

Accounting Invitational
S15C

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 (not case sensitive) for the following are:

| | | |
|---------------|---|--------------------------|
| Debit | = | DR or Debit or D |
| Credit | = | CR or Credit or C |
| True | = | True or T |
| False | = | False or F |
| Yes | = | Yes or Y |
| No | = | No or N |

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.

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.

If the answer is in cents only (no dollars), a decimal point must precede the two-digit amount, OR you may write the word "cents" after your two-digit answer.

Including commas in an amount where appropriate is encouraged. Failure to use commas will not make your answer wrong.

Answers with percents should include one decimal place unless stated differently in the group instructions.

A loss, net loss, negative number, or cash short must be indicated by brackets or parentheses. (Minus sign is not acceptable.)

You must follow group instructions regarding rounding and format of each answer.

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

Group 7

Shirley U. Jest owns Spin Cycle, a Laundromat. At the beginning of 2014, Spin Cycle had assets totaling \$220,000. The business owed creditors \$107,500. During the year, Spin Cycle earned \$24,980 while paying out \$25,430 in expenses. Shirley also withdrew \$2,100 a month for personal expenses. During the year, assets decreased by 22 percent, while liabilities decreased by 30 percent. Use this data to answer Questions 67 through 72 below. Write the correct amounts on your answer sheet.

67. What was the amount of capital at the beginning of 2014?
68. What was the amount of total assets at the end of 2014?
69. What was the amount of total liabilities at the end of 2014?
70. What was the amount of net income or (net loss) for 2014?
- **71. How much did Shirley invest in the business during the year?
- *72. What was the amount of capital at the end of 2014 after closing?

Group 8

For each of the statements below, write TRUE or FALSE on your answer sheet.

73. All business transactions affect at least two accounts, one of which must be an asset.
74. The Trial Balance shows the profit or loss for a fiscal period.
75. If freight costs for merchandise were accidentally posted to Delivery Expense instead of to Transportation In, net income would be understated.
76. If a bookkeeper writes \$21.00 as \$210.00, he has made a transposition error.
77. A Schedule of Accounts Payable is also known as a supplementary report.
78. A special endorsement and an endorsement in full are the same thing.
79. The person who writes the check is known as the drawee.
80. A check's ABA Numbers represent the city or state in which the bank is located, the bank's identification number, and the drawer's account number.

TABLE 1
(For Questions 1 through 25)

| COMPARATIVE INCOME STATEMENTS | 2011 | 2012 | 2013 | 2014 |
|----------------------------------------|---------|---------|---------|---------|
| Sales | 277,660 | 280,910 | | |
| Sales Discounts | 3,505 | | 5,750 | 2,710 |
| Sales Returns & Allowances | | 5,760 | 4,950 | |
| Net Sales | | | 276,800 | |
| Beginning Inventory | | | 19,511 | |
| Purchases | 167,296 | | | 195,000 |
| Transportation In | | 4,510 | | 8,050 |
| Cost of Delivered Goods | | 180,678 | 169,550 | |
| Purchases Discounts | 8,011 | | 7,890 | |
| Purchases Returns & Allow. | | | | |
| Net Purchases | 157,053 | | | |
| Cost of Merchandise Available for Sale | | 187,500 | | 203,050 |
| Ending Inventory | | | | |
| Cost of Merchandise Sold | | | | 173,550 |
| Gross Profit | | 102,961 | | 36,450 |
| Expenses | | 59,609 | | |
| Net Income (Loss) | 40,317 | | 52,592 | (4,200) |

ADDITIONAL 2011 INFORMATION:

- Component percentages for Cost of Merchandise Sold and Net Income were 60.0% and 15.0% respectively.
- Before closing entries were posted, the Income Summary account showed a debit balance of \$4,215.
- Ending Inventory for 2010 was \$26,995.
- Freight Costs on merchandise shipped in were \$3,980 for the year.

ADDITIONAL 2012 INFORMATION:

- The component percent for Gross Profit was 2.0% lower than it was in 2011.
- The company returned \$7,013 worth of damaged merchandise during the year.

ADDITIONAL 2013 INFORMATION:

- The component percent for Expenses was 23.0%.
- Net Purchases decreased from 2012 by \$8,870.
- Before closing entries were posted, the Income Summary account showed a debit balance of \$4,694.
- The company purchased \$10,288 less merchandise than in 2012.

ADDITIONAL 2014 INFORMATION:

- Before closing entries were posted, the Income Summary account showed a credit balance of \$14,683.
- Gross Sales dropped \$69,710 from 2013's Sales figure.
- Customers returned \$5,080 worth of merchandise in 2014.
- The company's Purchases Discounts did increase in 2014 by \$2,262 over 2013's figure.