

Contestant # _____

Team # _____

UNIVERSITY INTERSCHOLASTIC LEAGUE
ACCOUNTING EXAM
Invitational 2023-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.”

As a courtesy to graders, please use either upper-case or lower-case letters for your answers on your answer sheet according to the way you write your letters in the Legibility Control section on your answer sheet.

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 the required format of answers. A net loss **MUST** be indicated by brackets or parentheses (a minus sign is not acceptable).

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

debit	=	DR	True	=	TRUE
credit	=	CR	False	=	FALSE

If you choose another response for the examples given above, it will be counted as incorrect. **Do NOT spell out the words “debit” or “credit.”** However, you should **spell out “TRUE” or “FALSE.”** 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” on your answer sheet.

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 2023-A

Group 1

Determine whether each of the following in items 1 through 7 is a debit or credit using this code: DR=debit; CR=credit. Mark the correct answer on your answer sheet. Do not spell out the words “debit” or “credit” on your answer sheet.

1. The decrease side of Sales Taxes Payable
2. The balance side of Sales
3. The decrease side of Aaron Judge, Capital
4. The balance side of Cash in Bank
5. The decrease side of Prepaid Insurance
6. The increase side of the owner’s drawing account
7. The increase side of Accounts Receivable

Group 2

Write the correct identifying letters (DR or CR or P or NA) on your answer sheet for items 8 through 13. 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

8. Transportation In
9. Merchandise Inventory
10. Sales Returns and Allowances
11. Purchases Discounts
12. Cost of Merchandise Sold
13. Income Summary (total credits are larger than total debits in this account)

Group 3

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 June is \$26.40
Deposits in transit on June 30 are \$5,207.43 and \$918.12
Reconciled bank balance on June 30 is \$6,428.75
Outstanding checks on June 30 are \$1,249.10, \$988.35, and \$874.95

For questions 14 and 15, write the correct amount on your answer sheet.

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

Group 4

The following T-account summarizes the activity for fiscal year-end December 31, 2022 for a business that started in 2010. Net sales for 2022 were \$192,614. The cost of merchandise sold was \$94,642. All operating expenses were \$91,625. The owner made one investment in the business during 2022 and also made a withdrawal.

Gus Boyd, Capital		
	61,905	
	25,000	
		<i>86,905 (footing before closing entries)</i>
15,000	6,347	
		<i>78,252 (footing after closing entries)</i>

For questions 16 through 24, write the identifying letter of the correct answer on your answer sheet using the following choices. A choice may be used more than once.

A. \$ 6,347	E. \$78,252	I. \$100,989
B. \$15,000	F. \$80,558	J. \$101,905
C. \$25,000	G. \$86,905	K. \$192,614
D. \$61,905	H. \$97,972	L. none

16. net income for 2022
17. the resulting amount of owner investments, owner withdrawals, net profits, and net losses from years 2010 through 2021
18. the amount of owner withdrawals for 2022
19. the amount of owner investments made in 2022
20. net loss for 2022
21. the amount of capital on January 1, 2022
22. the amount of capital extended to the balance sheet credit column of the work sheet
23. the amount of capital that would be found in the unadjusted trial balance column of the work sheet for 2022
24. the amount of ending capital that would be found on the balance sheet for December 31, 2022

Group 5

Use the following information to answer questions 25 through 31. Write the identifying letter of the best response on your answer sheet.

The company does not use the perpetual method. The company uses net sales to analyze gross profit.

Sales	92,567
Transportation In	3,298
Net Sales	84,800
Sales Returns	?
Purchases	53,857
Gross Profit	38,160

Sales Discounts	5,088
Purchases Returns	3,745
Ending Inventory	28,415
Beginning Inventory	?
Purchases Discounts	5,620

25. The amount of sales returns is:
 A. \$2,679 B. \$5,088 C. \$7,767 D. \$12,855
26. The amount of net purchases is:
 A. \$41,194 B. \$44,492 C. \$46,640 D. \$47,790
27. The amount of cost of delivered merchandise is:
 A. \$47,790 B. \$50,559 C. \$53,857 D. \$57,155
28. The gross profit percentage is:
 A. 42% B. 43% C. 44% D. 45% E. 55%
- *29. The amount of beginning inventory is:
 A. \$18,225 B. \$18,785 C. \$27,265 D. \$28,415
- *30. The amount of cost of merchandise available for sale is:
 A. \$38,160 B. \$46,640 C. \$66,015 D. \$66,575 E. \$75,055 F. \$76,205
- *31. Given that the total expenses are \$25,440, the amount of Net Income expressed as a percentage of net sales is:
 A. 13.7% B. 15% C. 30% D. 41.2% E. 45% F. 55%

Group 6

Following are all the accounts (except capital) of the Blaze Co. as of the end of the fiscal year (12-31-22) after adjustments. All accounts have normal balances. Company policy is to prepare adjusting and closing entries only at the end of the fiscal year. Faye Blaze made one owner investment during the year of \$17,000.

