

Contestant # _____

Team # _____

UNIVERSITY INTERSCHOLASTIC LEAGUE
ACCOUNTING EXAM
Invitational 2022-B

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:

True	=	True
False	=	False
DR	=	DR
CR	=	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-B

Group 1

For questions 1 through 10, on your answer sheet write "True" if the statement is true; write "False" if the statement is false.

1. Sales is increased with a credit.
2. Purchases Returns & Allowances is increased with a credit.
3. Prepaid Insurance is decreased with a debit.
4. Accounts Payable is decreased with a credit.
5. Insurance Expense is increased with a debit.
6. Sales Discounts is increased with a credit.
7. Accounts Receivable is increased with a credit.
8. The owner's withdrawals account is increased with a debit.
9. Transportation In is decreased with a debit.
10. The owner's capital account is decreased with a debit.

Group 2

In items 11 through 17 are listed some of the accounts that appear in the Account Title section of a work sheet. Indicate whether the normal account balance will be entered in the debit or the credit column of the Trial Balance section of the work sheet using the following code:

DR = Trial Balance debit column

CR = Trial Balance credit column

- | | |
|-----------------------|---------------------------|
| 11. Sales Tax Payable | 15. Petty Cash |
| 12. Prepaid Insurance | 16. Mary Donovan, Capital |
| 13. Transportation In | 17. Rent Expense |
| 14. Sales | |

Group 3

At the beginning of the fiscal year 2021, Galaxy Company's assets were \$187,652. During the year, assets decreased by \$4,967 and liabilities decreased by \$11,442. At the end of the year, liabilities totaled \$13,415. The owner made withdrawals of \$8,500 and invested \$10,500 in the business during the year.

For questions 18 through 20, write the correct amount on your answer sheet. (A net loss must be indicated on your answer sheet either in brackets or in parentheses. A minus sign is NOT acceptable.)

18. What was the total owner's equity at the beginning of the year?
19. What was the total owner's equity at the end of the year?
20. What was the amount of net income or net loss for the year?

Group 4

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. The company does not know the amount of any bank charges until the bank statement is received.

Data: Bank Service Charge for January is \$27.50
 Deposits in transit on January 31 are \$2,629.42 and \$1,274.05
 Reconciled bank balance on January 31 is \$2,827.22
 Outstanding checks on January 31 are \$418.79, \$91.83, and \$1,040.88

For questions 21 and 22, write the correct amount on your answer sheet.

21. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for January?
22. What was the balance in the cash account in the accounting records prior to reconciling the bank statement for January?

Group 5

Use the following information to answer questions 23 through 28. Write the identifying letter of the best response on your answer sheet.

Sales	106,155
Transportation In	5,980
Net Sales	98,750
Sales Returns	?
Purchases	58,865
Gross Profit	43,450

Sales Discounts	4,650
Purchases Returns	3,685
Ending Inventory	28,400
Beginning Inventory	?
Purchases Discounts	4,270

23. The amount of sales returns is:
 A. zero B. \$2,577 C. \$2,755 D. \$4,650 E. \$7,405 F. \$12,055
24. The amount of net purchases is:
 A. \$36,975 B. \$44,930 C. \$48,935 D. \$50,910 E. \$56,890 F. \$58,865
- *25. The amount of cost of delivered merchandise is:
 A. \$5,980 B. \$44,930 C. \$50,910 D. \$52,885 E. \$56,890 F. \$64,845
26. The amount of cost of merchandise sold is:
 A. \$55,300 B. \$58,055 C. \$59,950 D. \$62,705 E. \$67,355 F. \$70,110
- *27. The amount of beginning inventory is:
 A. \$26,810 B. \$28,400 C. \$29,565 D. \$29,990 E. \$32,790 F. \$38,770
- *28. The amount of cost of merchandise available for sale is:
 A. \$26,900 B. \$83,700 C. \$86,455 D. \$88,350 E. \$91,105 F. \$95,755

Group 6

Match the correct formula (choices A through P) to the term below. Consider each term and formula as it applies to a merchandising business.

A	Beginning Inventory less Ending Inventory
B	Beginning Inventory plus Net Purchases
C	Beginning Inventory plus Cost of Merchandise Sold
D	Cost of Delivered Merchandise less the contra purchases accounts
E	Cost of Delivered Merchandise plus the contra purchases accounts
F	Cost of Merchandise Available less Ending Inventory
G	Cost of Merchandise Available plus Ending Inventory
H	Gross Profit on Sales less Total Expenses
I	Net Purchases plus Transportation In
J	Net Sales less Total Expenses
K	Net Sales less Cost of Merchandise Sold
L	Net Sales plus Cost of Merchandise Sold
M	Purchases plus Transportation In
N	Purchases plus Transportation In plus Purchases Discounts plus Purchases Returns and Allowances
O	Sales less Sales Discounts and Sales Returns and Allowances
P	Sales plus Transportation In

For terms 29 through 34, write on your answer sheet the identifying letter of the correct formula.

