**UIL ACCOUNTING**

**District 2018-D**

**Group 1**

**Listed in questions 1 through 7 are the names of various businesses. On your answer sheet write the identifying letter of the type of business for each using the following code: A. service B. merchandising C. manufacturing**

1. Walmart Supercenter 5. Office Depot

2. Ford Motor Company 6. Dr. Idoo Care, Veterinarian

3. Farm Bureau Insurance Company 7. Citibank

4. Kraft Foods

**Group 2**

**The following T-account summarizes the activity for calendar year 2017 for a service business organized as a sole proprietorship. For questions 8 through 19, on your answer sheet write “True” if the statement is true; write “False” if the statement is false.**

|  |  |  |
| --- | --- | --- |
|  **Capital** |  |  |
|  |  **28,000** |  |
|  |  **18,000** |  |
|  |  **46,000**  | **(footing before closing entries)** |
|  **15,000** |  **22,000** |  |
|  |  **53,000** | **(footing after closing entries)** |

 8. Owner withdrawals will decrease the amount of individual income tax calculated on

 the owner’s Form 1040.

 9. The amount of Capital on January 1, 2017 was $28,000.

10. The amount of withdrawals was $18,000.

11. The business suffered a net loss of $15,000.

12. The amount that would be found in the Trial Balance column of the work sheet

 on 12-31-17 is $28,000

13. The amount that would be found on the Balance sheet for December 31, 2017

 is $53,000.

14. The amount $22,000 represents the loan received from a bank.

15. Salary Expense reduces net income but owner withdrawals do not affect net

 income.

16. The amount $28,000 represents only the amount of owner contributions from

 years prior to the year 2017.

17. From the given information, it is not known if the owner withdrew cash or some

 other business asset.

18. If the 2017 total revenue was $82,000, then the 2017 total expenses must have

 been $60,000.

19. When employees are paid, Salary Expense is debited; when the owner makes an

 owner withdrawal, the account Owner Withdrawals Expense is debited.

**Group 3**

**The following information comes from the accounting records of two separate businesses. Emerald Company’s liabilities decreased from the beginning of the year (2017) to the end of the year (2017) by $8,200.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Ruby Co.** |  | **Emerald Co.** |
| **December 31, 2016:** |  |  |  |
|  Assets | ? |  | ? |
|  Liabilities | 10,230 |  | ? |
| **December 31, 2017:** |  |  |  |
|  Assets | 83,560 |  | 92,610 |
|  Liabilities | 12,415 |  | 12,200 |
| **During 2017:** |  |  |  |
|  Owner Investments | 15,000 |  | 30,000 |
|  Net Income <Loss> | 24,275 |  | <2,870> |
|  Owner Withdrawals | 5,000 |  | 4,000 |

**Answer questions 20 through 23 by writing the identifying letter of the best response on your answer sheet.**

20. On Ruby’s Post-Closing Trial Balance dated 12-31-17 what is the amount of the

 owner’s capital account?

 A. $36,870 B. $56,870 C. $61,700 D. $71,145 E. $105,420

21. What is the amount of total assets for Ruby Co. on 1-1-17?

 A. $47,100 B. $67,100 C. $71,930 D. $81,375 E. $83,560

22. What is the balance of Emerald Co.’s owner’s equity account on 1-1-17?

 A. $57,280 B. $80,410 C. $81,680 D. $103,540 E. $117,280

23. On Emerald’s Balance Sheet for the prior year (12-31-16), what was the amount of

 total assets?

 A. $53,280 B. $61,280 C. $77,680 D. $85,680 E. $100,810

**Group 4**

**For question #24, write the correct amount on your answer sheet. Forrest Company has three employees who are paid weekly as follows:**

|  |  |
| --- | --- |
| **Jason Pine** | **$11.50 per hour with overtime for hours worked over 40 hours in a week at a rate of time and a half** |
| **Larry Oaks** | **$900 salary per week** |
| **Mary Walnut** | **$800 salary per week plus 1.5% commission on sales** |

**Last week each employee worked standard hours except Jason who worked a total of 62 hours. Mary sold $22,600 of merchandise.**

\*24. What is the total gross pay for the week on the Payroll Register for all three employees?

