

UIL ACCOUNTING
2024 Invitational-B 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 questions whose answers are zero:

zero	or	0
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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

In items 1 – 10 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 code:

DR = Trial Balance debit column OR CR = Trial Balance credit column

1. Store Equipment
2. Rent Expense
3. Service Revenue
4. Accounts Payable
5. Barbara Sims, Capital
6. Accounts Receivable
7. Purchases
8. Merchandise Inventory
9. Office Supplies
10. Sales Discounts

Group 2

For the statements in questions 11 – 21, mark on your answer sheet whether each is true or false using either T=True=true OR F=False=false.

11. A business keeps a record of the sales tax owed to the state in a liability account called Sales Tax Payable.
12. Sales is the account used to record merchandise sold during the fiscal period.
13. When a business purchases merchandise, the account debited is Merchandise Inventory.
14. The balance of a contra account increases the balance in another related account.
15. A general journal is still needed in an accounting system using special journals.
16. A cash discount is an advantage to the buyer but not to the seller.
17. A business handles bank card sales like cash sales because it receives cash from the bank within several days after depositing its bank card slips.
18. An example of an internal control is that all cash deposits must be made daily.
19. A business may allow its customers to return unsatisfactory merchandise for full credit or to keep the merchandise at a lesser price.
20. The cash payments journal is used to record all transactions that increase the Cash in Bank account.
21. The Purchases Returns account is debited whenever merchandise previously bought to be resold to customers is returned to the vendor

Group 3

Divide is a retail clothing store. At the beginning of each week the change fund has exactly \$300 in currency and coins. Customers who have previously purchased merchandise using a Divide credit card may make payments on their accounts inside the store (as indicated by amounts in the column, "Collected from Customers on Account"). Rather than using a separate petty cash fund, employees are allowed to make small cash expenditures (such as for delivery or window washing) from the change fund, provided a "Cash Paid-Out Voucher" is prepared and placed in the cash drawer. Those amounts are shown in the "Cash Paid Out for Expenses" column. After removing exactly \$300 to start the next week's cash drawer, the remaining cash is deposited weekly to the checking account. For each of the four weeks in the month of January, the following information is known:

Week	Cash Sales	Sales Tax Collected	Collected from Customers On Account	Cash Paid Out for Expenses	Cash in Drawer at End of Week
1	7,752.00	678.30	794.50	18.49	9,505.86
2	6,924.00	605.85	216.80	32.60	8,012.16
3	8,060.00	705.25	398.16	21.18	9,443.32
4	8,240.00	721.00	187.60	8.80	9,439.75

For questions 22 – 27, write the letter of the best response on your answer sheet.

22. The total cash sales for the month of January are:

- A. \$30,894.93 C. \$32,176 E. \$33,686.40 G. \$35,283.46
 B. \$30,976 D. \$32,573.06 F. \$35,201.09 H. \$36,401.09

23. By what amount was a liability account increased for the month of January?

- A. zero B. \$81.07 C. \$1,200 D. \$1,597.06 E. \$2,710.40

24. By what amount was an asset account decreased for the month of January?

- A. zero B. \$81.07 C. \$1,200 D. \$1,597.06 E. \$2,710.40

25. Assuming that all cash sales for the month were taxable, what is the sales tax rate?

- A. 5% B. 7.75% C. 8% D. 8.25% E. 8.75% F. 9%

* 26. For the month of January, the cash fund was over or short and by what amount?

- A. \$0.45 short E. \$0.45 over
 B. \$1.09 short F. \$1.09 over
 C. \$1.30 short G. \$1.30 over
 D. \$3.48 short H. \$3.48 over

* 27. What is the total amount deposited to Divide's checking account for January?

- A. \$34,001.09 C. \$35,201.09 E. \$35,203.69 G. \$36,401.09
 B. \$34,901.09 D. \$35,202.39 F. \$36,101.09 H. \$36,402.39

Group 4

The Starlite Co. uses three financial statements at the end of each month: the balance sheet, income statement, and statement of changes in owner’s equity. (The owner’s equity section of the balance sheet only shows the ending capital amount.) For questions 28 – 37, indicate on which financial statement(s) the item will appear by writing the identifying letter(s) on your answer sheet.

- A. Balance Sheet**
- B. Income Statement**
- C. Statement of Changes in Owner’s Equity**

- | | |
|--|--|
| 28. Ending balance of capital | 33. Total Liabilities |
| 29. Net Income | 34. Cost of Merchandise Available for Sale |
| 30. Investment by owner during fiscal period | * 35. Ending Merchandise Inventory |
| 31. Transportation In | 36. Prepaid Insurance |
| 32. Withdrawals by owner during the period | * 37. Supplies used during the fiscal period |

Group 5

Gibby’s Gifts opened a new boutique in time for Valentine’s Day. Five isolated transactions from her first month of operations are to be recorded in a general journal. Write the identifying letter of each transaction that would complete questions 38 – 47.

A	Gibby invested personal shelving for use in the boutique.
B	Gibby paid for six months’ rent at the vendor mall.
C	A customer bought \$70 in gifts from Gibby on account and agreed to pay within ten days.
D	Daily cash sales were collected and journalized.
E	Gifts to Go emailed Gibby the details of her online purchase of merchandise for the store.

- 38. Check stub is the source document for transaction _____.
- 39. Invoice is the source document for transaction _____.
- 40. Memorandum is the source document for transaction _____.
- 41. Receipt is the source document for transaction _____.
- 42. Sales Slip is the source document for transaction _____.

Considering the same five transactions in the table above, identify the correct journal to be used if Gibby opts to utilize special journals as well as the general journal.

- 43. Cash Receipts Journal would be used for transaction _____.
- 44. Cash Payments Journal would be used for transaction _____.
- 45. General Journal would be used for transaction _____.
- 46. Purchases Journal (multi-column) would be used for transaction _____.
- 47. Sales Journal would be used for transaction _____.

Group 6

Below is information from the adjusted trial balance columns of the work sheet for the year ended December 31, 2023, for Leisure Time, Inc. All accounts have normal balances. All prepaid expenses, inventory, and supply items are recorded in respective asset accounts when purchased. Adjusting and closing entries are prepared only at the end of the fiscal year. Enter your answers for questions 48 – 59 on the answer sheet.

Account Title	Amount	Account Title	Amount
Cash in Bank	560	Sales	56,480
Accounts Receivable	4,650	Sales Returns & Allow.	978
Prepaid Insurance	350	Purchases	18,972
Office Supplies	670	Purchases Returns	380
Office Equipment	1,300	Insurance Expense	600
Merchandise Inventory	9,850	Rent Expense	18,000
Accounts Payable	3,420	Utilities Expense	9,400
Hank Kidd, Capital	27,360	Office Supplies Expense	1,570
Hank Kidd, Drawing	6,000	Salary Expense	15,600
Income Summary, credit	1,380	Miscellaneous Expense	520

- * 48. What is the balancing total for the adjusted trial balance columns on the work sheet?
49. On the work sheet what is the subtotal before net income or net loss is calculated for the balance sheet debit column?
50. On the work sheet what is the subtotal before net income or net loss is calculated for the balance sheet credit column?
51. On the work sheet what is the subtotal before net income or net loss is calculated for the income statement debit column?
52. On the work sheet what is the subtotal before net income or net loss is calculated for the income statement credit column?
- * 53. If the only insurance purchased during 2023 cost \$725, what was the balance in Prepaid Insurance on January 1, 2023?
54. What was the balance in Merchandise Inventory on January 1, 2023?
- * 55. What is the amount of Cost of Goods Sold on the Income Statement?
- * 56. What is the amount of Gross Profit on the Income Statement?
- ** 57. What was the net income or net loss for the year?
- * 58. What is the balance of the owner's capital account on the Post-Closing Trial Balance?
- * 59. What is the amount of total assets that would appear on the Post-Closing Trial Balance?

Group 8 Refer to the information in the table below. Answer questions 69 – 80 by writing the correct amount on your answer sheet.

Account	Trial Balance (Unadjusted)		Corrected Trial Balance	
	Debit	Credit	Debit	Credit
Cash in Bank	10,240		#69	
Accounts Receivable	8,980		* #70	
Merchandise Inventory	80,680		#71	
Prepaid Insurance	1,800			
Office Supplies	1,420		#72	
Office Equipment	15,020		#73	
Accounts Payable		20,976		* #74
Sales Tax Payable		630		#75
Andy Peale, Capital		36,900		* #76
Andy Peale, Drawing	3,500		#77	
Income Summary		964		
Sales		62,350		#78
Purchases				
Office Supplies Expense	180		#79	
Insurance Expense				
	121,820	121,820		

The unadjusted trial balance above is not accurate because of the errors below. Use the space provided to calculate correct balances for the accounts numbered 69 – 79.

- A computer printer purchased on credit was recorded with a debit to Office Supplies and a credit to Accounts Payable for \$850.
- A \$420 collection of an account receivable was journalized as \$240.
- A cash purchase of office supplies for \$180 was debited to Office Supplies Expense and credited to Cash. (Company policy is to record prepaid expenses as assets.)
- A \$260 payment of an account payable was recorded with a credit to Cash for \$260 and a credit to Accounts Payable for \$206.
- Sales on account for \$700 was recorded with a debit to Accounts Receivable for \$700 and a credit to Sales for \$70.
- Recalculating the Sales Tax Payable account balance before any corrections had been made revealed that the balance should be \$430.
- An owner investment was debited to Cash for \$1,000 but the credit was not posted.
- A \$200 payment on account was debited to Accounts Receivable and credited to Cash.
- All purchases of merchandise for the year had been debited to Merchandise Inventory. The beginning inventory was \$32,500.
- An owner's withdrawal of \$500 was credited to cash but was debited to the capital account.
- In order to get the unadjusted trial balance to equal, the bookkeeper recorded the amount needed to balance as a credit to Income Summary.

*** 80. After all corrections have been made, what is the balancing total of the corrected Trial Balance?

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 3	45. <u> A </u>	GROUP 8
1. <u> DR </u>	22. <u> B </u>	46. <u> E </u>	69. \$ <u> 10,420 </u>
2. <u> DR </u>	23. <u> E </u>	47. <u> C </u>	* 70. \$ <u> 8,600 </u>
3. <u> CR </u>	24. <u> D </u>	GROUP 6	71. \$ <u> 32,500 </u>
4. <u> CR </u>	25. <u> E </u>	* 48. \$ <u> 89,020 </u>	72. \$ <u> 750 </u>
5. <u> CR </u>	* 26. <u> C </u>	49. \$ <u> 23,380 </u>	73. \$ <u> 15,870 </u>
6. <u> DR </u>	* 27. <u> C </u>	50. \$ <u> 30,780 </u>	* 74. \$ <u> 20,310 </u>
7. <u> DR </u>	GROUP 4	51. \$ <u> 65,640 </u>	75. \$ <u> 430 </u>
8. <u> DR </u>	28. <u> A,C </u>	52. \$ <u> 58,240 </u>	* 76. \$ <u> 38,400 </u>
9. <u> DR </u>	29. <u> B,C </u>	* 53. \$ <u> 225 </u>	77. \$ <u> 4,000 </u>
10. <u> DR </u>	30. <u> C </u>	54. \$ <u> 8,470 </u>	78. \$ <u> 62,980 </u>
GROUP 2	31. <u> B </u>	* 55. \$ <u> 17,212 </u>	79. \$ <u> 0 </u>
11. <u> TRUE </u>	32. <u> C </u>	* 56. \$ <u> 38,290 </u>	*** 80. \$ <u> 122,120 </u>
12. <u> TRUE </u>	33. <u> A </u>	** 57. \$ <u> <7,400> </u>	
13. <u> FALSE </u>	34. <u> B </u>	* 58. \$ <u> 13,960 </u>	
14. <u> FALSE </u>	* 35. <u> A,B </u>	* 59. \$ <u> 17,380 </u>	Grader Initials / # Corr.
15. <u> TRUE </u>	36. <u> A </u>	GROUP 7	1) _____ # _____
16. <u> FALSE </u>	* 37. <u> B </u>	60. <u> C </u>	2) _____ # _____
17. <u> TRUE </u>	GROUP 5	61. <u> C </u>	3) _____ # _____
18. <u> TRUE </u>	38. <u> B </u>	* 62. <u> D </u>	
19. <u> TRUE </u>	39. <u> E </u>	63. <u> A </u>	
20. <u> FALSE </u>	40. <u> A </u>	64. <u> B </u>	
21. <u> FALSE </u>	41. <u> D </u>	65. <u> D </u>	
	42. <u> C </u>	66. <u> D </u>	
	43. <u> D </u>	* 67. <u> D </u>	
	44. <u> B </u>	68. <u> B </u>	