

UIL ACCOUNTING
2024 Invitational-A Test

Do not turn this page until the start signal is given!

All answers MUST be written on your answer sheet. No other test papers are graded.

Upper- or lower-case letters are acceptable. Write legibly. All answers must be clearly written, or they will be counted wrong. Write letters far enough above the line so that (for example) an “E” is distinguishable from an “F”.

Carefully read the instructions for each group of questions. Pay particular attention to instructions regarding: 1) the format of answers; and 2) rounding.

Acceptable responses for the Debit/Credit questions:

| | | | | | | |
|--------|--|----|--|--------|--|----|
| Debit | | DR | | debit | | dr |
| Credit | | CR | | credit | | cr |

Acceptable responses for True/False questions:

| | | | | |
|-------|--|---|--|-------|
| True | | T | | true |
| False | | F | | false |

Acceptable responses for Yes/No questions:

| | | | | |
|-----|--|---|--|-----|
| Yes | | Y | | yes |
| No | | N | | no |

Acceptable responses for questions whose answers are zero:

| | | |
|------|----|---|
| zero | or | 0 |
|------|----|---|

If an answer has zero cents, it is not necessary to write the decimal or the zeroes for cents. However, 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.

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Group 1

For 1 – 12, write DR if it has a normal debit balance or CR if it has a normal credit balance.

- | | |
|----------------------------|-----------------------------|
| 1. Accounts Receivable | 7. Land |
| 2. Rent Expense | 8. Petty Cash |
| 3. Owner’s drawing account | 9. Sales Tax Payable |
| 4. Transportation In | 10. Sales Discounts |
| 5. Merchandise Inventory | 11. Owner’s capital account |
| 6. Styling Fees | 12. Prepaid Insurance |

Group 2

The information below comes from the accounting records of two separate businesses. Answer questions 13 – 15 by writing the correct amount on your answer sheet. Use brackets or parentheses to indicate a net loss or a decrease.

| | Mack Co. | | Chez Co. |
|---------------------------|----------|--|----------|
| December 31, 2022: | | | |
| Assets | 27,830 | | 36,210 |
| Liabilities | 5,690 | | 8,989 |
| December 31, 2023: | | | |
| Assets | 43,819 | | 87,974 |
| Liabilities | 8,337 | | ? |
| During 2023: | | | |
| Owner Investments | 15,000 | | 20,000 |
| Net Income (Loss) | ? | | 86,295 |
| Owner Withdrawals | 3,000 | | 56,000 |

13. What is the amount of owner’s equity for Mack Co. on January 1, 2023?
- * 14. What is the amount of net income or net loss for 2023 for Mack Co.?
- * 15. By what amount did liabilities increase or decrease during 2023 for Chez Co.?

Group 3

For questions 16 – 21 write TRUE on your answer sheet if the item is a reason a bank would dishonor a check; write FALSE if it is not a reason to dishonor it.

16. The check writer wrote the date 1-8-23 instead of writing January 8, 2023.
17. The check is postdated.
18. The name of the person who signed the check is different from the name on the signature card at the bank.
19. The check has faint images in the background like windmills or jumping monkeys.
20. The check was started in blue ink, before switching to purple ink to finish writing the check.
21. The check appears to be altered.

Group 4

On January 3, 2024, Grant Stone, owner of Stone Insurance, received a bank statement dated December 28, 2023. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Grant compared the company's checkbook records with the bank statement and found the following:

- The December bank statement shows an ending balance of \$11,416.80
- The statement shows the December bank service charge of \$8.50
- A check from a customer for \$83.75 that was deposited in the Stone Insurance account on December 26 was returned by the bank. Grant's bank charged his account with a \$25 fee for handling the dishonored check. (Both the dishonored check and the fee were first discovered upon receipt of the bank statement.)
- A deposit of \$819 was made on December 30 but does not appear on the bank statement.
- Four December checks do not appear on the bank statement:

| | |
|----------------------------|----------------------------|
| Check #7050 for \$364.29 | Check #7053 for \$48.05 |
| Check #7051 for \$1,149.14 | Check #7055 for \$1,642.25 |

For questions 22 – 23, write the correct amount on your answer sheet.

