

UNIVERSITY INTERSCHOLASTIC LEAGUE  
ACCOUNTING EXAM  
District 2018-D

**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”.

For each multiple choice question, write only the identifying letter of the correct answer on your answer sheet.

Acceptable responses (and not case sensitive) for the following are:

True	=	True or T
False	=	False or F

If you choose another response for the examples given above, it will be counted as incorrect.

When an answer contains more than one response, all responses must be correct for the answer to be correct. The correct responses may be listed in any order unless the group instructions say otherwise. An incorrect response among the correct responses will cause your answer to be wrong.

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.

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.”

After the start signal is given, you may remove table pages and any work papers from the staple for convenience. Work papers and the test itself are never reviewed by graders.

# UIL ACCOUNTING

## District 2018-D

### Group 1

Listed in questions 1 through 7 are the names of various businesses. On your answer sheet write the identifying letter of the type of business for each using the following code:    **A. service**    **B. merchandising**    **C. manufacturing**

- |                                  |                                |
|----------------------------------|--------------------------------|
| 1. Walmart Supercenter           | 5. Office Depot                |
| 2. Ford Motor Company            | 6. Dr. Idoe Care, Veterinarian |
| 3. Farm Bureau Insurance Company | 7. Citibank                    |
| 4. Kraft Foods                   |                                |

### Group 2

The following T-account summarizes the activity for calendar year 2017 for a service business organized as a sole proprietorship. For questions 8 through 19, on your answer sheet write “True” if the statement is true; write “False” if the statement is false.

<b>Capital</b>	
	<b>28,000</b>
	<b>18,000</b>
	46,000
	(footing before closing entries)
<b>15,000</b>	<b>22,000</b>
	53,000
	(footing after closing entries)

8. Owner withdrawals will decrease the amount of individual income tax calculated on the owner’s Form 1040.
9. The amount of Capital on January 1, 2017 was \$28,000.
10. The amount of withdrawals was \$18,000.
11. The business suffered a net loss of \$15,000.
12. The amount that would be found in the Trial Balance column of the work sheet on 12-31-17 is \$28,000
13. The amount that would be found on the Balance sheet for December 31, 2017 is \$53,000.
14. The amount \$22,000 represents the loan received from a bank.
15. Salary Expense reduces net income but owner withdrawals do not affect net income.
16. The amount \$28,000 represents only the amount of owner contributions from years prior to the year 2017.
17. From the given information, it is not known if the owner withdrew cash or some other business asset.
18. If the 2017 total revenue was \$82,000, then the 2017 total expenses must have been \$60,000.
19. When employees are paid, Salary Expense is debited; when the owner makes an owner withdrawal, the account Owner Withdrawals Expense is debited.

**Group 3**

The following information comes from the accounting records of two separate businesses. Emerald Company's liabilities decreased from the beginning of the year (2017) to the end of the year (2017) by \$8,200.

	Ruby Co.		Emerald Co.
<b>December 31, 2016:</b>			
Assets	?		?
Liabilities	10,230		?
<b>December 31, 2017:</b>			
Assets	83,560		92,610
Liabilities	12,415		12,200
<b>During 2017:</b>			
Owner Investments	15,000		30,000
Net Income <Loss>	24,275		<2,870>
Owner Withdrawals	5,000		4,000

Answer questions 20 through 23 by writing the identifying letter of the best response on your answer sheet.

20. On Ruby's Post-Closing Trial Balance dated 12-31-17 what is the amount of the owner's capital account?  
 A. \$36,870    B. \$56,870    C. \$61,700    D. \$71,145    E. \$105,420
21. What is the amount of total assets for Ruby Co. on 1-1-17?  
 A. \$47,100    B. \$67,100    C. \$71,930    D. \$81,375    E. \$83,560
22. What is the balance of Emerald Co.'s owner's equity account on 1-1-17?  
 A. \$57,280    B. \$80,410    C. \$81,680    D. \$103,540    E. \$117,280
23. On Emerald's Balance Sheet for the prior year (12-31-16), what was the amount of total assets?  
 A. \$53,280    B. \$61,280    C. \$77,680    D. \$85,680    E. \$100,810

**Group 4**

For question #24, write the correct amount on your answer sheet. Forrest Company has three employees who are paid weekly as follows:

Jason Pine	\$11.50 per hour with overtime for hours worked over 40 hours in a week at a rate of time and a half
Larry Oaks	\$900 salary per week
Mary Walnut	\$800 salary per week plus 1.5% commission on sales

Last week each employee worked standard hours except Jason who worked a total of 62 hours. Mary sold \$22,600 of merchandise.

- \*24. What is the total gross pay for the week on the Payroll Register for all three employees?

**Group 5**

Rates for the employee payroll tax withholdings and the employer's applicable payroll taxes are as follows:

<b>Social Security</b>	<b>6.2% on gross earnings up to \$127,200</b>
<b>Medicare</b>	<b>1.45% on all earnings</b>
<b>Federal Unemployment Tax</b>	<b>.6% on first \$7,000 of gross earnings</b>
<b>State Unemployment Tax</b>	<b>.22% on first \$9,000 of gross earnings</b>
<b>Federal Income Tax</b>	<b>Disregard</b>

The earnings for the calendar year 2017 for the employees of Bedford Falls Company are as follows:

<b>Employee</b>	<b>Cumulative Earnings</b>
<b>George</b>	<b>10,500</b>
<b>Mary</b>	<b>4,500</b>
<b>Billy</b>	<b>8,500</b>
<b>Potter</b>	<b>130,000</b>

For question #25, write the correct amount on your answer sheet.

- \*25. What is the total amount of payroll tax expense incurred by the employer?

**Group 6**

Use the following information (arranged in alphabetical order) to answer questions 26 through 32. Write the correct amount on your answer sheet. All accounts have normal balances.

<b>Cost of delivered merchandise</b>	<b>64,295</b>
<b>Cost of merchandise available for sale</b>	<b>81,112</b>
<b>Gross profit</b>	<b>40,488</b>
<b>Net purchases</b>	<b>58,612</b>
<b>Net sales</b>	<b>96,400</b>
<b>Purchases</b>	<b>?</b>
<b>Purchases discounts</b>	<b>?</b>
<b>Purchases returns and allowances</b>	<b>3,487</b>
<b>Sales</b>	<b>101,810</b>
<b>Sales discounts</b>	<b>?</b>
<b>Sales returns and allowances</b>	<b>3,270</b>
<b>Transportation in</b>	<b>4,288</b>

- \*26. What is the amount of beginning inventory?  
 27. What is the amount of ending inventory?  
 28. What is the amount of purchases?  
 29. What is the amount of purchases discounts?  
 30. What is the amount of sales discounts?  
 31. What is the amount of cost of merchandise sold?  
 \*32. What is the amount of net income if expenses were \$32,670?

**Group 7**

The following are all of the accounts of Buster Company that have a balance at the end of December, the company's first month of operation. All accounts have normal balances.

Accounts Payable	2,410	Rent Expense	475
Accounts Receivable	3,800	Salaries Expense	15,400
Advertising Expense	310	Service Revenue	21,690
Cash	3,740	Benny Buster, Capital	?
Store Equipment	6,700	Benny Buster, Drawing	1,500
Office Equipment	1,500		

For questions 33, write the correct amount on your answer sheet.

- \*33. What is the amount of total owner's equity to be shown on the December 31 balance sheet?

**Group 8**

On December 1, 2017 Kurt Jensen, owner of Jensen Realty, received a bank statement dated November 28, 2017. It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Mr. Jensen compared the company's checkbook records with the bank statement and found the following:

- The November bank statement shows a beginning balance of \$6,449.20 and an ending balance of \$5,369.14
- The statement shows the November bank service charge of \$12.50
- A check from Casey Dodd for \$485 that was deposited in the business bank account on November 26 was returned by the bank on November 28. On November 28, the bank charged Mr. Jensen's 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 \$4,910 was made on November 30 but does not appear on the bank statement.
- Four checks written in November do not appear on the bank statement:
 

Check #2409 for \$18.00	Check #2412 for \$94.11
Check #2410 for \$2,641.18	Check #2413 for \$241.16

For questions 34 and 35, write the correct amount on your answer sheet.

34. What is the reconciled (adjusted) bank balance on November 30, 2017?
- \*35. What was the balance in the checkbook immediately before the bank reconciliation was prepared?

**Group 9**

**Holly Hampton is the sole owner of Holly's Holiday Haven that sells holiday decorations and gifts. Holly began operations on March 1, 2015.**

**The business rents a building space but needs insurance coverage on the merchandise inventory, supplies and all equipment in the store.**

**It is company policy to record adjusting and closing entries only at the end of the fiscal year, which is December 31. Holly uses a 10-column work sheet at the end of each fiscal year.**

**Listed below are the payments of the 12-month insurance policy purchased and renewed since the business started. It is the only business insurance policy owned by Holly.**

<b>Date</b>	<b>Amount Paid</b>
3-1-15	\$3,540
3-1-16	\$3,720
3-1-17	\$3,900

**For questions 36 through 44, write the correct amount on your answer sheet.**

What is the amount on the work sheet for Prepaid Insurance for each of the following:

- 36. on 12-31-15 in the Trial Balance column
- 37. on 12-31-16 in the Trial Balance column
- \*38. on 12-31-17 in the Trial Balance column

What is the amount on the work sheet for Insurance Expense for each of the following:

- 39. on 12-31-15 in the Adjusted Trial Balance column
- 40. on 12-31-16 in the Adjusted Trial Balance column
- 41. on 12-31-17 in the Adjusted Trial Balance column

What is the amount on the work sheet for Prepaid Insurance for each of the following:

- 42. on 12-31-15 in the Adjusted Trial Balance column
- 43. on 12-31-16 in the Adjusted Trial Balance column
- \*44. on 12-31-17 in the Adjusted Trial Balance column

**Group 10**

<b>Star Services</b>		
<b>Trial Balance</b>		
<b>December 31, 2017</b>		
<b>Cash</b>	<b>15,390</b>	
<b>Accounts Receivable</b>	<b>5,150</b>	
<b>Prepaid Insurance</b>	<b>460</b>	
<b>Office Equipment</b>	<b>6,790</b>	
<b>Accounts Payable</b>		<b>3,035</b>
<b>Joy Star, Capital</b>		<b>13,161</b>
<b>Fees Income</b>		<b>19,000</b>
<b>Insurance Expense</b>	<b>750</b>	
<b>Rent Expense</b>	<b>5,335</b>	
<b>Utilities Expense</b>	<b>2,481</b>	
<b>Totals</b>	<b>36,356</b>	<b>35,196</b>

The trial balance above is out of balance. An examination of the records revealed the following:

1. A collection on account for \$350 was debited correctly, but was credited to Fees Income.
2. The purchase of a six-month insurance policy for \$750 on December 31, 2017 was credited correctly, but was debited to Insurance Expense.
3. A payment on account in the amount of \$502 was recorded as \$205 for both the debit and the credit.
4. Services performed on account in the amount of \$1,500 was recorded with a debit to Accounts Receivable for \$1,500 and a credit to Fees Income for \$150.
5. The utilities payment of \$105 was recorded with a debit to Utilities Expense for \$105 and a debit to Cash for \$105.
6. An owner withdrawal of \$2,000 cash was credited correctly, but was debited to the capital account.
7. A payment on account for \$400 was credited to the cash account with no debit entry made.

Answer questions 45 through 51 by writing the correct amount on your answer sheet. Answer the questions on the basis that all corrections have been made and the trial balance is in balance. The work sheet has not yet been prepared.

- \*45. What is the correct balance of Cash?
46. What is the correct balance of Accounts Receivable?
47. What is the correct balance of Prepaid Insurance?
48. What is the correct balance of Accounts Payable?
49. What is the correct balance of Joy Star, Capital?
50. What is the correct balance of Fees Income?
- \*\*51. What is the balancing total of the corrected trial balance?

**Group 11**

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 July 18th when the company increased the fund by \$50.

	Vouchers	Actual Cash	Cash	Amount
Month	Totaling	Before	Over	Needed to
		Replenishment	<Short>	Replenish
May 31		31.30	<1.20>	
June 30			1.65	192.55
July 31		42.65	.80	
Aug 31			<.20>	227.60

For questions 52 and 53, write the correct amount on your answer sheet.

52. The check needed to replenish petty cash on July 31 is    ?   .

\*53. The vouchers for the months of May through August added together equal    ?   .

**Group 12**

Refer to the complete general ledger of Bayberry Company in Table 1 on page 9. In the accounts, "YR2017" indicates the summary total of the transaction activity affecting the account during the year 2017. All accounts have normal balances. All of the information given is correct. Some items are missing, but can be determined from other information provided. All adjusting entries have been posted with the date of 12-31-17 (although some are only partially presented). No closing entries have been posted.

On your answer sheet for questions 54 through 62, write "True" if the statement is true; write "False" if the statement is false.

54. The amount of cash paid out in 2017 was \$70,930.
55. The amount charged by customers in 2017 was \$65,380.
56. The amount of supplies acquired in 2017 was \$3,685.
57. The amount bought from vendors on account in 2017 was \$24,860.
58. The amount received on account from customers in 2017 was \$33,260.
59. Total liabilities increased from 1-1-17 to 12-31-17 by \$275.
60. The owner withdrew \$3,000 in 2017 for personal use.
61. The total cost of merchandise available for sale in 2017 was \$21,270.
62. The amount of total expenses for 2017 before adjusting entries were posted was \$9,465.



**Group 12 continued**

**Continue to refer to the data in Table 1. For questions 63 through 70, write the correct amount on your answer sheet.**

**On the correctly prepared work sheet for the twelve months ended 12-31-17, what was the amount in the Trial Balance columns for each of the following?**

- |                            |                               |
|----------------------------|-------------------------------|
| 63. Cash in Bank           | *67. Prepaid Insurance        |
| *64. Merchandise Inventory | 68. Ben Bayberry, Capital     |
| *65. Supplies              | 69. Insurance Expense         |
| *66. Accounts Payable      | 70. Ben Bayberry, Withdrawals |

**Continue to refer to the data in Table 1. For questions 71 through 80, write the correct amount on your answer sheet.**

- 71. What was the balance of Accounts Receivable on 1-1-17?
- 72. What was the balance in the Prepaid Insurance account on 1-1-17?
- \* 73. What was the balance in the Accounts Payable account on 1-1-17?
- 74. What amount of supplies is available to be used in a future period after 12-31-17?
- 75. What amount of Merchandise Inventory will be shown on the Balance Sheet dated 12-31-17?
- 76. What is the amount of cost of merchandise sold for 2017?
- 77. What is the amount of gross profit for 2017?
- \* 78. What amount will be shown on the Income Statement for the twelve months ended 12-31-17 for Total Expenses?
- 79. On the Balance Sheet dated December 31, 2017, what is the amount of total assets?
- \*\*80. After all closing entries for 2017 are posted, what is the balance of the capital account?

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

**Table 1**  
(for questions 54 through 80)

Cash in Bank			
Date	Debit	Credit	Balance
1-1-17			6,720
YR 2017	70,930		
YR 2017		64,065	

Ben Bayberry, Withdrawals			
Date	Debit	Credit	Balance
YR 2017	5,000		5,000

Accounts Receivable			
Date	Debit	Credit	Balance
1-1-17			
YR 2017	30,710		
YR 2017		33,260	1,740

Income Summary			
Date	Debit	Credit	Balance
12-31-17		2,140	2,140

Supplies			
Date	Debit	Credit	Balance
1-1-17			2,140
YR 2017	3,685		
12-31-17			

Sales			
Date	Debit	Credit	Balance
YR 2017		65,380	

Prepaid Insurance			
Date	Debit	Credit	Balance
1-1-17			
YR 2017	4,272		
12-31-17			1,780

Purchases			
Date	Debit	Credit	Balance
YR 2017	41,368		

Merchandise Inventory			
Date	Debit	Credit	Balance
1-1-17			
12-31-17			23,410

Supplies Expense			
Date	Debit	Credit	Balance
12-31-17	3,840		

Accounts Payable			
Date	Debit	Credit	Balance
1-1-17			
YR 2017		24,860	
YR 2017	25,135		

Insurance Expense			
Date	Debit	Credit	Balance
12-31-17	4,202		4,202

Ben Bayberry, Capital			
Date	Debit	Credit	Balance
1-1-17			32,155
YR 2017		3,000	35,155

All Other Expenses (combined for simplicity)			
Date	Debit	Credit	Balance
YR 2017	9,465		9,465



**UIL ACCOUNTING—District 2018-D  
KEY**

Group 1	
1	B
2	C
3	A
4	C
5	B
6	A
7	A

Group 2	
8	False
9	True
10	False
11	False
12	False
13	True
14	False
15	True
16	False
17	True
18	True
19	False

Group 3	
20	D
21	A
22	A
23	C

Group 4	
*24	\$ 2,878.50

Group 5	
*25	\$ 11,790.35

Group 6	
*26	\$ 22,500
27	\$ 25,200
28	\$ 60,007
29	\$ 2,196
30	\$ 2,140
31	\$ 55,912
*32	\$ 7,818

Group 7	
*33	\$ 13,330

Group 8	
34	\$ 7,284.69
*35	\$ 7,807.19

Group 9	
36	\$ 3,540
37	\$ 4,310
*38	\$ 4,520
39	\$ 2,950
40	\$ 3,690
41	\$ 3,870
42	\$ 590
43	\$ 620

Group 9 cont.	
*44	\$ 650

Group 10	
*45	\$ 14,883
46	\$ 4,800
47	\$ 1,210
48	\$ 2,338
49	\$ 15,161
50	\$ 20,000
**51	\$ 37,499

Group 11	
52	\$ 207.35
*53	\$ 797.25

Group 12	
54	False
55	False
56	True
57	True
58	True
59	False
60	False
61	False
62	True
63	\$ 13,585
*64	\$ 21,270
*65	\$ 5,825

Group 12 cont.	
*66	\$ 3,700
*67	\$ 5,982
68	\$ 35,155
69	\$ 0 or zero
70	\$ 5,000
71	\$ 4,290
72	\$ 1,710
*73	\$ 3,975
74	\$ 1,985
75	\$ 23,410
76	\$ 39,228
77	\$ 26,152
*78	\$ 17,507
79	\$ 42,500
**80	\$ 38,800

Grader #1 \_\_\_\_\_  
Grader #2 \_\_\_\_\_  
Grader #3 \_\_\_\_\_

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

UIL ACCOUNTING  
District 2018-D

**SCORING CHART**

Number of **correct** answers out of 80  
(without considering asterisks)..... \_\_\_\_\_ times 5 = \_\_\_\_\_

Plus extra credit for asterisk questions answered **correctly**.  
(If the answer is incorrect, draw a line through the block.)

Question Number	Asterisks on Exam	Extra Points If Correct
24	1	
25	1	
26	1	
32	1	
33	1	
35	1	
38	1	
44	1	
45	1	
51	2	
53	1	
64	1	
65	1	
66	1	
67	1	
73	1	
78	1	
80	2	

Total Extra Points ..... \_\_\_\_\_

TOTAL SCORE..... _____
------------------------