

**Accounting Principles I (ACC 111)**  
**Final Exam Calculations Review**

Account balances for the Asparagus Company:

Accounts Payable	6	Cash	4
Accounts Receivable	9	Equipment	20

What is the amount of Asparagus Company's Stockholders' Equity?

**27**

Account balances for the Banana Company:

Cash	10	Fees Earned	60
Accounts Receivable	12	Inventory	23
Accounts Payable	19	Dividends	15
Land	70	Building	60
Wages Expense	12	Common Stock	100
Insurance Expense	7		

What is the total of Banana Company's Assets?

**175**

Fill in each of the twelve blanks with either D (for Debit) or C (for Credit).

Type of Account	Increase	Normal Balance
<b>Assets</b>	<b>D</b>	<b>D</b>
<b>Liabilities</b>	<b>C</b>	<b>C</b>
<b>Common Stock</b>	<b>C</b>	<b>C</b>
<b>Dividends</b>	<b>D</b>	<b>D</b>
<b>Revenues</b>	<b>C</b>	<b>C</b>
<b>Expenses</b>	<b>D</b>	<b>D</b>

Which accounts would be debited and credited for the following?

<b>Transaction</b>	<b>Debit</b>	<b>Credit</b>
a) Provided services on account	Accts Receivable	Fees Earned
b) Invested cash for stock in business	Cash	Common Stock
c) Paid rent	Rent Expense	Cash
d) Collected cash from customer (a)	Cash	Accts Receivable

Chart of accounts (list of accounts) for above transactions: Cash, Accounts Receivable, Equipment, Accounts Payable, Common Stock, Dividends, Fees Earned, Rent Expense.

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Prepare the proper journal entry for the following transaction and adjustments:

May 1	Computer	4,000	
	Cash		1,000
	Accounts Payable		3,000

- Purchased \$4,000 computer, paying \$1,000 cash and balance on account.

Dec 31	Salaries Expense	24,000	
	Salaries Payable		24,000

- Employees are paid total salaries of \$60,000, every Friday, for 5-day week. Prepare the necessary adjustment on Tuesday, December 31.

Dec 31	Insurance Expense	2,100	
	Prepaid Expense		2,100

- Paid \$3,600 for one-year insurance policy on June 1. Prepare the necessary adjustment on December 31.

Cauliflower Company purchases \$30,000 of merchandise, on August 10, terms 2/10, net 30. What is the amount of the discount and the last date of payment for this company to take advantage of the discount?

**\$600 on August 20**

Sales	600
Inventory: Beg	40
End	70
Purchases	400
Purchases returns	25
Freight-in	15

**Calculate the following:**

Cost of merchandise purchased

Purchases	400
Less: purchases returns	(25)
Add: freight-in	<u>15</u>
Cost of mdse purchased	<u>390</u>

Cost of merchandise sold

Beg. Inventory	40
Add: Cost of merchandise purchased	<u>390</u>
Merchandise available for sale	430
Less: End inventory	<u>(70)</u>
Cost of merchandise sold	<u>360</u>

Gross profit

Sales	600
Less: cost of merchandise sold	<u>(360)</u>
Gross profit	<u>240</u>

<u>Date</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Mar 1	50	\$4	\$200
12	120	5	600
26	30	6	180

Mar 31 Ending Inventory – 70 units

**Ending Inventory**

First-in First-out (FIFO) **\$380**

Last-in First-out (LIFO) **\$300**

Weighted Average **\$343**

Cash balance per bank	15,000
Deposits in transit	4,000
Note collected by bank	500
Service charges	50
Customer's NSF check	300
Outstanding checks	1,500
Adjusted balance per bank?	<b>17,500</b>

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Cash balance per books	11,000
Service charges	100
Deposits in transit	3,700
Outstanding checks	1,300
Note collected by bank	600
Customer's NSF check	200
Adjusted balance per books?	<b>11,300</b>

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Terms of Note Receivable: \$80,000, 9%, 120 Days

Interest? **\$ 2,400**

Maturity Value? **\$82,400**

At December 31 of the current year, Dandelion Company's accounts reflect the following unadjusted balances.

Accts Receivable	Allowance for Doubtful Accounts	Sales
500,000	7,000	6,000,000

What is Dandelion Company's net realizable value?

**\$493,000**

Dec 31	Allowance for Doubtful Accounts	2,000	
	Accounts Receivable		2,000

- Wrote off \$2,000 customer as uncollectible. Prepare the necessary journal entry.

An automobile was purchased on January 1, Year 1 at a cost of \$20,000. Estimates: useful life 5 years, mileage 75,000 and residual value of \$5,000.

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|---|--|
| 1) Straight-line method<br>annual depreciation? | 2) Units of production method,<br>depreciation when driven 12,000 miles? |
|---|--|

**\$3,000**

**\$2,400**

- 3) Double declining balance method depreciation for Year 2?

**\$4,800**

An automobile that cost \$25,000, and had accumulated depreciation of \$14,000, is sold for \$13,000 cash.

**Gain of \$2,000**

An investment of \$10,000 is made at an annual rate of 4% for 9 years.

How would the time value of money tables be used if the compounding of interest was:

**Semi-annually**

**Quarterly**

**18 periods, 2%**

**36 periods, 1%**

**Amounts received:**

**Children:**

Salary	26,000
Tips	5,000
Interest – bank	1,000
Maricopa county bonds	1,200
Game show winnings	10,000
Gift from grandparent	12,000
Illegal income	18,000
Income from second job	7,000
Inheritance	50,000

12-year old  
16-year old  
19 year-old GCC freshman

**Amount paid:**

Tuition to GCC                      3,000

Amount included in taxable income?

Total of tax credits?

**\$67,000**

**\$6,250**