

**UIL ACCOUNTING**  
2024 State 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.

A loss or net loss must be indicated by brackets or parentheses. (Minus sign is not acceptable.)

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 wrong.

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## UIL ACCOUNTING 2024 State Test

### Group 1

Classify items 1 – 12 by writing the letter of the best choice on your answer sheet. A choice may be used more than once.

<b>A</b>	allocated asset
<b>B</b>	contra-asset
<b>C</b>	contra-liability
<b>D</b>	contra-stockholders' equity
<b>E</b>	cost of merchandise sold
<b>F</b>	current asset
<b>G</b>	current liability

<b>H</b>	long-term liability
<b>I</b>	operating expense
<b>J</b>	other expenses
<b>K</b>	other revenue
<b>L</b>	plant asset
<b>M</b>	revenue
<b>N</b>	stockholders' equity

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Paid-in Capital in Excess of Par</li> <li>2. Discount on Notes Payable (note is short term)</li> <li>3. Allowance for Uncollectible Accounts</li> <li>4. Unearned Rental Income (next 3 months)</li> <li>5. Interest Receivable (on short term note)</li> <li>6. Dividends Payable (due in two months)</li> </ol> | <ol style="list-style-type: none"> <li>7. Retained Earnings</li> <li>8. Loss on Plant Assets</li> <li>9. Purchases</li> <li>10. Interest Income</li> <li>11. Land</li> <li>*12. Dividends—Common</li> </ol> |
|---|---|

### Group 2

At the end of its fiscal year (12-31-23), after all accounts determined to be uncollectible have been written off and before any adjusting entries are recorded, the following information is available:

Accounts Receivable	\$ 36,290
Allowance for Uncollectible Accounts	\$ 812 CR
Net sales	\$ 97,800
Total charge sales	\$ 54,300
The aging of accounts receivable indicates uncollectible accounts of	\$ 2,420

For questions 13 – 15, write the correct amount on your answer sheet.

13. What is the amount of bad debts expense if the aging method is used to estimate uncollectible accounts?
  
14. If the aging method is used to estimate uncollectible accounts expense, what is the book value of accounts receivable (after adjusting entry) on the balance sheet dated 12-31-23?
  
15. If the company were to estimate uncollectible accounts based on 3% of total sales on account, what is the book value of accounts receivable (after adjusting entry) on the balance sheet dated 12-31-23?

**Group 3**

For questions 16 – 37, on your answer sheet, write the identifying letter(s) of the correct account(s) to be debited and credited for each transaction.

Some answers will include multiple accounts. The order in which you write the identifying letters in an answer is not considered; however, all accounts in an answer must be correct for the answer to be counted as correct.

<b>A.</b>	Accounts Receivable	<b>J.</b>	Interest Payable
<b>B.</b>	Accum. Depr.—Office Equipment	<b>K.</b>	Interest Receivable
<b>C.</b>	Allow. for Uncollectible Accounts	<b>L.</b>	Loss on Plant Assets
<b>D.</b>	Cash in Bank	<b>M.</b>	Notes Payable
<b>E.</b>	Collection of Uncollectible Accounts	<b>N.</b>	Notes Receivable
<b>F.</b>	Depreciation Expense	<b>O.</b>	Office Equipment
<b>G.</b>	Gain on Plant Assets	<b>P.</b>	Rent Income
<b>H.</b>	Interest Expense	<b>Q.</b>	Uncollectible Accounts Expense
<b>I.</b>	Interest Income	<b>R.</b>	Unearned Rent

The question numbers are listed in the appropriate debit and credit columns.

Debit	Credit	Transaction
16.	17.	Received cash for the maturity value of a note receivable. (The loan was made and repaid in the same fiscal period.)
18.	19.	Recorded adjusting entry for accrued interest income.
20.	21.	Issued a 3-month (interest-bearing) note to the bank.
22.	23.	Paid cash for the maturity value of a (interest-bearing) note payable. (The loan was made and repaid in the same fiscal period.)
24.	25.	Recorded annual depreciation on office equipment.
26.	27.	Sold office equipment for cash, for less than book value, all depreciation previously recorded.
28.	29.	Using the direct write-off method, wrote off customer's account as uncollectible.
30.	31.	Using the allowance method, recorded normal adjustment for uncollectible accounts expense.
32.	33.	Using the allowance method, wrote off customer's account as uncollectible.
34.	*35.	Recorded reversing entry for accrued interest income.
36.	37.	Recorded a correcting entry for unearned rent initially recorded as rental revenue.

