

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

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

UNIVERSITY INTERSCHOLASTIC LEAGUE

ACCOUNTING EXAM

Invitational 2022-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”.

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:

debit	=	DR
credit	=	CR

If you choose another response for the examples given above, it will be counted as incorrect. **Do NOT spell out the word “debit” or “credit.”** 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.

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## UIL Accounting Invitational 2022-A

### Group 1

Identify the account classification of items 1 through 11 by writing the correct identifying letter on your answer sheet AND indicate the increase side of the account by writing DR for debit or CR for credit. Both parts of each compound answer must be correct in order for your response to be counted correct.

A. Asset	D. Revenue	DR=debit
B. Liability	E. Cost of Merchandise Sold	CR=credit
C. Capital	F. Expense	

1. the amount owed to the state for state sales taxes collected
2. the controlling account for the subsidiary ledger that includes the company's customers
3. the value of supplies used this fiscal period
4. Fees earned by a service-oriented business
5. the single account that contains amounts invested by the owner since the business began operations, amounts withdrawn by the owner in prior years, and the net income (and net losses) from prior years
6. the general ledger account that is used to accumulate the cost of merchandise purchased for resale when the periodic inventory method is used
7. the controlling account for the subsidiary ledger that includes the company's vendors
8. the amount of supplies on hand available for future use
9. the amount withdrawn from the business by the owner for personal use
10. Merchandise inventory on hand that is available for sale in the next fiscal period
11. Purchases Discounts

### Group 2

In questions 12 through 21, determine the correct column or columns of the work sheet for the year ended December 31, 2021 in which each of the following belongs using the code:

A. Trial Balance debit	E. Income Statement debit
B. Trial Balance credit	F. Income Statement credit
C. Adjustments debit	G. Balance Sheet debit
D. Adjustments credit	H. Balance sheet credit

12. The column to which Purchases Discounts is extended
13. The amount of capital on January 1, 2021 plus any owner contributions made during the year 2021
14. The amount of office supplies available to be used during the year 2021
15. The Balance Sheet column used to write the amount of net loss
16. Prepaid Insurance on January 1 plus any premiums paid in 2021
17. On the line for Office Supplies, the amount used during the year
18. The Income Statement column used to write the amount of net income
19. On the line for Office Supplies Expense, the amount of office supplies used during the year
20. The amount of Office Supplies available for use next fiscal period
- \*21. On the line for Income Summary, the amount of decrease in inventory during the period

**Group 3**

Forrest Co. owed the three suppliers \$43,695 as of December 31, 2021, and one of these was Pine Co. for \$11,790. On January 31, 2022 the balance of the controlling account for Accounts Payable had increased by \$31,165 since the beginning of the month.

From Forrest Co.'s  
General Ledger:

Accounts Payable	
	(01-01-22)
(Jan 2022) _____	_____ (Jan 2022)
	(01-31-22)

Forrest Co.'s Accounts Payable Subsidiary Ledger:

Pine Co.	Debit	Credit	Balance
01-01-22			?
Jan 2022	10,000	19,640	?

Maple Co.	Debit	Credit	Balance
01-01-22			?
Jan 2022	?	41,236	?

Oak Co.	Debit	Credit	Balance
01-01-22			?
Jan 2022	15,000	20,289	21,870

For questions 22 through 24, write the correct amount on your answer sheet. All three of these questions examine the subsidiary account of Maple Co.:

22. What was the balance of the account on 12-31-21?

23. What was the balance of the account on 1-31-22?

24. How much did Forrest Co. pay to Maple Co. on account in the month of January?

**Group 4**

**On Sept. 1, 2021, Alec Pine, owner of Pine's Wood Shop, received the monthly bank statement from Trusted Bank dated Aug. 30, 2021.**

**Trusted Bank is open Monday through Friday and closes its lobby doors each day at 3 p.m. but offers extended banking with its drive-through lanes until 5:00 p.m. Deposits made during extended banking hours are posted to the next banking day.**

**It is Alec's company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed.**

**Alec compared the company's checkbook records with the bank statement and found the following:**

- The August 2021 bank statement shows a beginning balance of \$8,243.97, total deposits of \$22,679.18, total checks of \$23,210.46, separate line items for the Damon Stevens returned check and bank handling fee (see details in the next paragraph), and a separate line item of \$22.50 for the August bank service charge (that is calculated based on activity in the account, which is different each month). The bank also lists on the statement each debit card usage separately. (See details for debit card usage in a later paragraph.)
- A check from Damon Stevens for \$290 that was deposited in the business bank account on Thursday, Aug. 26 was returned by the bank on Friday, Aug. 27. On this same day, the bank charged Alec's account with a \$35 fee for handling the dishonored check. (Both the dishonored check and the fee were first discovered upon receipt of the bank statement.)
- Alec found the amount of \$86.50 deducted on the bank statement with the notation that his debit card had been used to purchase supplies. Alec then realized he forgot to record this debit card charge in the check stubs. This was the only debit card usage during the month.
- A deposit of \$1,821.03 was made on Monday, Aug. 30 at 4:45 p.m. but does not appear on the August bank statement.
- Four checks written in August do not appear on the August bank statement as cleared:

Check #3688 for \$142.16

Check #3691 for \$18.45

Check #3690 for \$824.91

Check #3692 for \$271.30

**For questions 25 through 27, write the correct amount on your answer sheet.**

25. What was the ending balance on the bank statement dated Aug. 30, 2021?

\*26. What is the reconciled (adjusted) bank balance on Aug. 31, 2021?

\*27. What was the balance in the checkbook immediately before the bank reconciliation was prepared?

**Group 5**

The Pomegranate Company uses the period inventory method and prepares adjusting and closing entries only at the fiscal year-end, which is December 31. The following information for the year 2021 is provided below. One of the 2021 year-end adjusting entries includes a credit to Income Summary for \$2,320. The Income Statement indicates that the 2021 gross profit percentage is 48% based on net sales.

Sales	90,000
Transportation In	2,850
Net Sales	?
Sales Returns	1,970
Purchases	48,948
Gross Profit	?

Sales Discounts	?
Purchases Returns	1,810
Merchandise Inventory 12-31-21	20,750
Merchandise Inventory 1-1-21	?
Purchases Discounts	2,740

Use the above information to answer questions 28 through 35. Write the correct amount for each on your answer sheet.

**What is the amount of...**

- 28. cost of delivered merchandise?
- 29. net purchases?
- \*30. Merchandise Inventory at the beginning of the year 2021?
- 31. cost of merchandise available for sale?
- 32. cost of merchandise sold?
- \*33. gross profit?
- 34. net sales?
- \*35. Sales Discounts?

**Group 6**

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 Sept. 9th when the company increased the fund by \$50.

		Actual Cash	Cash	Amount
	Vouchers	Before	Over	Needed to
Month	Totaling	Replenishment	<Short>	Replenish
July 31			<.75>	192.58
Aug 31		18.54	.70	
Sept 30		50.80	<1.05>	
Oct 31			1.15	238.75

For questions 36 and 37, write the correct amount on your answer sheet.

- 36. The amount of the check needed to replenish petty cash on Sept. 30 is \_\_\_\_?
- \*37. The vouchers for the months of July through October added together equal \_\_\_\_?

**Group 7**

Below are the normal account balances of Palm Company at the end of the fiscal year 12-31-21 from the adjusted trial balance columns of the work sheet.

The owner made one capital contribution during the year 2021 in the amount of \$5,000. The business began in 2019.

<b>A</b>	<b>Cash in Bank</b>	<b>18,742</b>	<b>H</b>	<b>Income Summary</b>	<b>-0-</b>
<b>B</b>	<b>Accounts Receivable</b>	<b>4,290</b>	<b>I</b>	<b>Fees Income</b>	<b>49,830</b>
<b>C</b>	<b>Supplies on Hand</b>	<b>1,800</b>	<b>J</b>	<b>Advertising Expense</b>	<b>2,790</b>
<b>D</b>	<b>Prepaid Insurance</b>	<b>1,825</b>	<b>K</b>	<b>Insurance Expense</b>	<b>3,695</b>
<b>E</b>	<b>Accounts Payable</b>	<b>2,188</b>	<b>L</b>	<b>Supplies Expense</b>	<b>4,744</b>
<b>F</b>	<b>Dana Palm, Capital</b>	<b>?</b>	<b>M</b>	<b>Rent Expense</b>	<b>12,060</b>
<b>G</b>	<b>Dana Palm, Drawing</b>	<b>25,000</b>	<b>N</b>	<b>Miscellaneous Expense</b>	<b>51</b>

For questions 38 through 52, use the identifying letters to indicate the accounts debited and credited in the following closing entries. Also write the correct amounts as required on your answer sheet.

If an answer requires multiple parts, any order in which you write the parts is acceptable. However, all parts of your response must be correct for your answer to be correct.

38-40. The first closing entry includes a debit to #38 and a credit to #39 for \$ #40.

41-43. The second closing entry includes a debit to #41 and a credit to #42 for a total of \$ #43.

44-46. The third closing entry includes a debit to #44 and a credit to #45 for \$ #46.

47-49. The fourth closing entry includes a debit to #47 and a credit to #48 for \$ #49.

\*50. What was the balance in the capital account in the general ledger on 1-1-21?

51. What was the amount of capital on the worksheet in the Trial Balance column?

\*52. What is the balance of the capital account on the post-closing trial balance?

