

**UIL ACCOUNTING**  
2025 Invitational-A Test

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

All answers MUST be written on your answer sheet.

No other test materials are graded or reviewed by the graders.

Upper- or lower-case letters are acceptable. Write legibly. All answers must be clearly written, or they will be counted wrong. Write letters far enough above the line so that (for example) an “E” is distinguishable from an “F”.

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

Acceptable Responses Section

Debit/Credit questions:				True/False questions:			Yes/No questions:			for Zero	
Debit	DR	debit	dr	True	T	true	Yes	Y	yes	0	-0-
Credit	CR	credit	cr	False	F	false	No	N	no	zero	

If an answer has zero cents, it is not necessary to write the decimal or the zeroes for cents. However, a dollar amount with cents must have TWO decimal places.

A required decimal point must be clearly visible and in the correct position.

Round dollar amounts to the nearest cent.

Including commas in an amount where appropriate is encouraged, but it is optional.

Failure to use commas will not make your answer wrong; however, marking a comma in the wrong position will cause your answer to be marked incorrect.

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**Group 1**

**For questions 1 – 10, determine if each is a temporary account to be closed; answer by writing one of the following codes on your answer sheet:**

**DR = closed with a debit    CR = closed with a credit    NC = this item is not closed**

1. Purchases
2. Prepaid Insurance
3. Cost of Delivered Merchandise
4. Sales Discounts
5. Income Summary with a net loss
6. Transportation In
7. Purchases Returns & Allowances
8. Jason Paul, Drawing
9. Jason Paul, Capital
10. Sales

**Group 2**

**In questions 11 – 17, determine the correct column or columns of the work sheet for the year ended December 31, 2024, in which each of the following belongs using the code:**

- |                                |                                   |
|--------------------------------|-----------------------------------|
| <b>A. Trial Balance debit</b>  | <b>E. Income Statement debit</b>  |
| <b>B. Trial Balance credit</b> | <b>F. Income Statement credit</b> |
| <b>C. Adjustments debit</b>    | <b>G. Balance Sheet debit</b>     |
| <b>D. Adjustments credit</b>   | <b>H. Balance sheet credit</b>    |

11. Prepaid Insurance on January 1 plus any premiums paid in 2024
- \* 12. The Balance Sheet column used to write the amount of net loss
13. On the line for Office Supplies, the amount used during the period
14. The column to which Sales Tax Payable is extended
15. The amount of Office Supplies available for use next fiscal period
- \* 16. The Income Statement column used to write the amount of net income
- \* 17. On the line for Income Summary, the amount of decrease in inventory during the period

**Group 3**

**On your answer sheet write the identifying letter of the type of business for each company listed in questions 18 – 22 below, using the following code:**

**A. service    B. merchandising    C. manufacturing**

18. General Motors Corporation
19. Tractor Supply
20. AAA Auto Repair
21. Amazon
22. Century 21 Real Estate

**Group 4**

Below are shown the reverse sides of three checks identified as A, B, and C. Answer questions 23 – 25 by writing the correct identifying letter on your answer sheet.

A	B	C
<div style="border: 1px solid black; padding: 5px;">                     Endorse Here                      x Pay to the order of                      Katie Spearman                      Larry Jackson                 </div>	<div style="border: 1px solid black; padding: 5px;">                     Endorse Here                      x For deposit only to                      Jackson Electric Co.                      Acct # 55-4279-1                 </div>	<div style="border: 1px solid black; padding: 5px;">                     Endorse Here                      x Larry Jackson                 </div>
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Do Not Write, Stamp, or Sign Below this Line	Do Not Write, Stamp, or Sign Below this Line	Do Not Write, Stamp, or Sign Below this Line

23. An example of a blank endorsement is letter   ? above.

24. An example of a restrictive endorsement is letter   ? above.

25. An example of a special endorsement is letter   ? above.

**Group 5**

Walker Bros. Co. uses three financial statements at the end of each month: the balance sheet (which reports only the ending capital amount), income statement, and statement of changes in owner’s equity. For items 26 – 35, indicate on which financial statement(s) the item will appear by writing the identifying letter of the correct response.

- A. Balance Sheet only**
- B. Income Statement only**
- C. Statement of Changes in Owner’s Equity only**
- D. Balance Sheet and Statement of Changes in Owner’s Equity**
- E. Income Statement and Statement of Changes in Owner’s Equity**
- F. Income Statement and Balance Sheet**

- 26. Supplies Expense
- 27. Net Income
- 28. Total Assets
- 29. Owner’s withdrawals account
- 30. Merchandise Inventory (ending)
- 31. Prepaid Insurance
- 32. Beginning balance of the capital account
- 33. Ending balance of the capital account
- 34. Sales Tax Payable
- 35. Purchases

**Group 6**

Daniel Stephens started a new business. Each item (36 – 43) represents the accounting equation after a transaction has been recorded.