**Group 5**

**Rates for the employee payroll tax withholdings and the employer’s applicable payroll taxes are as follows:**

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $127,200** |
| **Medicare** | **1.45% on all earnings** |
| **Federal Unemployment Tax** | **.6% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **.22% on first $9,000 of gross earnings** |
| **Federal Income Tax** | **Disregard** |

**The earnings for the calendar year 2017 for the employees of Bedford Falls Company are as follows:**

|  |  |
| --- | --- |
| **Employee** | **Cumulative****Earnings** |
| **George** | **10,500** |
| **Mary** | **4,500** |
| **Billy** | **8,500** |
| **Potter** | **130,000** |

**For question #25, write the correct amount on your answer sheet.**

\*25. What is the total amount of payroll tax expense incurred by the employer?

**Group 6**

**Use the following information (arranged in alphabetical order) to answer questions 26 through 32. Write the correct amount on your answer sheet. All accounts have normal balances.**

|  |  |
| --- | --- |
| **Cost of delivered merchandise** | **64,295** |
| **Cost of merchandise available for sale** | **81,112** |
| **Gross profit** | **40,488** |
| **Net purchases** | **58,612** |
| **Net sales** | **96,400** |
| **Purchases** |  **?** |
| **Purchases discounts** |  **?** |
| **Purchases returns and allowances** | **3,487** |
| **Sales** | **101,810** |
| **Sales discounts** |  **?** |
| **Sales returns and allowances** | **3,270** |
| **Transportation in** | **4,288** |

 \*26. What is the amount of beginning inventory?

27. What is the amount of ending inventory?

28. What is the amount of purchases?

29. What is the amount of purchases discounts?

30. What is the amount of sales discounts?

31. What is the amount of cost of merchandise sold?

 \*32. What is the amount of net income if expenses were $32,670?

**Group 7**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Accounts Payable** | **2,410** |  | **Rent Expense** | **475** |
| **Accounts Receivable** | **3,800** |  | **Salaries Expense** | **15,400** |
| **Advertising Expense** | **310** |  | **Service Revenue** | **21,690** |
| **Cash** | **3,740** |  | **Benny Buster, Capital** |  **?** |
| **Store Equipment** | **6,700** |  | **Benny Buster, Drawing** | **1,500** |
| **Office Equipment** | **1,500** |  |  |  |

**For questions 33, write the correct amount on your answer sheet.**

\*33. What is the amount of total owner’s equity to be shown on the December 31

 balance sheet?

**Group 8**

**On December 1, 2017 Kurt Jensen, owner of Jensen Realty, received a bank statement dated November 28, 2017. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Mr. Jensen compared the company’s checkbook records with the bank statement and found the following:**

* The November bank statement shows a beginning balance of $6,449.20 and an ending balance of $5,369.14
* The statement shows the November bank service charge of $12.50
* A check from Casey Dodd for $485 that was deposited in the business bank account on November 26 was returned by the bank on November 28. On November 28, the bank charged Mr. Jensen’s 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 $4,910 was made on November 30 but does not appear on the bank statement.
* Four checks written in November do not appear on the bank statement:

 Check #2409 for $18.00 Check #2412 for $94.11

 Check #2410 for $2,641.18 Check #2413 for $241.16

**For questions 34 and 35, write the correct amount on your answer sheet.**

34. What is the reconciled (adjusted) bank balance on November 30, 2017?

\*35. What was the balance in the checkbook immediately before the bank reconciliation

 was prepared?

**Group 9**

**Holly Hampton is the sole owner of Holly’s Holiday Haven that sells holiday decorations and gifts. Holly began operations on March 1, 2015.**

**The business rents a building space but needs insurance coverage on the merchandise inventory, supplies and all equipment in the store.**

**It is company policy to record adjusting and closing entries only at the end of the fiscal year, which is December 31. Holly uses a 10-column work sheet at the end of each fiscal year.**

**Listed below are the payments of the 12-month insurance policy purchased and renewed since the business started. It is the only business insurance policy owned by Holly.**

|  |  |
| --- | --- |
| **Date** | **Amount Paid** |
| 3-1-15 | $3,540 |
| 3-1-16 | $3,720 |
| 3-1-17 | $3,900 |

