. Cost of Merchandise Sold | |
| 5. Income Summary (total credits are larger than debits in this account) | |

Group 2

The following T-account summarizes the activity for fiscal year end 12-31-20 for a business that started in 2017. Revenues for 2020 were \$269,154 and expenses were \$194,218. The owner made one investment in the business during 2020 and also made cash withdrawals of \$65,000.

Fidelis Stone, Capital	
	32,500
	<i>57,500 (footing before closing entries)</i>
	??
	<i>?? (footing after closing entries)</i>

For questions 9 through 15, write the correct amount on your answer sheet.

9. the amount of capital that would be found in the unadjusted trial balance column of the work sheet for 2020
10. the amount of capital on January 1, 2020
11. the amount of capital extended to the balance sheet credit column of the work sheet for 2020
12. the amount of owner investments made in 2020
13. the resulting amount of owner investments, owner withdrawals, net profits, and net losses from years prior to 2020
14. What is the amount of the net income for 2020?
- *15. What is the amount of ending capital that would be found on the Balance Sheet for December 31, 2020?

Group 3

The following are all of the accounts of Tom's Company that have a balance at the end of December 2020, the company's first month of operation. All accounts have normal balances.

Accounts Payable	3,185	Rent Expense	9,000
Accounts Receivable	2,410	Salaries Expense	32,000
Advertising Expense	1,350	Service Revenue	64,930
Cash	8,965	Tom Aspen, Capital	?
Store Equipment	15,200	Tom Aspen, Drawing	20,000
Office Equipment	3,780		

For questions 16 through 20, write the correct amount on your answer sheet.

16. What is the amount of net income?
17. What is the amount of capital on the trial balance?
18. What is the amount of the balancing totals on the trial balance?
19. What is the amount that the owner invested in the business?
- *20. What is the amount of owner's equity as of December 31 that should be reported on the Balance Sheet dated December 31, 2020?

Group 4

For questions 21 through 28, use the following list of account titles to determine the accounts to be debited and credited for the closing entries below. On your answer sheet, write the identifying letter for the correct account.

A. Elaine Bentes, Capital	E. Sales Returns
B. Elaine Bentes, Withdrawals	F. Purchases
C. Income Summary	G. Purchases Discounts
D. Sales	H. Rent Expense

21. To close Sales Returns, debit ____.
22. To close the revenue account, debit ____.
23. To close Purchases, debit ____.
24. To close Income Summary when there is a net loss, debit ____.
25. To close Purchases Discounts, debit ____.
26. To close the owner's drawing account, debit ____.
27. To close Rent Expense, credit ____.
28. To close Income Summary when there is a net income, debit ____.

Group 5

For items 29 through 32, write the correct amount on your answer sheet. None of the owners invested additional capital in their respective businesses during the time period shown.

Company Name	Ending Amt. of Assets	Ending Amt. of Liabilities	Beginning Amt. of Owner's Equity	Withdrawals for the period	Revenue for the period	Expenses for the period
Moon Co.	96,325	14,690	67,090	-0-	Q#29	84,105
Earth Co.	135,720	28,746	Q#30	25,000	186,310	151,646
Sun Co.	*Q#31	21,783	62,980	40,000	89,364	*Q#32
Sun Company's total owner's equity after closing net income but before closing withdrawals is \$108,473.						

Group 6

Consider for this group that in this state sales tax is not calculated on shipping charges. For questions 33 through 35, write the correct amount on your answer sheet.

33. Your company purchased merchandise on account from a supplier on January 8 for \$1,300 with terms of sale of 2/10, n/30. You paid the invoice on January 16. What was the amount of your check?
34. Your company sold merchandise to a customer for \$750 plus 8.5% sales tax, terms FOB shipping point. Freight for the shipment was \$194, which you paid to Fast Freight Company. You prepare the sales invoice. How much does your customer owe you upon receipt of your merchandise and invoice?
35. Your company purchased merchandise on account from a supplier on February 6 for \$2,450 with terms of sale of 2/10, n/30, FOB shipping point. Freight for the shipment was \$215, which the supplier paid to Fast Freight Company. You received the invoice from the supplier and paid the invoice on February 14. What was the amount of your check?

Group 7

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. The company is not notified in advance regarding NSF activity or bank charges but rather discovers this information when the bank statement is received. There were no math errors in the check stubs.

