Contestant #\_\_\_\_\_\_

Team #\_\_\_\_\_\_

UNIVERSITY INTERSCHOLASTIC LEAGUE

ACCOUNTING EXAM

Invitational 2020-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”.**

**For each multiple choice question, write only the identifying letter of the correct answer on your answer sheet.**

**When an answer contains more than one response, all responses must be correct for the answer to be correct. The correct responses may be listed in any order unless the group instructions say otherwise. An incorrect response among the correct responses will cause your answer to be wrong.**

**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.”**

**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.**

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**UIL Accounting**

**Invitational 2020-A**

**Group 1**

**For items 1 through 9, indicate the location where each is written on a balance sheet in account form illustrated below. Write the correct identifying letter on your answer sheet.**

|  |
| --- |
| **A** |
| **B** |
| **C** |
|   |
|  | **D** |  |  |  |  |  |  |  | **I** |  |  |  |  |  |  |  |
|  |  **E** |  | **G** |  |  |  |  |  |  **J** | **O** |  |  |  |  |  |  |
|  |  |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  **K** | **P** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **L** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  **M** | **Q** |  |  |  |  |  |  |
|  |  **F** |  | **H** |  |  |  |  |  |  **N** | **R** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Words Total Liabilities and Owner’s Equity 6. Title of each liability

2. Section heading Owner’s Equity 7. Words Total Assets

3. Words Total Liabilities 8. Amount of capital

4. Specific date of financial statement 9. Amount of each asset item

5. Total amount of liabilities

**Group 2**

**Determine the unknown amount in each of the following independent situations. The amounts in the Beginning and Ending Balance columns represent normal balances. Answer questions 10 through 12 by writing the correct amount on your answer sheet.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Account** | **Beginning****Balance** | **Ending****Balance** | **Other Information** |
| Accounts Receivable | 39,416 | 46,019 | Received on account $27,684 |
| Prepaid Insurance | 2,384 | 2,544 | Premiums paid during the period $3,816 |
| Owner’s Capital | 64,389 | 76,182 | Owner’s withdrawals $20,000 |

10. What amount of insurance premiums expired during the period?

11. What amount was sold on account to customers during the period?

12. What amount did the owner invest in the business during the period if net loss for

 the period was $3,207?

**Group 3**

**The following account titles are found in the chart of accounts of Brewster Engineering Services. Questions 13 through 20 consist of the closing entries for the year ended December 31, 2019. Indicate the account(s) to be debited and credited in each closing entry by using the identifying letters. (When an answer consists of multiple accounts, the identifying letters may be listed in any order, but all correct letters must be written for the answer to be correct. The inclusion of an incorrect account will cause the answer to be wrong.)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **A** | **Cash in Bank** |  | **I** | **Dion Brewster, Drawing** |
| **B** | **Accounts Receivable** |  | **J** | **Income Summary** |
| **C** | **Office Supplies** |  | **K** | **Fees Income** |
| **D** | **Prepaid Insurance** |  | **L** | **Rent Expense** |
| **E** | **Equipment** |  | **M** | **Utilities Expense** |
| **F** | **Vehicles** |  | **N** | **Supplies Expense** |
| **G** | **Accounts Payable** |  | **O** | **Insurance Expense** |
| **H** | **Dion Brewster, Capital** |  |  |  |

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Record the closing entry for the revenue account(s) | **13.** | **14.** |
| Record the closing entry for the expense account(s) | **15.** | **16.** |
| Record the closing entry for net income | **17.** | **18.** |
| Record the closing entry for the owner’s drawing | **19.** | **20.** |

**Group 4**

**For items 21 through 24, write the correct amount on your answer sheet. None of the owners invested additional capital in their respective businesses during the time period shown.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company****Name** | **Ending****Amt. of****Assets** | **Ending****Amt. of****Liabilities** | **Beginning Amt. of Owner’s Equity** | **Withdrawals for the period** | **Revenue for the period** | **Expenses for the period** |
| Salt Co. | 94,163 | 9,324 | 86,295 | -0- | **Q#21** | 74,697 |
|  |  |  |  |  |  |  |
| Pepper Co. | 63,379 | 11,624 | **Q#22** | 8,500 | 92,378 | 82,576 |
|  |  |  |  |  |  |  |
| Garlic Co. | **\*Q#23** | 27,610 | 89,320 | 5,000 | 94,320 | **\*Q#24** |
|  | **Garlic Company’s total owner’s equity after closing net income but before closing withdrawals is $97,256.** |

**Group 5**

**Some amounts are omitted in each of the following financial statements:**

|  |
| --- |
|  **Income Statement** |
| **For the Year Ended December 31, 2019** |
|  | **Monica Company** | **Joey Company** | **Chandler Company** |
| Revenues | 96,050 | (e) | (h) |
| Expenses | 72,964 | 42,811 | 57,960 |

|  |
| --- |
| **Statement of Changes in Owner’s Equity** |
| **For the Year Ended December 31, 2019** |
|  | **Monica Company** | **Joey Company** | **Chandler Company** |
| Capital, January 1 | (a) | 75,500 | 23,495 |
| Additional Capital Investment | 25,000 | 15,000 | (i) |
| Net Income <Loss> | (b) | 45,182 | <6,280> |
| Drawing | 10,000 | (f) | 1,000 |
| Capital, Dec. 31 | (c) | 105,682 | ? |

|  |
| --- |
| **Balance Sheet** |
| **December 31, 2019** |
|  | **Monica Company** | **Joey Company** | **Chandler Company** |
| Total assets | (d) | 142,627 | 54,645 |
| Total liabilities | 32,419 | (g) | 18,430 |
| Total owner’s equity | 127,720 | ? | ? |

**Determine the missing amounts for items “a” through “i” shown above and that correspond to questions 25 through 33 below. Write the correct amount for each on your answer sheet. A net loss must be indicated by brackets or parentheses. (Question marks above indicate an unknown, but are not questions to be answered below.)**

\*25. Item a

26. Item b

27. Item c

28. Item d

29. Item e

30. Item f

31. Item g

32. Item h

33. Item i

**Group 6**

**Jethro Company prepares adjusting and closing entries only at the end of the fiscal year which is December 31.**

**The information needed to prepare the trial balance for Jethro Company as of
12-31-19 (before adjusting entries) follows in the chart below. All accounts have normal balances. Total expenses are grouped together for simplicity. The owner made one capital contribution during the year 2019 in the amount of $9,000.**

**Ending inventory on 12-31-19 is $20,980. For items 34 through 44, write the correct amount on your answer sheet.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash** | **8,295** |  | **Sales Discounts** | **2,435** |
| **Accounts Receivable** | **2,480** |  | **Sales Returns & Allowances** | **1,968** |
| **Inventory** | **18,475** |  | **Purchases** | **58,698** |
| **Accounts Payable** | **3,655** |  | **Transportation In** | **4,849** |
| **Ed Jethro, Capital** |  **?** |  | **Purchases Discounts** | **3,704** |
| **Ed Jethro, Drawing** | **20,000** |  | **Purchases Returns & Allow.** | **1,250** |
| **Sales** | **102,803** |  | **Total Expenses** | **20,405** |

\*34. The amount of capital in the general ledger on 1-1-19 before any 2019 transactions

 is $\_\_\_\_\_.

35. Total debits on the trial balance are $\_\_\_\_\_.

36. Cost of Delivered Merchandise is $\_\_\_\_\_.

37. Net Purchases is equal to $\_\_\_\_\_.

38. Cost of Merchandise Sold is $\_\_\_\_\_.

39. Net Sales are $\_\_\_\_\_.

40. Cost of Merchandise Available for Sale is $\_\_\_\_\_.

41. Gross Profit is $\_\_\_\_\_.

\*42. Net Income is $\_\_\_\_\_.

\*43. The amount of capital on the Post-Closing Trial Balance dated 12-31-19 is $\_\_\_\_\_.

\*44. Total assets on the Balance Sheet dated 12-31-19 are $\_\_\_\_\_.

**Group 7**

**For questions 45 through 56, refer to the document below and write the identifying letter of the best response on your answer sheet.**

45. The payee is

 A. First State Bank C. A+ Plumbing

 B. Bubba Adams D. Ronco Supply Co

46. The drawer is

 A. First State Bank C. A+ Plumbing

 B. Bubba Adams D. Ronco Supply Co

47. The drawee is

 A. First State Bank C. A+ Plumbing

 B. Bubba Adams D. Ronco Supply Co

48. When Ronco Supply Co. prepares a deposit slip, this check from A+ Plumbing will

 be endorsed using a stamp that states “For Deposit Only, Ronco Supply Co.” This

 type of endorsement is called a

1. special endorsement C. restrictive endorsement
2. limiting endorsement D. restraining endorsement

49. The check stub balance immediately after check #3974 was written was

 A. zero C. $2,445 E. $9,075

 B. $615 D. $7,245 F. $9,690

50. Checks should be

 A. typewritten D. written in pencil

 B. written in ink E. any of the choices A, B, C, or D

 C. computer-generated F. any of the choices A, B, or C

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

 A. the check stub C. the check

 B. the check endorsement D. the bank reconciliation

**Group 7\_continued**

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

 person(s) who

A. the bank personnel designate for each account.

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

C. is selected by the FDIC.

 D. is listed on the company’s website.

53. 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. Internet Funds Exchange System

 C. Electronic Funds Transfer System

 D. E-bank Money Transport System

54. 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

55. 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 should have the word “canceled” printed on the face of the

check in large letters.

56. 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 8**

**For each of the following errors (Errors A through E), you are to calculate the amount the error will cause the trial balance to be out of balance. If the trial balance is in balance with that error, the difference is zero. Write the correct amount on your answer sheet. Question numbers are in the chart below under the column heading of “Amount Out of Balance.”**

**Also for Errors A through E you are to indicate which trial balance column will have the larger total as a result of the error. Question numbers are in the chart below under the column heading of “Column Having Larger Total.” Use the following code: DR=debit CR=credit N=neither**

**Each error is independent of the others. Assume that the only error made in each case is the error listed. (For example, in Error A, the $100 debit portion of the transaction was handled correctly.)**

|  |  |  |
| --- | --- | --- |
| **Error** | **Amount Out** **of Balance** | **Column Having** **Larger Total** |
| A. | #57 | #58 |
| B. | #59 | #60 |
| C. | #61 | #62 |
| D. | #63 | #64 |
| E. | #65 | #66 |

Error A: The $100 credit to Cash was credited to the Cash account twice.

Error B: The $1,900 credit to Sales was posted as a $19,000 credit.

Error C: The $5,000 debit to Office Supplies was debited to Office Equipment.

Error D: The $625 debit to Prepaid Insurance was posted as a $6,250 debit.

Error E: The $250 credit to Accounts Payable was not posted.

**Group 9**

**Refer to Table 1 on page 9 and the work sheet on page 11. (Please note that page 10 is intentionally blank.) For questions 67 through 80, write the correct amount on your answer sheet. These questions refer to the properly completed work sheet.**

What was the balance in each of the following accounts in the unadjusted trial balance?

67. Prepaid Insurance

68. Supplies on Hand

69. Accounts Payable

70. Bea Strong, Capital

71. Bea Strong, Drawing

What was the balance in each of the following accounts in the adjusted trial balance?

72. Supplies on Hand

73. Prepaid Insurance

74. Supplies Expense

\*75. Insurance Expense

\*\*76. Revenue

\*77. Cash in Bank

**Continue to refer to Table 1. Write the correct amount on your answer sheet.**

\*78. What was the balance of Prepaid Insurance in the general ledger on 1-1-19?

79. What is the amount of net income for the year 2019?

\*\*80. What is the balance of Bea Strong, Capital on the Post-Closing Trial Balance dated

 December 31, 2019?

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

***TABLE 1***

**(for questions 67 through 80)**

**Bea Strong is the sole owner of Strong Athletic Trainers. The selected amounts that appear on the work sheet on page 10 are accurate.**

**Acquisitions of office supplies and insurance are properly recorded in their respective asset accounts. Adjusting and closing entries are prepared only at the end of the fiscal year, which is December 31.**

**All adjusting entries made in prior years were prepared correctly.**

**Additional Information:**

* **Supplies on Hand:**

 **Inventory on January 1, 2019………...$ 3,215**

 **Purchased during 2019………………… 8,374**

 **Inventory on December 31, 2019…..… 2,890**

* **Insurance information:**

 **paid by check $3,960 on May 1, 2018 for a 12-month policy**

 **paid by check $4,140 on May 1, 2019 for a 12-month policy**

* **Bea Strong, Capital:**

 **General Ledger balance January 1, 2019 $200,043**

 **owner capital contribution March 8, 2019 $15,000**

* **Cash withdrawals by owner for personal use were equal payments of $2,800 per month during 2019.**
* **Bea purchased fitness equipment from Fitness Giant for $294,830 on
January 4, 2016. This is the only fitness equipment that Bea’s company owns.**
* **Fitness Giant allows Bea to pay for the fitness equipment in equal installments over five years. Bea made the first annual payment on January 4, 2016, and Bea has made each January 4th annual payment since then on time. Fitness Giant does not charge Bea any interest on the unpaid balance. Bea does not owe any other vendor besides Fitness Giant.**

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| --- |
| **Strong Athletic Trainers** |
| **Work Sheet** |
| **For the Year Ended December 31, 2019** |
| **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** |  |  |  |  |  |  |  |  |  |  |
| **Petty Cash** | **200** |  |  |  |  |  |  |  |  |  |
| **Prepaid Insurance** |  |  |  |  |  |  |  |  |  |  |
| **Supplies on Hand** |  |  |  |  |  |  |  |  |  |  |
| **Office Equipment** | **3,750** |  |  |  |  |  |  |  |  |  |
| **Fitness Equipment** |  |  |  |  |  |  |  |  |  |  |
| **Accounts Payable** |  |  |  |  |  |  |  |  |  |  |
| **Bea Strong, Capital** |  |  |  |  |  |  |  |  |  |  |
| **Bea Strong, Drawing** |  |  |  |  |  |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |  |  |  |  |  |
| **Rent Expense** | **10,200** |  |  |  |  |  |  |  |  |  |
| **Utilities Expense** | **7,945** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Subtotals Before Net Income** |  |  |  |  |  |  |  |  | **341,515** |  |
| **Net Income** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |