# 中級會計學 試題　　（限用答案本作答）

請准予使用電子計算機

**A. Multiple Choice Questions** (45%)

1. Danny Inc. manufactures equipment that is sold or leased. On December 31, 2004, Danny leased equipment to Kobards for a five-year period expiring December 31, 2009, at which date ownership of the leased asset will be transferred to Kobards. Equal $40,000 payments under the lease are due on December 31 of each year. The first payment was made on December 31, 2004. Collectibility of the remaining lease payments is reasonably assured, and Danny has no material cost uncertainties. The normal sales price of the equipment is $166,000 and cost is $120,000. For the year ended December 31, 2004, how much income should Danny recognize form the lease transaction?

   (A)$28,000　(B) $46,000　(C) $40,000　(D) $34,000　(E) $86,000

2. A company owns a piece of land that originally cost $10,000 and has a fair market value of $8,000. It is exchanged along with $6,000 cash for another piece of land having a fair value of $14,000. The proper journal entry to record this transaction is

| | | |
|---|---|---|
| (A) Land (new)........ | 14,000 | |
| Retained Earnings........ | 2,000 | |
| Land (old)........ | | 10,000 |
| Cash........ | | 6,000 |
| (B)Land (new)........ | 14,000 | |
| Loss on Exchange........ | 2,000 | |
| Land(old)........ | | 10,000 |
| Cash........ | | 6,000 |
| (C)Land (new)........ | 16,000 | |
| Land (old)........ | | 10,000 |
| Cash........ | | 6,000 |
| (D)Land (new)........ | 19,000 | |
| Land (old)........ | | 10,000 |
| Cash........ | | 5,000 |
| Gain on Exchange........ | | 4,000 |
| (E)Land (new)........ | 14,000 | |
| Land (old)........ | | 8,000 |
| Cash........ | | 6,000 |

本試題係兩面印刷

3. The stockholder's equity section of Cat Corporation as of December 31, 2003, contained the following accounts:

| | |
|---|---|
| Common stock, 25,000 shares authorized; 10,000 shares issued and outstanding........ | $100,000 |
| Capital contributed in excess of par........ | 50,000 |
| Retained earnings........ | 90,000 |
| | $240,000 |

   Cat's board of directors declared a 10 percent stock dividend on April 1, 2004, when the market value of the stock was $17 per share. Accordingly, 1,000 new shares were issued. All of Cat's stock has a par value of 10 per share. Assuming Cat sustained a net loss of $12,000 for the quarter ended March 31, 2004, what amount should Cat report as retained earnings as of April 1, 2004?

   (A)$61,000　(B) $64,000　(C) $68,000　(D) $73,000　(E) $78,000

4. On January 1, Tonny Company as lessee signed a ten-year noncancellable lease for a machine with annual payments of $60,000. The first payment was also made on January 1. Tonny appropriately treated this transaction as a capital lease. The ten lease payments have a present value of $405,000 at January 1, based on implicit interest of 10 percent. For the first year, Tonny should record interest expense of

   (A)$40,500　(B)$6,000　(C)$0　(D)$34,500　(E) 25,500

中級會計學 試題 (限用答案本作答)

5. Elly Company began operations in 2002. During the first two years of operations, Elly made undiscovered errors in taking its year-end inventories that understated 2002 ending inventory by $40,000 and overstated 2003 ending inventory by $50,000. The combined effect of these errors on reported income is

| 2002 | 2003 | 2004 |
|---|---|---|
| (A) understated $40,000 | overstated $10,000 | not affected |
| (B) understated $40,000 | overstated$50,000 | not affected |
| (C) overstated $40,000 | understated $50,000 | overstated$10,000 |
| (D) understated$40,000 | overstated $90,000 | understated $50,000 |
| (E) overstated $40,000 | understated $50,000 | not affected |

6. On July 31, 2004, Clavor Company purchased for $4,000,000 cash all of the outstanding common stock of Oak Company when Oak's balance sheet showed net assets of $3,200,000. Oak's assets and liabilities had fair values different from the book values as follows:

| | Book Value | Fair Value |
|---|---|---|
| Property, plant, and equipment, net | $5,000,000 | $5,750,000 |
| Other assets | 500,000 | 0 |
| Long-term debt | 3,000,000 | 2,800,000 |

As a result of the transaction, what amount, if any, will be shown as goodwill in the July 31, 2004, consolidated balance sheet of Clavor Company and its wholly owned subsidiary, Oak's Company?
(A)$350,000 (B) $250,000 (C) $750,000 (D) $800,000 (E) $950,000

7. The general ledger of the Fly Corporation as of December 31 includes the following accounts:

| | |
|---|---|
| Organization costs | $ 30,000 |
| Deposits with advertising agency (will be used to promote goodwill) | 42,000 |
| Discount on bonds payable | 70,000 |
| Excess of cost over book value of net assets of acquired subsidiary | 280,000 |
| Trademarks | 58,000 |

