**UIL ACCOUNTING**

**District 2013-D2**

**Group 1**

**For questions 1 through 6 write the identifying letter of the account to be debited or credited in each of the following situations:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A** | **Cash in Bank** |  | **D** | **Miscellaneous Expense** |
| **B** | **Petty Cash Fund** |  | **E**  | **Cash Short and Over** |
| **C** | **Postage Expense** |  | **F** | **Petty Cash Expense** |

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
| To establish the petty cash fund | #1 | #2 |
| To replenish the petty cash fund when all vouchers were for postage stamps | #3 | #4 |
| To increase the petty cash fund | #5 | #6 |

**Group 2**

**On January 3, 2013 Willie Robertson, owner of Swamp Real Estate Company, received a bank statement dated December 28, 2012. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Willie compared the company’s checkbook records with the bank statement and found the following:**

* The December bank statement shows an ending balance of $8,642.03
* The statement shows the December bank service charge of $20.50
* A check from Ed Dupree for $2,500 that was deposited in the business bank account on December 26 was returned by the bank. Willie’s bank charged his account with a $25 fee for handling the dishonored check. (Both the dishonored check and the fee were first discovered upon receipt of the bank statement.)
* A deposit of $5,000 was made on December 30 but does not appear on the bank statement.
* Four December checks do not appear on the bank statement:

 Check #7050 for $438.57 Check #7053 for $24.15

 Check #7051 for $2,492.46 Check #7055 for $3,684.25

**For questions 7 and 8, write the correct amount on your answer sheet.**

7. What is the reconciled (adjusted) bank balance on December 31, 2012?

8. What was the balance in the checkbook immediately before the bank reconciliation was prepared?

**Group 3**

**The following are all of the accounts of Brown Company that have a balance at the end of December, the company’s first month of operation. All accounts have normal balances.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Accounts Payable** | **12,680** |  | **Rent Expense** | **1,400** |
| **Accounts Receivable** | **8,410** |  | **Salaries Expense** | **8,750** |
| **Advertising Expense** | **715** |  | **Service Revenue** | **26,540** |
| **Cash** | **15,445** |  | **Dave Brown, Capital** |  **?** |
| **Store Equipment** | **25,000** |  | **Dave Brown, Drawing** | **2,500** |
| **Office Equipment** | **7,000** |  |  |  |

**For questions 9 through 13, write the correct amount on your answer sheet.**

 9. What is the amount of net income?

10. What is the amount of capital on the trial balance?

11. What is the amount of the balancing totals on the trial balance?

12. What is the amount that the owner invested in the business?

\*13. What is the amount of owner’s equity to be shown on the December 31 balance

 sheet?

**Group 4**

**Using the code below, identify how items 14 through 20 would be handled for the December 31, 2012 bank reconciliation of Empire Co. prepared on January 3, 2013. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed.**

 **A. added to the checkbook balance**

 **B. deducted from the checkbook balance**

 **C. added to the bank statement balance**

 **D. deducted from the bank statement balance**

14. A deposit on December 30 was not listed among the bank statement deposits for

 December.

15. On December 31, 2012 Empire Co. put a stop payment order on Empire’s check

 #2614 which was written for $315 on December 29, 2012. (Disregard any stop

 payment bank charge.)

16. An employee of Empire Co. used the company debit card to purchase postage

 stamps and failed to record this in the checkbook.

17. A customer’s check deposited on December 28 by Empire Co. was returned by the

 bank as NSF. Empire Co. first learned about this upon receipt of the December

 bank statement.

18. Empire Co.’s December checks #2616, #2617, and #2618 were not listed on the

 bank statement as cleared items.

19. Empire Co.’s check #2610 was recorded on the check stub as $685 and correctly

 cleared the bank as $658.

20. There was a bank service charge of $15.

**Group 5**

**In questions 21 through 26, use the following list of account titles to determine the accounts to be debited and credited for the adjusting entries below. Write the identifying letter of the correct account on your answer sheet.**

 **A. Merchandise Inventory E. Insurance Expense**

 **B. Office Supplies F. Office Supplies Expense**

 **C. Prepaid Insurance G. an account not listed here**

 **D. Income Summary**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| To adjust for insurance premiums expired | #21 | #22 |
| To adjust for merchandise inventory when ending inventory is greater than beginning inventory | #23 | #24 |
| To adjust for the office supplies used | #25 | #26 |