- | | |
|-----------------------------------|--|
| 29. Gross Profit on Sales | 32. Cost of Merchandise Available for Sale |
| 30. Cost of Delivered Merchandise | 33. Net Income |
| 31. Cost of Merchandise Sold | 34. Net Purchases |

Group 7

In questions 35 through 40, use the following list of account titles to determine the accounts to be debited and credited for the adjusting entries below. Write the identifying letter of the correct account on your answer sheet.

- | | |
|---------------------------------|--------------------------------------|
| A. Merchandise Inventory | E. Insurance Expense |
| B. Office Supplies | F. Office Supplies Expense |
| C. Prepaid Insurance | G. an account not listed here |
| D. Income Summary | |

	DEBIT	CREDIT
To adjust for insurance premiums expired	#35	#36
To adjust for merchandise inventory when ending inventory is less than beginning inventory	#37	#38
To adjust for the office supplies used	#39	#40

Group 8

The Post-Closing Trial Balance for Elsa's Pottery Shack dated December 31, 2021 listed total assets of \$98,625. In the general ledger on January 1, 2021, the account called Elsa Mikasa, Capital had a balance of \$88,020. The owner made a single owner investment on March 10, 2021, in the amount of \$3,000. The owner made a single withdrawal for personal use on December 15, 2021, for \$1,500.

For each account title in questions 41 through 50, write the identifying letter of the correct response (A, B, or C) which indicates whether each account should be closed and where, or if it should not be closed at all. Consider that each account has a normal balance. If the account is to be closed, indicate whether that account is closed with a debit or a credit. Use the following sets of codes. An answer might appear in this way: B DR

A. closed into Income Summary	DR=debit
B. closed into the capital account	CR=credit
C. not closed	

41. Transportation In
42. Sales
43. Elsa Mikasa, Capital
44. Purchases Discounts
45. Payroll Tax Expense
46. Medicare Tax Payable
47. Elsa Mikasa, Drawing
48. Sales Returns & Allowances
49. Accounts Receivable
- *50. Income Summary (the revenue closed was \$34,500; purchases closed was \$18,135, expenses closed were \$10,205, beginning inventory was \$9,435; and ending inventory was \$8,595)

Continue to use the data given in Question #50. Write the correct amount on your answer sheet for questions 51 through 58. (You should only write the dollar AMOUNT. Do not write "debit," "DR" or "credit," "CR" on your answer sheet.)

51. What is the amount of gross profit for the year 2021?
52. What is the balance in Income Summary at the beginning of the fiscal year?
- *53. What is the balance in Income Summary after all adjusting entries have been posted for the year?
54. What is the balance in Income Summary after revenue, purchases, and expenses have been closed?
55. What is the balance in Income Summary after all temporary capital accounts have been closed at the end of the fiscal year?
56. What was the balance of the capital account on the Trial Balance dated 12-31-21?
- *57. On the Post-Closing Trial Balance dated 12-31-21, what is the amount of owner's capital?
- *58. On the Post-Closing Trial Balance dated 12-31-21, what is the amount of total liabilities?

Group 9

Pet Zone is a company that sells pet food and supplies (from the sales floor, by internet sales, and by phone sales). Employees are paid weekly. Hourly wage employees are paid overtime at 1 and ½ times the regular rate of pay for hours worked over 40 in a week.

Teddy Maxwell, in charge of internet sales, is paid a salary of \$390 per week plus a commission of 2% of all internet sales. No other employee handles internet sales.

Rex Jacobs, sales clerk, is paid a salary of \$325 per week plus a commission of 5.2% of all telephone sales. Rex is the only sales clerk who handles telephone sales.

Marissa Teal is the business manager and is paid a salary of \$650 per week plus a bonus of 2.9% of all the gross revenue that exceeds the base amount of \$25,000 per week.

Milo Dean, Chip Barker, and Phoebe Jones are all sales clerks who assist customers who shop in the store. These clerks are paid an hourly wage as follows based on seniority:

- Milo Dean, regular rate \$10.30 plus 2.8% commission of personal sales**
- Chip Barker, regular rate \$9.90 plus 2.2% commission of personal sales**
- Phoebe Jones, regular rate \$9.60 plus 1.9% commission of personal sales**

Stella Windsor is the secretary and is paid a weekly salary of \$495.

Leo Finn (regular rate \$8.60), Otis Porter (regular rate \$9.20), and Rusty Dozer (regular rate \$8.90) are hourly employees who handle all the shipping of products sold.

The following is the gross sales breakdown for the week of Jan 7.	
Telephone	8,260
Internet	10,575
In Store by Milo Dean	7,390
In Store by Chip Barker	8,125
In Store by Phoebe Jones	9,850

Time Cards for the week ending Jan. 7 showed the following:	
Employee	Hours for the Week
Chip Barker	47
Milo Dean	48
Rusty Dozer	51
Leo Finn	49
Rex Jacobs	40
Phoebe Jones	49
Teddy Maxwell	40
Otis Porter	53
Marissa Teal	40
Stella Windsor	40

For questions 59 through 63, write the correct amount on your answer sheet.

What is the total gross earnings for the week for...

- * 59. the shipping department?
- * 60. the sales clerks who sell to customers who come into the store?
- * 61. the employees who handle internet and telephone sales?
- * 62. Marissa Teal?
- * 63. all ten employees?

Group 10

Use the following information for questions 64 and 65. Write the correct amount on your answer sheet. Payroll tax expense per employee is based on the following:

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

- *64. Andy, an employee, has cumulative gross wages of \$6,480 in the first quarter. In the second quarter, if the current gross wages are \$2,420, what is the total amount of employer's payroll tax expense on Andy's earnings for the second quarter only?
- *65. Barney, an employee, has cumulative gross wages of \$6,730 in the first quarter. In the second quarter, if current gross wages are \$2,580 what is the total amount of employer's payroll tax expense on Barney's earnings for the second quarter only?

Group 11

Refer to Table 1 on page 7. For questions 66 through 80, write the correct amount on your answer sheet.

66. What is the amount of Office Supplies in the unadjusted Trial Balance?
67. What is the amount of office supplies used during 2021?
68. What was the amount of insurance premiums paid during 2021?
69. What is the amount of unexpired insurance on 12-31-21 after the end-of-year adjustment?
70. What is the amount of expired insurance?
71. What is the amount of owner's capital in the Adjusted Trial Balance of the work sheet?
72. What is the amount of Merchandise Inventory that belongs in the Trial Balance column?
73. What is the amount of Merchandise Inventory that belongs in the Adjusted Trial Balance column?
- *74. What is the amount of Sales for the year 2021?
- *75. What is the amount of Purchases in the Trial Balance column of the work sheet?
76. On the Income Statement for the twelve months ended December 31, 2021, what is the amount of Total Expenses?
- *77. On the work sheet for the year 2021, what is the subtotal before net income or net loss is calculated for the income statement debit column?
- *78. On the work sheet for the year 2021, what is the subtotal before net income or net loss is calculated for the balance sheet debit column?
- *79. What is the amount of net income or net loss that should be shown on the Statement of Changes in Owner's Equity for the twelve months ended 12-31-21?
- *80. On the Post-Closing Trial Balance dated December 31, 2021, what is the amount of Tina Mackey, Capital?

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 66 through 80)

A sole proprietorship's unadjusted and adjusted trial balances for the twelve months ended December 31, 2021, are shown below. All the accounts in the general ledger that have a balance (or will have a balance after adjusting entries) are listed in the chart below, even though some of the amounts are missing. All account balances are normal balances.

On February 4, 2021, the owner made a single capital contribution of \$5,000. The owner also withdrew \$1,500 each month during the year 2021. During the year 2021, the business bought office supplies in the amount of \$4,295.

Some of the January 1, 2021, balances in the general ledger are as follows: office supplies inventory \$1,970; insurance premiums for the policies still in force \$1,460; merchandise inventory of \$18,740 and the owner's capital account \$62,168.

The company experienced a gross profit percentage of 46% for the year 2021, and the accountant calculated the amount of cost of merchandise sold for the year 2021 is \$51,948.

	Unadjusted			Adjusted	
	Trial Balance			Trial Balance	
	Debit	Credit		Debit	Credit
Cash	4,960				
Office Supplies			3,025		
Merchandise Inventory					
Prepaid Insurance	6,380				
Equipment	45,000				
Accounts Payable		3,910		3,910	
Tina Mackey, Capital					
Tina Mackey, Drawing					
Income Summary				2,185	
Sales					
Purchases					
Rent Expense	13,800				
Office Supplies Expense					
Insurance Expense			4,740		

**UIL ACCOUNTING—Invitational 2022-B
KEY**

Group 1	
1	True
2	True
3	False
4	False
5	True
6	False
7	False
8	True
9	False
10	True

Group 2	
11	CR
12	DR
13	DR
14	CR
15	DR
16	CR
17	DR

Group 3	
18	\$ 162,795
19	\$ 169,270
20	\$ 4,475

Group 4	
21	\$ 475.25
22	\$ 2,854.72

Group 5	
23	C
24	E
*25	F
26	A
*27	A
*28	B

Group 6	
29	K
30	M
31	F
32	B
33	H
34	D

Group 7	
35	E
36	C
37	D
38	A
39	F
40	B

Group 8	
41	A CR
42	A DR
43	C
44	A DR
45	A CR
46	C
47	B CR
48	A CR
49	C
*50	B DR
51	\$ 15,525
52	\$ 0 or zero
*53	\$ 840
54	\$ 5,320
55	\$ 0 or zero
56	\$ 91,020
*57	\$ 94,840
*58	\$ 3,785

Group 9	
*59	\$ 1,510.35
*60	\$ 2,121.97
*61	\$ 1,356.02
*62	\$ 1,206.80
*63	\$ 6,690.14

Group 10	
*64	\$ 231.81
*65	\$ 239.85

Group 11	
66	\$ 6,265
67	\$ 3,240
68	\$ 4,920
69	\$ 1,640
70	\$ 4,740
71	\$ 67,168
72	\$ 18,740
73	\$ 20,925
*74	\$ 96,200
*75	\$ 54,133
76	\$ 21,780
*77	\$ 75,913
*78	\$ 93,550
*79	\$ 22,472
*80	\$ 71,640