

Contestant # _____

UNIVERSITY INTERSCHOLASTIC LEAGUE
ACCOUNTING EXAM
District 2021-D

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.

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.

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UIL Accounting District 2021-D

Group 1

Decide the general ledger account classification for each item in questions 1 through 13. Mark the identifying letter of the correct choice on your answer sheet using the following account classification code:

Code	Account Classification
A	Asset
CM	Cost of Merchandise
E	Expense
L	Liability

Code	Account Classification
O	Owner's Equity
R	Revenue
N	not an account

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Sales 2. Purchases 3. Merchandise Inventory 4. Supplies Expense 5. Net Income 6. Prepaid Insurance 7. Mike Adams, Drawing | <ol style="list-style-type: none"> 8. the amount owed to the state for sales tax collected 9. Cost of Merchandise Available for Sale 10. the value of insurance available for next fiscal period 11. the net worth of the business 12. the value of supplies used this fiscal period 13. Purchases Returns & Allowances |
|--|---|

Group 2

The following T-account summarizes the activity for calendar year 2020 for a service business organized as a sole proprietorship. For questions 14 through 24, on your answer sheet write "True" if the statement is true; write "False" if the statement is false.

Capital		
	56,000	
	15,000	
	71,000	(footing before closing entries)
10,000	20,500	
	81,500	(footing after closing entries)

14. The amount that would be found in the Trial Balance column of the work sheet on 12-31-20 is \$56,000.
15. The total amount of withdrawals was \$10,000.
16. The business suffered a net loss of \$10,000.
17. The amount \$56,000 represents only the amount of owner contributions from years prior to the year 2020.
18. Salary Expense reduces net income; but owner withdrawals do not affect net income.
19. The amount \$20,500 represents the loan received from a bank.
20. From the given information, it is not known if the owner withdrew cash or some other business asset.
21. If the 2020 total revenue was \$95,820, then the 2020 total expenses must have been \$75,320.
22. When employees are paid, Salary Expense is debited; when the owner makes an owner withdrawal, the account Owner Withdrawals Expense is debited.
23. The amount of Capital on January 1, 2020 was \$71,000.
24. The amount that would be found on the Balance sheet for December 31, 2020 is \$81,500.

Group 3

Following are all the accounts (except capital) of Snowflake Co. as of the end of the fiscal year 2020 after adjustments. All accounts have normal balances.

Snowflake's owner made one owner investment during the year of \$10,500.

Supplies purchased are first posted to an asset account. Snowflake purchased \$5,760 of supplies during the current fiscal year.

Account Title	Amount		Account Title	Amount
Accounts Payable	950		Rent Expense	4,380
Accounts Receivable	1,975		Revenue	33,715
Advertising Expense	1,500		Salary Expense	15,000
Emma Nix, Drawing	4,000		Supplies	2,400
Cash in Bank	17,675		Supplies Expense	5,420

Write the correct amount on your answer sheet for questions 25 through 32.

25. What was the balance of the Supplies account on the unadjusted Trial Balance?
26. What was the balancing total of the Adjusted Trial Balance columns?
27. What is the balance in the capital account at the end of the fiscal year 2020 before closing entries are posted?
28. What was the balance in the capital account at the beginning of the fiscal year 2020?
29. What was the amount of net income or net loss for the year 2020?
- *30. What was the capital account balance at the end of the fiscal year 2020 after closing entries?
31. What is the amount of total assets that would appear on the Post-Closing Trial Balance dated December 31, 2020?
32. What was the balance of the Supplies account at the beginning of this fiscal year on January 1, 2020?

Group 4

Use the following information of a sole proprietorship to answer questions 33 through 36. Consider each question independently. Write the identifying letter of the best response on your answer sheet.

	ASSETS	LIABILITIES
Beginning of Year	87,435	11,790
End of Year After Closing	97,950	13,465

33. The owner made an investment of \$10,000 in the business during the year and withdrew nothing. The amount of net income or net loss for the year was:
 A. \$1,160 net income C. \$8,840 net income E. \$18,840 net income
 B. \$1,160 net loss D. \$8,840 net loss F. \$18,840 net loss

34. The owner made no investments in the business during the year and withdrew \$8,000. The amount of net income for the year was:
 A. zero C. \$6,740 E. \$16,840
 B. \$840 D. \$8,840 F. \$18,515

35. 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. \$8,840 net income C. \$10,515 net income E. \$12,190 net income
 B. \$8,840 net loss D. \$10,515 net loss F. \$12,190 net loss

36. The owner made an investment of \$15,000 and withdrew \$20,000 during the year. The amount of net income for the year was:
 A. \$3,840 C. \$ 9,740 E. \$15,515
 B. \$5,000 D. \$13,840 F. \$17,190

Group 5

For questions 37 through 44, 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. Roy Rogers, Capital	E. Sales Returns
B. Roy Rogers, Withdrawals	F. Purchases
C. Income Summary	G. Purchases Discounts
D. Sales	H. Rent Expense

37. To close Rent Expense, credit ____.
38. To close the revenue account, debit ____.
39. To close Purchases Discounts, debit ____.
40. To close the owner's drawing account, debit ____.
41. To close Sales Returns, debit ____.
42. To close Purchases, credit ____.
43. To close Income Summary when there is a net loss, debit ____.
44. To close Income Summary when there is a net income, debit ____.

