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

UNIVERSITY INTERSCHOLASTIC LEAGUE

ACCOUNTING EXAM

District 2021-D

**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.**

**Carefully read the instructions for each group of questions. Pay particular attention to instructions regarding: 1) the required format of answers; and**

 **2) rounding.**

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

|  |  |  |
| --- | --- | --- |
| **True** | **=**  | **True** |
| **False** | **=** | **False** |

**If you choose another response for the examples given above, it will be counted as incorrect. 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.”**

**Work papers and the test itself are never reviewed by graders.**

**This page is intentionally blank.**

**UIL Accounting**

**District 2021-D**

**Group 1**

**Decide the general ledger account classification for each item in questions 1 through 13. Mark the identifying letter of the correct choice on your answer sheet using the following account classification code:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Code** | **Account Classification** |  | **Code** | **Account Classification** |
| **A** | **Asset** |  | **O** | **Owner’s Equity** |
| **CM** | **Cost of Merchandise** |  | **R** | **Revenue** |
| **E** | **Expense** |  | **N** | **not an account** |
| **L** | **Liability** |  |  |  |

1. Sales 8. the amount owed to the state for sales tax collected

2. Purchases 9. Cost of Merchandise Available for Sale

3. Merchandise Inventory 10 . the value of insurance available for next fiscal period

4. Supplies Expense 11. the net worth of the business

5. Net Income 12. the value of supplies used this fiscal period

6. Prepaid Insurance 13. Purchases Returns & Allowances

7. Mike Adams, Drawing

**Group 2**

**The following T-account summarizes the activity for calendar year 2020 for a service business organized as a sole proprietorship. For questions 14 through 24, on your answer sheet write “True” if the statement is true; write “False” if the statement is false.**

|  |  |  |
| --- | --- | --- |
|  **Capital** |  |  |
|  |  **56,000** |  |
|  |  **15,000** |  |
|  |  **71,000**  | **(footing before closing entries)** |
|  **10,000** |  **20,500** |  |
|  |  **81,500** | **(footing after closing entries)** |

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

 on 12-31-20 is $56,000.

15. The total amount of withdrawals was $10,000.

16. The business suffered a net loss of $10,000.

17. The amount $56,000 represents only the amount of owner contributions from

 years prior to the year 2020.

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

 income.

19. The amount $20,500 represents the loan received from a bank.

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

 other business asset.

21. If the 2020 total revenue was $95,820, then the 2020 total expenses must have

 been $75,320.

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

 owner withdrawal, the account Owner Withdrawals Expense is debited.

23. The amount of Capital on January 1, 2020 was $71,000.

24. The amount that would be found on the Balance sheet for December 31, 2020

 is $81,500.

**Group 3**

**Following are all the accounts (except capital) of Snowflake Co. as of the end of the fiscal year 2020 after adjustments. All accounts have normal balances.**

**Snowflake’s owner made one owner investment during the year of $10,500.**

**Supplies purchased are first posted to an asset account. Snowflake purchased $5,760 of supplies during the current fiscal year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Title** | **Amount** |  | **Account Title** | **Amount** |
| Accounts Payable | 950 |  | Rent Expense | 4,380 |
| Accounts Receivable | 1,975 |  | Revenue | 33,715 |
| Advertising Expense | 1,500 |  | Salary Expense | 15,000 |
| Emma Nix, Drawing | 4,000 |  | Supplies | 2,400 |
| Cash in Bank | 17,675 |  | Supplies Expense | 5,420 |

**Write the correct amount on your answer sheet for questions 25 through 32.**

25. What was the balance of the Supplies account on the unadjusted Trial Balance?

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

27. What is the balance in the capital account at the end of the fiscal year 2020 before

 closing entries are posted?

28. What was the balance in the capital account at the beginning of the fiscal year

 2020?

29. What was the amount of net income or net loss for the year 2020?

\*30. What was the capital account balance at the end of the fiscal year 2020 after closing

 entries?

31. What is the amount of total assets that would appear on the Post-Closing Trial Balance dated December 31, 2020?

32. What was the balance of the Supplies account at the beginning of this fiscal year on

 January 1, 2020?