	Cash	+	Accounts Receivable	+	Equip.	=	Accounts Payable	+	Sinclair Capital	+	Revenue	-	Expenses
36.	65000								65000				
37.	60000				5000				65000				
*38.	50000				35000		20000		65000				
39.	50500				35000		20000		65000		500		
40.	49500				35000		19000		65000		500		
41.	49300				35000		19000		65000		500		200
42.	49300		600		35000		19000		65000		1100		200
43.	49400		500		35000		19000		65000		1100		200

Analyze the above equations. Write the identifying letter that describes each numbered transaction using the following code:

- A. Bought an asset for cash only
- B. Bought an asset on credit only
- C. Bought an asset with cash paid down and the balance on credit
- D. Owner invests in business
- E. Payment of a liability
- F. Billed a customer for services provided
- G. Took out a loan and deposited the proceeds
- H. Performed a service and received cash
- I. Customer paid on account
- J. Recorded an expense paid with cash
- K. Owner withdrawal of cash

**Group 7**

For questions 44 – 49, on your answer sheet write TRUE if the statement is true or FALSE if the statement is false.

- 44. An account in a subsidiary ledger that summarizes all accounts in a general ledger is called a controlling account.
- 45. The income statement is sometimes called a “profit-and-loss statement” and it reports financial information over a specific period of time.
- 46. The balance sheet is sometimes called a “financial position statement” and it reports financial information over a specific period of time.
- 47. Writing an account title (or name) and the account number on the heading of an account is called opening an account.
- 48. A compound entry is a journal entry having two or more debits or credits.
- \* 49. If the debit column total of the income statement section of the work sheet is greater than the credit column total of the income statement section, there is net income for the period.

**Group 8**

Consider the following data and answer questions 50 – 53 by writing the identifying letter of the best response on your answer sheet.

The following transactions occurred in the Petty Cash fund of Matthews & Company:

- **Established a Petty Cash fund in the amount of \$100**
- **Reimbursed the Petty Cash fund given the following fund disbursements:**
  - **Payment for postage \$25**
  - **Payment for supplies \$50**
- **Increased the Petty Cash fund amount by \$150**
- **Cash Over for the period was \$10**

50. The entry to establish the Petty Cash fund would consist of

- A. a debit to the Petty Cash account for \$100
- B. a credit to the Petty Cash account for \$100
- C. a debit to the Cash account for \$100
- D. none of the above

51. The entry to record the reimbursement of the fund for postage would include:

- A. a debit to the Petty Cash account for \$25
- B. a credit to the Petty Cash account for \$25
- C. a debit to Postage Expense for \$25
- D. none of the above

\* 52. The entry to record the increase in the Petty Cash account would include:

- A. a credit to the Petty Cash account for \$150
- B. a debit to the Petty Cash account for \$50
- C. a credit to the Cash account for \$150
- D. none of the above

53. The entry to record the Cash Over portion of the reimbursement to the fund would include:

- A. a credit to the Petty Cash account for \$10
- B. a debit to the Petty Cash account for \$10
- C. a credit to the Cash account for \$10
- D. none of the above

**Group 9**

Reconcile the bank statement using the following T-account form. (The form will not be reviewed by graders.) Then answer questions 54 and 55.

Dan's Revolutionary Imaging			
Bank Reconciliation			
December 31, 2024			
Bank Statement Balance, 12/28		Checkbook Balance, 12/31	
Add:		Add:	
Deduct:		Deduct:	

On December 31, Dan received the company bank statement dated Dec. 28 and reviewed it along with other accounting records and found the following facts:

1. The ending bank balance was \$6,429.60.
2. The checkbook balance on Dec. 31 before reconciliation was \$10,687.98.
3. The following two checks were written in November, were outstanding in November, and still did not appear on this bank statement:
 

#4077.....\$68.42	#4085.....\$72.63
-------------------	-------------------
4. The following four checks were written in December and did not appear on this bank statement:
 

#5055...\$2,629.14	#5056.....\$11.62
#5058.....\$449.61	#5060...\$370.00
5. The bank charged \$26.40 for the month's service charge.
6. A check in the amount of \$400 from Lacy Thorne that Dan deposited on Dec. 18 was returned by the bank for insufficient funds. The bank charged Dan's account \$25 for handling the NSF check. No journal entry has been made yet by Dan for the NSF check or its related fee.
7. A deposit of \$6,900 made on Dec. 31 does not appear on the bank statement.
8. A check Dan wrote for \$330 to a creditor was lost in the mail and had never been cashed. Dan requested a stop payment order, which cost \$25.00 and was issued by Dan's bank on Dec. 29. Dan has not yet recorded this in the checkbook, nor has he prepared a replacement check.
9. Dan's review of the bank statement reminded him that he had used the debit card on this account to make a \$39 payment at the post office and forgot to record it in the checkbook.
10. The bank statement also revealed an electronic funds transfer to a vendor for \$774.40 that he had failed to record in the company checkbook.