**Group 4**

For questions 38 – 40, write the correct amount on your answer sheet.

38. Huey, Inc. estimates its gross profit on net sales to be 38%. What is the estimated cost of the merchandise inventory on June 30 based on the following?

June 1	Merchandise Inventory	\$ 84,000
June 1-30	Net purchases	\$ 98,860
June 1-30	Net sales	\$165,500

- A. \$62,890   B. \$69,487   C. \$80,250   D. \$84,000   E. \$102,610   F. \$113,373

\*39. Dewey Company's employees had the following earnings information:

	<b>Jan - Mar</b>	<b>April</b>
<b>Donald</b>	\$ 4,650	\$ 2,000
<b>Daisy</b>	\$ 5,700	\$ 1,600
<b>Della</b>	\$ 5,500	\$ 3,200
<b>Scrooge</b>	\$ 8,200	\$ 1,500
<b>Phooey</b>	\$13,800	\$ 2,200

Dewey Company's payroll tax expense on each employee includes Social Security of 6.2% on the first \$72,600 earned; Medicare of 1.45% on all earnings; federal unemployment taxes of 0.8% on the first \$7,000 earned; and state unemployment taxes of 2.7% on the first \$9,000 earned. What is the total payroll tax expense for April? (Round to nearest cent.)

- A. \$243.60    D. \$1,170.75  
 B. \$803.25    E. \$1,374.75  
 C. \$1,046.85                                        F. \$5,073.53

\*40. Louie Company began an accounting period and purchased an item as follows:

Jan 1	Beginning inventory	100 units at \$10	\$ 1,000
Mar 9	Purchased	500 units at \$11	\$ 5,500
July 6	Purchased	300 units at \$13	\$ 3,900
Dec 5	Purchased	100 units at \$14	\$ 1,400
		1,000	\$11,800

The company consistently sold each item for \$20 during the year. If based on FIFO, what is the cost of the ending inventory of 110 units and the gross profit amount for the year:

	<b><u>Ending Inventory at Cost</u></b>	<b><u>Gross Profit</u></b>
A.	\$ 1,530	\$ 7,530
B.	\$ 1,530	\$ 10,270
C.	\$ 1,298	\$ 7,298
D.	\$ 1,110	\$ 7,110
E.	\$ 1,110	\$ 10,690

**Group 5**

Sunshine Corp. adjusts its books monthly using the accrual basis of accounting and closes its books at the end of its fiscal year, which is September 30. Sunshine Corp. uses the banker's year of 360 days and rounds computations to the nearest cent.

On September 30, 2023, Sunshine Corp. borrowed money from the Happy Texans Bank by signing a \$5,940, 180-day non-interest-bearing note. The bank discounted the loan at a rate of 5%. For questions 41 – 44, write the correct amount on your answer sheet.

41. What is the face value of the note?
42. What is the maturity value of the note?
- \*43. What amount would be recorded in Discount on Notes Payable on September 30, 2023?
44. What is the amount of the proceeds?

**Group 6**

The Shadow Company adjusts its books monthly using the accrual basis of accounting and closes its books at the end of its fiscal year, which is December 31.

On December 9, 2023, the company signed an interest-bearing note payable for \$2,250 for 30 days at 8%. For questions 45 – 47, write the correct amount on your answer sheet. Use the banker's year of 360 days and round to the nearest dollar.

45. What is the face value of the note?
46. What is the maturity value of the note?
- \*47. What amount of interest expense should be accrued for the year 2023?

**Group 7**

Consider the following information about a plant asset and write the correct amount for question #48 on your answer sheet. The company has a calendar year end.

Original Cost	\$ 50,000
Disposal Value	\$ 4,400
Date Purchased	08-01-21
Estimated Useful Life	5 years
Depreciation Method	?
Accumulated Depreciation as of 12-31-23	\$ 22,040
Asset Sold Date	2-1-24
Asset Sold for	\$ 30,000

- \*48. What is the amount of gain or loss on the sale of the asset? (If a loss, indicate in brackets.)

**Group 8**

The incomplete financial statements for Bright Corporation appear below. Compute the missing amounts and answer questions 49 – 54 on your answer sheet.

