**UIL ACCOUNTING**

**District 2011-D2**

**Group 1**

**For items 1 through 10, decide whether the item belongs on the Post-Closing Trial Balance. If the item belongs on this type of trial balance, indicate whether the balance will be listed in the debit column or the credit column. Use the following code:**

|  |  |
| --- | --- |
| **A** | **Yes, debit side** |
| **B** | **Yes, credit side** |
| **C** | **No** |

 1. Sales Discounts

 2. Petty Cash

 3. Gross Profit

 4. Sales Tax Payable

 5. Merchandise Inventory

 6. Cost of Merchandise Sold

 7. Danny Webber, Capital

 8. the owner’s withdrawals

 9. Prepaid Insurance

10. Rent Expense

**Group 2**

**Orion Express pays four employees weekly. Hourly wage employees are paid overtime at a rate of 1 and ½ times the regular rate of pay for hours worked over 40 in a week. The following information is available for the week ending March 4.**

**Bentley earns an hourly wage of $8.52 and he worked 52 hours. Celia receives a salary of $415 per week plus a 3.5% commission on sales. Celia worked 40 hours and was responsible for $1,840 worth of sales this week. Ramon earns an hourly wage of $9.14 and a piece rate of 4 cents. Ramon worked 49 hours and produced 1,829 pieces. Xavier earns an hourly wage of $6.10, and he worked 48 hours.**

**For question #11, write the correct amount on your answer sheet.**

 \*11. What was the total amount of gross earnings for the week?

**Group 3**

**It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Reconcile the bank statement using the following T-account form. (The form will not be reviewed by graders.)**

|  |
| --- |
| The Sweet Shoppe |
| Bank Reconciliation |
| January 31, 2011 |
| Bank Statement Balance, 01/29 |  | Checkbook Balance, 01/31 |  |
| Add:  |  | Add: |  |
|  |  |  |  |
| Deduct: |  | Deduct: |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

On January 31, Maddie received the company bank statement dated Jan. 29 and reviewed it along with other accounting records and found the following facts:

 1. The ending bank balance was $5,587.42

 2. The following checks were written in December, were outstanding in December,

 and still did not appear on this bank statement:

 check #3168…$141.17 check #3174…$30.00

 3. The following checks were written in January and did not appear on this bank

 statement: check #3204…$107.85 check #3207…$1,795.00

 check #3206…$22.15 check #3208…$2,045.18

 4. The bank charged $25.15 for the month’s service charge

 5. A check in the amount of $85.27 from Doya Trustme that Maddie deposited on Jan. 21

 was returned by the bank for insufficient funds. The bank charged Maddie’s account $15

for handling the NSF check. No journal entry has been made yet by Maddie for the NSF

check or its related fee.

 6. A deposit of $2,789.18 made on Jan. 31 does not appear on the bank statement.

 7. A check Maddie wrote in early January for $674 made out to Restaurant Supply Co. was

 lost in the mail and never found. Maddie requested a stop payment order, which cost

 $26 and was issued by Maddie’s bank on Jan. 29. Maddie needs to record this fee and

 the voided check in the checkbook. She plans to write a replacement check on Feb. 1.

 8. Maddie’s review of the bank statement reminded her that she had used the debit card

 on this account to make a $45 payment at BEH Grocery and forgot to record it in

 the company checkbook.

 9. Maddie was shocked when the review of the bank statement revealed an electronic funds

 transfer to a vendor for $1,845 that she forgot to record in the company checkbook.

**For question #12 write the correct amount on your answer sheet.**

\*12. What was the checkbook balance on January 31, 2011 before the reconciliation

 was prepared?