Group 6

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	5,335.17
Deposits	14,118.48
Checks	14,242.76
NSF check	511.00
NSF fee	35.00
Bank Service Charge	27.00
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	15,664.98
Checks Written Dated December 2020	12,459.20
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	4,290.30
Checks not on the bank statement	965.80

For questions 45 through 48, write the correct amount on your answer sheet.

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

Group 7

A business with a fiscal year end of Dec 31 has the following normal account balances and other information for the dates given in the year 2020.

The company prepares monthly adjusting entries; but closes the temporary accounts only at the end of the fiscal year. Therefore, the date Dec. 31 refers to balances after closing entries are posted.

Cash, Jan 1	12,749	Accounts Payable, Jan 1	3,486
Cash, Dec 31	23,742	Accounts Payable, Dec 31?....
Accounts Receivable, Jan 1	8,950	Ben Reyes, Capital, Jan 1?....
Accounts Receivable, Dec 31	15,725	Ben Reyes, Capital, Dec 31?....
Merchandise Inventory, Jan 1	21,350		
Merchandise Inventory, Dec 31	22,675		
Owner withdrew cash for personal use on November 1, 2020			25,000
Owner made additional investment in his business on March 2, 2020			20,000
Total Expenses on the Income Statement for the year 2020			18,161
Net Sales on the Income Statement for the year 2020			96,400
Gross Profit Percentage on the Income Statement for the year 2020			39%

For questions 49 through 53, write the correct amount on your answer sheet.

49. What was the total owner's equity on January 1, 2020?

50. What was the total owner's equity on December 31, 2020?

*51. By what amount did the Accounts Payable account increase from January 1, 2020 to December 31, 2020?

*52. What was the amount of merchandise purchased during the year 2020?

53. What was the amount of net income for the year 2020?

Group 8

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	20% on all earnings
Employee State Income Tax	5% on all earnings
Federal Unemployment Tax	.6% on first \$7,000 of gross earnings
State Unemployment Tax	2.1% 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 Staysafe 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: Daisy \$8,940 and Duke \$6,740. In this pay period Duke worked 8 overtime hours. The payroll clerk is new to the job and was unsure what to deduct.

Gross Earnings:	Daisy	Duke
Regular		
Overtime	180	180
Total Gross Earnings		
Deductions: ????		
Social Security		
Medicare	20.01	
Federal Income Tax		
State Income Tax		
Health Insurance Premium	103.50	96.80
Federal Unemployment Tax		
State Unemployment Tax		
Total Deductions		
Net Pay:		

For questions 54 through 56, write the correct amount on your answer sheet.

- *54. What is the correct amount of net pay for both employees combined?
- *55. What is the correct amount of the employer’s payroll tax expense for these two employees for this week?
- *56. How many overtime hours did Daisy work?

Group 9

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
Federal Unemployment Tax	.6% on first \$7,000 of gross earnings
State Unemployment Tax	1.8% on first \$9,000 of gross earnings

The applicable employer matching taxes are at the same rate as the employee rate. In this state, only employers are subject to unemployment taxes.

A-1 Plumbing is a sole proprietorship service business owned by Sam Jackson. In January 2021 the business was contracted to perform a large remodeling job of a movie star's mansion that by contract had to be completed by January 31. This required many hours of overtime.

A-1 Plumbing has one hourly employee, Ben Ravage, whose work hours vary depending on the business's workload.

A-1 Plumbing is classified as a monthly depositor for the purpose of paying to the federal government all payroll taxes withheld from employee earnings as well as the employer matching taxes.

Listed below is information regarding owner withdrawals and employee earnings. The other required tax withholdings were correctly calculated and withheld, but these calculated amounts are not included in the chart below. You must make those calculations.

Month In 2021	Sam's Cash Withdrawals	Ben's Total Earnings	Federal Income Tax Withheld From Ben
January	4,000	6,500	1,100
February	4,000	1,900	325
March	4,000	2,100	375

For questions 57 through 60, write the correct amount on your answer sheet.

- *57. As a monthly depositor, what is the correct amount of the employer's payroll tax liability that must be paid by March 15, 2021 to the federal government?
58. What is the correct amount of the employer's January payroll tax expense?
59. What is the correct amount of the employer's February payroll tax expense?
60. What is the correct amount of the employer's March payroll tax expense?

Group 10

Bess Bewley records adjusting and closing entries and prepares financial statements only at the fiscal year end, which is December 31. The following partially completed balance sheet is correct. Use the group information to calculate the missing amounts.