**Group 8**

**For question # 53 shown below, write the correct amount on your answer sheet.**

For the week of October 25-30, an auto lube business reported the following: taxable sales \$3,640, non-taxable sales \$3,595, and state sales tax collected \$300. The previous three items include customer sales on account for \$825. No bank credit cards, and no debit cards were accepted from customers.

The company started this week with \$500 in cash on hand. This cash on hand was originally obtained by the owner who wrote a company check and cashed it at the bank when the business began three years ago. It is company policy to begin each week with exactly \$500 in the cash drawer.

During the week the owner used some of the cash in the cash register to purchase small items as follows: \$58 for a roll of postage stamps, \$45 for advertising in the high school football programs, and \$16 for operating supplies.

The owner also had three customers pay on their accounts during this week for a total received of \$790.

When the cash drawer was checked up at the end of the workday October 30, the amount of cash in the cash drawer was exactly \$7,879.

- \*53. Following all company policies, what was the correct amount of the bank deposit prepared for the week of Oct. 25-30?

**Group 9**

**Using the code below, identify how items 54 through 60 would be handled for the December 31, 2021, bank reconciliation of Fir Co. prepared on January 5, 2022. It is company policy to record any necessary journal entries and to update the stubs in the checkbook after the bank reconciliation is completed.**

<b>A. added to the checkbook balance</b>
<b>B. deducted from the checkbook balance</b>
<b>C. added to the bank statement balance</b>
<b>D. deducted from the bank statement balance</b>

54. Fir Co. paid a vendor using electronic funds transfer and failed to record this transaction in the checkbook.
55. Fir Co.'s December checks #5162, #5164, and #5165 were not listed on the bank statement as cleared items.
56. There was a bank service charge of \$25 (the amount varies each month)
57. A customer's check deposited on December 30 by Fir Co. was returned by the bank as NSF. Fir Co. first learned about this upon receipt of the December bank statement.
58. Fir Co.'s check #5158 was recorded on the check stub as \$540 and correctly cleared the bank as \$450. The difference should be...
59. A deposit on December 31 was not listed among the bank statement deposits for December.
60. An employee of Fir Co. used the company debit card to purchase postage stamps and failed to record this in the checkbook.



**Group 10**

The following information comes from the accounting records of two separate businesses. Aspen Company's liabilities decreased from the beginning of the year (2021) to the end of the year (2021) by \$3,728.

	Cedar Co.		Aspen Co.
<b>December 31, 2020:</b>			
Assets	?		?
Liabilities	10,432		?
<b>December 31, 2021:</b>			
Assets	89,431		91,357
Liabilities	15,861		8,139
<b>During 2021:</b>			
Owner Investments	3,000		3,000
Net Income <Loss>	<3,792>		28,970
Owner Withdrawals	2,500		25,000

**Answer questions 61 through 64 by writing the identifying letter of the best response on your answer sheet.**

61. On Cedar's Post-Closing Trial Balance dated 12-31-21 what is the amount of the owner's capital account?

- A. \$70,278    B. \$73,570    C. \$76,862    D. \$80,154    E. \$82,291

\*62. What is the amount of total assets for Cedar Co. on 1-1-21?

- A. \$84,002    B. \$86,139    C. \$87,294    D. \$89,431    E. \$90,586

63. What is the balance of Aspen Co.'s owner's equity account on 1-1-21?

- A. \$76,248    B. \$82,248    C. \$83,218    D. \$90,188    E. \$92,526

\*64. On Aspen's Balance Sheet for the prior year (12-31-20), what was the amount of total assets?

- A. \$64,381    B. \$78,321    C. \$80,659    D. \$88,115    E. \$91,357

**Group 11**

**A severe winter storm in January 2021 inspired Bailey Elms (who lives in Briarwood) to start a new business in March 2021. Bailey performs various tree trimming or tree removal services including wood chipping. Table 1 on page 9 contains his chart of accounts and the transactions he completed for March. Bailey uses the accrual basis of accounting. It is company policy to record supplies and insurance as respective assets when purchased. Insurance is expensed equally on a monthly basis. Adjusting entries are prepared monthly; however, closing entries are prepared only at the end of the fiscal year, which is December 31.**

**For questions 65 through 70, write the correct chart of accounts number (shown in Table 1) on your answer sheet.**

- 65. In Trans 3, what account is credited?
- 66. In Trans 4, what account is debited?
- 67. In Trans 5, what account is debited?
- 68. In Trans 6, what account is credited?
- 69. In Trans 8, what account is credited?
- 70. In Trans 15, what account is credited?