**Group 4**

**Three customers owed a total of $215,990 to a business called Quigley Brick Co. as of December 31, 2009 and one of these customers was Quality Construction that owed $85,960. On January 31, 2010 the balance of Quigley Brick’s controlling account for Accounts Receivable had increased by $10,695 since the beginning of the month.**

**From Quigley Brick Co.’s**

**General Ledger**: **Accounts Receivable**

|  |  |
| --- | --- |
| (1-1-10)  |  |
|  |  |
| (Jan 2010) \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_ (Jan 2010) |
|  |  |
| (1-31-10)  |  |
|  |  |

**Quigley Brick Co.’s Accounts Receivable Subsidiary Ledger:**

 **S & P Masonry Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 1-1-10 |  |  | 78,350 |
| Jan 2010 |  | 35,615 |  |

 **Quantum Construction Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 1-1-10 |  |  |  |
| Jan 2010 | 38,500 | 47,290 |  |

 **Quality Construction Debit Credit Balance**

|  |  |  |  |
| --- | --- | --- | --- |
| 1-1-10 |  |  |  |
| Jan 2010 |  | 62,420 | 88,120 |

**For questions 13 through 15 write the correct amount on your answer sheet.**

\*13. What is the total amount of charges made by all three customers in January?

14. What is the balance of the Quantum Construction account on 1-1-10?

15. What is the balance of the Quantum Construction account on 1-31-10?

**Group 5**

**For questions 16 through 20, write the identifying letter of the best response on your answer sheet.**

**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 $50. Actual vouchers in the box on January 31 before replenishment totaled $229.16. At the time of replenishment on January 31, it was determined that the fund was short by $0.86.**

16. Prior to January, the entry to first establish the petty cash fund consisted of

 A. a credit to the Petty Cash account for $200

 B. a credit to Cash in Bank for $250

C. a debit to the Petty Cash account for $200

D. a debit to Cash in Bank for $200

17. The entry during the month of January to record the increase in the Petty Cash fund

 included a

1. debit to the Petty Cash account for $49.14
2. credit to the Petty Cash account for $49.14
3. credit to the Petty Cash account for $50.00
4. debit to the Petty Cash account for $50.00

18. The entry on January 31 to replenish the petty cash fund would include a

 A. credit to the Cash in Bank account for $229.16

B. debit to the Petty Cash account for $230.02

C. credit to the Petty Cash account for $229.16

D. credit to the Cash in Bank account for $230.02

E. credit to the Cash in Bank account for $228.30

19. The entry on January 31 to replenish the petty cash fund would include a

 A. debit to the Petty Cash account for $0.86

 B. debit to Cash Short and Over for $0.86

 C. credit to Cash Short and Over for $0.86

 D. credit to Petty Cash for $0.86

\*20. The actual amount of cash in the petty cash box on January 31 prior to the

 replenishment was

 A. zero

 B. $0.86

 C. $19.98

 D. $20.84

 E. $21.70

 F. $28.30

**Group 6**

**Use the following information for questions 21 and 22. Write the identifying letter of the correct amount on your answer sheet.**

**Payroll tax expense per employee is based on the following:**

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $106,800** |
| **Medicare** | **1.45% on all earnings** |
| **Federal Unemployment Tax** | **.8% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **1.5% on first $9,000 of gross earnings** |
| **Federal Income Tax** | **Disregard** |

**The applicable employer matching taxes are at the same rate as the employee rate.**

**The earnings for the calendar year 2010 for the employees of King Hardware are as follows:**

|  |  |
| --- | --- |
| **Employee** | **Cumulative****Earnings** |
| **Cindy King** | **110,000** |
| **John King** | **104,200** |
| **Carolyn Jimenez** | **78,460** |
| **Becca Xaan** | **9,640** |
| **Andy Princeton** | **8,260** |
| **Adrian Brody** | **7,100** |
| **Kasey Jordan** | **5,080** |

\*\*21. What is the total amount of payroll tax expense incurred by the employer for 2010?

