1. The Larkin Company presents the following information pertaining to accounts that will need adjusting for its Nov. 30, 1998, year-end financial statements.
   c. Larkin Company received $2,280 on Nov. 1, 1998, from a customer for services to be rendered during the month of the November, December, January, and February.
   d. Larkin acquired Office Equipment costing $35,280 on Apr. 1, 1998. The equipment is expected to last 7 years, after which it will be worthless.
   e. Nov. 30, 1998, is a Thursday. Larkin pays its employees, on Fridays, a total of $8,750 per week.

Required:
   (1) Prepare the appropriate adjusting entry for each of the five items listed above.
   (2) Prepare the Dec. 1, 1998, entry to record the payment of the salaries.  (15%)

2. Johonson Company deposits all cash receipts intact each day and makes all payments by check. On October 31, after all posting was completed, its Cash account and a debit balance of $13,840. The bank statement for the month ended on October 31 showed a balance of $12,760. Other data are:
   (1) Outstanding checks total $1,360.
   (2) October 31 cash receipts of $2,680 were placed in the bank’s night depository and do not appear on the bank statement.
   (3) Bank service charges for October are $48.
   (4) Check No. 772 for store supplies was entered at $1,296, but paid by the bank at its actual amount of $1,008.

Prepare a bank reconciliation statement for Johnson as of October 31. Also prepare
any needed journal entries. (13%)

3. In each case below, use the information provided to calculate the missing information: (24%)

<table>
<thead>
<tr>
<th></th>
<th>Case 1</th>
<th>Case 2</th>
<th>Case 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross sales</td>
<td>$400,000</td>
<td>$5</td>
<td>$9</td>
</tr>
<tr>
<td>Sales discounts</td>
<td>1</td>
<td>16,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Sales returns and allowance</td>
<td>12,000</td>
<td>28,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Net sales</td>
<td>$380,000</td>
<td>756,000</td>
<td>10</td>
</tr>
<tr>
<td>Merchandise inventory, January 1</td>
<td>160,000</td>
<td>6</td>
<td>240,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>240,000</td>
<td>480,000</td>
<td>11</td>
</tr>
<tr>
<td>Purchase discounts</td>
<td>4,800</td>
<td>8,400</td>
<td>8,000</td>
</tr>
<tr>
<td>Purchase returns and allowances</td>
<td>15,200</td>
<td>19,600</td>
<td>20,000</td>
</tr>
<tr>
<td>Net purchases</td>
<td>220,000</td>
<td>7</td>
<td>420,000</td>
</tr>
<tr>
<td>Transportation-in</td>
<td>16,000</td>
<td>24,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Net cost of purchases</td>
<td>236,000</td>
<td>476,000</td>
<td>12</td>
</tr>
<tr>
<td>Cost of goods available for sale</td>
<td>2</td>
<td>676,000</td>
<td>680,000</td>
</tr>
<tr>
<td>Merchandise inventory December 31</td>
<td>3</td>
<td>240,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>200,000</td>
<td>8</td>
<td>400,000</td>
</tr>
<tr>
<td>Gross margin</td>
<td>4</td>
<td>320,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

4. 卡特公司有一輛汽車，其原始成本為 5,000 元，預計使用年限為 5 年，估計殘值為原始成本的 10%。要求:
   (1) 採用直线法計算各年應提列的折舊，並作折舊的分錄;
   (2) 如果該汽車在使用年限終了時，以 800 元的價格出售。請作出售的會計分錄;
   (3) 假設在第五年的 5 月初該公司以舊汽車交換價值為 5,000 元的新汽車。舊汽車作價 1,000 元，差額用現金支付。請作抵換的會計分錄。 (15%)

5. Warren, Inc, has been authorized to issue 125,000 shares of $10-par common stock. The following 1998 transactions relate to the initial issuance of Warren stock:
   Feb. 1  Warren sold subscriptions for 25,000 shares of stock. The shares have a subscription price of $15 per share. One-third of the subscription price was received as a down payment.
   15  Warren sold 10,000 shares for $180,000
   Mar. 1  An installment amounting to one-third of the subscription price was received.
   19  Warren exchanged 200 shares of stock for a new two-way radio system
having a fair market value of $3,800.

Apr. 1  The final one-third of the subscription price was received and the stock issued.

**Required:**
Prepare journal entries to record the transactions described above. Include calculations in your journal entry explanations where appropriate.  (18%)

6. The following financial data have been assembled for Americus Coating, Inc., on Dec. 31, 1998:

- Average total assets for 1998: $400,000
- Total stockholders’ equity (average for 1998): $300,000
- Common stock, $2-par: $175,000
- 8% preferred stock, $50-par: $75,000
- Net income: $31,000
- Interest expense: $3,000
- Provision for income taxes (40% of income before income taxes): $3,000
- Market price of common stock, Dec. 31, 1998: $2.75
- Market price of preferred stock, Dec. 31, 1998: $60.00

Common dividends were paid at the rate of $10 per share per quarter.
Preferred dividends were declared and paid.
No preferred stock or common stock was issued or reacquired during 1998.

**Required:**
Using whatever data you need from the above list, calculate:

1. Rate of return on total assets
2. Rate of return on common stockholders’ **equity**
3. **Earnings per common share**
4. **Price-earnings ratio**
5. **Dividend yield rate**

(15%)