**Continue to refer to Table 1. For questions 71 through 73, write the correct amount on your answer sheet. Consider in each case that all the transactions for March have been journalized and posted correctly, but no adjusting entries have been prepared.**

On March 31, what is the balance of:

- \*71. Cash in Bank
- 72. Accounts Receivable
- \*73. Accounts Payable

**Continue to Refer to Table 1. For questions 74 through 80, write the correct amount on your answer sheet. Consider that the worksheet for the month of March has been completed correctly. On March 31, the physical inventory of supplies is \$1,260.**

- \*74. What is the total of the debits on the trial balance?
- 75. What is the amount of capital in the Balance Sheet column?
- 76. What is the amount of revenue in the Income Statement column?
- \*77. What is the subtotal of the Income Statement Debit column?
- \*78. What is the net income for the month of March?
- \*79. What is the subtotal of the Balance Sheet Debit column before net income is calculated?
- \*\*80. What is the ending balance of capital, as reported on the Statement of Changes in Owner's Equity?

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

**TABLE 1**  
**(for questions 65 through 80)**

Account #	Account Title
100	Cash in Bank
105	Accounts Receivable
110	Supplies
115	Prepaid Insurance
120	Equipment
125	Truck & Trailer
200	Accounts Payable
300	Bailey Elms, Capital
305	Bailey Elms, Drawing
310	Income Summary
400	Revenue
500	Fuel & Oil Expense
505	Repairs Expense
506	Supplies Expense
507	Insurance Expense

**Transactions for March:**

**Trans. #      Transaction**

- 1 Bailey contributed cash from his personal savings in the amount of \$10,000.
- 2 Purchased chain saws and other equipment for \$4,675 by writing a check.
- 3 Invested in the business a personally owned truck and trailer that was appraised for these values: Truck \$38,000; Trailer \$8,000.
- 4 Wrote a check for \$1,950 to Safeguard Insurance for six months coverage on the truck, trailer, and all equipment.
- 5 Bailey used the debit card from his business bank account to purchase various supplies that should last several months, \$1,860.
- 6 Bailey used the business debit card to purchase fuel and oil \$245
- 7 Billed four different families in his neighborhood for tree trimming services: Tom Jones \$860; Phillip Tate \$460; Beth Armstrong \$985; Pete Davis \$1,460. All paid by check on the day of service except for Phillip Tate.
- 8 Bought a new wood-chipper machine for \$2,805 from Southern Tools on account. Southern Tools allows an interest-free 3-month payment plan.
- 9 Performed a tree removal service and customer paid same day \$945.
- 10 Purchased fuel using the business debit card \$290
- 11 Bailey withdrew \$1,500 cash for personal use.
- 12 Received from Phillip Tate one-half of the amount he owed.
- 13 Bailey wrote a check for chain saw repairs \$165
- 14 Purchased fuel and oil using the business debit card \$385
- 15 The city of Briarwood hired Bailey to cut down seven dead trees in the city park. This job took almost two weeks. The city paid Bailey \$9,540
- 16 Bailey withdrew \$3,000 cash for personal use
- 17 Bailey wrote a check to Southern Tools for one-third of the amount charged for the wood-chipper machine.

# UIL ACCOUNTING—Invitational 2022-A KEY

Group 1	
1	B CR
2	A DR
3	F DR
4	D CR
5	C CR
6	E DR
7	B CR
8	A DR
9	C DR
10	A DR
11	E CR

Group 2	
12	F
13	B H
14	A
15	G
16	A
17	D
18	E
19	C E
20	G
*21	C E

Group 3	
22	\$ 15,324
23	\$ 31,560
24	\$ 25,000

Group 4	
25	\$ 7,278.69
*26	\$ 7,842.90
*27	\$ 8,276.90

Group 5	
28	\$ 51,798
29	\$ 47,248
*30	\$ 18,430
31	\$ 65,678
32	\$ 44,928
*33	\$ 41,472
34	\$ 86,400
*35	\$ 1,630

Group 6	
36	\$ 199.20
*37	\$ 812.04

Group 7	
38	I
39	H
40	\$ 49,830
41	H
42	J K L M N

Group 7 cont.	
43	\$ 23,340
44	H
45	F
46	\$ 26,490
47	F
48	G
49	\$ 25,000
*50	\$ 17,979
51	\$ 22,979
*52	\$ 24,469

Group 8	
*53	\$ 7,379

Group 9	
54	B
55	D
56	B
57	B
58	A
59	C
60	B

Group 10	
61	B
*62	C
63	A
*64	D

Group 11	
65	300
66	115
67	110
68	100
69	200
70	400
*71	\$ 9,015
72	\$ 230
*73	\$ 1,870
*74	\$ 72,120
75	\$ 56,000
76	\$ 14,250
*77	\$ 2,010
*78	\$ 12,240
*79	\$ 70,110
**80	\$ 63,740