**Group 6**

**The partially completed income statements for Dynasty Company for 2011 and 2012 follow. Determine the missing amounts in items 27 through 35 and write the correct amount on your answer sheet.**

|  |  |  |
| --- | --- | --- |
|  | **2011** | **2012** |
| **Revenues** | 86,410 | 82,430 |
| **Beginning Inventory** |  **\* #27** |  **#30** |
| **Purchases** | 54,136 | 49,078 |
| **Transportation In** | 2,644 | 3,410 |
| **Purchases Discounts** | 2,469 |  **\* #31** |
| **Purchases Returns & Allowances** | 1,325 | 987 |
| **Net Purchases** |  **#28** |  **#32** |
| **Cost of Merchandise Available for Sale** |  **#29** |  **#33** |
| **Ending Inventory** | 19,850 | 18,140 |
| **Cost of Merchandise Sold** | 51,846 |  **#34** |
| **Gross Profit** | 34,564 | 31,323 |
| **Expenses** | 32,456 |  **#35** |
| **Net Income** | 2,108 | <3,645> |

**Group 7**

**For question #36, write the correct amount on your answer sheet. Some of the subtotals on a worksheet before net income or net loss is calculated are as follows:**

|  |  |
| --- | --- |
| **Income Statement Credit** | **80,765** |
| **Balance Sheet Debit** | **112,678** |
| **Balance Sheet Credit** | **101,350** |

 36. What is the amount of the Income Statement Debit column subtotal before net

 income or net loss is calculated?

**Group 8**

**Following are all the accounts (except capital) of the Duckman Co. as of the end of the fiscal year (12-31-12) after adjustments. All accounts have normal balances.**

**Si Duckman made one owner investment during the year of $18,000.**

**Supplies purchased are first posted to an asset account. Duckman purchased $7,245 of supplies during the current fiscal year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Title** | **Amount** |  | **Account Title** | **Amount** |
| Accounts Payable | 16,275 |  | Rent Expense | 11,220 |
| Accounts Receivable | 3,075 |  | Revenue | 68,615 |
| Cash in Bank | 3,750 |  | Salary Expense | 28,470 |
| Equipment | 56,000 |  | Supplies | 2,840 |
| Si Duckman, Drawing | 20,000 |  | Supplies Expense | 7,685 |

**Write the correct amount on your answer sheet for questions 37 through 45.**

37. What was the balancing total of the Adjusted Trial Balance columns?

38. What is the balance in the capital account at the end of fiscal year 2012 before

 closing entries are posted?

39. What was the balance in the capital account on January 1, 2012?

40. On the worksheet for 2012, what is the subtotal of the Income Statement Debit

 column before net income or net loss is calculated?

41. On the worksheet for 2012, what is the subtotal of the Balance Sheet Debit column

 before net income or net loss is calculated?

42. What was the amount of net income or net loss for the year 2012?

\*43. What was the capital account balance on December 31, 2012 after closing

 entries?

44. What is the amount of total assets that would appear on the Post-Closing Trial Balance dated December 31, 2012?

\*45. What was the balance of the Supplies account on January 1, 2012?

**Group 9**

**The following rates and maximums per employee per year are in effect:**

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $113,700** |
| **Medicare** | **1.45% on all earnings** |
| **Employee Federal Income Tax** | **15% on all earnings** |
| **Employee State Income Tax** | **2% on all earnings** |
| **Federal Unemployment Tax** | **.8% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **2.7% 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. Health insurance premiums are remitted to Allied Health Co.**

**Selected information from a weekly payroll register for one employee is presented below with some amounts intentionally omitted. Prior to this week’s paycheck the employee had accumulated gross earnings of $6,940. The payroll clerk is new to the job and was unsure what to deduct.**

|  |  |
| --- | --- |
| **Gross Earnings:** |  |
|  **Regular** |  |
|  **Overtime (8 hours)** | **120.00** |
|  **Total Gross Earnings** |  |
| **Deductions: ????** |  |
|  **Social Security** |  |
|  **Medicare** |  |
|  **Federal Income Tax** |  |
|  **State Income Tax** |  |
|  **Health Insurance Premium** | **75.00** |
|  **Federal Unemployment Tax** |  |
|  **State Unemployment Tax** |  |
|  **Total Deductions** |  |
| **Net Pay:** |  |

**For questions 46 through 48, write the correct amount on your answer sheet.**

\*46. What is the correct amount of the employee’s paycheck?

\*47. What is the correct amount of the employer’s payroll tax expense for this employee

 for this week?

48. The employer must pay the liability (for this paycheck) for employee federal income

 tax withheld and the employer and employee portion of Social Security and

 Medicare taxes by the 15th of the following month. What is this amount?