 A. $ 1,223.24 C. $25,714.45 E. $25,828.21

 B. $24,491.21 D. $25,729.81 F. $25,912.85

22. Consider the tax rates in the given information. Greely Motors has one employee,

 whose gross earnings for 2010 were greater than $10,000. The company’s general

 ledger account called Payroll Tax Expense has a balance of $2,100.44 for the entire

 year of 2010. What is the employee’s gross pay for 2010?

 A. $20,500.00 C. $21,109.95 E. $27,456.73

 B. $21,004.40 D. $24,960.00 F. $91,323.48

**Group 7**

**Ashlynn is 28 years old and is not married. She graduated from law school and has worked for the same firm for 3 years. She has received several merit raises in the past two years.**

**Ashlynn uses accounting software called SimpleBooks to track her personal banking activity. The deposit summary for the year 2010 showed the following:**

|  |  |
| --- | --- |
| **net amount received from her paychecks as an attorney** | **47,007** |
| **taxable interest earned on her checking account** | **18** |
| **taxable interest earned on her savings account** | **47** |
| **transfer from her savings account to her checking account on** **September 9, 2010 to pay for her vacation in Australia** | **5,600** |

**In January of 2011, Ashlynn received a Form W-2 from her employer which included the following information:**

|  |  |
| --- | --- |
| **Box 1 (Wages, tips, other compensation)** | **62,000** |
| **Box 2 (Federal income tax withheld)** | **10,250** |
| **Box 4 (Social security tax withheld)** | **3,844** |
| **Box 6 (Medicare tax withheld)** | **899** |

**Ashlynn cannot be claimed as a dependent on her parents’ tax return. Therefore, Ashlynn is allowed to deduct the standard deduction of a single filer $5,700 and the personal exemption allowed for 2010 which is $3,650.**

**Even though Ashlynn will file her 2010 individual income tax return electronically, she wanted to understand how the tax return is calculated. So she prepared the return on paper first.**

**On February 24, 2011 Ashlynn prepared correctly IRS Form 1040EZ for 2010. She used the tax tables and calculated her tax to be $9,360. She then filed her return electronically using the IRS website, and the results were confirmed to be correct.**

**For questions 23 through 25, write the correct amount on your answer sheet.**

23. What is the amount of Ashlynn’s adjusted gross income?

\*24. What is the amount of Ashlynn’s taxable income?

25. What is the amount of Ashlynn’s refund?

**Group 8**

**For questions 26 through 36, refer to the document below and write the identifying letter of the best response on your answer sheet.**

26. The payee is

 A. Thompson Lighting Services C. First State Bank

 B. Premium Supply Co. D. Gail Thompson

27. The drawer is

 A. Thompson Lighting Services C. First State Bank

 B. Premium Supply Co. D. Gail Thompson

28. The drawee is

 A. Thompson Lighting Services C. First State Bank

 B. Premium Supply Co. D. Gail Thompson

 \*29. The check stub balance immediately after check #2606 was written was

 A. zero C. $6,870 E. $14,549

 B. $5,883 D. $9,250 F. $15,133

30. Checks should be

 A. typewritten D. computer-generated

 B. written in ink E. either A or B only

 C. written in pencil F. either A, B, or D

31. When writing a check for payment, which of the following should be prepared first?

 A. the check stub C. the check endorsement

 B. the check D. the bank reconciliation

32. Only authorized persons may sign a check. An authorized person is the

 person(s) who

 A. is listed on the company’s website.

 B. the bank personnel designate for each account.

 C. signed the signature card for the account when the account was opened.

 D. is selected by the FDIC.

**Group 8 continued**

33. A system that allows banks to transfer funds among accounts quickly and accurately

 without the exchange of checks is called

 A. Paperless Monetary Exchange System

 B. Electronic Funds Transfer System

 C. E-bank Money Transport System

 D. Internet Funds Exchange

34. In an effort to protect a check from alteration some businesses prepare checks

 using a check-writing machine which \_\_?\_\_ the amount of the check in words on

 the Dollars line.

 A. endorses C. uses a special dye to encrypt

 B. paints a hologram of D. perforates

35. Which of the following statements about a voided check is false?

 A. If an error is made while writing a check, that check is not used.

 B. Corrected checks look suspicious to banks so the incorrect check is voided and

 a new check is prepared.

 C. A voided check may be placed in a special file or it may be folded and stapled to

 the check stub.

 D. A voided check is not journalized for purposes of internal control of cash.

36. Determining that the balance shown in the checkbook agrees to the balance of the

 Cash In Bank account is called

 A. proving the ledger D. proving cash

 B. the Schedule of Cash E. reconciling petty cash

 C. a bank reconciliation

**Group 9**

**Refer to Table 1 on page 12. For questions 37 through 47, write on your answer sheet True if the statement is true; write False if it is false. All of the following statements refer to the properly completed work sheet.**

37. On the line for Merchandise Inventory, there are no amounts in either the

 Adjustments Debit column or the Adjustments Credit column.

38. On the line for Supplies, the amount in the Trial Balance column represents all the

 supplies available for use during 2010.

39. On the line for Supplies, there is an amount in the Adjustments Credit column.

40. On the line for Merchandise Inventory, the amount in the Trial Balance column

represents all merchandise available for sale during 2010.

41. On the line for Supplies, the amount in the Adjustments column represents the

 supplies that were purchased during 2010.

42. On the line for Prepaid Insurance, there is an amount in the Adjustments Credit

 column that represents the insurance purchased during 2010.

**Group 9 continued**

43. On the line for the owner’s withdrawals, there should be no entry in the Trial

 Balance columns because this account had a zero balance on January 1, 2010

 because it is a temporary capital account.

44. On the line for Insurance Expense, there should be no entry in the Trial Balance

 columns because this account has a zero balance until adjusting entries are

 recorded.

45. On the line for Supplies Expense, there is an amount in the Adjustments Debit

 column.

46. The amount of Merchandise Inventory on 1-1-10 was greater than the amount of

 Merchandise Inventory on 12-31-10.

47. On the line for the owner’s capital account, there is an amount in the Adjustment

 Credit column which represents the two additional investments the owner made to

 his business in 2010.

**Group 10**

**Continue to refer to Table 1. For questions 48 through 54, write the correct amount on your answer sheet. These questions refer to the completed work sheet.**

48. What is the amount of Supplies in the unadjusted trial balance column?

49. What is the amount of Prepaid Insurance in the unadjusted trial balance column?

50. What is the amount of Wayne Jenkins, Capital in the unadjusted trial balance

 column?

51. What is the amount in Income Summary in the unadjusted trial balance column?

52. What is the amount of Insurance Expense in the unadjusted trial balance column?

\*53. What is the balancing total for the adjusted trial balance columns?

\*\*54. What is the balancing total for the unadjusted trial balance columns?

**Group 11**

**Continue to refer to Table 1. For questions 55 through 59, write the correct amount on your answer sheet.**

What was the balance in each of the following accounts on January 1, 2010?

\*55. Merchandise Inventory

\*56. Supplies

\*57. Prepaid Insurance

\*58. Wayne Jenkins, Capital

59. Income Summary

**Group 12**

**Continue to refer to Table 1. For questions 60 through 69, give the correct amounts that would appear on the income statement for the twelve months ending December 31, 2010 and the balance sheet dated December 31, 2010.**

60. Cost of Delivered Merchandise

61. Cost of Merchandise Available for Sale

62. Cost of Merchandise Sold

63. Gross Profit

\*\*64. Net Income

65. Net Purchases

66. Net Sales

67. Total Assets

68. Total Liabilities

69. Total Expenses

**Group 13**

**Continue to refer to Table 1. The following chart represents the bottom three lines of selected columns on the completed work sheet: subtotals before net income or net loss is calculated; the line for net income or net loss; and the line for the respective balancing totals for the income statement columns and the balance sheet columns.**