**Group 4**

**Use the following information of a sole proprietorship to answer questions 33 through 36. Consider each question independently. Write the identifying letter of the best response on your answer sheet.**

|  |  |  |
| --- | --- | --- |
|  | **ASSETS** | **LIABILITIES** |
| **Beginning of Year** | **87,435** | **11,790** |
| **End of Year After Closing** | **97,950** | **13,465** |

33. The owner made an investment of $10,000 in the business during the year and

 withdrew nothing. The amount of net income or net loss for the year was:

 A. $1,160 net income C. $8,840 net income E. $18,840 net income

 B. $1,160 net loss D. $8,840 net loss F. $18,840 net loss

34. The owner made no investments in the business during the year and withdrew

 $8,000. The amount of net income for the year was:

 A. zero C. $6,740 E. $16,840

 B. $840 D. $8,840 F. $18,515

35. The owner made no investments in the business during the year and withdrew

 nothing. The amount of net income or net loss for the year was:

 A. $8,840 net income C. $10,515 net income E. $12,190 net income

 B. $8,840 net loss D. $10,515 net loss F. $12,190 net loss

36. The owner made an investment of $15,000 and withdrew $20,000 during the year.

 The amount of net income for the year was:

 A. $3,840 C. $ 9,740 E. $15,515

 B. $5,000 D. $13,840 F. $17,190

**Group 5**

**For questions 37 through 44, use the following list of account titles to determine the accounts to be debited and credited for the closing entries below. On your answer sheet, write the identifying letter for the correct account.**

 **A. Roy Rogers, Capital E. Sales Returns**

 **B. Roy Rogers, Withdrawals F. Purchases**

 **C. Income Summary G. Purchases Discounts**

 **D. Sales H. Rent Expense**

37. To close Rent Expense, credit \_\_\_.

38. To close the revenue account, debit \_\_\_.

39. To close Purchases Discounts, debit \_\_\_.

40. To close the owner’s drawing account, debit \_\_\_.

41. To close Sales Returns, debit \_\_\_.

42. To close Purchases, credit \_\_\_.

43. To close Income Summary when there is a net loss, debit \_\_\_.

44. To close Income Summary when there is a net income, debit \_\_\_.

**Group 6**

**It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. The company is not notified in advance regarding NSF activity or bank charges but rather discovers this information when the bank statement is received. There were no math errors in the check stubs.**

|  |
| --- |
| **Bank Statement** |
| **Balance on November 30, 2020** | **5,335.17** |
| **Deposits** | **14,118.48** |
| **Checks** | **14,242.76** |
| **NSF check** | **511.00** |
| **NSF fee** | **35.00** |
| **Bank Service Charge** | **27.00** |
| **Balance on December 30, 2020** | **?** |

|  |
| --- |
| **Summary of Items Recorded in Check Stubs** **Before Reconciliation** |
| **Reconciled Balance on December 1, 2020** | **?** |
| **Deposits Made Dated December 2020** | **15,664.98** |
| **Checks Written Dated December 2020** | **12,459.20** |
| **Balance on Last Check Stub for December 2020** | **?** |

**The company’s accountant compared the company’s check stubs and the December 30 bank statement and summarized the following information:**

|  |
| --- |
| **Findings from the Comparison of** **Check Stubs to Bank Statement** |
| **Deposits not on the bank statement** | **4,290.30** |
| **Checks not on the bank statement** | **965.80** |

**For questions 45 through 48, write the correct amount on your answer sheet.**

45. What was the amount printed on the bank statement as the closing balance for

 December 2020?

46. What is the reconciled bank balance that should appear on the Balance Sheet

 dated December 31, 2020?

47. What was the balance recorded in the check stubs prior to the preparation of the

 December bank reconciliation?

\*48. What was the reconciled balance recorded in the check stubs on the first check stub

 for December 2020?