**For questions 54 and 55, write the correct amount on your answer sheet.**

- \* 54. What is the total of the deductions listed on the checkbook side of the T account form?
- \* 55. What is the reconciled bank balance as of December 31, 2024?

**Group 10**

The following information is taken from the income statement columns of a work sheet. All accounts have normal balances. The balance of Merchandise Inventory at the beginning of the year was \$27,410. The owner withdrew \$30,000 during the year. The owner made an additional investment of \$5,000 during the year.

Income Summary	660 DR
Sales	139,654
Sales Discounts	1,985
Sales Returns & Allowances	2,469
Purchases	81,631
Transportation In	1,670
Purchases Discounts	2,495
Purchases Returns & Allowances	3,050
Insurance Expense	3,100
Rent Expense	3,600
Supplies Expense	1,490
Utilities Expense	4,320

For questions 56 – 64, write the correct amount on your answer sheet.

**Note that questions 62 and 63 require that the amount be designated as either a debit or a credit using this code: DR=debit CR=credit**

56. What is the amount of net sales?
- \* 57. What is the amount of ending inventory?
58. What is the amount of cost of merchandise available for sale?
- \* 59. What is the amount of gross profit?
- \* 60. What is the gross profit component percentage?
- \*\* 61. What is the total amount of the credits in the closing entry that includes Sales Discounts?
62. What is the balance of the Income Summary account after adjusting entries have been posted but before closing entries have been posted? (indicate DR or CR with the balance)
- \* 63. What is the balance of the Income Summary account immediately before Income Summary is closed? (indicate DR or CR with the balance)
- \* 64. When all closing entries have been posted, the capital account has increased by what amount from the beginning to the end of the period?

**Group 11**

A company’s unadjusted and adjusted trial balances on December 31, 2024, are shown below. For questions 65 – 68, write the identifying letter of the best answer on your answer sheet.

	Unadjusted Trial Balance		Adjusted Trial Balance	
	Debit	Credit	Debit	Credit
Cash	4,000		4,000	
Office Supplies	2,800		2,150	
Merchandise Inventory	42,700		46,800	
Prepaid Insurance	3,900		2,200	
Equipment	50,000		50,000	
Accounts Payable		12,600		12,600
Priscilla Paine, Capital		29,900		29,900
Priscilla Paine, Drawing	5,000		5,000	
Income Summary				4,100
Sales		190,000		190,000
Purchases	118,100		118,100	
Rent Expense	6,000		6,000	
Office Supplies Expense			650	
Insurance Expense			1,700	
<b>Subtotals</b>	<b>232,500</b>	<b>232,500</b>	<b>236,600</b>	<b>236,600</b>

65. The amount of office supplies used during 2024 was:  
 A. \$650            B. \$2,150            C. \$2,800            D. \$4,950
66. The amount of unexpired insurance on December 31, 2024, was:  
 A. \$1,700            B. \$2,200            C. \$3,900            D. \$6,100
- \* 67. Which of the following statements is false?  
 A. The ending merchandise inventory has an effect on cost of merchandise sold.  
 B. The ending merchandise inventory has no effect on cost of merchandise available for sale.  
 C. The amount of merchandise inventory on December 31, 2023, was greater than the amount on December 31, 2024.  
 D. The increase in inventory will cause cost of merchandise sold to be lower than if the merchandise inventory level stayed the same.
68. The total of the Adjustment Debit column is:  
 A. \$1,700            B. \$2,350            C. \$4,100            D. \$6,450

**Group 12**

Below are selected accounts from the general ledger of Elegante Dance Supply for the ten months ended October 31, 2024. Sales taxes collected in any given month are paid to the state by the 20<sup>th</sup> of the following month along with a sales report. All sales are taxable by the state. It is company policy to close the temporary accounts at the end of the fiscal year, which is December 31.

Cash	Accounts Receivable	Sales Tax Payable	Sales
6,428	1,290	225	28,475

Analyze the following transactions using the T accounts (which will not be reviewed by the graders.) Add 8% sales tax to each sale. (The amounts given in the transactions involving sales of merchandise are for the selling price only.)