**Additional information needed:**

- Accounts Receivable on 01-01-23 was \$40,000 and on 12-31-23 had increased by 12%
- Stockholders' equity on 12-31-22 was \$200,000
- Stockholders' equity on 12-31-23 was 20% of total assets on the same date
- Current ratio: 2.25 to 1
- Quick ratio: 1.5 to 1
- Gross profit percentage: 32%
- Return on sales: 2%
- Return on common stockholders' equity: 5%

**Bright Corporation  
Balance Sheet  
December 31, 2023**

Cash in Bank .....	\$ _____	Current Liabilities .....	\$ _____
Accounts Receivable .....	_____	Long-Term Liabilities....	1,475,000
Merchandise Inventory .....	_____	Stockholders' Equity ....	_____
Prepaid Insurance .....	12,000		
Property, Plant & Equip. ....	_____		
		Total Liabilities and	
Total Assets.....	\$ _____	Stockholders' Equity ....	\$ _____

**Bright Corporation  
Income Statement  
For the Year Ended December 31, 2023**

Net Sales .....	\$ _____
Cost of Merchandise Sold .....	_____
Gross Profit on Sales .....	_____
Total Operating Expenses.....	_____
Net Income.....	\$ <u>15,000</u>

- \*\*49. What is the amount of Cash in Bank?
- \*\*50. What is the amount of Merchandise Inventory?
- \*51. What is the amount of Current Liabilities?
- 52. What is the amount of Net Sales?
- 53. What is the amount of Cost of Merchandise Sold?
- 54. What is the amount of Property, Plant & Equipment?

**Group 9**

The following balances appear in the general ledger of a corporation on December 31, 2023, after closing entries were posted at the end of the fiscal period.

8% Preferred Stock (\$100 par)	\$250,000
Common Stock (\$10 par)	50,000
Paid-in Capital in Excess of Par—Common	21,000
Retained Earnings	1,912,500
Dividends—Preferred	-0-
Dividends—Common	-0-

The corporation is authorized to issue 20,000 shares of preferred stock and 50,000 shares of common stock.

The following are all the transactions that occurred in 2023 that affected the stockholders' equity accounts.

- Jan 5 The board of directors declared the annual cash dividend on the preferred stock issued to stockholders of record as of January 11, 2023, payable on Feb. 15, 2023.
- Feb 15 Paid the preferred stock cash dividend.
- Apr 15 The board of directors declared the annual cash dividend of \$3.00 per share on the common stock to stockholders of record as of May 1, 2023, payable on May 15, 2023.
- May 15 Paid the common stock cash dividend.
- Aug 1 Issued 500 shares of 8% preferred stock at par.
- Sept 1 Issued 1,000 shares of common stock at par.
- Nov 1 Issued 1,000 shares of common stock for \$15 per share.
- Dec 31 Closed the net income for the year of \$152,500
- Dec 31 Closed the two dividend accounts.

Considering the information provided above, answer TRUE or FALSE for items 55 – 59.

55. The journal entry on November 1 includes a credit to Common Stock for \$15,000.
56. The journal entry on September 1 includes a credit to Common Stock for \$10,000.
57. The journal entry on August 1 includes a debit to Cash and a credit to 8% Preferred Stock.
58. When the common stock dividend is declared, Cash in Bank is credited.
59. When the preferred stock dividend is declared, the account debited is Retained Earnings.



**Group 9, continued**

Continue to refer to the information on the preceding page. For items 60 – 63, write the correct amount of the beginning balance as of January 1, 2023, for each of the following accounts:

- \*60. 8% Preferred Stock
- \*61. Common Stock
- \*62. Paid-in Capital in Excess of Par—Common
- \*63. Retained Earnings

**Group 10**

The following data comes from the accounting records of two separate businesses. Both corporations issue only common stock, and both companies allow dividends to be declared from current earnings. The 2023 Net Income of Semien, Inc. was \$58,690.

	Seager, Inc.		Semien, Inc.
<b>December 31, 2022:</b>			
Assets	\$ 89,460		\$ 44,820
Liabilities	\$ 12,410		\$ 18,870
Common Stock	\$ 50,000		\$ 10,000
Retained Earnings	\$ ??		\$ ??
<b>December 31, 2023:</b>			
Assets	\$ 96,190		\$ ??
Liabilities	\$ 14,750		\$ 17,960
Common Stock	\$ 50,000		\$ ??
Retained Earnings	\$ ??		\$ ??
<b>During 2023:</b>			
New shares issued (in dollars)	\$ ??		\$ 20,000
Revenue	\$ ??		\$ ??
Cost of Merchandise Sold	\$ 57,040		\$ ??
Expenses	\$ 28,915		\$ ??
Dividends	\$ 8,000		\$ 40,000

For questions 64 – 65, write the correct amount on your answer sheet.