- * 22. What is the reconciled (adjusted) bank balance on December 31, 2023?
- ** 23. What was the checkbook balance immediately before preparing the bank reconciliation?

Group 5

For items 24 – 33, write YES if the answer is yes; write NO if the answer is no.

- 24. Is the Petty Cash account a permanent account?
- 25. Should the Income Summary account appear on the Post-Closing Trial Balance?
- 26. Is Accounts Payable a nominal account?
- 27. Should Merchandise Inventory appear on the Post-Closing Trial Balance?
- 28. Is Prepaid Insurance a temporary account?
- 29. Is Purchases Discounts a permanent account?
- 30. Should the owner's withdrawal account appear on the Post-Closing Trial Balance?
- 31. Is Supplies Expense a temporary account?
- 32. Does the owner's capital account belong on the Post-Closing Trial Balance?
- 33. Does the Sales account belong on the Post-Closing Trial Balance?

Group 6

Use the data below for questions 34 – 38. Below are all the accounts (except capital) of the Marshall Co. as of the end of the fiscal year after adjustments. All accounts have normal balances. Marshall made one owner investment during the year of \$8,000. Mark the identifying letter of the best response on your answer sheet.

| Account Title | Amount | | Account Title | Amount |
|---------------------|--------|--|----------------------|--------|
| Accounts Receivable | 4,200 | | Cash | 8,780 |
| Supplies | 1,860 | | Salary Expense | 4,500 |
| Rent Expense | 1,200 | | Revenue | 12,850 |
| Advertising Expense | 580 | | A. Marshall, Drawing | 10,730 |
| Accounts Payable | 600 | | Supplies Expense | 1,600 |

34. What is the balance in the capital account at the end of the fiscal year before closing entries are posted?
A. zero B. \$8,000 C. \$12,000 D. \$20,000 E. \$28,000
- * 35. What was the capital account balance at the beginning of the fiscal year?
A. \$12,000 B. \$8,000 C. zero D. \$20,000 E. \$28,000
36. What was the net income or loss for the year?
A. \$3,110 net loss C. \$4,970 net loss E. \$12,850 net loss
B. \$3,110 net income D. \$4,970 net income F. \$12,850 net income
- ** 37. What was the capital account balance at the end of the fiscal year after closing entries?
A. \$ 2,240 B. \$6,240 C. \$14,240 D. \$15,030 E. \$25,760
38. What is the amount of total assets?
A. \$12,980 B. \$14,840 C. \$14,580 D. \$22,720 E. \$33,450

Group 7

For multiple-choice questions 39 – 45, mark the identifying letter of the best answer on your answer sheet.

39. When a charge customer takes a sales discount, the seller receives more than the amount of the sales price recorded on the books at the time of the sale.
A. This is a true statement.
B. This is a false statement.
40. Every adjusting entry affects both a balance sheet account and an income statement account.
A. This is a true statement.
B. This is a false statement.

41. An account which is increased by a credit is:
- A. an asset account
 - B. a liability account
 - C. a drawing account
 - D. an expense account
42. Which of the following rules is INCORRECT?
- A. Credits decrease the drawing account.
 - B. Debits decrease liability accounts.
 - C. Credits increase revenue accounts.
 - D. Debits increase the capital account.
43. An account which is increased by a credit is a(n):
- A. drawing account
 - B. expense account
 - C. revenue account
 - D. asset account
44. In accounting, a prepaid expense:
- A. is an asset account amount.
 - B. means the same thing as the term expense.
 - C. is a liability account amount.
 - D. is all of the above.
45. An account which is increased by a debit is a:
- A. liability account
 - B. drawing account
 - C. capital account
 - D. revenue account

Group 8

For questions 46 – 55, use the list of account titles below to determine the accounts to be debited and credited for the closing entries that follow. On your answer sheet, write the identifying letter of the correct account.

