

FUNDAMENTAL ACCOUNTING (100) —Secondary— REGIONAL – 2015

Multiple Choice & Short Answer Section:

Multiple Choice (25 @ 2 points each) _____ (50 points)

Account Classification (10 @ 1 point each) _____ (10 points)

Production Portion:

Job 1: Work Sheet _____ (79 points)

Job 2: Journal Entries _____ (23 points)

Job 3: Trial Balance _____ (40 points)

TOTAL POINTS _____ (**202 points**)

Failure to adhere to any of the following rules will result in disqualification:

1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.
2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

No more than ten (10) minutes orientation

No more than 90 minutes testing time

No more than ten (10) minutes wrap-up

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General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

Your name and/or school name should NOT appear on any work you submit for grading. Write your contestant number in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Use whole dollars.
- No recording of cents is necessary.

Multiple Choice (25 questions at 2 points each) Record your answer on the Scantron form provided.

1. Which of the following accounts is increased with a debit?
 - A. Sales
 - B. Notes Payable
 - C. Owner's Withdrawals
 - D. Owner's Capital

2. Prepaid insurance is expensed:
 - A. When it is purchased
 - B. At no time, since it is already paid for
 - C. At no time, since it is an asset
 - D. When it is consumed

3. Elzbieta is a salesperson for a car dealer. Last week she received \$296.00 salary plus a commission of 1% of her total sales of \$63,255. How much were her gross earnings for the week?
 - A. \$359.25
 - B. \$928.55
 - C. \$6,221.50
 - D. \$632.55

4. If a company's assets are \$106,219 with liabilities of \$154,962, how much is capital?
 - A. \$48,743 credit
 - B. \$130,591 credit
 - C. (\$48,743) debit
 - D. (\$130,591) debit

5. Which of the following is *not* an appropriate form of business organization?
 - A. Corporation
 - B. Partnership
 - C. Charter Certification
 - D. Sole Proprietorship

6. Financial statements are prepared with the expectation that a business will remain in operation indefinitely is the accounting concept of:
 - A. Going concern
 - B. Adequate disclosure
 - C. Consistent reporting
 - D. Realization of revenue

7. The three most common forms of check endorsement are:
 - A. Special, restrictive and inclusive
 - B. Blank, special, and restrictive
 - C. Blank, special, and exclusive
 - D. Special, restrictive, and business owner

8. To calculate the component percentages on an income statement, divide
 - A. Total sales by each account
 - B. Each account by the total expenses
 - C. Each account by total net sales
 - D. Each account by the general ledger balance

9. If the transactions for a business are properly analyzed and recorded, the total debits will equal the total credits on the
 - A. Cash Flow Statement
 - B. Analysis of Debits and Credits
 - C. Trial Balance
 - D. Income Sheet

10. Cash on hand at the beginning of the month, *plus* total cash received during the month, *less* total cash paid during the month, *equals* cash balance on hand at the end of the month. If the balance on the next unused check stub is the same as the above calculation,
 - A. Cash is posted
 - B. Money is correct
 - C. Dollars are recorded
 - D. Cash is proved

11. Assume overtime is paid at 1.5 times the regular earnings rate. If Donatello earns \$12.50 per hour and works 43.5 hours in one week, his total earnings are:
 - A. \$543.75
 - B. \$565.63
 - C. \$815.63
 - D. \$500.00

12. Financial information is recorded and reported separately from the owner's personal financial information. This is the accounting concept of:
 - A. Going concern
 - B. Consistent reporting
 - C. Business entity
 - D. Historical cost

13. Which one of the following accounts is an asset?
 - A. Prepaid rent
 - B. Supplies expense
 - C. Notes payable
 - D. Fees earned

