

國立中央大學98學年度碩士班考試入學試題卷

所別：企業管理學系碩士班 一般類組(己組)

科目：會計學

共 5 頁 第 1 頁

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答案用中文或英文書寫均可，請標示每題答案以利批改

1. Dayton Inc.'s long-term investment portfolio at December 31, 2007, consists of the following:

Available-for-Sale Securities	Cost	Market Value
35,000 shares of REM common stock	\$437,500	\$421,750
52,000 shares of STP common stock	\$549,000	\$633,650

Dayton Inc. enters into the following long-term investment transactions during year 2008.

Feb. 28 Purchased 10,000 shares of XTC common stock for \$225,000 plus a brokerage fee of \$625.

April 1 Sold 12,000 shares of REM common stock for \$199,350 less a brokerage fee of \$1,040.

July 18 Sold 52,000 shares of STP common stock for \$471,000 less a brokerage fee of \$1,900.

Nov. 30 Purchased 26,500 shares of INXS common stock for \$351,000 plus a brokerage fee of \$800.

The market values of Dayton's investments at December 31, 2008, are: REM, \$299,400; XTC, \$162,500; INXS, \$352,650.

Required (18%)

- (1) Determine what amount Dayton should report on its December 31, 2008, balance sheet for its long-term investments in available-for-sale equity securities.
  - (2) Prepare any necessary December 31, 2008, adjusting entry to record the market value adjustment for the long-term investments in available-for-sale equity securities.
  - (3) What amount of gains or losses on transactions relating to long-term investments in available-for-sale equity securities should Dayton report on its December 31, 2008, income statement?
2. Winston Company began operations on January 1, 2007, During its first two years, the company completed a number of transactions involving sales on credit, accounts receivable collections, and bad debts. These transactions are summarized as follows:

參考用

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所別：企業管理學系碩士班 一般類組(己組) 科目：會計學 共 5 頁 第 2 頁

\*請在試卷答案卷(卡)內作答

2007

- a. Sold \$875,000 of merchandise (that had cost \$520,000) on credit, terms n/30.
- b. Wrote off \$20,000 of uncollectible accounts receivable.
- c. Received \$764,000 cash in payment of accounts receivable.
- d. In adjusting the accounts on December 31, the company estimated that 2% of accounts receivable will be uncollectible.

2008

- e. Sold \$966,000 of merchandise (that had cost \$720,000) on credit, terms n/30.
- f. Wrote off \$15,000 of uncollectible accounts receivable.
- g. Received \$802,000 cash in payment of accounts receivable.
- h. In adjusting the accounts on December 31, the company concluded that 2.5% of accounts receivable will be uncollectible.

Required (20%)

Prepare journal entries to record Winston's 2007 and 2008 summarized transactions and its year-end adjustments to record bad debts expense. (The company uses the perpetual inventory system.)

3. The E-Comm Co. began operations in January 2006. Listed below are selected transactions for 2006 and 2007:

- a. During 2006 \$125,000 in R&D expenditures were made to develop a new product that was patented on July 1, 2004. E-Comm believes the patent will provide benefits for ten years. Legal fees incurred were \$24,000.
- b. On September 1, 2006, E-Comm paid E-Solutions Company \$180,000 for its patent on a successful product. The patent has six remaining years in its legal life.
- c. On September 1, 2006, E-Comm applied for and received a tradename from the government. The legal costs associated with filing for the tradename were \$10,000. In addition, during September, the company incurred \$50,000 in advertising its name. Benefits are expected indefinitely.
- d. In early January 2007, E-Comm paid \$20,000 in legal fees to defend the patent acquired from E-Solutions. E-Comm's attorneys were successful in the lawsuit.
- e. During 2007, R&D expenditures of \$90,000 were incurred in the

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\*請在試卷答案卷(卡)內作答

development of a product. A patent was received on December 1, 2007. Legal fees paid in connection with the patent were \$15,000. The economic life of the product is expected to be five years.

Required: (14%)

Prepare a partial balance sheet for E-Comm Company as of December 31, 2007, showing the intangible assets. In support of your answer, prepare a separate schedule for each intangible asset. The company amortizes its intangible assets using the straight-line method and recognizes amortization to the nearest month.

4. The Summitt Company was incorporated and began operations on January 1, 2008. Summitt used the weighted-average for costing inventories. Effective January 1, 2009, Summitt changed to FIFO for costing inventories and can justify the change. Information related to 2008 and 2009 inventory cost and net income is presented below:

	2008	2009
Ending Inventory, using:		
Weighted-Average	\$350,000	\$360,000
FIFO	370,000	380,000
Net Income (excluding cumulative effect of accounting change)	400,000	450,000
	(using average)	(using FIFO)

Summitt's income tax rate is 30% for both 2008 and 2009.

Required: (13%)

Calculate the cumulative effect of the change (net of taxes) that would appear on Summitt's income statement for the year ended December 31, 2009.

5. Jumpin' Jim Company, a merchandiser, recently completed its calendar-year 2008 operations. For the year, (1) all sales are credit sales, (2) all credits to accounts receivable reflect cash receipts from customers, (3) purchases of inventory are on credit, (4) all debits to accounts payable reflect cash payments for inventory, and (5) other expenses are paid in advance and are initially debited to Prepaid Expenses. Jumpin' Jim's balance sheet and income statement follow:

參考用

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所別：企業管理學系碩士班 一般類組(己組)

科目：會計學

共 5 頁 第 4 頁

\*請在試卷答案卷(卡)內作答

JUMPIN' JIM COMPANY

Income Statement

For Year Ended December 31, 2008

Sales		\$630,700
Cost of goods sold		<u>(278,000)</u>
Gross profit		352,700
Operating expenses		
Depreciation expense	\$ 15,620	
Other expenses	<u>189,000</u>	(204,620)
Other gains (losses)		
Gain on sale of equipment		<u>10,200</u>
Income before taxes		\$158,280
Income taxes		<u>(27,570)</u>
Net income		<u>\$130,710</u>

JUMPIN' JIM COMPANY

Comparative Balance Sheets

December 31,

	2008	2007
Assets		
Cash	\$ 54,400	\$ 62,900
Accounts receivable	70,250	55,500
Merchandise inventory	210,800	204,800
Prepaid expenses	250	1,560
Equipment	102,580	88,000
Accum. depreciation — Equip.	<u>(25,020)</u>	<u>(24,200)</u>
Total assets	<u>\$413,260</u>	<u>\$388,560</u>
Liabilities and Equity		
Accounts payable	\$ 41,090	\$ 98,100
Short-term notes payable	5,000	-0-
Long-term notes payable	26,000	40,000
Common stock, \$2 par value	122,000	120,000
Contributed capital in excess of par		
, common stock	70,500	67,500
Retained earnings	<u>148,670</u>	<u>62,960</u>
Total liabilities and equity	<u>\$413,260</u>	<u>\$388,560</u>

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Additional Information on Year 2008 Transactions

- a. The gain on cash sale of equipment is \$10,200 (details in b).
- b. Sold equipment costing \$21,420, with accumulated depreciation of \$14,800, for \$16,820 cash.
- c. Purchased equipment costing \$36,000 by paying cash of \$10,000 and signing a long-term note payable for the balance.
- d. Borrowed \$5,000 cash by signing a short-term note payable.
- e. Paid \$40,000 cash to reduce the long-term notes payable.
- f. Issued 1,000 shares of common stock for cash at \$5 per share.
- g. Declared and paid cash dividends of \$45,000.

Required (23%)

- (1) Prepare **only the operating activities section** of the statement of cash flows for 2008 using the direct method.
- (2) Analyze and discuss the cash flow information in your answer to part (1), giving special attention to the wisdom of the cash dividend payment.

6. Information concerning a mine is as follows:

Sales value of land after mining	\$20,000
Estimated number of tons of ore to be mined	500,000 tons
Cost of the land	\$800,000
Number of tons mined this year	120,000 tons
Cost of restoring property after mining is completed	\$10,000
Costs of production (excluding depletion)	\$5.15 per ton
Number of tons sold this year	100,000 tons
Development costs incurred	\$30,000

Required: (12%)

Compute the total cost of inventory at the end of the year.

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