- | | |
|------------------------------------|-------------------------------|
| A. Tyler Quick, Capital | E. Sales Returns |
| B. Tyler Quick, Withdrawals | F. Purchases |
| C. Income Summary | G. Purchases Discounts |
| D. Sales | H. Utilities Expense |

46. To close Sales Returns, credit ____.
47. To close Purchases Discounts, debit ____.
48. To close the revenue account, credit ____.
49. To close the owner's drawing account, debit ____.
- * 50. To close Income Summary when there is a net income, debit ____.
51. To close Utilities Expense, debit ____.
52. To close the owner's drawing account, credit ____.
53. To close Purchases, debit ____.
54. To close Sales Discounts, debit ____.
- * 55. To close Income Summary when there is a net loss, debit ____.

Group 9

Use the information below to answer questions 56 – 61. Write the identifying letter of the best response on your answer sheet.

| | |
|-------------------|---------|
| Sales | 130,715 |
| Transportation In | 6,284 |
| Net Sales | 122,600 |
| Sales Returns | ? |
| Purchases | 74,865 |
| Gross Profit | 50,266 |

| | |
|---------------------|--------|
| Sales Discounts | 3,296 |
| Purchases Returns | 4,280 |
| Ending Inventory | 32,420 |
| Beginning Inventory | ? |
| Purchases Discounts | 3,765 |

56. The amount of sales returns is:
 A. \$3,296 D. \$4,819
 B. \$3,765 E. \$9,099
 C. \$4,280
57. The amount of net purchases is:
 A. \$66,820 D. \$74,865
 B. \$72,334 E. \$81,149
 C. \$73,104
- * 58. The amount of cost of delivered merchandise is:
 A. \$6,284 D. \$74,865
 B. \$66,820 E. \$81,149
 C. \$73,104
59. The amount of cost of merchandise sold is:
 A. \$66,050 D. \$90,180
 B. \$72,334 E. \$104,754
 C. \$74,095
- ** 60. The amount of beginning inventory is:
 A. \$23,605 D. \$32,420
 B. \$27,450 E. \$39,765
 C. \$31,650
- * 61. The amount of cost of merchandise available for sale is:
 A. \$66,050 D. \$90,180
 B. \$72,334 E. \$104,754
 C. \$74,095

Group 10

Using the information below, calculate the missing data and answer questions 62 – 70 on your answer sheet.

| <u>General Ledger:</u> | | <u>Accounts Payable</u> | |
|------------------------|--------|-------------------------|-------------|
| | | 51,420 | (6-1-23) |
| (June 2023) | _____? | _____? | (June 2023) |
| | | 62,980 | (6-30-23) |

Accounts Payable Subsidiary Ledger:

| Rowe Company | Debit | Credit | Balance |
|--------------|--------|--------|---------|
| 6-1-23 | | | 15,800 |
| June 2023 | _____? | 5,000 | 13,960 |

| Riley Company | Debit | Credit | Balance |
|---------------|--------|--------|---------|
| 6-1-23 | | | 18,080 |
| June 2023 | _____? | 9,500 | _____? |

| Brian Company | Debit | Credit | Balance |
|---------------|-------|--------|---------|
| 6-1-23 | | | _____? |
| June 2023 | 4,500 | 13,400 | _____? |

- 62. What was the total amount paid to Riley Company in June?
- 63. What was the amount of the total credits to the general ledger controlling account during June?
- 64. What were the total payments on account for June?
- 65. What was the balance of Accounts Payable on the June 1, 2023, balance sheet?
- * 66. What was the balance owed to Brian Company on June 1.
- 67. What was the amount of June purchases on account from Rowe Company?
- 68. For June, total purchases on account exceeded total payments on account by how much?
- * 69. What was the amount owed to Brian Company on June 30?
- * 70. What was the amount owed to Riley Company on June 30?

Group 11

Hailey Griffin started a bookkeeping service in June of 2023. In this month she completed ten transactions which were all journalized and posted correctly. She correctly prepared the trial balance below.

**Hailey Griffin Bookkeeping Service
Trial Balance
June 30, 2023**

| | Debit | Credit |
|-------------------------|---------------|---------------|
| Cash | 9,700 | |
| Accounts Receivable | 2,400 | |
| Office Supplies | 600 | |
| Prepaid Insurance | 1,400 | |
| Equipment | 4,000 | |
| Accounts Payable | | 3,750 |
| Hailey Griffin, Capital | | 7,500 |
| Hailey Griffin, Drawing | 500 | |
| Fees Earned | | 8,100 |
| Rent Expense | 750 | |
| | | |
| Totals | 19,350 | 19,350 |

Additional Information:

- ◆ The owner withdrawal was for cash.
- ◆ All equipment (and only equipment) was purchased on account.
- ◆ Only one customer made a payment on account, and it was for \$300.