**Group 10**

**Kay Robertson records adjusting and closing entries only at year end, which is December 31. The following partially completed balance sheet is correct. Use the group information to calculate the missing amounts.**

|  |
| --- |
| **Miss Kay’s Sales** |
| **Balance Sheet** |
| **December 31, 2012** |
| ***Assets*** |  |  | ***Liabilities*** |  |
| **Cash** | **4,592** |  | **Accounts Payable** | **2,780** |
| **Accounts Receivable** | **1,150** |  | **Sales Tax Payable** | **1,840** |
| **Merchandise Inventory** |  |  | **Total Liabilities** |  |
| **Prepaid Insurance** |  |  |  |  |
| **Supplies** |  |  | ***Owner’s Equity*** |  |
|  |  |  | **Kay Robertson, Capital** |  |
| **Total Assets** |  **$**  |  | **Total Liabilities and** **Owner’s Equity** |  **$**  |
|  | **========** |  |  | **========** |

**The balance in the owner’s capital account on 1-1-12 was $5,892. The owner made one additional capital investment of $15,000. She made equal monthly withdrawals for personal use of $1,200 per month during the year.**

**The amount of merchandise Inventory as of 12-31-11 was $8,430. On 12-31-12 one of the adjusting entries included a credit to Income Summary for $70.**

**Supplies Expense for 2012 was $4,045. Supplies inventory as of 12-31-11 was $650. During the year Miss Kay purchased $4,380 in supplies.**

**Miss Kay began the year 2012 with no insurance coverage. Following the advice of her son, Willie, she purchased two different types of policies that cost $1,020 and $1,980 respectively. During 2012, $2,250 in insurance had expired.**

**For items 49 through 56 write the correct amount on your answer sheet.**

\*49. What is the amount of net income for the year 2012?

What is the correct amount that should appear on the worksheet in the Trial Balance column for:

50. Supplies

51. Prepaid Insurance

52. Merchandise Inventory

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

\*53. Merchandise Inventory

54. Prepaid Insurance

\*55. Supplies

\*56. Kay Robertson, Capital

**Group 11**

**Robertson Company is a retail establishment and uses the following order to close the temporary accounts at the end of the fiscal year:**

* **Close appropriate accounts with credit balances in one combined entry.**
* **Close appropriate accounts with debit balances in one combined entry.**
* **Close the Income Summary account.**
* **Close the owner’s drawing account.**

**The adjusted trial balance for Robertson Company for the calendar year 2012 follows. All accounts have normal balances. Phil Robertson invested $15,000 in cash in his business during 2012.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash in Bank** | **3,684** |  | **Sales Discounts** | **2,674** |
| **Accounts Receivable** | **8,255** |  | **Sales Returns & Allow.** | **2,413** |
| **Merchandise Inventory** | **16,740** |  | **Purchases** | **49,166** |
| **Prepaid Insurance** | **1,395** |  | **Transportation In** | **3,796** |
| **Equipment** | **15,000** |  | **Purchases Discounts** | **2,161** |
| **Trucks** | **82,450** |  | **Purchases Returns & Allow.** | **1,479** |
| **Accounts Payable** | **15,462** |  | **Rent Expense** | **9,360** |
| **Phil Robertson, Capital** | **111,775** |  | **Salary Expense** | **12,000** |
| **Phil Robertson, Withdrawals** | **3,000** |  | **Payroll Tax Expense** | **1,140** |
| **Income Summary** | **950 CR** |  | **Advertising Expense** | **860** |
| **Sales** | **85,707** |  | **Insurance Expense** | **5,601** |

**For questions 57 through 66, write the correct amount on your answer sheet.**

57. What was the balance of Phil Robertson, Capital on January 1, 2012?

58. What was the amount that affected Income Summary in the first closing entry?

59. What was the amount that affected Income Summary in the second closing entry?

\*60. What was the amount of the third closing entry?

 \*61. What was the balance of Phil Robertson, Capital on 12-31-12 after all closing entries

 were posted?

 \*62. What was the amount of beginning inventory on January 1, 2012?

63. What was the amount of Prepaid Insurance on the trial balance of the work sheet

 for the year ended 12-31-12?

64. What is the amount of net sales?

\*65. What is the amount of gross profit?