**For each of the questions 70 through 73 (found in the chart below), write the correct amount on your answer sheet.**

|  |  |  |
| --- | --- | --- |
|  | **Income Statement** | **Balance Sheet** |
|  | **Debit** | **Credit** | **Debit** | **Credit** |
| **Subtotals** | #70 | #71 | #72 | #73 |
| **Net Income or <Net Loss>** | Red | Blue | Green | Yellow |
| **Totals** |  |  |  |  |

**For question 74, write the identifying letter of the best response on your answer sheet.**

\*74. After the net income or net loss is calculated, indicate in which columns of the work

 sheet the amount would appear in the chart above using colors as indicators.

 A. Blue Green C. Red Yellow

 B. Blue Yellow D. Red Green

**Group 14**

**Continue to refer to Table 1. Jenkins Electronics uses the following policy when closing the temporary accounts at the end of the fiscal year:**

1. **Close all revenue and contra-purchases accounts in one combined entry.**
2. **Close all expenses, contra-sales accounts, and any cost of merchandise accounts that have debit balances in one combined entry.**
3. **Close the Income Summary account.**
4. **Close the owner’s withdrawals account.**

**The words “blue, yellow, red, brown, green” are referenced in the questions to be answered in this group. Blue and yellow represent the closing steps of one and two referenced above. You must decide how the colors match up to the steps.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Wayne Jenkins, Capital** |  |  |  | **Income Summary** |
|  | \_\_\_?\_\_\_ |  | 01-01-10  |  |  |  |
|  |   |  | any activityduring 2010 | 12-31-10 adjusting entry | \_\_\_\_?\_\_\_ | \_\_\_\_?\_\_\_ |
|  |  |  |  | 12-31-10 closing entries | \_\_\_blue\_\_ | \_\_yellow\_\_ |
| \_\_\_red\_\_\_ | \_\_brown\_\_ |  | 12-31-10closing entries |  |  |  |
|  |  |  |  |  |  |  |
|  | \_\_green\_\_ |  | 12-31-10balance after closing entries |  |  |  |

**For questions 75 through 80 write the identifying letter of the best response on your answer sheet.**

75. What is the balance in the capital account after all adjusting entries have been

posted but before any closing entries have been posted?

1. $90,131 B. $108,761 C. $110,131 D. $111,501 E. $130,131

76. The amount of “blue” in the Income Summary account is

 A. $160,850 B. $162,271 C. $177,271 D. $178,081 E. $179,451

77. The amount of “yellow” in the Income Summary account is

 A. $160,850 B. $162,271 C. $177,271 D. $178,081 E. $179,451

78. The amount of “brown” in the capital account is

 A. $1,370 B. $2,180 C. $14,440 D. $15,000 E. $15,810 F. $17,180

79. The amount of “red” in the capital account is

 A. $1,370 B. $2,180 C. $14,440 D. $15,000 E. $15,810 F. $17,180

\*\*80. The amount of “green” in the capital account is

 A. $110,131 C. $127,311 E. $132,311

 B. $112,311 D. $130,131 F. $142,311

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

***Table 1***

**(for questions 37 through 80)**

**The following accounts and normal balances are for Jenkins Electronics and appear in the adjusted trial balance columns of the work sheet for the year ended December 31, 2010. A work sheet form is provided on page 13.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Title** | **Amount** |  | **Account Title** | **Amount** |
| Cash in Bank | 18,974 |  | Purchases | 97,606 |
| Accounts Receivable | 5,412 |  | Purchases Discounts | 7,296 |
| Merchandise Inventory | 58,610 |  | Purchases Returns & Allowances | 1,892 |
| Supplies | 2,175 |  | Transportation In | 6,245 |
| Prepaid Insurance | 1,020 |  | Advertising Expense | 2,580 |
| Delivery Equipment | 21,000 |  | Bank Card Fees Expense | 1,688 |
| Store Equip. & Fixtures | 24,930 |  | Delivery Expense | 1,419 |
| Accounts Payable | 18,650 |  | Insurance Expense | 1,614 |
| Sales Tax Payable | 1,160 |  | Miscellaneous Expense | 315 |
| Wayne Jenkins, Capital | 110,131 |  | Maintenance Expense | 2,473 |
| Wayne Jenkins, Drawing | 15,000 |  | Rent Expense | 5,400 |
| Income Summary | 1,370 CR |  | Salaries Expense | 16,080 |
| Sales | 168,893 |  | Payroll Tax Expense | 1,416 |
| Sales Discounts | 4,826 |  | Supplies Expense | 9,853 |
| Sales Returns & Allowances | 3,217 |  | Utilities Expense | 7,539 |
|  |  |  |  |  |