- Nov 2 Recorded bank credit card sale of \$350 to Susie Bellows.
- Nov 5 Sold merchandise on account to Katie Williams \$250.
- Nov 10 Sold merchandise on account to Jessica Sampson \$1,000.
- Nov 12 Paid sales taxes collected in October to the state of Texas.
- Nov 15 Received \$162 on account from Sadie Thompson.
- Nov 16 Recorded cash sale to Adrian Mesa \$325.

**For questions 69 – 72, write the correct amount on your answer sheet.**

- 69. What is the amount of sales for the month of November?
- \* 70. During the month of November what was the total of the debits to Accounts Receivable?
- \* 71. On November 30, what amount is owed to the state of Texas?
- \* 72. Assuming these were the only transactions in November, what is the balance in the Cash account on November 30?

**Group 13**

At the beginning of the fiscal year, Sunshine Company's liabilities were \$65,000. During the year, assets increased by \$52,000. At the end of the year, assets totaled \$284,000. Liabilities decreased by \$30,000 during the year. The owner made withdrawals of \$10,000 and invested \$25,000 in the business during the year.

For questions 73 – 75, write the correct amount on your answer sheet.

73. What was the total owner's equity at the beginning of the year?

74. What was the total owner's equity at the end of the year?

\*75. What was the net income for the year?

**Group 14**

From the list of terms, select the one that best completes each missing word or words in items 76 – 80. Each term is used only once. Write the identifying letter of the correct response.

<b>A</b>	<b>competence</b>
<b>B</b>	<b>confidentiality</b>
<b>C</b>	<b>independence</b>
<b>D</b>	<b>integrity</b>
<b>E</b>	<b>objectivity</b>

76. While performing an audit of Ellison Manufacturing Company, the auditor agreed secretly to quit his job with the auditing firm and to accept the position of Chief Financial Officer of Ellison soon after the current audit is completed. This action violates the principle of   ?  .

77. A CPA who only prepares financial statements for businesses and who focuses all his continuing education in this area decided to perform a new client's audit even though his knowledge of auditing is very limited. This violates the principle of   ?  .

78. The principle of   ?   requires that accountants be impartial, honest, and free of conflicts of interest.

79. Failing to correct false and misleading financial statements because it requires many hours of additional work violates the principle of   ?  .

80. A CPA who prepares individual income tax returns told a friend at a dinner party how much one of his clients earns annually. This violates the principle of   ?  .

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

**GROUP 1**

- 1. CR
- 2. NC
- 3. NC
- 4. CR
- 5. CR
- 6. CR
- 7. DR
- 8. CR
- 9. NC
- 10. DR

**GROUP 2**

- 11. A
- \* 12. G
- 13. D
- 14. H
- 15. G
- \* 16. E
- \* 17. C, E

**GROUP 3**

- 18. C
- 19. B
- 20. A
- 21. B
- 22. A

**GROUP 4**

- 23. C

- 24. B
- 25. A

**GROUP 5**

- 26. B
- 27. E
- 28. A
- 29. C
- 30. F
- 31. A
- 32. C
- 33. D
- 34. A
- 35. B

**GROUP 6**

- 36. D
- 37. A
- \* 38. C
- 39. H
- 40. E
- 41. J
- 42. F
- 43. I

**GROUP 7**

- 44. F
- 45. T
- 46. F
- 47. T

- 48. T
- \* 49. F

**GROUP 8**

- 50. A
- 51. C
- \* 52. C
- 53. D

**GROUP 9**

- \* 54. \$ 1,289.80
- \* 55. \$ 9,728.18

**GROUP 10**

- 56. \$ 135,200
- \* 57. \$ 26,750
- 58. \$ 105,166

- \* 59. \$ 56,784
- \* 60. 42 %

- \*\* 61. \$ 100,265
- 62. \$ 660 DR

- \* 63. \$44,274 CR
- \* 64. \$ 19,274

**GROUP 11**

- 65. A
- 66. B
- \* 67. C
- 68. D

**GROUP 12**

- 69. \$ 1,925

- \* 70. \$ 1,350
- \* 71. \$ 154
- \* 72. \$ 7,094

**GROUP 13**

- 73. \$ 167,000
- 74. \$ 249,000
- \* 75. \$ 67,000

**GROUP 14**

- 76. C
- 77. A
- 78. E
- 79. D
- 80. B

-----  
Grader Initials/ # Correct

- 1)          #
- 2)          #
- 3)          #

         correct

X 5 points each

         raw score

         + bonus \*

**TOTAL SCORE**

**NOTE: NEW SCORING FORMAT ON ANSWER SHEET**

**NO COVER SHEET NEEDED FOR BONUS POINTS**