66. What is the amount of cost of merchandise available for sale?

**Group 12**

**Table 1 on page 10 shows the Employee Earnings Record of Jase Robertson. All the information presented is correct. The missing information can be determined from the data given. Round each calculation to the nearest cent.**

**The employer’s payroll policies and other information are also shown in the Table. Adjusting and closing entries are prepared annually as of the end of the fiscal year, which is December 31.**

**For questions 67 through 80, write the identifying letter of the best response on your answer sheet.**

67. Jase’s overtime rate of pay per hour is

 A. $ 10 B. $14 C. $15 D. $40 E. $60

68. How many overtime hours did Jase work in May?

 A. zero B. 14 C. 34 D. 40 E. 42 F. 56

69. What are Jase’s gross earnings for the week of May 17?

 A. $210 B. $400 C. $540 D. $610

70. What are Jase’s gross earnings for the week of May 24?

 A. $120 B. $400 C. $520 D. $540 E. $610

71. What is the amount of net pay for the week of May 17?

 A. $402.22 B. $471.83 C. $553.05 D. $563.33

\*72. What total amount of Medicare tax has been withheld year-to-date as of the last pay

 period in May?

 A. $41.19 B. $64.38 C. $87.00 D. $139.86 E. $597.97

\*73. What total amount of Social Security tax has been withheld year-to-date as of the

 last pay period in May?

 A. $64.38 B. $139.86 C. $176.08 D. $275.28 E. $597.99 F. $599.79

74. What is the amount of federal unemployment tax owed just for the week ending

 April 26?

 A. zero B. $3.85 C. $5.60 D. $10.15 E. $105.00

75. What is the amount of federal unemployment tax owed just for the week ending

 May 3?

 A. zero B. $1.07 C. $1.56 D. $3.20 E. $3.27 F. $4.76

76. What is the amount of state unemployment tax owed just for the week ending

 May 24?

 A. zero B. $1.51 C. $1.96 D. $2.20 E. $2.86 F. $4.16

**Group 12 continued**

77. What is the amount of state unemployment tax owed just for the week ending

 May 31?

 A. zero B. $1.35 C. $1.96 D. $2.20 E. $3.20 F. $3.55

\*78. Consider that Jase quit this job (because his uncle wants him to return to the family

 business) and therefore did not receive any paychecks in June through December.

 What amount would the employer report on Jase’s IRS Form W-2 in Box 3 entitled

 “Social Security Wages”?

 A. $597.99 B. $599.79 C. $4,440.00 D. $7,476.40 E. $9,645.00

\*79. What is the total amount debited to the employer’s general ledger account called

 Payroll Tax Expense for January through May for this one employee?

 A. $737.85 D. $1,475.69

 B. $843.34 E. $2,168.60

 C. $848.34 F. $2,906.45

\*80. What is the amount of “monthly federal liability” that the employer paid correctly by

 May 15th?

 A. $535.67 D. $1,071.34

 B. $716.60 E. $1,286.54

 C. $860.54 F. $2,906.45

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

***Table 1***

**(For questions 67 through 80)**

**Company payroll policies and other information:**

|  |  |
| --- | --- |
| **Payroll Period** | **Weekly** |
| **Standard Work Week** | **40 hours** |
| **Overtime Pay** | **Time and a half for hours over standard** |
| **Social Security Rate (employer and employee)** | **6.2% on gross earnings up to $113,700 per employee** |
| **Medicare Rate** | **1.45% on all gross wages** |
| **Federal Income Tax** | **(as of April 1) 15% on all gross wages** |
| **FUTA (federal unemployment tax)** | **.8% on first $7,000 gross earnings per employee** |
| **SUTA (state unemployment tax)** | **.55% on first $9,000 gross earnings per employee** |
| **Jase Robertson’s standard rate of pay** | **$\_\_?\_\_ per hour** |

**The employer remits by the 15th of the following month the “monthly federal liability” which is 1) employee federal income tax withheld; 2) employee social security and Medicare taxes withheld; and 3) the employer’s portion of social security and Medicare taxes.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Week Ending** | **Standard****Hours** | **OT****Hours** | **Gross****Earnings** | **Social Security Tax** | **Medicare Tax** | **Federal Income** **Tax** | **Net****Pay** |
| **1st Qtr.** |  |  | **4,440.00** | **275.28** | **64.38** | **650.00** | **3,450.34** |
|  |  |  |  |  |  |  |  |
| **Apr 5** | **40** |  |  |  | **6.67** | **69.00** | **355.81** |
| **12** | **40** |  |  | **35.96** |  |  | **448.63** |
| **19** | **40** |  |  |  |  | **93.75** | **483.44** |
| **26** | **40** |  |  |  | **10.15** |  | **541.45** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **May 3** | **40** |  |  | **36.89** |  |  | **460.23** |
| **10** | **40** |  |  |  |  | **107.25** | **553.05** |
| **17** | **40** | **14** |  |  |  |  |  |
| **24** | **40** |  |  | **32.24** |  |  | **402.22** |
| **31** | **40** | **0** | **400.00** | **24.80** | **5.80** | **60.00** | **309.40** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **YTD** |  |  |  |  |  | **1,430.75** | **7,476.40** |