Analyze the trial balance to determine the ten transactions. On your answer sheet for questions 71 – 80, write **TRUE** if the statement is true or **FALSE** if the statement is false.

71. The Prepaid Insurance account increased by \$1,400.
72. The \$7,500 credit to the capital account also decreased the Cash account.
73. There was a debit to Accounts Payable for \$250.
74. The debit to Office Supplies had a corresponding credit to Cash.
75. The debit to Accounts Receivable was for \$2,400.
- * 76. Fees earned which at the time the service was provided resulted in no immediate increase to Cash were \$5,400.
- * 77. The total of the credits to the Cash account is \$3,500.
78. The credit to Accounts Payable was for \$4,000.
79. The transaction for cash fees earned was for \$5,400.
- * 80. The total of the debits to the Cash account is \$12,300.

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

| | | | |
|-----------------------|--------------------------|-------------------------|------------------------|
| GROUP 1 | GROUP 4 | 43. <u> C </u> | 65. <u>\$ 51420</u> |
| 1. <u> DR </u> | * 22. <u>\$ 9032.07</u> | 44. <u> A </u> | * 66. <u>\$ 17540</u> |
| 2. <u> DR </u> | ** 23. <u>\$ 9149.32</u> | 45. <u> B </u> | 67. <u>\$ 5000</u> |
| 3. <u> DR </u> | GROUP 5 | GROUP 8 | 68. <u>\$ 11560</u> |
| 4. <u> DR </u> | 24. <u> YES </u> | 46. <u> E </u> | * 69. <u>\$ 26440</u> |
| 5. <u> DR </u> | 25. <u> NO </u> | 47. <u> G </u> | * 70. <u>\$ 22580</u> |
| 6. <u> CR </u> | 26. <u> NO </u> | 48. <u> C </u> | GROUP 11 |
| 7. <u> DR </u> | 27. <u> YES </u> | 49. <u> A </u> | 71. <u> T </u> |
| 8. <u> DR </u> | 28. <u> NO </u> | * 50. <u> C </u> | 72. <u> F </u> |
| 9. <u> CR </u> | 29. <u> NO </u> | 51. <u> C </u> | 73. <u> T </u> |
| 10. <u> DR </u> | 30. <u> NO </u> | 52. <u> B </u> | 74. <u> T </u> |
| 11. <u> CR </u> | 31. <u> YES </u> | 53. <u> C </u> | 75. <u> F </u> |
| 12. <u> DR </u> | 32. <u> YES </u> | 54. <u> C </u> | * 76. <u> F </u> |
| GROUP 2 | 33. <u> NO </u> | * 55. <u> A </u> | * 77. <u> T </u> |
| 13. <u>\$ 22140</u> | GROUP 6 | GROUP 9 | 78. <u> T </u> |
| * 14. <u>\$ 1342</u> | 34. <u> D </u> | 56. <u> D </u> | 79. <u> T </u> |
| * 15. <u>\$ 1469</u> | * 35. <u> A </u> | 57. <u> C </u> | * 80. <u> F </u> |
| GROUP 3 | 36. <u> D </u> | * 58. <u> E </u> | |
| 16. <u> F </u> | ** 37. <u> C </u> | 59. <u> B </u> | |
| 17. <u> T </u> | 38. <u> B </u> | ** 60. <u> C </u> | |
| 18. <u> T </u> | GROUP 7 | * 61. <u> E </u> | |
| 19. <u> F </u> | 39. <u> B </u> | GROUP 10 | |
| 20. <u> F </u> | 40. <u> A </u> | 62. <u>\$ 5000</u> | |
| 21. <u> T </u> | 41. <u> B </u> | 63. <u>\$ 27900</u> | |
| | 42. <u> D </u> | 64. <u>\$ 16340</u> | |