In the preparation of Fly's balance sheet as of December 31, what should be reported as total intangible assets? (A)$118,000 (B) $358,000 (C) $368,000 (D) $408,000 (E) $420,000

8. Kitty Company began operations in 2003. The company's trading securities portfolio, which did not change in composition during 2004, is as follows:

本試題係兩面

December 31, 2004

| | Cost | Market | Unrealized Gain (Loss) |
|---|---|---|---|
| Act. Inc | $100,000 | $100,000 | $ 0 |
| Notton Company | 240,000 | 160,000 | (80,000) |
| Prett Company | 250,000 | 260,000 | 10,000 |
| | $590,000 | $520,000 | $(70,000) |

December 31, 2003

| | Cost | Market | Unrealized Gain (Loss) |
|---|---|---|---|
| Act. Inc | $100,000 | $135,000 | $35,000 |
| Notton Company | 240,000 | 250,000 | 10,000 |
| Prett Company | 250,000 | 180,000 | (70,000) |
| | $590,000 | $565,000 | $(25,000) |

Ignoring income taxes, what amount should be reported as an unrealized loss on trading securities in Kitty's 2004 income statement? (A)$0 (B) $15,000 (C) $25,000 (D) $35,000 (E) $45,000

9. Apple Company provides for doubtful accounts expense at the rate of 4 percent of credit sales. The following data are available for last year:

| | |
|---|---|
| Allowance for Doubtful Account, January 1 | $54,000 (Cr.) |
| Accounts written off as uncollectible during the year | 60,000 |

中級會計學 試題 （限用答案本作答）

The allowance for doubtful accounts balance at December 31, after adjusting entries, should be

(A)$75,000 (B) $114,000 (C) $120,000 (D) $129,000 (E) $133,000

**B. Problems**

1. On January 2, 1997, Richard Enterprises issued $2,400,000 of 8 percent, 15-year semiannual coupon bonds to yield 7.5 percent. Each bond is convertible into 50 shares of $10 par common stock, which was trading at $20 per share on the date of the bond issue. The bonds were issued at 106. Without the conversion feature, the bonds would have been issued for 104.5.

   On January 3, 2003, all of the bonds were converted into common stock. The market price of the stock was $28 per share on the date of conversion. The issue premium is amortized using the straight-line method.

   (1) Provide the journal entry to record issuance of the bonds. (5%)

   (2) Provide the journal entry to record the conversion of the bonds assuming Richard considers the conversion

      (a) Not to be a significant culminating transaction. (5%)

      (b) To be a significant culminating transaction. (5%)

2. Next transactions are happened in Climax Inc. from 2003 to 2005.

   $\boxed{A}$ Since its organization on January 1, 2003, Climax Inc. failed to properly recognize accruals and prepayments. Selected accounts revealed the following information:

| Accruals and Prepayments Not Recognized | 2003 | 2004 | 2005 |
|---|---|---|---|
| Accrued expenses | $2,900 | $3,000 | $3,400 |
| Prepaid expenses | 2,000 | 2,800 | 1,500 |
| Accrued revenue | 2,750 | 2,500 | 2,700 |
| Unearned revenue | 4,250 | 4,500 | 4,100 |

   Net incomes reported by the company are:

| Year | Net income (Loss) |
|---|---|
| 2003 | $40,000 |
| 2004 | (15,000) |
| 2005 | 35,000 |

   $\boxed{B}$ On January 1, 2005, Climax Corporation changed its inventory cost flow assumption from LIFO to FIFO. Climax inventory values at the end of each year since inception under both methods are summarized below.

| | FIFO | LIFO |
|---|---|---|
| 2003 | 250,000 | 226,000 |
| 2004 | 310,000 | 283,000 |
| 2005 | 400,000 | 360,000 |

   Ignore income tax considerations.

   (1) Compute the corrected net income for the years 2003、2004 and 2005. (15%)

   (2) What is the amount of adjustment required in the year of 2005 accounts, where would it be reported in the financial statements, and how it affects the financial statements? (5%)

   (3) Prepare the journal entry required to adjust the accounts. (5%)

3. During all of 2003, Momentum Manufacturing Company had 900,000 shares of common stock outstanding. On June 30, 2003, the company issued 10,000, 7 percent convertible bonds at par. The maturity value of each bond is $1,000. Each bond is convertible into 20 shares of common stock. None were converted during 2003.

   Momentum also had 60,000 stock warrants outstanding for all of 2003. The option price is $10 per share. The market price of the common stock was $40 on December 31, 2003, and the average market price for 2003 was $30.

   Momentum reported a net income of $3,650,000 for 2003. Assume the corporate Aa bond rate for 2003 is 12 percent, and the company had a 40 percent income tax rate.

   (1) Compute the basic earnings per share. (5%)

   (2) Compute diluted earnings per share. (10%)

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