**Group 7**

**A business with a fiscal year end of Dec 31 has the following normal account balances and other information for the dates given in the year 2020.**

**The company prepares monthly adjusting entries; but closes the temporary accounts only at the end of the fiscal year. Therefore, the date Dec. 31 refers to balances after closing entries are posted.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash, Jan 1** | **12,749** |  | **Accounts Payable, Jan 1** | **3,486** |
| **Cash, Dec 31** | **23,742** |  | **Accounts Payable, Dec 31** | **….?….** |
| **Accounts Receivable, Jan 1** | **8,950** |  | **Ben Reyes, Capital, Jan 1** | **….?….**  |
| **Accounts Receivable, Dec 31** | **15,725** |  | **Ben Reyes, Capital, Dec 31** | **….?….** |
| **Merchandise Inventory, Jan 1** | **21,350** |  |  |  |
| **Merchandise Inventory, Dec 31** | **22,675** |  |  |  |
| **Owner withdrew cash for personal use on November 1, 2020** | **25,000** |
| **Owner made additional investment in his business on March 2, 2020** | **20,000** |
| **Total Expenses on the Income Statement for the year 2020** | **18,161** |
| **Net Sales on the Income Statement for the year 2020** | **96,400** |
| **Gross Profit Percentage on the Income Statement for the year 2020** | **39%** |

**For questions 49 through 53, write the correct amount on your answer sheet.**

49. What was the total owner’s equity on January 1, 2020?

50. What was the total owner’s equity on December 31, 2020?

\*51. By what amount did the Accounts Payable account increase from January 1, 2020

 to December 31, 2020?

\*52. What was the amount of merchandise purchased during the year 2020?

53. What was the amount of net income for the year 2020?

**Group 8**

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

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $142,800** |
| **Medicare** | **1.45% on all earnings** |
| **Employee Federal Income Tax** | **20% on all earnings** |
| **Employee State Income Tax** | **5% on all earnings** |
| **Federal Unemployment Tax** | **.6% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **2.1% 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. The employer is classified as a monthly depositor for the purpose of paying to the federal government the payroll taxes withheld from employee earnings as well as the employer matching taxes. Health insurance premiums are remitted to Staysafe Health Insurance Co.**

**Selected information from a weekly payroll register for two employees is presented below with some amounts intentionally omitted. Prior to this week’s paycheck the accumulated gross earnings respectively for each employee were: Daisy $8,940 and Duke $6,740. In this pay period Duke worked 8 overtime hours. The payroll clerk is new to the job and was unsure what to deduct.**

|  |  |  |
| --- | --- | --- |
| **Gross Earnings:** | **Daisy** | **Duke** |
|  **Regular** |  |  |
|  **Overtime** | **180** | **180** |
|  **Total Gross Earnings** |  |  |
| **Deductions: ????** |  |  |
|  **Social Security** |  |  |
|  **Medicare** | **20.01** |  |
|  **Federal Income Tax** |  |  |
|  **State Income Tax** |  |  |
|  **Health Insurance Premium** | **103.50** | **96.80** |
|  **Federal Unemployment Tax** |  |  |
|  **State Unemployment Tax** |  |  |
|  **Total Deductions** |  |  |
| **Net Pay:** |  |  |

**For questions 54 through 56, write the correct amount on your answer sheet.**

\*54. What is the correct amount of net pay for both employees combined?

\*55. What is the correct amount of the employer’s payroll tax expense for these two

 employees for this week?

\*56. How many overtime hours did Daisy work?

**Group 9**

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

|  |  |
| --- | --- |
| **Social Security** | **6.2% on gross earnings up to $142,800** |
| **Medicare** | **1.45% on all earnings** |
| **Federal Unemployment Tax** | **.6% on first $7,000 of gross earnings** |
| **State Unemployment Tax** | **1.8% on first $9,000 of gross earnings** |

**The applicable employer matching taxes are at the same rate as the employee rate. In this state, only employers are subject to unemployment taxes.**

**A-1 Plumbing is a sole proprietorship service business owned by Sam Jackson. In January 2021 the business was contracted to perform a large remodeling job of a movie star’s mansion that by contract had to be completed by January 31. This required many hours of overtime.**

**A-1 Plumbing has one hourly employee, Ben Ravage, whose work hours vary depending on the business’s workload.**

**A-1 Plumbing is classified as a monthly depositor for the purpose of paying to the federal government all payroll taxes withheld from employee earnings as well as the employer matching taxes.**

**Listed below is information regarding owner withdrawals and employee earnings. The other required tax withholdings were correctly calculated and withheld, but these calculated amounts are not included in the chart below. You must make those calculations.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Month****In 2021** | **Sam’s****Cash****Withdrawals** | **Ben’s****Total Earnings** | **Federal Income Tax Withheld****From Ben** |
| **January** | **4,000** | **6,500** | **1,100** |
| **February** | **4,000** | **1,900** | **325** |
| **March** | **4,000** | **2,100** | **375** |

**For questions 57 through 60, write the correct amount on your answer sheet.**

\*57. As a monthly depositor, what is the correct amount of the employer’s payroll tax

liability that must be paid by March 15, 2021 to the federal government?