Bank Statement	
Balance on November 30, 2020	3,616.87
Deposits	12,469.10
Checks	13,182.83
NSF check	310.00
NSF fee	30.00
Bank Service Charge	21.50
Balance on December 30, 2020	?

Summary of Items Recorded in Check Stubs Before Reconciliation	
Reconciled Balance on December 1, 2020	?
Deposits Made Dated December 2020	14,705.49
Checks Written Dated December 2020	15,241.34
Balance on Last Check Stub for December 2020	?

The company's accountant compared the company's check stubs and the December 30 bank statement and summarized the following information:

Findings from the Comparison of Check Stubs to Bank Statement	
Deposits not on the bank statement	3,862.29
Checks not on the bank statement	2,438.93

For questions 36 through 39, write the correct amount on your answer sheet.

36. What was the amount printed on the bank statement as the closing balance for December 2020?
37. What is the reconciled bank balance that should appear on the Balance Sheet dated December 31, 2020?
38. What was the balance recorded in the check stubs prior to the preparation of the December bank reconciliation?
- *39. What was the reconciled balance recorded in the check stubs on the first check stub for December 2020?

Group 8

The Balance Sheet for Constanda Services appears below. Refer to it and answer questions 40 through 43 by writing the identifying letter of the best answer on your answer sheet. Consider each question independently.

Constanda Services			
Balance Sheet			
December 31, 2020			
Assets		Liabilities	
Cash	8,437	Accounts Payable	8,710
Accounts Receivable	875		
Computer Equipment	26,800	Owner's Equity	
Office Equipment	5,420	George Constanda, Capital	?
Office Furniture	?		
Total Assets	?	Total Liabilities and Owner's Equity	?

40. If the balance in the George Constanda, Capital account is \$36,572, what would be the balance in the Office Furniture account?
- A. \$460 D. \$13,670
 B. \$3,750 E. \$17,420
 C. \$4,960
41. If the balance of the Office Furniture account was \$6,290, what would be the total liabilities and owner's equity?
- A. \$15,000 D. \$47,822
 B. \$39,112 E. \$56,532
 C. \$41,532
42. If the Balance Sheet showed an amount in the Office Furniture account of \$8,000 and if all the computer equipment was sold for its historical cost and cash received, what would be the balance of George Constanda's capital account?
- A. \$12,778 D. \$49,532
 B. \$32,822 E. \$67,622
 C. \$40,822
43. If the Balance Sheet showed an amount of \$12,650 in the Office Furniture account, and \$2,570 of Accounts Payable were paid and \$225 of Accounts Receivable was received, what would be the balance of George Constanda's capital account?
- A. \$42,677 D. \$47,817
 B. \$43,127 E. \$48,267
 C. \$45,472

Group 9

Cosmo Cramer started a computer repair service business in December of 2020. In this month he completed ten transactions which were all journalized and posted correctly. He correctly prepared the following trial balance dated Dec. 31, 2020.

	Debit	Credit
Cash	21,675	
Accounts Receivable	1,125	
Supplies	2,650	
Office Furniture	1,800	
Computer Equipment	6,500	
Accounts Payable		3,000
Cosmo Cramer, Capital		28,000
Cosmo Cramer, Drawing	1,500	
Fees Earned		4,575
Supplies Expense	0	
Advertising Expense	325	
Totals	35,575	35,575

Additional Information:

- ◆ The owner withdrawal was for cash.
- ◆ All computer equipment (and only computer equipment) was purchased on account with a down payment of \$2,500.
- ◆ Only one customer made a payment on account and it was for \$800.
- ◆ 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 44 through 54, on your answer sheet, write “True” if the statement is true; write “False” if the statement is false.

44. The amount of owner’s capital contribution is \$1,500.
45. Sales at the time the services were provided that resulted in an immediate increase to Cash was for \$2,650.
46. The correct amount of Supplies on the Trial Balance cannot be determined because the supplies inventory as of December 31 is not known.
47. A customer charged \$1,125 for repair services performed by Cramer.
48. Part of the \$325 in Advertising Expense belongs in an account called Prepaid Advertising.
49. The \$4,575 in Fees Earned consists of two types of transactions: one for service provided on account and others for services provided for cash.
50. The amount in Computer Equipment should be \$4,000 because of the down payment amount.
51. The Accounts Receivable account was credited for \$800.
52. The supplies purchased resulted in a credit to Accounts Payable for \$2,650.
53. The total of the debits to Cash is \$31,450.
54. The total of the credits to Cash is \$9,775.

Group 10

The following transactions occurred in the petty cash fund of Newman Co. which began operations on January 1.

- Jan. 1** Established a petty cash fund in the amount of \$150
- Jan. 25** Increased the petty cash fund by \$50
- Jan. 31** Actual cash counted in the petty cash fund was \$24.16 before replenishment
- Jan. 31** Reimbursed the petty cash fund given the following petty cash fund disbursements:
- >>Payment for office supplies \$87.42
 - >>Payment for postage \$39.00
 - >>Payment for repairs expense \$48.93

For questions 55 through 58, write the identifying letter of the best response on your answer sheet.

55. The entry to establish the petty cash fund would consist of
- A. a debit to Cash in Bank for \$150
 - B. a debit to the Petty Cash account for \$150
 - C. a credit to the Petty Cash account for \$150
 - D. both A and C
56. The entry to record the reimbursement of the petty cash fund on Jan. 31 would include a
- A. debit to the Petty Cash account for \$125.84
 - B. credit to the Petty Cash account for \$175.84
 - C. credit to Cash in Bank for \$175.84
 - D. credit to Cash in Bank for \$175.35
57. The entry to record the reimbursement of the petty cash fund on Jan. 31 would include a debit to
- A. Cash Short and Over for \$0.49
 - B. Cash Short and Over for \$0.98
 - C. the Petty Cash account for \$0.49
 - D. Cash Short and Over for \$1.19
 - E. none of the above
58. The entry to record the increase in the Petty Cash fund on Jan. 25 would include a
- A. debit to the Cash in Bank account for \$50
 - B. credit to the Petty Cash account for \$50
 - C. debit to Cash Short and Over for \$50
 - D. credit to Cash in Bank account for \$50

Group 11

The following rates and maximums per employee per year are in effect:

Social Security	6.2% on gross earnings up to \$142,800
Medicare	1.45% on all earnings
Employee Federal Income Tax	15% on all earnings
Employee State Income Tax	2.5% on all earnings
Federal Unemployment Tax	.6% on first \$7,000 of gross earnings
State Unemployment Tax	1.5% on first \$9,000 of gross earnings
Overtime	1½ times regular rate for hours worked in excess of 40 hours in a 5-day work week

The applicable employer matching taxes are at the same rate as the employee rate. In this state only employers are subject to unemployment taxes. Any taxes withheld from an employee for state income tax must be remitted by the employer directly to the state. The employer is classified as a monthly depositor for the purpose of paying to the federal government the payroll taxes withheld from employee earnings as well as the employer matching taxes. Health insurance premiums are remitted to Allsafe Health Insurance Co.

Selected information from a weekly payroll register for two employees is presented below with some amounts intentionally omitted. Prior to this week’s paycheck the accumulated gross earnings respectively for each employee were: Becca \$6,460 and Dana \$8,040. In this pay period Becca worked 10 overtime hours. The payroll clerk is new to the job and was unsure what to deduct.

Gross Earnings:	Becca	Dana
Regular		
Overtime	180	180
Total Gross Earnings		
Deductions: ????		
Social Security		
Medicare		14.21
Federal Income Tax		
State Income Tax		
Health Insurance Premium	94.15	87.50
Federal Unemployment Tax		
State Unemployment Tax		
Total Deductions		
Net Pay:		

For questions 59 through 62, write the correct amount on your answer sheet.

- *59. What is the correct amount of net pay for both employees combined?
- *60. What is the correct amount of the employer’s payroll tax expense for these two employees for this week?
- **61. As a monthly depositor, what is the total amount of the employer’s payroll tax liability (for these two paychecks) that must be paid to the federal government by the 15th of the following month?
- **62. How many overtime hours did Dana work?

Group 12

Jerry Stainfeld is the owner of Soup for All, a company that sells packaged foods. Some of the unadjusted trial balance figures for his December 31, 2020 fiscal year-end are as follows. All have normal balances. Purchases of supplies and insurance are posted to respective asset accounts. Adjusting and closing entries are prepared only at the fiscal year-end. The company uses the periodic inventory method, and the gross profit percentage for 2020 based on net sales was 46%.

Cash	14,073	Purchases	64,310
Operating Supplies	?	Transportation In	3,769
Prepaid Insurance	?	Purchases Returns & Allow.	2,695
Merchandise Inventory	?	Purchases Discounts	3,740
Accounts Payable	2,950	Rent Expense	7,800
Jerry Stainfeld, Capital	?	Utilities Expense	3,459
Jerry Stainfeld, Drawing	20,000	Repairs Expense	630
Sales	?	Salaries Expense	15,000
Sales Discounts	3,185	Payroll Tax Expense	1,415

Operating Supplies	
Beg. Bal. 1-1-20	1,295
Purchased in 2020	3,085
End Bal. 12-31-20	1,460

Insurance	
Unexpired as of January 1, 2020	390
Purchased in 2020	1,776
Unexpired as of December 31, 2020	444

Merchandise Inventory	
Beg. Bal. 1-1-20	31,740
End Bal. 12-31-20	28,260

Owner's Capital	
Contributions Made in 2020	5,000
General Ledger Balance 1-1-20	?

For questions 63 through 80, write the correct amount on your answer sheet.

- *63. What is the amount of Total Assets on the Balance Sheet dated Dec. 31, 2020?
- *64. What was the balance of the owner's capital account in the general ledger on Jan. 1, 2020?
- **65. What was the amount of the owner's capital account on the Post-Closing Trial Balance dated December 31, 2020?

On the work sheet in the Trial Balance columns, what is the amount of...

- 66. Operating Supplies
- 67. Prepaid Insurance
- 68. Merchandise Inventory
- *69. Sales

On the work sheet in the Adjusted Trial Balance columns, what is the amount of...

- 70. Operating Supplies Expense
- 71. Insurance Expense
- 72. Merchandise Inventory
- *73. Jerry Stainfeld, Capital

On the Income Statement for the year ended Dec. 31, 2020, what is the correct amount of...

- *74. Cost of Merchandise Sold
- 75. Cost of Merchandise Available for Sale
- 76. Cost of Delivered Merchandise
- 77. Net Purchases
- 78. Gross Profit
- *79. Total Expenses
- *80. Net Income

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

**UIL ACCOUNTING—Invitational 2021-B
KEY**

Group 1	
1	CR
2	CR
3	P
4	NA
5	DR
6	CR
7	P
8	DR

Group 4	
21	C
22	D
23	C
24	A
25	G
26	A
27	H
28	C

Group 8	
40	B
41	D
42	C
43	C

Group 12	
*63	\$ 44,237
*64	\$ 33,757
**65	\$ 41,287
66	\$ 4,380
67	\$ 2,166
68	\$ 31,740
*69	\$ 123,785
70	\$ 2,920
71	\$ 1,722
72	\$ 28,260
*73	\$ 38,757
*74	\$ 65,124
75	\$ 93,384
76	\$ 68,079
77	\$ 61,644
78	\$ 55,476
*79	\$ 32,946
*80	\$ 22,530

Group 2	
9	\$ 57,500
10	\$ 32,500
11	\$ 57,500
12	\$ 25,000
13	\$ 32,500
14	\$ 74,936
*15	\$ 67,436

Group 5	
29	\$ 98,650
30	\$ 97,310
*31	\$ 90,256
*32	\$ 43,871

Group 9	
44	False
45	True
46	False
47	False
48	False
49	True
50	False
51	True
52	False
53	True
54	True

Group 6	
33	\$ 1,274
34	\$ 1,007.75
35	\$ 2,616

Group 10	
55	B
56	C
57	A
58	D

Group 3	
16	\$ 22,580
17	\$ 24,590
18	\$ 92,705
19	\$ 24,590
*20	\$ 27,170

Group 7	
36	\$ 2,541.64
37	\$ 3,965
38	\$ 4,326.50
*39	\$ 4,862.35

Group 11	
*59	\$ 1,045.89
*60	\$ 153
**61	\$ 496.92
**62	6

Grader #1 _____
Grader #2 _____
Grader #3 _____

Contestant # _____
Team # _____

UIL ACCOUNTING
Invitational 2021-B

SCORING CHART

Number of **correct** answers out of 80
(without considering asterisks)..... times 5 = _____

Plus extra credit for asterisk questions answered **correctly**.
(If the answer is incorrect, draw a line through the block.)

Question Number	Asterisks on Exam	Extra Points If Correct
15	1	
20	1	
31	1	
32	1	
39	1	
59	1	
60	1	
61	2	
62	2	
63	1	
64	1	
65	2	
69	1	
73	1	
74	1	
79	1	
80	1	

Total Extra Points

TOTAL SCORE.....
