



# ADVANCED ACCOUNTING (110)

## —Secondary— REGIONAL – 2017

Multiple Choice (20 @ 2 points each) \_\_\_\_\_ (40 points)

Short Answers (18 @ 3 points each) \_\_\_\_\_ (54 points.)

Problems:

**Job 1**—Classifying Accounts (1 point. each) \_\_\_\_\_ (72 points)

**Job 2**—Liquidation of a Partnership (1 point each) \_\_\_\_\_ (36 points)

**Job 3**—Balance Sheet Analysis (1 point each) \_\_\_\_\_ (54 points)

**TOTAL POINTS** \_\_\_\_\_ (256 points)

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

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*Workplace Skills Assessment Program* competition.



## 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 consists of multiple sections; you may complete them in any order.

Your name and/or school name must *NOT* appear on any work you submit for grading. Write your contestant number in the upper right-hand corner of each page. Staple all pages in order before you turn in your test.

Round calculations to two decimal places at each step.

Use 365 days for calculating interest.



**Multiple Choice**—(20 @ 2 pts. each)

1.	<b>C</b>	11.	<b>D</b>
2.	<b>B</b>	12.	<b>B</b>
3.	<b>D</b>	13.	<b>C</b>
4.	<b>B</b>	14.	<b>B</b>
5.	<b>D</b>	15.	<b>D</b>
6.	<b>D</b>	16.	<b>A</b>
7.	<b>B</b>	17.	<b>C</b>
8.	<b>C</b>	18.	<b>B</b>
9.	<b>C</b>	19.	<b>C</b>
10.	<b>B</b>	20.	<b>C</b>

**Short Answer**— (each answer worth 3 points, 3 @ 18 = 54 pts.)

- (A) **NO**

(B) **\$11,269.01**
- NOTE TO GRADER:** *If students have a negative number for the difference in 3 & 4, count as correct.*

<b>Quarter</b>	<b>Beginning Inventory</b>	<b>Ending Inventory</b>	<b>(1) Difference</b>	<b>(2) DR or CR to Merchandise Inventory</b>
1	\$62,000	\$77,000	<b>\$15,000</b>	<b>DR</b>
2	\$77,000	\$82,000	<b>\$5,000</b>	<b>DR</b>
3	\$82,000	\$52,000	<b>\$30,000</b>	<b>CR</b>
4	\$52,000	\$50,000	<b>\$2,000</b>	<b>CR</b>



3. Gross Profit: \$38,500

Net Income/Loss \$23,425

4. LIFO \$88.71

FIFO \$94.49

Weighted Average \$92.00

5. (a) Sept. 24

(b) \$189.37

(c) \$12,989.37



***Problems***

**Job 1—Classifying Accounts**—(worth 1 point each)

ACCOUNT	CLASSIFICATION (A, L, SE, R, CM, E)	NORMAL BALANCE (DR or CR)	FINANCIAL STATEMENT (IS, SOSE, BS)
Accounts Payable	L	CR	BS
Accounts Receivable	A	DR	BS
Bankcard Fees Expense	E	DR	IS
Capital Stock	SE	CR	SOSE, BS
Cash	A	DR	BS
Payroll Tax Expense	E	DR	IS
Federal Corporate Income Tax Payable	L	CR	BS
Prepaid Insurance	A	DR	BS
Insurance Expense	E	DR	IS
Purchases	CM	DR	IS
Sales	R	CR	IS
Store Equipment	A	DR	BS
Purchases Discounts	CM	CR	IS
Supplies	A	DR	BS
Sales Returns & Allowances	R	DR	IS
Sales Tax Payable	L	CR	BS
Purchases Returns & Allowances	CM	CR	IS
Retained Earnings	SE	CR	SOSE, BS
Allowance for Uncollectible Accounts	A	CR	BS
Dividends	SE	DR	SOSE
Sales Discounts	R	DR	IS
Accumulated Depreciation—Equipment	A	CR	BS
Federal Corporate Income Tax Expense	E	DR	IS
Merchandise Inventory	A	DR	IS, BS <i>or</i> just BS
Treasury Stock	SE	DR	SOSE, BS



**Job 2—Liquidation of a Partnership**—(worth 1 point each, award *no points* for the date or doc)

**General Journal**

Date	Description	Doc	Debit	Credit
Aug. 1	Cash		3,000	
	Accum. Depr.—Equipment		800	
	Gain on Realization			800
	Equipment			3,000
1	Cash		50	
	Loss on Realization		100	
	Supplies			150
3	Accounts Payable		300	
	Cash			300
4	Gain on Realization		800	
	S. Grumpy, Capital			400
	B. Peters, Capital			400
4	S. Grumpy, Capital		50	
	B. Peters, Capital		50	
	Loss on Realization			100
4	S. Grumpy, Capital		6,400	
	B. Peters, Capital		5,350	
	Cash			11,750



**Job 3—Horizontal Analysis of a Comparative Balance Sheet** (worth 1 point each)

Complete the sections of the comparative balance sheet and perform a horizontal analysis.

**NOTE TO GRADER:** Zero balances can be indicated by --, NA, or a zero.

Sassy Clothing						
Comparative Balance Sheet						
For Years Ended December 31, 2014 and 2015						
					Increase /Decrease	
			Current Year-2015	Previous Year-2014	Dollars	Percent
<b>ASSETS</b>						
Cash			15,179	12,115	\$3,064	25.3
Accounts Receivable			10,404	8,220	2,184	26.6
Merchandise Inventory			81,385	84,921	(3,536)	(4.2)
Supplies			1,839	1,587	252	15.9
Prepaid Insurance			1,375	0	1,375	--
Delivery Equipment			19,831	12,462	7,369	59.1
Office Equipment			9,825	5,854	3,971	67.8
Store Equipment			5,200	3,500	1,700	48.6
<b>Total Assets</b>			<b>\$145,038</b>	<b>\$128,659</b>	<b>\$16,379</b>	<b>12.7</b>
<b>LIABILITIES</b>						
Accounts Payable			13,850	22,433	(8,583)	(38.3)
Federal Corporate Inc. Tax Payable			155	140	15	10.7
Employees' Federal Inc. Tax Payable			640	608	32	5.3
Employees' State Inc. Tax Payable			80	72	8	11.1
Social Security Tax Payable			248	241	7	2.9
Medicare Tax Payable			58	56	2	3.6
Federal Unemployment Tax Payable			18	17	1	5.9
State Unemployment Tax Payable			115	103	12	11.7
Sales Tax Payable			2,428	3,158	(730)	(23.1)
<b>Total Liabilities</b>			<b>\$17,592</b>	<b>\$26,828</b>	<b>(9,236)</b>	<b>(34.4)</b>
<b>STOCKHOLDERS' EQUITY</b>						
Capital Stock			75,000	75,000	--	--
Retained Earnings			52,446	26,831	25,615	95.5
<b>Total Stockholders' Equity</b>			<b>\$127,446</b>	<b>\$101,831</b>	<b>25,615</b>	<b>25.2</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>			<b>\$145,038</b>	<b>\$128,659</b>	<b>\$16,379</b>	<b>12.7</b>