58. What is the correct amount of the employer’s January payroll tax expense?

59. What is the correct amount of the employer’s February payroll tax expense?

60. What is the correct amount of the employer’s March payroll tax expense?

**Group 10**

**Bess Bewley records adjusting and closing entries and prepares financial statements only at the fiscal year end, which is December 31. The following partially completed balance sheet is correct. Use the group information to calculate the missing amounts.**

|  |
| --- |
| **Bewley Company** |
| **Balance Sheet** |
| **December 31, 2020** |
| ***Assets*** |  |  | ***Liabilities*** |  |
| **Cash** | **4,795** |  | **Accounts Payable** |  |
| **Accounts Receivable** | **6,200** |  | **Sales Tax Payable** | **954** |
| **Merchandise Inventory** |  |  | **Total Liabilities** |  |
| **Prepaid Insurance** |  |  |  |  |
| **Supplies** |  |  | ***Owner’s Equity*** |  |
|  |  |  | **Bess Bewley, Capital** |  |
| **Total Assets** |  **$**  |  | **Total Liabilities and** **Owner’s Equity** |  **$**  |
|  | **========** |  |  | **========** |

**The balance in the owner’s capital account on 1-1-20 was $5,993. In 2020, the owner made one additional capital investment of $15,000. She also made equal monthly withdrawals for personal use of $960 per month during the year.**

**The amount of Merchandise Inventory as of 12-31-19 was $12,410. On 12-31-20 one of the adjusting entries included a debit to Income Summary for $730.**

**Supplies Expense for 2020 was $3,650. Supplies inventory as of 12-31-19 was $1,460. During the year 2020 Bess purchased $3,475 in supplies.**

**Bess began the year 2020 with no insurance coverage. Following the advice of her mother, in 2020 she purchased two different types of policies. On April 1 she paid $2,760 for contents coverage for twelve months, and on October 1 she paid $1,308 for liability coverage for six months.**

**On the 2020 Income Statement, the amount of Total Expenses was $27,718; the amount of Purchases was $56,342; and the gross profit percentage was 42%.**

**For items 61 through 71 write the correct amount on your answer sheet.**

\*61. What is the amount of net income for the year 2020?

What is the amount on the correctly prepared worksheet in the Trial Balance column for:

62. Supplies 65. Bess Bewley, Capital

63. Prepaid Insurance 66. Sales

64. Merchandise Inventory

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

\*67. Merchandise Inventory \*70. Bess Bewley, Capital

\*68. Prepaid Insurance \*71. Accounts Payable

\*69. Supplies

**Group 11**

**The partially completed annual 12-month income statement information for Bond’s Paper Products for the years 2019 and 2020 follow. The gross profit percentage was 41% in 2019, and it increased to 42% in 2020 despite the reduction in 2020 sales. On 12-31-19 the adjusting entry for the Merchandise Inventory account included a debit to Income Summary for $1,440. The Income Statement for the year ended December 31, 2020 indicated that net income was exactly 22% of Sales.**

**Determine the missing amounts in items 72 through 80 and write the correct amount for each on your answer sheet.**

|  |  |  |
| --- | --- | --- |
|  | **2019** | **2020** |
| **Sales** | **#72** | **#78** |
| **Beginning Inventory** |  **\* #73** | **??** |
| **Purchases** | 58,673 | **??** |
| **Transportation In** | 4,267 | 4,180 |
| **Cost of Delivered Merchandise** | **??** | 64,773 |
| **Purchases Discounts** | 2,178 | 4,736 |
| **Purchases Returns & Allowances** |  **\*\* #74** | 2,984 |
| **Net Purchases** | **??** | **??** |
| **Cost of Merchandise Available for Sale** |  **\* #75** | **??** |
| **Ending Inventory** |  **\* #76** | 22,630 |
| **Cost of Merchandise Sold** | 58,410 | 54,723 |
| **Gross Profit** | **??** | **??** |
| **Expenses** | 21,339 |  **\* #79** |
| **Net Income** | **#77** | **#80** |

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