

系別：會計學系

科目：中級會計學

考試日期：3月4日(星期六) 第1節

本試題共 五 大題， 三 頁

本試題雙面印刷

一. 選擇題 20% (一題 4%)

1. At December 31, the shareholders' equity included:

Share capital—ordinary, \$5 par value; 1,100,000 shares issued and 1,000,000 shares outstanding	\$5,500,000
Share premium—ordinary	2,150,000
Retained earnings	3,500,000
Treasury shares, (100,000 shares)	(700,000)
Total equity	\$10,450,000

The book value per ordinary share is

- a. \$9.50
- b. \$10.45
- c. \$11.15
- d. \$10.14

2. In Shannon Company, there was an increase in the land account during the year of \$48,000.

Analysis reveals that the change resulted from a cash sale of land at a cost \$150,000, and a cash purchase of land for \$198,000. In the statement of cash flows, the change in the land account should be reported in the investment section:

- a. as a net purchase of land, \$48,000.
- b. only as a purchase of land \$198,000.
- c. as a purchase of land \$198,000 and a sale of land \$150,000.
- d. only as a sale of land \$150,000.

3. An impairment loss is the difference between the recorded investment and the

- a. expected cash flows.
- b. present value of the expected cash flows.
- c. contractual cash flows.
- d. present value of the contractual cash flows.

4. Collier borrowed \$175,000 on October 1 and is required to pay \$180,000 on March 1. What amount is the note payable recorded at on October 1 and how much interest is recognized from October 1 to December 31?

- a. \$175,000 and \$0.
- b. \$175,000 and \$3,000.
- c. \$180,000 and \$0.
- d. \$175,000 and \$5,000.

淡江大學 106 學年度碩士班招生考試試題

系別：會計學系

科目：中級會計學

19-2

考試日期：3月4日(星期六) 第1節

本試題共 五 大題， 三 頁

5. Detmer Construction Company decided at the beginning of 2016 to change from the cost-recovery method to the percentage-of-completion method for financial reporting purposes. The company will continue to use the cost-recovery method for tax purposes. For years prior to 2016, pretax income under the two methods was as follows: percentage-of-completion £144,000, and cost-recovery £114,000. The tax rate is 35%. Detmer has a profit-sharing plan, which pays all employees a bonus at year-end based on 1.5% of pretax income. What is the amount of the indirect effect of Detmer's change in accounting policy that will be reported in the 2016 income statement, assuming that the profit-sharing contract explicitly requires adjustment for changes in income numbers?

- a. £2,160
- b. £1,710
- c. £ 450
- d. £ 954

二. Kenner Corporation's equity section at December 31, 2016 appears below:

Equity	
Share capital—ordinary, \$10 par, 60,000 outstanding	\$600,000
Share premium—ordinary	150,000
Retained earnings	150,000
Total equity	\$900,000

On June 30, 2017, the board of directors of Kenner Corporation declared a 15% share dividend, payable on July 31, 2017, to shareholders of record on July 15, 2017. The fair value of Kenner Corporation's shares on June 30, 2017, were \$15.

On December 1, 2017, the board of directors declared a 2 for 1 share split effective December 15, 2017. Kenner Corporation's shares were selling for \$20 on December 1, 2017, before the share split was declared. The par value of the shares was adjusted. Net income for 2017 was \$190,000 and there were no cash dividends declared.

Instructions (30%)

Fill in the amount that would appear in the equity section for Kenner Corporation at December 31, 2017, for the following items:

- 1. Share capital—ordinary \$ _____
- 2. Number of shares outstanding _____
- 3. Par value per share \$ _____
- 4. Share premium \$ _____
- 5. Retained earnings \$ _____
- 6. Total equity \$ _____

淡江大學 106 學年度碩士班招生考試試題

19-3

系別：會計學系

科目：中級會計學

考試日期：3月4日(星期六) 第1節

本試題共五大題，三頁

三. Bosch Corporation has government bonds classified as held-for-collection at December 31, 2015. These bonds have a par value of \$600,000, an amortized cost of \$600,000, and a fair value of \$555,000. In evaluating the bonds, Bosch determines the bonds have a \$45,000 permanent decline in value. That is, the company believes that impairment accounting is now appropriate for these bonds.

Instructions (10%)

- (a) Prepare the journal entry to recognize the impairment.
- (b) At December 31, 2016, the fair value of the municipal bonds is \$570,000. Prepare the entry (if any) to record this information.

四. Mann, Inc., which owes Doran Co. \$600,000 in notes payable with accrued interest of \$54,000, is in financial difficulty. To settle the debt, Doran agrees to accept from Mann equipment with a fair value of \$570,000, an original cost of \$840,000, and accumulated depreciation of \$195,000.

Instructions (8%)

- (a) Compute the gain or loss to Mann on the settlement of the debt.
- (b) Compute the gain or loss to Mann on the transfer of the equipment.

五. In 2016, Fischer Corporation changed its method of inventory pricing from average cost to FIFO. Net income computed on an average cost as compared to a FIFO basis for the four years involved is: (Ignore income taxes.)

	<u>AVERAGE</u>	<u>FIFO</u>
2013	\$78,200	\$83,700
2014	84,500	88,100
2015	87,000	91,400
2016	92,500	94,700

Instructions (32%)

- (a) Indicate the net income that would be shown on comparative financial statements issued at 12/31/16 for each of the four years, assuming that the company changed to the FIFO method in 2016.
- (b) Assuming that the company switched from the FIFO to the average cost method, what would be the net income reported on comparative financial statements issued at 12/31/16 for 2013, 2014, 2015 and 2016?