Bewley Company			
Balance Sheet			
December 31, 2020			
<i>Assets</i>			<i>Liabilities</i>
Cash	4,795		Accounts Payable
Accounts Receivable	6,200		Sales Tax Payable
Merchandise Inventory			Total Liabilities
Prepaid Insurance			
Supplies			<i>Owner's Equity</i>
			Bess Bewley, Capital
Total Assets	\$		Total Liabilities and Owner's Equity
	=====		\$
			=====

The balance in the owner's capital account on 1-1-20 was \$5,993. In 2020, the owner made one additional capital investment of \$15,000. She also made equal monthly withdrawals for personal use of \$960 per month during the year.

The amount of Merchandise Inventory as of 12-31-19 was \$12,410. On 12-31-20 one of the adjusting entries included a debit to Income Summary for \$730.

Supplies Expense for 2020 was \$3,650. Supplies inventory as of 12-31-19 was \$1,460. During the year 2020 Bess purchased \$3,475 in supplies.

Bess began the year 2020 with no insurance coverage. Following the advice of her mother, in 2020 she purchased two different types of policies. On April 1 she paid \$2,760 for contents coverage for twelve months, and on October 1 she paid \$1,308 for liability coverage for six months.

On the 2020 Income Statement, the amount of Total Expenses was \$27,718; the amount of Purchases was \$56,342; and the gross profit percentage was 42%.

For items 61 through 71 write the correct amount on your answer sheet.

*61. What is the amount of net income for the year 2020?

What is the amount on the correctly prepared worksheet in the Trial Balance column for:

- | | |
|---------------------------|--------------------------|
| 62. Supplies | 65. Bess Bewley, Capital |
| 63. Prepaid Insurance | 66. Sales |
| 64. Merchandise Inventory | |

What is the correct amount that should appear on this Balance Sheet for:

- | | |
|----------------------------|---------------------------|
| *67. Merchandise Inventory | *70. Bess Bewley, Capital |
| *68. Prepaid Insurance | *71. Accounts Payable |
| *69. Supplies | |

Group 11

The partially completed annual 12-month income statement information for Bond's Paper Products for the years 2019 and 2020 follow. The gross profit percentage was 41% in 2019, and it increased to 42% in 2020 despite the reduction in 2020 sales. On 12-31-19 the adjusting entry for the Merchandise Inventory account included a debit to Income Summary for \$1,440. The Income Statement for the year ended December 31, 2020 indicated that net income was exactly 22% of Sales.

Determine the missing amounts in items 72 through 80 and write the correct amount for each on your answer sheet.

	2019	2020
Sales	#72	#78
Beginning Inventory	* #73	??
Purchases	58,673	??
Transportation In	4,267	4,180
Cost of Delivered Merchandise	??	64,773
Purchases Discounts	2,178	4,736
Purchases Returns & Allowances	** #74	2,984
Net Purchases	??	??
Cost of Merchandise Available for Sale	* #75	??
Ending Inventory	* #76	22,630
Cost of Merchandise Sold	58,410	54,723
Gross Profit	??	??
Expenses	21,339	* #79
Net Income	#77	#80

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—District 2021-D
KEY**

Group 1	
1	R
2	CM
3	A
4	E
5	N
6	A
7	O
8	L
9	N
10	A
11	O
12	E
13	CM

Group 2	
14	False
15	True
16	False
17	False
18	True
19	False
20	True
21	True
22	False
23	False
24	True

Group 3	
25	\$ 7,820
26	\$ 52,350
27	\$ 17,685
28	\$ 7,185
29	\$ 7,415
*30	\$ 21,100
31	\$ 22,050
32	\$ 2,060

Group 4	
33	B
34	E
35	A
36	D

Group 5	
37	H
38	D
39	G
40	A
41	C
42	F
43	A
44	C

Group 6	
45	\$ 4,637.89
46	\$ 7,962.39
47	\$ 8,535.39
*48	\$ 5,329.61

Group 7	
49	\$ 39,563
50	\$ 53,998
*51	\$ 4,658
*52	\$ 60,129
53	\$ 19,435

Group 8	
*54	\$ 1,254.46
*55	\$ 184.44
*56	4

Group 9	
*57	\$ 615.70
58	\$ 653.25
59	\$ 182.55
60	\$ 171.45

Group 10	
*61	\$ 13,610
62	\$ 4,935
63	\$ 4,068
64	\$ 12,410
65	\$ 20,993

Group 10 cont.	
66	\$ 98,400
*67	\$ 11,680
*68	\$ 1,344
*69	\$ 1,285
*70	\$ 23,083
*71	\$ 1,267

Group 11	
72	\$ 99,000
*73	\$ 21,740
**74	\$ 3,792
*75	\$ 78,710
*76	\$ 20,300
77	\$ 19,251
78	\$ 94,350
*79	\$ 18,870
80	\$ 20,757