64. What was the amount of revenue for Seager, Inc.?

\*65. What was the amount of assets on 12-31-23 for Semien, Inc.?

**Group 11**

**Bochy Boys, Inc. estimated its corporate federal income tax for the year 2023. Bochy Boys made four payments to the IRS in 2023 for \$18,750 each and debited Federal Income Tax Expense and credited Cash in Bank for each payment.**

**The CPA for Bochy Boys prepared an end-of-year (12-31-23) work sheet. After making all adjustments (except Federal Income Tax Expense), the CPA determined the Income Statement column totals, excluding Federal Income Tax Expense, were as follows: Income Statement Debit column subtotal of \$730,012 and Income Statement Credit column subtotal of \$994,312.**

**The corporate federal income tax rates for 2023 are as follows:**

15% of net income before taxes	Zero to \$50,000
Plus 25% of net income before taxes	\$50,000 to \$75,000
Plus 34% of net income before taxes	\$75,000 to \$100,000
Plus 39% of net income before taxes	\$100,000 to \$335,000
Plus 34% of net income before taxes	Over \$335,000

**For questions 66 – 71, write the letter of the best response on your answer sheet.**

66. What is the total amount of corporate Federal Income Tax Expense that Bochy Boys will report on its Income Statement for the year ended 12-31-23?  
A. \$11,327    B. \$75,000    C. \$86,327    D. \$89,862    E. \$103,077
67. The adjusting journal entry for corporate federal income tax expense for 2023 includes a:  
A. debit to Cash in Bank  
B. credit to Federal Income Tax Payable  
C. debit to Federal Income Tax Payable  
D. credit to Federal Income Tax Expense
68. What is the balance of Federal Income Tax Payable after the 12-31-23 adjustment is posted?  
A. zero    B. \$11,327    C. \$28,077    D. \$75,000    E. \$86,327    F. \$103,077
69. Federal Income Tax Payable is classified on the financial statements as a/an  
A. income tax expense item    C. deferred revenue  
B. long-term liability    D. current liability
- \*70. What is "Net Income after Federal Income Tax" as reported on the income statement for the year ended 12-31-23?  
A. \$161,223    B. \$174,438    C. \$177,973    D. \$189,300    E. \$207,223    F. 252,973
71. On the adjusted trial balance, what is the total of all income statement debit balance accounts, including the adjusted balance of the Federal Income Tax Expense?  
A. \$730,012    B. \$741,339    C. \$805,012    D. \$816,339    E. \$819,874    F. \$833,089

**Group 12**

For questions 72 – 77, write the letter of the best response on your answer sheet.

\*72. The Common Stock account of Young, Inc. had a balance of \$175,875. The balance in the account called Paid-In Capital in Excess of Par—Common is \$70,350. The common stock has a par value of \$7.50. At the end of the fiscal year 2023, the corporation had net income of \$74,695. The board of directors declared a \$1.56 cash dividend per share of common stock on the last day of fiscal year 2023 to be paid in January of 2024. How much 2023 net income is retained by the corporation after the dividend was declared?

- A. \$4,345                      C. \$30,830                      E. \$38,113  
B. \$23,480                      D. \$36,582                      F. \$41,865

73. Jung, Inc. began operations, and all stock was issued on opening day of public trading. The financial statements at the end of the first year included the following data:

Preferred \$6 Stock, \$100 par value	\$800,000
Common Stock, \$8 par value	\$114,000
Paid-in Capital in Excess of Par--Common	\$ 7,125
Retained Earnings	\$ 91,628

What was the selling price per share of the common stock?

- A. \$6    B. \$8    C. \$8.50    D. \$10    E. \$11.50    F. \$14

74. Which of the choices below is not an activity listed on the Statement of Cash Flows?

- A. Purchasing    B. Operating    C. Investing    D. Financing

75. Borrowing activities of a company would be listed under which section of the Statement of Cash Flows?

- A. Purchasing    B. Operating    C. Investing    D. Financing

76. The purchase and sale of plant assets would be listed under which section of the Statement of Cash Flows?

- A. Purchasing    B. Operating    C. Investing    D. Financing

77. Sales and Interest Income would be included under which section of the Statement of Cash Flows?

- A. Purchasing    B. Operating    C. Investing    D. Financing

**Group 13**

A company's operating figures for three accounting periods are shown below:

	Period 1	Period 2	Period 3
<b>Sales</b>	\$ 62,480	\$ 54,620	\$ 58,270
<b>Beginning Inventory</b>	\$ 14,360	\$ 12,110	\$ 10,630
<b>Net Purchases</b>	\$ 47,734	\$ 42,216	\$ 47,636
<b>Cost of Merchandise Available for Sale</b>	\$ 62,094	\$ 54,326	\$ 58,266
<b>Ending Inventory</b>	\$ 12,110	\$ 10,630	\$ 11,650
<b>Cost of Merchandise Sold</b>	\$ 49,984	\$ 43,696	\$ 46,616
<b>Gross Profit</b>	\$ 12,496	\$ 10,924	\$ 11,654

The following errors were made in determining the ending inventory:

Period:	Error in Determining Ending Inventory:
1	Overstated \$2,630
2	Understated \$3,150

For questions 78 – 80, write the corrected amount of gross profit for each period.

78. Period 1

\*79. Period 2

80. Period 3

**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	GROUP 3, cont'd	GROUP 6	GROUP 11
1. <u>    N    </u>	23. <u>    D    </u>	45. \$ <u>  2,250  </u>	66. <u>    C    </u>
2. <u>    C    </u>	24. <u>    F    </u>	46. \$ <u>  2,265  </u>	67. <u>    B    </u>
3. <u>    B    </u>	25. <u>    B    </u>	* 47. \$ <u>    11    </u>	68. <u>    B    </u>
4. <u>    G    </u>	26. <u>  D B L  </u>	<b>GROUP 7</b>	69. <u>    D    </u>
5. <u>    F    </u>	27. <u>    O    </u>	* 48. \$ <u>  2,800  </u>	* 70. <u>    C    </u>
6. <u>    G    </u>	28. <u>    Q    </u>	<b>GROUP 8</b>	71. <u>    D    </u>
7. <u>    N    </u>	29. <u>    A    </u>	** 49. \$ <u>142,700  </u>	<b>GROUP 12</b>
8. <u>    J    </u>	30. <u>    Q    </u>	** 50. \$ <u>  81,750  </u>	* 72. <u>    E    </u>
9. <u>    E    </u>	31. <u>    C    </u>	* 51. \$ <u>125,000  </u>	73. <u>    C    </u>
10. <u>   K   </u>	32. <u>    C    </u>	52. \$ <u>750,000  </u>	74. <u>    A    </u>
11. <u>    L    </u>	33. <u>    A    </u>	53. \$ <u>510,000  </u>	75. <u>    D    </u>
* 12. <u>   D   </u>	34. <u>    I    </u>	54. \$ <u>1,718,750  </u>	76. <u>    C    </u>
<b>GROUP 2</b>	* 35. <u>    K    </u>	<b>GROUP 9</b>	77. <u>    B    </u>
13. \$ <u>  1,608  </u>	36. <u>    P    </u>	55. <u>  FALSE  </u>	<b>GROUP 13</b>
14. \$ <u> 33,870  </u>	37. <u>    R    </u>	56. <u>  TRUE   </u>	78. \$ <u>  9,866  </u>
15. \$ <u> 33,849  </u>	<b>GROUP 4</b>	57. <u>  TRUE   </u>	* 79. \$ <u>16,704  </u>
<b>GROUP 3</b>	38. <u>    C    </u>	58. <u>  FALSE  </u>	80. \$ <u>  8,504  </u>
16. <u>    D    </u>	* 39. <u>    C    </u>	59. <u>  FALSE  </u>	
17. <u>   I N   </u>	* 40. <u>    A    </u>	* 60. \$ <u>200,000  </u>	
18. <u>    K    </u>	<b>GROUP 5</b>	* 61. \$ <u> 30,000  </u>	
19. <u>    I    </u>	41. \$ <u>  5,940  </u>	* 62. \$ <u> 16,000  </u>	
20. <u>    D    </u>	42. \$ <u>  5,940  </u>	* 63. \$ <u>1,785,000  </u>	
21. <u>    M    </u>	* 43. \$ <u> 148.50  </u>	<b>GROUP 10</b>	
22. <u>   M H   </u>	44. \$ <u>5,791.50  </u>	64. \$ <u> 98,345  </u>	
		* 65. \$ <u> 82,600  </u>	

**Note to UIL Accounting coaches, assistants, and graders:**

Congratulations on making it to State! That's a notable accomplishment! Coaches, please email me at [kaywhitton@gmail.com](mailto:kaywhitton@gmail.com), so I can keep you apprised of news and resources. Kay Whitton