14. A chart of accounts typically begins with:
- A. Revenue accounts
 - B. Expense accounts
 - C. Asset accounts
 - D. Liability accounts
15. Which of the following does *not* result in the recording of an expense?
- A. Payment of wages
 - B. Owner withdrawal of cash
 - C. Purchase of gasoline to fill up a company car
 - D. Receipt of a bill from the telephone company
16. When a service has been performed, but no cash has been received as payment, which of the following statements is true?
- A. The entry would include a debit to Accounts Receivable
 - B. The entry would include a credit to Accounts Receivable
 - C. The entry would include a debit to Accounts Payable
 - D. The entry would include a credit to Accounts Payable
17. Accounts that are continuous from one accounting period to the next where balances are carried forward are referred to as:
- A. Fiscally continuous accounts
 - B. Post-closing asset accounts
 - C. Permanent accounts
 - D. Carried forward accounts
18. The balance sheet shows
- A. Revenue and owner's equity on a specific date
 - B. Results of operations on a specific date
 - C. Assets and expenses on a specific date
 - D. The financial position of a business on a specific date
19. The accounting principle stating that expenses are compared to revenues for the same period is called:
- A. Going concern
 - B. Objective evidence
 - C. Realization of revenue
 - D. Matching
20. Dawnda Corporation paid cash for advertising and debited Miscellaneous Expense instead of Advertising Expense when entering the transaction. The correcting entry should contain:
- A. A debit to Advertising Expense and a credit to Miscellaneous Expense
 - B. A debit to Miscellaneous Expense and a credit to Cash
 - C. A debit to Advertising Expense and a credit to Cash
 - D. A debit to Cash and a credit to Advertising Expense

21. The process of transferring information from the journal to the individual general ledger accounts is called
- A. Journalizing
 - B. Carrying forward
 - C. Posting
 - D. Recording
22. The source document used when a customer makes a payment on his/her account is a
- A. Check
 - B. Receipt
 - C. Sales invoice
 - D. Memorandum
23. Which of the following is *not* a temporary account?
- A. Miscellaneous Expense
 - B. Repairs Revenue
 - C. Dawn Ovdaded, Drawing
 - D. Dawn Ovdaded, Capital
24. A set of rules used by all accountants to provide a consistent form when recording and reposting financial information is referred to as
- A. American Certified Public Accountant Rules
 - B. Normally Accepted Accounting Procedures
 - C. Generally Accepted Accounting Procedures
 - D. Generally Accepted Accounting Principles
25. The accounting concept which states that the actual amount paid for merchandise or other items bought is recorded in the accounting records is
- A. Purchase cost
 - B. Actual cost
 - C. Historical cost
 - D. Current cost

Classify each account listed below as one of the following:

- A = Asset
- L = Liability
- OE = Owner's Equity
- R = Revenue
- E = Expense

Write the classification letter NEATLY and CLEARLY in the space provided.

ACCOUNTS:

1. _____ Sales
2. _____ Accounts Payable
3. _____ Cash
4. _____ Repair Services
5. _____ Repair Expense
6. _____ Accounts Receivable
7. _____ Equipment
8. _____ Income Summary
9. _____ Micha Monroe, Drawing
10. _____ Prepaid Insurance

Job 1 – Eight column worksheet including adjusting entries

The final balances in the general ledger of Dawnda Design Company at the end of November are listed below.

- Use this information to prepare the Trial Balance columns of a worksheet.

101	Cash	\$1,229
105	Accounts Receivable – M. Henderson	625
110	Computer Equipment	4,800
115	Office Equipment	700
120	Office Furniture	1,500
140	Supplies	540
150	Prepaid Insurance	900
205	Accounts Payable – Quick Office Supply	325
210	Accounts Payable – Madeus Co.	540
301	Linda Dawn, Capital	3,500
305	Linda Dawn, Drawing	650
401	Sales	8,800
501	Advertising Expense	365
505	Insurance Expense	
510	Miscellaneous Expense	146
515	Rent Expense	1,200
520	Supplies Expense	
525	Utilities Expense	510

- Use this information to prepare the Adjustment columns of a worksheet.
Adjustments should be indicated in the Adjustments column of the worksheet using (a) and (b).

On November 30, the value of the remaining Supplies-Office (Supplies Inventory) is \$140. (This represents supplies that were purchased but have not been consumed.)

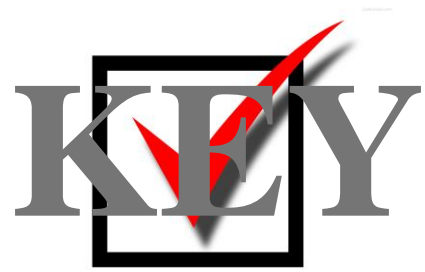
On November 30, the value of the remaining Prepaid Insurance premiums is \$675. (This represents the remaining value of the insurance policy.)

- Finalize the worksheet.

Job 3 – Account Balances, Trial Balance, Profit

Calculate the ending balance in the following T-accounts for Ovdaded Services Co. and prepare the trial balance on the following page.

Cash	Accounts Receivable	Supplies	Prepaid Insurance								
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 2335 (b) 2600 (c) 2200 (g) 1800 (j) 2400 </td> <td style="width: 50%; vertical-align: top;"> (a) 1000 (d) 125 (f) 800 (i) 400 (k) 500 (l) 2000 </td> </tr> </table>	2335 (b) 2600 (c) 2200 (g) 1800 (j) 2400	(a) 1000 (d) 125 (f) 800 (i) 400 (k) 500 (l) 2000	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 2810 (e) 1800 </td> <td style="width: 50%; vertical-align: top;"> (c) 2200 (g) 1800 </td> </tr> </table>	2810 (e) 1800	(c) 2200 (g) 1800	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 212 (h) 550 </td> <td style="width: 50%;"></td> </tr> </table>	212 (h) 550		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 100 (f) 800 </td> <td style="width: 50%;"></td> </tr> </table>	100 (f) 800	
2335 (b) 2600 (c) 2200 (g) 1800 (j) 2400	(a) 1000 (d) 125 (f) 800 (i) 400 (k) 500 (l) 2000										
2810 (e) 1800	(c) 2200 (g) 1800										
212 (h) 550											
100 (f) 800											
Equipment	Accounts Payable	Dawn Ovdaded, Capital	Dawn Ovdaded, Drawing								
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 5000 </td> <td style="width: 50%;"></td> </tr> </table>	5000		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (k) 500 </td> <td style="width: 50%; vertical-align: top;"> 457 (h) 550 </td> </tr> </table>	(k) 500	457 (h) 550	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 10000 </td> <td style="width: 50%;"></td> </tr> </table>	10000		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (l) 2000 </td> <td style="width: 50%;"></td> </tr> </table>	(l) 2000	
5000											
(k) 500	457 (h) 550										
10000											
(l) 2000											
Revenue	Advertising Expense	Rent Expense	Utilities Expense								
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; vertical-align: top;"> (b) 2600 (e) 1800 (j) 2400 </td> </tr> </table>		(b) 2600 (e) 1800 (j) 2400	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (d) 125 </td> <td style="width: 50%;"></td> </tr> </table>	(d) 125		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (a) 1000 </td> <td style="width: 50%;"></td> </tr> </table>	(a) 1000		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (i) 400 </td> <td style="width: 50%;"></td> </tr> </table>	(i) 400	
	(b) 2600 (e) 1800 (j) 2400										
(d) 125											
(a) 1000											
(i) 400											



FUNDAMENTAL ACCOUNTING (100)

—Secondary—

REGIONAL – 2015

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Account Classification (10 @ 1 point each) _____ (10 points)

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Job 1: Work Sheet _____ (79 points)

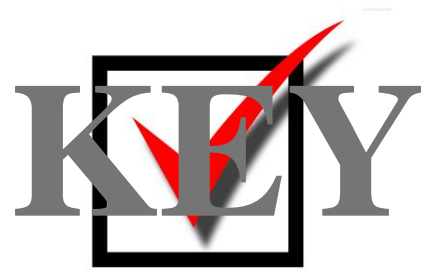
Job 2: Journal Entries _____ (23 points)

Job 3: Trial Balance _____ (40 points)

TOTAL POINTS _____ (***202 points***)

**Judges/Graders: Please double check and
verify all scores and answer keys!**

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General Instructions

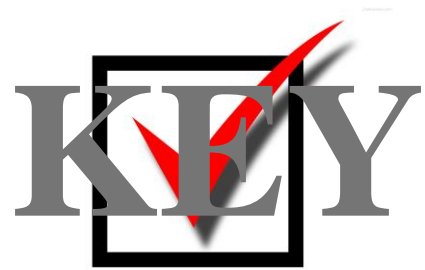
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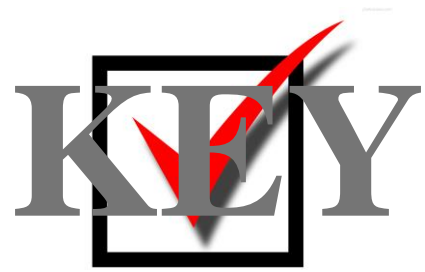
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Scantron Key

1	C
2	D
3	B
4	C
5	C
6	A
7	B
8	C
9	C
10	D
11	B
12	C
13	A
14	C
15	B
16	A
17	C
18	D
19	D
20	A
21	C
22	B
23	D
24	D
25	C

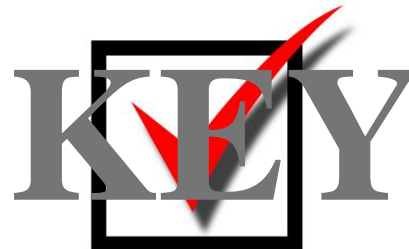


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3. __A__ Cash
4. __R__ Repair Services
5. __E__ Repair Expense
6. __A__ Accounts Receivable
7. __A__ Equipment
8. __OE__ Income Summary
9. __OE__ Micha Monroe, Drawing
10. __A__ Prepaid Insurance

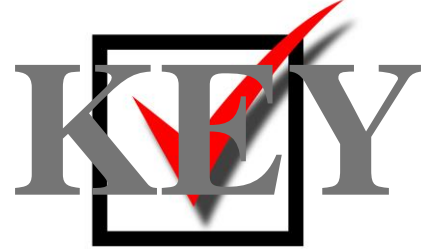


Dawnda Design Company									1
Worksheet									1
For Month Ended November 30, 2014									1
Account Title	Trial Balance		Adjustments		Income Statement		Balance Sheet		
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	
Cash	1229						1229		3
Accounts Receivable - M. Henderson	625						625		3
Computer Equipment	4800						4800		3
Office Equipment	700						700		3
Office Furniture	1500						1500		3
Supplies	540			(a) 400			140		5
Prepaid Insurance	900			(b) 225			675		5
Accounts Payable – Quick Office Supply		325						325	3
Accounts Payable – Madeus Co.		540						540	3
Linda Dawn, Capital		3500						3500	3
Linda Dawn, Drawing	650						650		3
Sales		8800				8800			3
Advertising Expense	365				365				3
Insurance Expense			(b) 225		225				4
Miscellaneous Expense	146				146				3
Rent Expense	1200				1200				3
Supplies Expense			(a) 400		400				4
Utilities Expense	510				510				3
	13165	13165	625	625	2846	8800	10319	4365	8
Net Income					5954			5954	3
					8800	8800	10319	10319	4
						<i>Correct underlines</i>			1



Job 2 – Journal entry

DATE 2014	ACCOUNT TITLE	DOC. No.	POST REF	DEBIT	CREDIT	
Nov. 19	Accounts Receivable – Amazing Onion Supply	M263		642.00		4
	Cash				642.00	2
30	Miscellaneous Expense (or Bank Charges)	M277		37.50		4
	Cash				37.50	2
	Adjusting Entries					1
30	Supplies Expense			400.00		3
	Supplies - Office				400.00	2
30	Insurance Expense			225.00		3
	Prepaid Insurance				225.00	2



Job 3—Trial Balance

Prepare a trial balance for Ovdaded Services dated February 28, 2014.

Ovdaded Services			1
Trial Balance			1
February 28, 2014			1
ACCOUNT TITLE	DEBIT	CREDIT	
Cash	6510		2
Accounts Receivable	610		2
Supplies	762		2
Prepaid Insurance	900		2
Equipment	5000		2
Accounts Payable		507	2
Dawn Ovdaded, Capital		10000	2
Dawn Ovdaded, Drawing	2000		2
Revenue		6800	2
Advertising Expense	125		2
Rent Expense	1000		2
Utilities Expense	400		2
	17307	17307	2
	<i>Correct underlines</i>		1

Points

- What was Ovdaded Services profit for the month? 5275 4
- What is the total value of Ovdaded Services assets at the end of the month? 13782 4
- How much did Ovdaded Services owe at the end of the month? 507 2