**For questions 36 through 44, write the correct amount on your answer sheet.**

What is the amount on the work sheet for Prepaid Insurance for each of the following:

36. on 12-31-15 in the Trial Balance column

37. on 12-31-16 in the Trial Balance column

\*38. on 12-31-17 in the Trial Balance column

What is the amount on the work sheet for Insurance Expense for each of the following:

39. on 12-31-15 in the Adjusted Trial Balance column

40. on 12-31-16 in the Adjusted Trial Balance column

41. on 12-31-17 in the Adjusted Trial Balance column

What is the amount on the work sheet for Prepaid Insurance for each of the following:

42. on 12-31-15 in the Adjusted Trial Balance column

43. on 12-31-16 in the Adjusted Trial Balance column

\*44. on 12-31-17 in the Adjusted Trial Balance column

**Group 10**

|  |
| --- |
| **Star Services** |
| **Trial Balance** |
| **December 31, 2017** |
| **Cash** | **15,390** |  |
| **Accounts Receivable** | **5,150** |  |
| **Prepaid Insurance** | **460** |  |
| **Office Equipment** | **6,790** |  |
| **Accounts Payable** |  | **3,035** |
| **Joy Star, Capital** |  | **13,161** |
| **Fees Income** |  | **19,000** |
| **Insurance Expense** | **750** |  |
| **Rent Expense** | **5,335** |  |
| **Utilities Expense** | **2,481** |  |
| **Totals** | **36,356** | **35,196** |

**The trial balance above is out of balance. An examination of the records revealed the following:**

**1. A collection on account for $350 was debited correctly, but was credited to Fees**

 **Income.**

**2. The purchase of a six-month insurance policy for $750 on December 31, 2017 was**

 **credited correctly, but was debited to Insurance Expense.**

**3. A payment on account in the amount of $502 was recorded as $205 for both the debit**

 **and the credit.**

**4. Services performed on account in the amount of $1,500 was recorded with a debit to**

 **Accounts Receivable for $1,500 and a credit to Fees Income for $150.**

**5. The utilities payment of $105 was recorded with a debit to Utilities Expense for $105**

 **and a debit to Cash for $105.**

**6. An owner withdrawal of $2,000 cash was credited correctly, but was debited to the**

 **capital account.**

**7. A payment on account for $400 was credited to the cash account with no debit entry**

 **made.**

**Answer questions 45 through 51 by writing the correct amount on your answer sheet. Answer the questions on the basis that all corrections have been made and the trial balance is in balance. The work sheet has not yet been prepared.**

 \*45. What is the correct balance of Cash?

46. What is the correct balance of Accounts Receivable?

47. What is the correct balance of Prepaid Insurance?

48. What is the correct balance of Accounts Payable?

49. What is the correct balance of Joy Star, Capital?

50. What is the correct balance of Fees Income?

\*\*51. What is the balancing total of the corrected trial balance?

**Group 11**

**The following chart correctly summarizes the activity in the petty cash fund of a business for four months although much of the information is missing. All vouchers were prepared correctly and according to company policies. The company reconciles petty cash on the last day of each month and has always maintained a $200 balance in the account until July 18th when the company increased the fund by $50.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Actual Cash** | **Cash** | **Amount** |
|  | **Vouchers** | **Before** | **Over** | **Needed to** |
| **Month** | **Totaling** | **Replenishment** | **<Short>** | **Replenish** |
| **May 31** |  | **31.30** | **<1.20>** |  |
| **June 30** |  |  | **1.65** | **192.55** |
| **July 31** |  | **42.65** | **.80** |  |
| **Aug 31** |  |  | **<.20>** | **227.60** |

**For questions 52 and 53, write the correct amount on your answer sheet.**

52. The check needed to replenish petty cash on July 31 is \_\_?\_\_.

\*53. The vouchers for the months of May through August added together equal \_\_?\_\_.