Account Title	Amount	Account Title	Amount
Accounts Payable	2,735	Rent Expense	10,380
Accounts Receivable	16,715	Revenue	54,825
Advertising Expense	3,790	Supplies	915
Faye Blaze, Drawing	26,000	Supplies Expense	3,735
Cash in Bank	10,290	Utilities Expense	7,420

Write the correct amount on your answer sheet for questions 32 through 44.

32. What is the balancing total for the adjusted trial balance columns on the work sheet?
33. What is the balance in the capital account on 12-31-22 before closing entries are posted?
34. What was the balance in the capital account at the beginning of this fiscal year?
35. What was the balance in the Supplies account at the beginning of the fiscal year if Faye bought \$3,980 of supplies during the year of 2022?
36. On the work sheet what is the subtotal before net income or net loss is calculated for the balance sheet debit column?
37. On the work sheet what is the subtotal before net income or net loss is calculated for the balance sheet credit column?
38. On the work sheet what is the subtotal before net income or net loss is calculated for the income statement debit column?
- **39. What was the net income or net loss amount for the year?
40. What was the amount that affected Income Summary in the first closing entry?
41. What was the amount that affected Income Summary in the second closing entry?
42. What was the amount that affected Income Summary in the third closing entry?
- *43. What was the capital account balance at the end of the fiscal year after closing entries are posted?
- *44. What is the amount of total assets that would appear on the Post-Closing Trial Balance dated December 31, 2022?

Group 7

A company called Flash Transport opened its general ledger with the following accounts: Cash, Prepaid Insurance; Vans; Phone Equipment; Connie Flash, Capital; Connie Flash, Drawing; Fees Earned; Rent Expense; Gas and Oil Expense; and Cell Phone Service Expense. In the first month of business operation, she had the following transactions.

Connie records prepaid items in an asset account and prepares adjusting entries on a monthly basis. However, closing entries are made only at the end of the fiscal year which is December 31.

April 1	Connie Flash invested one 16-passenger van she owned personally having a fair market value of \$68,000. Connie also invested \$15,000 of her personal savings to open a business checking account at the local bank.
2	Rented furnished office space for the month of April \$675 paying by check
3	Wrote a check in the amount of \$1,200 to purchase a cell phone with specialized GPS capabilities. This purchase included \$1,000 for the phone equipment and \$200 for cell phone service paying in advance for the month of April. When Connie journalized this transaction, she put the cell phone service cost to an expense account.
4	Purchased insurance on the van for a six-month policy paying by check \$630
15	Transported clients to and from the airport for the first half of the month and collected \$4,950 in fees, which she deposited to the business bank account.
28	Transported clients for the second half of the month and collected \$8,400 in fees, which she deposited to the business bank account.
29	The local gas station is owned by a close friend, who allowed Connie to charge for gasoline during the month. Connie wrote a check for \$3,720 for gas and oil used in the van during the month of April.
30	Wrote a check to withdraw \$3,000 for personal use.

For questions 45 through 47, write the correct amount on your answer sheet.

- *45. On April 30 after the above transactions are posted, what is the balancing total in the work sheet trial balance columns?
46. On the work sheet for the month ending April 30, what is the balance of Prepaid Insurance in the adjusted trial balance column?
- *47. What is the net income for the month of April as calculated on the work sheet?

Group 8

For questions 48 through 54, write the correct amount on your answer sheet.

48. On the first day of January, the Petty Cash account had a balance of \$200, which agreed to the amount of actual cash in the petty cash box. During the month the fund was increased by \$75. Actual vouchers in the box on January 31 before replenishment totaled \$269.18. At the time of replenishment on January 31, a debit to Cash Short and Over was made for \$1.05. How much cash was actually in the box immediately preceding the replenishment on January 31?
- *49. Your company purchased merchandise on account from a supplier on January 6 for \$3,980 with terms of sale of 2/10, n/30. On January 8 you returned \$250 to this supplier because the merchandise was the wrong size. You paid the invoice on January 15. What was the correct amount of your check?
- *50. Your company sold merchandise to a customer for \$600 plus 8.25% sales tax, FOB shipping point. Freight for the shipment was \$85, which you paid to Global Freight Co. How much does your customer owe you upon receipt of your merchandise and invoice?
51. The Accounts Receivable controlling account had a balance of \$36,295 on March 1. During March the subsidiary ledger accounts contained various debits totaling \$26,115 and various credits totaling \$28,105. If everything was posted correctly to the subsidiary ledger accounts, what should be the March 31 balance of Accounts Receivable?
52. The owner's drawing account had a January 1 balance of zero. The following cash withdrawals were made by the owner during the fiscal year: January 15 \$150; March 12 \$600; April 10 \$300; May 15 \$600; June 15 \$1,100; July 16 \$425; August 18 \$1,600; September 9 \$950; October 11 \$840; November 9 \$1,300; December 23 \$2,400. What was the balance of the owner's drawing account after the closing entries for the year are posted?
53. On February 1 the Accounts Receivable Subsidiary Ledger was in agreement with the associated controlling account. During the month of February customers charged a total of \$18,295. Cash receipts from customers paying on account during February totaled \$15,649. Assuming there are no journalizing or posting errors and the ending balance of all the accounts in the Accounts Receivable Subsidiary Ledger was \$11,209, what was the correct balance of the controlling account on February 1?
- *54. At the beginning of the fiscal year 2022, Kyle Company's assets were \$164,850. During the year, assets increased by \$90,178 and liabilities increased by \$11,289. At the end of the year, liabilities totaled \$98,534. The owner made withdrawals of \$25,000, and invested \$15,400 in the business during the year. What was the net income or net loss for the year?

Group 9

Following are the accounts of Gray's Graphic Designs as of September 30, 2022. All accounts have normal balances. It is the company's policy to prepare adjusting and closing entries only at the end of the fiscal year, which is December 31.

Cash in Bank	6,745	Jade Gray, Capital	20,555
Accounts Receivable	1,980	Jade Gray, Drawing	27,000
Supplies on Hand	5,790	Services Income	50,870
Computer Equipment	15,200	Rent Expense	7,425
Office Equipment	3,800	Utilities Expense	4,140
Accounts Payable	2,145	Repairs Expense	1,490

During October 2022, the business completed the following transactions:

- Trans 1 Paid cash for October rent \$825
- Trans 2 Purchased supplies on account \$750
- Trans 3 Paid \$1,145 on account
- Trans 4 Received cash for services performed \$2,760
- Trans 5 Paid cash for owner to use for personal expenses \$3,000
- Trans 6 Performed services on account \$1,850
- Trans 7 Purchased additional computer equipment on account \$5,230
- Trans 8 Received \$1,250 on account
- Trans 9 Paid cash for repairs to equipment \$380
- Trans 10 Received cash for services performed \$275
- Trans 11 Paid cash for October's utilities \$310

For questions 55 through 64 write the correct amount on your answer sheet.

55. What is the total of the credits posted to the Cash in Bank account resulting from October transactions?
56. What is the total amount due to creditors on October 31?
57. What is the total on the Schedule of Accounts Receivable on October 31?
58. By what amount did the Services Income account increase from October 1 to October 31?
- *59. What is the amount of net income for the month of October (disregard any necessary adjusting entries)?
- *60. What is the balance of the Cash in Bank account on October 31?
- *61. If a physical inventory of supplies on October 31 indicated \$1,325 on hand, what amount should be recorded as expense if this were the end of the fiscal year?
62. What is the amount of net income year-to-date on September 30 (disregard any necessary adjusting entries)?
63. Given that the business acquired \$3,590 of supplies in the first ten months of the year 2022, what is the January 1, 2022 balance of Supplies on Hand in the general ledger?
64. Given that Jade Gray made only one owner's capital contribution of \$4,250 in the first ten months of the year 2022, what is the January 1, 2022 balance of the owner's capital account in the general ledger?

Group 10

For each of the items in 65 through 70, match the correct term. Write the identifying letter of the correct term on your answer sheet.

A	accounting period cycle	H	matching principle
B	business entity	I	materiality
C	conservatism	J	objective evidence
D	consistent reporting	K	realization of revenue
E	full (adequate) disclosure	L	relevance
F	going concern	M	reliability
G	historical cost	N	unit of measure

65. This concept is applied when the same accounting methods are applied in the same way from one period to the next.
66. This concept refers to the confidence users have that the financial information is reasonably free from bias and error.
67. This concept is applied when changes in financial information are reported for a specific period of time in the form of financial statements.
68. This concept is applied when the amount paid for an asset is the amount debited to the asset account.
69. This concept is applied when revenue is recorded at the time goods or services are sold.
70. This GAAP principle of accounting states that it is best to present amounts that are least likely to result in an overstatement of income or assets.

Group 11

Refer to the information in Table 1 on page 10. For questions 71 through 75, write "TRUE" if the statement is true; write "FALSE" if it is false.

71. The adjustment to record the newly discovered Invoice #TX-549 includes a debit to Accounts Receivable of \$795.
72. The adjustment for merchandise inventory includes a debit to Income Summary for \$860.
73. The work sheet adjustment for insurance includes a debit to Insurance Expense and a credit to Prepaid Insurance.
74. The work sheet adjustment for supplies includes a debit to Supplies Expense and a credit to Income Summary.
75. If the bookkeeper had failed to make all of these adjustments, net income for 2022 would be overstated and assets would be overstated as well.

Group 11 continued

Continue to refer to Table 1. For questions 76 through 80, write the identifying letter of the best response on your answer sheet.

76. What is the balance of Prepaid Insurance on the work sheet's trial balance?
A. zero B. \$2,632 C. \$3,288 D. \$6,576 E. \$9,208 F. \$9,864 G. \$12,496
- *77. What is the balance of Prepaid Insurance on the Balance Sheet dated December 31, 2022?
A. zero B. \$2,632 C. \$3,288 D. \$6,576 E. \$9,208 F. \$9,864 G. \$12,496
- *78. The insurance expense amount for the year ending 12-31-22 consists of:
A. \$9,208 from the policy purchased in 2022.
B. \$7,896 from the 2021 policy and \$6,576 from the 2022 policy.
C. \$2,632 from the 2021 policy and \$6,576 from the 2022 policy
D. zero from the 2021 policy and \$6,576 from the 2022 policy.
E. zero from the 2021 policy and \$9,864 from the 2022 policy.
- *79. The amount of supplies purchased in 2022 was
A. zero B. \$745 C. \$815 D. \$2,680 E. \$2,750 F. \$3,495
- *80. The amount of supplies expense for 2022 was
A. zero B. \$745 C. \$815 D. \$2,680 E. \$2,750 F. \$3,495

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

Table 1**(For questions 71 through 80)**

The bookkeeper for Dixon's Electronics gathered the following information in order to prepare the work sheet for fiscal year end, December 31, 2022. (Dixon's prepares adjusting and closing entries only at the end of the fiscal year.)

- The Prepaid Insurance account had a beginning balance (01-01-22) of \$2,632 which represented four months of a 12-month policy purchased on May 1, 2021. On May 1, 2022 Dixon's Electronics purchased a 12-month policy for \$9,864.

- Supplies inventory records from the previous year show an ending balance (12-31-21) of \$815. The balance in the Supplies account on the unadjusted trial balance is \$3,495. A physical inventory of supplies on December 31, 2022 indicates \$745 of supplies on hand.

- The balance in the Accounts Receivable account on the unadjusted trial balance is \$16,810. A 2022 missing invoice #TX-549 for \$795 for a sale on account to a customer was found while preparing adjusting entries. The bookkeeper elected to record Invoice #TX-549 as an adjusting entry. Recording these kinds of corrections as adjusting entries is a common practice at Dixon's Electronics.

- Merchandise Inventory on the unadjusted trial balance is \$27,250. A physical inventory on December 31, 2022 indicates \$28,110 on hand.

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

Contestant # _____
 Team # _____

UIL ACCOUNTING
 Invitational 2023-A

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
14	1	
29	1	
30	1	
31	1	
39	2	
43	1	
44	1	
45	1	
47	1	
49	1	
50	1	
54	1	
59	1	
60	1	
61	1	
77	1	
78	1	
79	1	
80	1	

Total Extra Points

TOTAL SCORE.....

**UIL ACCOUNTING—Invitational 2023-A
KEY**

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

Group 2	
8	CR
9	P
10	CR
11	DR
12	NA
13	DR

Group 3	
*14	\$ 3,415.60
15	\$ 6,455.15

Group 4	
16	A
17	D
18	B
19	C
20	L
21	D

Group 4 cont.	
22	G
23	G
24	E

Group 5	
25	A
26	D
27	D
28	D
*29	C
*30	E
*31	B

Group 6	
32	\$ 79,245
33	\$ 21,685
34	\$ 4,685
35	\$ 670
36	\$ 53,920
37	\$ 24,420
38	\$ 25,325
**39	\$ 29,500
40	\$ 54,825
41	\$ 25,325
42	\$ 29,500
*43	\$ 25,185
*44	\$ 27,920

Group 7	
*45	\$ 96,350
46	\$ 525
*47	\$ 8,650

Group 8	
48	\$ 4.77
*49	\$ 3,655.40
*50	\$ 734.50
51	\$ 34,305
52	\$ -0- or zero
53	\$ 8,563
*54	\$ 88,489

Group 9	
55	\$ 5,660
56	\$ 6,980
57	\$ 2,580
58	\$ 4,885
*59	\$ 3,370
*60	\$ 5,370
*61	\$ 5,215
62	\$ 37,815
63	\$ 2,950
64	\$ 16,305

Group 10	
65	D
66	M
67	A
68	G
69	K
70	C

Group 11	
71	TRUE
72	FALSE
73	TRUE
74	FALSE
75	TRUE
76	G
*77	C
*78	C
*79	D
*80	E