**Additional Information:**

1. **The owner invested personal funds into the business during 2010:**
	1. **May 16, 2010--$12,000**
	2. **August 4, 2010--$8,000**
2. **Supplies bought during 2010 totaled $9,540.**
3. **The amount of insurance purchased during 2010 was $2,040.**

|  |
| --- |
| **Jenkins Electronics** |
| **Work Sheet** |
| **For the Year Ended December 31, 2010** |
| **Account Title** | **Trial Balance** | **Adjustments** | **Adjusted Trial Balance** | **Income Statement** | **Balance Sheet** |
|  | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** | **Debit** | **Credit** |
| **Cash in Bank** |  |  |  |  |  |  |  |  |  |  |
| **Accounts Receivable** |  |  |  |  |  |  |  |  |  |  |
| **Merchandise Inventory** |  |  |  |  |  |  |  |  |  |  |
| **Supplies** |  |  |  |  |  |  |  |  |  |  |
| **Prepaid Insurance** |  |  |  |  |  |  |  |  |  |  |
| **Delivery Equipment** |  |  |  |  |  |  |  |  |  |  |
| **Store Equip. & Fixtures** |  |  |  |  |  |  |  |  |  |  |
| **Accounts Payable** |  |  |  |  |  |  |  |  |  |  |
| **Sales Tax Payable** |  |  |  |  |  |  |  |  |  |  |
| **Wayne Jenkins, Capital** |  |  |  |  |  |  |  |  |  |  |
| **Wayne Jenkins, Drawing** |  |  |  |  |  |  |  |  |  |  |
| **Income Summary** |  |  |  |  |  |  |  |  |  |  |
| **Sales** |  |  |  |  |  |  |  |  |  |  |
| **Sales Discounts** |  |  |  |  |  |  |  |  |  |  |
| **Sales Ret. & Allow.** |  |  |  |  |  |  |  |  |  |  |
| **Purchases** |  |  |  |  |  |  |  |  |  |  |
| **Purchases Discounts** |  |  |  |  |  |  |  |  |  |  |
| **Purchases Ret. & Allow.** |  |  |  |  |  |  |  |  |  |  |
| **Transportation In** |  |  |  |  |  |  |  |  |  |  |
| **Advertising Expense** |  |  |  |  |  |  |  |  |  |  |
| **Bank Card Fees Expense** |  |  |  |  |  |  |  |  |  |  |
| **Delivery Expense** |  |  |  |  |  |  |  |  |  |  |
| **Insurance Expense** |  |  |  |  |  |  |  |  |  |  |
| **Miscellaneous Expense** |  |  |  |  |  |  |  |  |  |  |
| **Maintenance Expense** |  |  |  |  |  |  |  |  |  |  |
| **Rent Expense** |  |  |  |  |  |  |  |  |  |  |
| **Salaries Expense** |  |  |  |  |  |  |  |  |  |  |
| **Payroll Tax Expense** |  |  |  |  |  |  |  |  |  |  |
| **Supplies Expense** |  |  |  |  |  |  |  |  |  |  |
| **Utilities Expense** |  |  |  |  |  |  |  |  |  |  |
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