**Group 12**

**Refer to the complete general ledger of Bayberry Company in Table 1 on page 9. In the accounts, “YR2017” indicates the summary total of the transaction activity affecting the account during the year 2017. All accounts have normal balances. All of the information given is correct. Some items are missing, but can be determined from other information provided. All adjusting entries have been posted with the date of 12-31-17 (although some are only partially presented). No closing entries have been posted.**

**On your answer sheet for questions 54 through 62, write “True” if the statement is true; write “False” if the statement is false.**

54. The amount of cash paid out in 2017 was $70,930.

55. The amount charged by customers in 2017 was $65,380.

56. The amount of supplies acquired in 2017 was $3,685.

57. The amount bought from vendors on account in 2017 was $24,860.

58. The amount received on account from customers in 2017 was $33,260.

59. Total liabilities increased from 1-1-17 to 12-31-17 by $275.

60. The owner withdrew $3,000 in 2017 for personal use.

61. The total cost of merchandise available for sale in 2017 was $21,270.

62. The amount of total expenses for 2017 before adjusting entries were posted was

 $9,465.

**Group 12 continued**

**Continue to refer to the data in Table 1. For questions 63 through 70, write the correct amount on your answer sheet.**

**On the correctly prepared work sheet for the twelve months ended 12-31-17, what was the amount in the Trial Balance columns for each of the following?**

63. Cash in Bank \*67. Prepaid Insurance

\*64. Merchandise Inventory 68. Ben Bayberry, Capital

\*65. Supplies 69. Insurance Expense

\*66. Accounts Payable 70. Ben Bayberry, Withdrawals

**Continue to refer to the data in Table 1. For questions 71 through 80, write the correct amount on your answer sheet.**

71. What was the balance of Accounts Receivable on 1-1-17?

72. What was the balance in the Prepaid Insurance account on 1-1-17?

\* 73. What was the balance in the Accounts Payable account on 1-1-17?

74. What amount of supplies is available to be used in a future period after 12-31-17?

75. What amount of Merchandise Inventory will be shown on the Balance Sheet dated

 12-31-17?

76. What is the amount of cost of merchandise sold for 2017?

77. What is the amount of gross profit for 2017?

\* 78. What amount will be shown on the Income Statement for the twelve months ended

 12-31-17 for Total Expenses?

79. On the Balance Sheet dated December 31, 2017, what is the amount of total

 assets?

 \*\*80. After all closing entries for 2017 are posted, what is the balance of the capital

 account?

**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 54 through 80)**

|  |  |  |
| --- | --- | --- |
| **Cash in Bank** |  | **Ben Bayberry, Withdrawals** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  | *6,720* |  | *YR 2017* | *5,000* |  | *5,000* |
| *YR 2017* | *70,930* |  |  |  |  |  |  |  |
| *YR 2017* |  | *64,065* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Accounts Receivable** |  | **Income Summary** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  |  |  | *12-31-17* |  | *2,140* | *2,140* |
| *YR 2017* | *30,710* |  |  |  |  |  |  |  |
| *YR 2017* |  | *33,260* | *1,740* |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Supplies** |  | **Sales** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  | *2,140* |  | *YR 2017* |  | *65,380* |  |
| *YR 2017* | *3,685* |  |  |  |  |  |  |  |
| *12-31-17* |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Prepaid Insurance** |  | **Purchases** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  |  |  | *YR 2017* | *41,368* |  |  |
| *YR 2017* | *4,272* |  |  |  |  |  |  |  |
| *12-31-17* |  |  | *1,780* |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Merchandise Inventory** |  | **Supplies Expense** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  |  |  | *12-31-17* | *3,840* |  |  |
| *12-31-17* |  |  | *23,410* |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Accounts Payable** |  | **Insurance Expense** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  |  |  | *12-31-17* | *4,202* |  | *4,202* |
| *YR 2017* |  | *24,860* |  |  |  |  |  |  |
| *YR 2017* | *25,135* |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Ben Bayberry, Capital** |  | **All Other Expenses (combined for simplicity)** |
| **Date** | **Debit** | **Credit** | **Balance** |  | **Date** | **Debit** | **Credit** | **Balance** |
| *1-1-17* |  |  | *32,155* |  | *YR 2017* | *9,465* |  | *9,465* |
| *YR 2017* |  | *3,000* | *35,155* |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |