

UIL ACCOUNTING 2025 Regional Test

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

All answers MUST be written on your answer sheet.

No other test materials are graded or reviewed by the graders.

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”. If using T or F for true-false questions, make sure that your answer is clearly discernible.

Carefully read the instructions for each group of questions. Pay particular attention to instructions regarding: 1) the format of answers; 2) rounding; and 3) answers with brackets.

You may remove the pages from the staple for convenience; only the answer sheet is considered by the graders.

Acceptable Responses Section

Debit/Credit questions:				True/False questions:			Yes/No questions:			for Zero	
Debit	DR	debit	dr	True	T	true	Yes	Y	yes	0	-0-
Credit	CR	credit	cr	False	F	false	No	N	no	zero	

If an answer has zero cents, it is not necessary to write the decimal or the zeroes for cents. However, any dollar amount with cents must have TWO decimal places.

A required decimal point must be clearly visible and in the correct position.

Round dollar amounts to the nearest cent.

Including commas in an amount where appropriate is encouraged, but it is optional. Failure to use commas will not make your answer wrong; however, marking a comma in the wrong position will cause your answer to be marked incorrect.

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Group 1

For items 1 – 10, indicate whether each account increases or decreases the capital account during the closing process, using the following code:

- A. increases the capital account**
- B. decreases the capital account**
- C. account or item is not closed**

1. Sales Returns & Allowances
2. Accumulated Depreciation—Equipment
3. Income Summary (net income)
4. Sales
5. Allowance for Uncollectible Accounts
6. Bad Debt Expense
7. Cost of Delivered Merchandise
8. Transportation In
9. Gain on Plant Asset
10. Depreciation Expense

Group 2

For items 11 – 15, write on your answer sheet **TRUE** if the statement is true; write **FALSE** if the statement is false.

11. Liability, revenue, and capital accounts all have normal credit balances.
12. Mutual agency means the actions of one partner acting on behalf of the partnership are binding on all partners.
13. Under a periodic inventory system, the cost of any merchandise lost through shoplifting is calculated through the cost of merchandise sold when a physical inventory is taken and the general ledger is adjusted accordingly.
14. If purchases discounts taken were omitted from the income statement, net income for the period would be understated.
15. After posting the entries to close all revenue accounts and all expense accounts, the Income Summary account of a company has a \$7,000 debit balance. This shows that the company earned a net income of \$7,000.

Group 3

For question #16, write the correct amount on your answer sheet. Some of the subtotals on a worksheet before net income or net loss is calculated are as follows:

Income Statement Credit	112,442
Balance Sheet Debit	137,496
Balance Sheet Credit	128,799

- * 16. What is the amount of the Income Statement Debit column subtotal before net income or net loss is calculated?

Group 4

Dalton & Company operates in a city that imposes a property tax on both real and personal property. The city tax rate for both types of property is 1.5%. Dalton & Company has the following asset information:

Asset	Original Cost	Accum. Deprec.	Fair Market Value	Replacement Value	Assessed Value
Building	750,000	86,664	800,000	900,000	625,000
Land	75,000	0	125,000	125,000	100,000
Equipment	100,000	48,000	75,000	125,000	95,000
Airplane	450,000	162,000	300,000	670,000	275,000
Vehicles	135,000	54,000	45,000	150,000	35,000

For questions 17 – 18, write the correct amount on your answer sheet.

17. What is the amount of property tax attributable to the real property?
18. What is the amount of property tax attributable to the personal property?

For questions 19 – 20, write the letter of the best response on your answer sheet.

19. When the property taxes are paid, what account is debited?
- A. Cash in Bank
 - B. Depreciation Expense
 - C. Property Tax Expense
 - D. Plant Assets Expense
20. Which of the following statements is false?
- A. Assessed value is usually based on the judgment of persons referred to as assessors.
 - B. The taxpayer may pay property taxes based on the assessed value or the book value, whichever is less, provided the taxpayer can show evidence of the book value.
 - C. Assessors are elected by citizens or are trained employees of a governmental unit.
 - D. Often the assessed value is only a part of the true value of the asset.

Group 5

One of the items sold at The Electronic Exchange is a Bluetooth speaker. The following chart shows the beginning inventory and purchases information for the year. During the year 620 speakers were sold for \$5 each and 640 speakers were sold for \$10 each. The company uses a periodic inventory system. The market value of the speaker as of 12-31-24 is \$4.25 each. (Round computations to the nearest cent.)

		Number of Units	Cost per Unit	
1-1-24	Beginning Inventory	200	2.00	
Jan	Purchase	220	2.00	
Mar	Purchase	240	2.00	
Apr	Purchase	260	3.00	
Jun	Purchase	140	4.00	
Jul	Purchase	160	5.00	
Aug	Purchase	160	5.00	
Oct	Purchase	120	6.00	

For questions 21 – 28, write the correct amount on your answer sheet.

FIFO		Units		Amount
Available for Sale			#22	
Ending Inventory	#21		#23	
Cost of Merchandise Sold			#24	
Gross Profit			* #25	
LIFO		Units		Amount
Available for Sale				
Ending Inventory				
Cost of Merchandise Sold				
Gross Profit			* #26	
Weighted Average Cost		Units		Amount
Available for Sale				
Ending Inventory				
Cost of Merchandise Sold				
Gross Profit			* #27	

- * 28. Assume that The Electronic Exchange chooses to value its 12-31-24 ending inventory at the lower of FIFO cost or market method. What amount would be reported on the 12-31-24 Balance Sheet for Merchandise Inventory?

[illegible]

Group 6, cont'd.

For questions 29 – 33, write the letter of the best response on your answer sheet.

29. The depreciation expense recorded in 2022 represents how many months for the:

	<u>Computer System</u>	<u>Fitness Equipment</u>
A.	7	12
B.	12	5
C.	5	12
D.	5	5
E.	8	12

30. The book value of the fitness equipment on January 5, 2022, is

- A. zero B. \$5,300 C. \$75,000 D. \$112,500 E. \$125,000

31. The fitness equipment will have an entry for depreciation expense in years 2022 through:

- A. 2025 B. 2026 C. 2027 D. some year after 2027

32. In 2022 the equipment account increased as follows:

	<u>Computer System</u>	<u>Fitness Equipment</u>
A.	\$ 500	\$ 12,500
B.	\$4,800	\$112,500
C.	\$5,300	\$125,000
D.	\$4,800	\$125,000

* 33. The computer system will have a final entry for depreciation expense as follows:

	<u>Amount</u>	<u>Year</u>
A.	\$ 560	2027
B.	\$ 960	2026
C.	\$ 400	2027
D.	\$ 960	2027

For questions 34 – 40, write the correct amount on your answer sheet. Round to the nearest cent. A loss must be indicated by brackets or parentheses.

* 34. After the adjusting and closing entries are posted to the general ledger for the year ended 12-31-25, what will be the balance of Accumulated Depreciation—Equipment?

35. What is the amount that will be credited to Accumulated Depreciation—Equipment just for the fitness equipment in 2026?

* 36. What is the book value of the computer system at the end of year 2026?

* 37. What is the amount of depreciation expense recorded for the fitness equipment in 2024?

* 38. What is the book value of the fitness equipment at the end of year 2026?

* 39. If the straight-line method had been used for the fitness equipment, by what amount would the book value at the end of year 2024 have exceeded the book value using double declining balance?

* 40. If Fantasy Fitness sells the computer system on 12-31-26 for \$1,000, what is the amount of the gain or loss?

Group 7

Three performers decided they were good enough to start a business providing singing lessons to the public and chose to form a partnership. The partners plan to invest the following assets in the business:

	Bocelli	Pavarotti	Domingo
Cash	25,000		16,000
Supplies	5,000		6,000
Pianos	125,000		130,000
Furniture	4,000		8,000
Recording Equip.	65,000		
Building		226,000	
Land		30,000	

For questions 41 – 44, write the identifying letter of the best response on your answer sheet. Consider each question as an independent situation.

41. If the net income of the partnership is \$187,290 and the partnership agreement does not state how net income is to be divided, what amount of net income should be allocated to Bocelli?
A. \$37,458 B. \$44,800 C. \$62,430 D. \$65,551.50 E. \$78,400
42. The partners share net income in the same ratio as the beginning balances of their capital accounts. If the net income is \$189,000, what amount of net income should be allocated to Domingo?
A. \$40,000 B. \$47,250 C. \$63,000 D. \$80,000 E. \$94,500
43. The partners Bocelli, Pavarotti, and Domingo share net income based on the amount of time they spend working in the business, which is expressed as 2:3:5 respectively. If the net income is \$210,000, what amount of net income should be allocated to Pavarotti?
A. \$63,000 B. \$70,000 C. \$76,800 D. \$84,000 E. \$102,400
44. If Bocelli's allocated share of the net income is \$54,600 when total net income was \$156,000, then the method used to divide net income among the partners was based on
A. which partner had the highest amount of music royalties for the year.
B. a partnership agreement that does not specify how this should be done.
C. the amount of time they spend working in the business.
D. the same ratio as the beginning balances of the partners' capital accounts.
E. details that cannot be determined from the information provided.

Group 8

The three companies below have a fiscal year-end of December 31. On December 28, 2024, before any uncollectible accounts are written off or before any adjusting entries are recorded, the following information is available for three separate companies called Amazin' Co., Now Co., and Cango Co. All accounts have normal balances.

	Amazin' Co.	Now Co.	Cango Co.
Accounts Receivable	35,614	27,638	15,642
Allowance for Uncollectible Accounts	1,590	1,265	0
Sales (includes cash & charge sales)	128,379	92,465	57,239
Sales Discounts	3,860	2,775	1,214
Sales Returns & Allowances	4,219	3,690	875
Charge sales	89,416	48,150	32,650
Uncollectible Accounts Expense	0	0	0

Each business has adopted a different method of accounting for uncollectible accounts. Amazin' Co. uses the aging of accounts receivable method. Now Co. uses the percentage of net sales method (historically 2%). Cango Co. uses the direct write-off method.

On December 30, 2024, the companies wrote off the following accounts as uncollectible:

<u>Amazin' Co.</u>	<u>Now Co.</u>	<u>Cango Co.</u>
Jake Barrett \$1,376	Jeremy Garza \$285	Timmy Lassiter \$672
	Grace Schultz \$640	

On 12-31-24, each company prepared an Aging of Accounts Receivable as follows:

<u>Amazin' Co.</u> \$1,760	<u>Now Co.</u> \$1,510	<u>Cango Co.</u> \$875
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For questions 45 – 58, write the letter of the best response on your answer sheet.

45. What is the book value of Accounts Receivable of Amazin' Co. on 12-28-24?
A. \$26,373 B. \$32,478 C. \$34,024 D. \$35,614 E. \$37,204
46. After Jake Barrett's account was written off on 12-30-24, what was the book value of Accounts Receivable for Amazin'?
A. \$26,373 B. \$32,648 C. \$32,478 D. \$34,024 E. \$34,238
47. Which of the following is correct about the entry that Amazin' made on 12-30-24?
A. Accounts Receivable was debited.
B. Uncollectible Accounts Expense was debited.
C. Allowance for Uncollectible Accounts was debited.
D. Allowance for Uncollectible Accounts was credited.

Group 8, cont'd.

48. The adjusting entry for estimated uncollectible accounts expense for Amazin' includes a
- A. debit to Accounts Receivable
 - B. credit to Allowance for Uncollectible Accounts
 - C. debit to Uncollectible Accounts Expense
 - D. debit to Allowance for Uncollectible Accounts
 - E. both B and C
- * 49. The Balance Sheet for Amazin' dated 12-31-24 will include a balance for Allowance for Uncollectible Accounts in the amount of
- A. \$214 B. \$1,546 C. \$1,590 D. \$1,760 E. \$1,974
50. Which of the following is an example of an allowance method of accounting for uncollectible accounts?
- A. straight-line method C. declining-balance method
 - B. direct write-off method D. none of the above
51. The Income Statement for the year ended 12-31-24 for Amazin' will include Uncollectible Accounts Expense in the amount of
- A. \$170 B. \$214 C. \$1,206 D. \$1,546 E. \$1,720 F. \$1,760
52. What is the amount of the adjusting entry made by Now Co. to record the estimated uncollectible accounts expense for 2024?
- A. \$340 B. \$925 C. \$1,265 D. \$1,720 E. \$2,060
- * 53. What is the amount of the book value of Accounts Receivable that would be reported on Now's Balance Sheet dated 12-31-24?
- A. \$24,653 B. \$24,993 C. \$25,578 D. \$25,918 E. \$28,773
54. Which of the following is correct about the entry Cango made on 12-30-24?
- A. Accounts Receivable was debited
 - B. Allowance for Uncollectible Accounts was debited
 - C. Uncollectible Accounts Expense was debited
 - D. Allowance for Uncollectible Accounts was credited
55. Cango's Income Statement for the year ended 12-31-24 will include Uncollectible Accounts Expense of
- A. \$203 B. \$672 C. \$875 D. \$1,547

Group 8, cont'd.

- * 56. On January 18, 2025, Now Co. received \$285 from Jeremy Garza in payment of his account, which Now had written off on 12-30-24. Which of the following is the correct way to handle this receipt?

Reinstatement of Garza's Account			Entry for Cash Receipt		
Accts. Rec.	Allow. for Uncollect. Accounts	Uncollect. Accounts Expense	Cash in Bank	Accts. Rec.	Other Income

- | | | | | | | |
|----|----------|----------|----------|----------|----------|----------|
| A. | \$285 DR | no entry | \$285 CR | \$285 DR | \$285 CR | no entry |
| B. | no entry | no entry | no entry | \$285 DR | no entry | \$285 CR |
| C. | no entry | \$285 CR | \$285 DR | \$285 DR | no entry | \$285 CR |
| D. | \$285 DR | \$285 CR | no entry | \$285 DR | \$285 CR | no entry |

- * 57. On January 20, 2025, Cango Co. received \$672 from Timmy Lassiter in payment of his account, which Cango had written off on 12-30-24. Which of the following is false?

- A. When Cango reinstates Lassiter's account, Accounts Receivable is debited.
- B. When Cango records the receipt, Cash in Bank is debited.
- C. When Cango reinstates Lassiter's account, Allowance for Uncollectible Accounts is credited.
- D. When Cango records the receipt, Accounts Receivable is credited.
- E. When Cango reinstates Lassiter's account, Uncollectible Accounts Expense is credited.

58. If Amazin' Co. fails to estimate and record uncollectible accounts expense, which of the following would be a consequence?

- A. The matching principle is violated
- B. Assets on the Balance Sheet are overstated
- C. Net income on the Income Statement is overstated
- D. all of the above
- E. none of the above

Group 9

ASSET	ORIGINAL COST	ACCUMULATED DEPRECIATION THROUGH DEC 31, 2024	ADDITIONAL DEPRECIATION IN 2025 TO DATE OF SALE
#1	6,485	3,600	900
#2	15,750	10,400	433

For questions 59 and 60, write the correct amount on your answer sheet. Indicate sales resulting in a loss by brackets or parentheses.

59. If asset #1 is sold for \$2,000, what is the amount of gain or loss?

60. If asset #2 is sold for \$4,500, what is the amount of gain or loss?

Group 10

For items 61 – 66, determine whether each would be journalized with the salary expense entry, the payroll tax expense entry, or both. Write the correct identifying letter on your answer sheet using the following code:

- A. with the salary expense entry
- B. with the payroll tax expense entry
- C. with both the salary expense entry and the payroll tax expense entry

- 61. employees' federal income taxes
- 62. net pay for the period
- 63. state unemployment taxes
- 64. FICA taxes
- 65. hospital insurance premiums paid by employees
- 66. federal unemployment taxes

Group 11

The Drillo Co. reported the following income statement data for a two-year period.

	AS REPORTED		AS CORRECTED	
	2023	2024	2023	2024
Sales	\$ 210,000	\$ 250,000		
Cost of Mdse Sold:				
Beginning Inventory	32,000	40,000		
Cost of Mdse Purchased	<u>173,000</u>	<u>202,000</u>		
Cost of Mdse Available for Sale	205,000	242,000		
Ending Inventory	<u>40,000</u>	<u>52,000</u>		
Cost of Merchandise Sold	<u>165,000</u>	<u>190,000</u>		
Gross Profit	\$ 45,000	\$ 60,000		

The Drillo Co. uses a periodic inventory system. The inventories on January 1, 2023, and December 31, 2024, are correct. However, the ending inventory on December 31, 2023, was overstated by \$6,000.

For questions 67 – 70, write YES or NO on your answer sheet.

- 67. Did the error cause the cost of merchandise available for sale in 2023 to be overstated?
- 68. Did the error cause 2023 gross profit to be overstated?
- 69. Did the error cause 2024 gross profit to be overstated?
- 70. Did the error cause 2024 cost of merchandise available for sale to be understated?

Group 12

The K & L Honey Co. has been in business for ten years. For questions 71 – 80, refer to the partially completed work sheet on page 13. You may remove the work sheet from the staple for convenience. The work sheet will not be reviewed by the graders. The amounts provided on the work sheet are correct, but the work sheet is incomplete.

For questions 71 – 75, write “TRUE” if the statement is true or “FALSE” if the statement is false.

- 71. The adjustment to record uncollectible accounts expense caused the book value of accounts receivable to increase by \$1,900.
- 72. The adjusting entry to record the actual amount of supplies used includes a credit to Supplies for \$940.
- 73. The adjusting entry to record expired insurance includes a debit to Insurance Expense of \$1,800.
- 74. The credit of \$4,000 to Income Summary as an adjusting entry requires a debit of \$4,000 to Merchandise Inventory in order for the entry to balance.
- 75. The amount \$1,240 in the debit column of the trial balance must represent the amount of supplies that were actually purchased during 2024.

For questions 76 – 80, write the correct amount on your answer sheet.

- 76. What is the amount of depreciation expense for the period?
- * 77. What is the balancing total of the Adjustments columns?
- * 78. What is the amount of net purchases?
- * 79. What is the amount of gross profit?
- * 80. If the partners share profits and losses equally, what is the amount of net income that will be allocated to each partner?

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

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GROUP 1

1. B
 2. C
 3. A
 4. A
 5. C
 6. B
 7. C
 8. B
 9. A
 10. B

GROUP 2

11. TRUE
 12. TRUE
 13. TRUE
 14. TRUE
 15. FALSE

GROUP 3

- * 16. \$ 103,745

GROUP 4

17. \$ 10,875
 18. \$ 6,075
 19. C
 20. B

GROUP 5

21. 240
 22. \$ 4,980

23. \$ 1,320
 24. \$ 3,660
 * 25. \$ 5,840
 * 26. \$ 5,000
 * 27. \$ 5,316.80
 * 28. \$ 1,020

GROUP 6

29. A
 30. E
 31. B
 32. C
 * 33. C

- * 34. \$ 112,240
 35. \$ 3,700
 * 36. \$ 900
 * 37. \$ 18,000
 * 38. \$ 12,500
 * 39. \$ 30,500
 * 40. \$ 100

GROUP 7

41. C
 42. B
 43. A
 44. D

GROUP 8

45. C
 46. D

47. C
 48. E
 * 49. D
 50. D
 51. D
 52. D
 * 53. A
 54. C
 55. B
 * 56. D
 * 57. C
 58. D

GROUP 9

59. \$ 15
 60. \$ < 417 >

GROUP 10

61. A
 62. A
 63. B
 64. C
 65. A
 66. B

GROUP 11

67. NO
 68. YES
 69. NO
 70. NO

GROUP 12

71. FALSE
 72. TRUE
 73. FALSE
 74. TRUE
 75. FALSE
 76. \$ 8,000
 * 77. \$ 16,840
 * 78. \$ 320,000
 * 79. \$ 144,000
 * 80. \$ 16,080

Grader Initials/ # Correct

1) # 2) # 3) # correct

X 5 points each

 raw score + bonus *
(max 20)**TOTAL SCORE****NOTE: NEW SCORING FORMAT ON ANSWER SHEET****NO COVER SHEET NEEDED FOR BONUS POINTS**