



# FUNDAMENTAL ACCOUNTING (01)

## Secondary Key

### Regional – 2013

Multiple Choice	_____	( 50 pts)
Account Identification	_____	( 30 pts)
Problem 1 Journalizing	_____	( 56 pts)
Problem 2 Income Statement	_____	( 26 pts)
Problem 3 Closing Entries	_____	( 24 pts)
<b>TOTAL POINTS</b>	_____	(186 pts)

***Failure to adhere to any of the following rules will result in disqualification:***

- 1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.***
- 2. No equipment, supplies or material other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.***
- 3. Electronic devices will be monitored according to ACT standards.***

No more than ten (10) minutes orientation  
No more than 90 minutes testing time  
No more than ten (10) minutes wrap-up



**Multiple Choice (25 questions at 2 points each for total of 50 points) Circle the best answer.**

- |       |       |       |
|-------|-------|-------|
| 1. D  | 11. D | 21. C |
| 2. C  | 12. B | 22. A |
| 3. D  | 13. C | 23. C |
| 4. A  | 14. B | 24. B |
| 5. C  | 15. D | 25. C |
| 6. B  | 16. C |       |
| 7. B  | 17. A |       |
| 8. C  | 18. D |       |
| 9. D  | 19. A |       |
| 10. A | 20. A |       |

**Account Identification (30 at 1 point each)**

Instructions: For each of the listed accounts, identify the account classification and the normal balance using the following abbreviations:

- |                           |                   |                    |
|---------------------------|-------------------|--------------------|
| <b>A-</b> Asset           | <b>R-</b> Revenue | <b>Dr -</b> Debit  |
| <b>L-</b> Liability       | <b>E-</b> Expense | <b>Cr -</b> Credit |
| <b>OE-</b> Owner's Equity |                   |                    |

**(NOTE TO GRADER – Do not mark off if student spells out classification or normal balance)**

Account Title	Type of Account	Normal Balance
Accounts Receivable	A	DR
Peggy Lind, Capital	OE	CR
Fees Earned	R	CR
Wages Payable	L	CR
Cash	A	DR
Utilities Expense	E	DR
Prepaid Insurance	A	DR
Accounts Payable	L	CR
Interest Expense	E	DR
Equipment	A	DR
Peggy Lind, Drawing	OE	DR
Rent Revenue	R	CR
Unearned Revenue	L	CR
Land	A	DR
Accumulated Depreciation – Equipment	A	CR



**Problem 1 Journalizing (Each item is worth 1 point. No points awarded for dates.  
 Total points = 56 points)**

- Feb. 1 Cally Jones started a printing business by investing \$40,000 cash.
- Feb. 1 Cally invested a van worth \$8,600 and supplies valued at \$380 in the company.
- Feb. 2 Paid \$3,000 for rent for next three months.
- Feb. 3 Purchased equipment for \$10,000, paying \$5,000 cash with the remainder on account.
- Feb. 4 Paid \$1,200 for advertising in the local paper.
- Feb. 6 Purchased supplies of \$3,000 on account with Sandy Supplies.
- Feb. 12 Received \$900 cash for printing provided for McCoy Publishing.
- Feb. 15 Provided printing of \$350 to Hannover Publishing on account.
- Feb. 19 Provided printing of \$1,800 to Southland Insurance on account.
- Feb. 20 Purchased annual insurance policy for \$600.
- Feb. 24 Received the amount owed by Hannover Publishing.
- Feb. 28 Paid utilities of \$285.
- Feb. 28 Owner withdrew \$1,600 cash.

**General Journal**

Date	Description	Post Ref	Debit	Credit
Feb.1	Cash		40,000	
	Cally Jones, Capital			40,000
Feb. 1	Van (may use Truck, Equipment, or other assets)		8,600	
	Supplies		380	
	Cally Jones, Capital			8,980
Feb. 2	Prepaid Rent		3,000	
	Cash			3,000
Feb. 3	Equipment		10,000	
	Cash			5,000
	Accounts Payable (may use AP)			5,000
Feb. 4	Advertising Expense		1,200	
	Cash			1,200





**Problem 2 Income Statement (1 point for each item, plus 5 points for correct net income;  
Total 26 points)**

Codell Company

Income Statement

For the year ended April 30, 2013

Revenues:		
Fees Earned		\$41,600
Operating Expenses:		
Wages Expenses	\$10,800	
Rent Expense	9,100	
Utilities Expense	5,275	
Depreciation Expense	3,100	
Miscellaneous Expensed	<u>1,275</u>	
Total Operating Expenses		<u>29,550</u>
Net Income		<u>\$12,050</u>



**Problem 3 Closing Entries (Each item is worth 1 point. No points awarded for dates.  
 Total points = 24 points)**

**General Journal**

Page 19

<b>Date</b>	<b>Description</b> <b><u>Closing Entries</u></b>	<b>Post Ref</b>	<b>Debit</b>	<b>Credit</b>
4/30/13	Fees Earned		\$41,600	
	Income Summary			\$41,600
	Income Summary		29,550	
	Wages Expense			10,800
	Rent Expense			9,100
	Utilities Expense			5,275
	Depreciation Expense			3,100
	Miscellaneous Expense			1,275
	Income Summary		12,050	
	Dean Codell, Capital			12,050
	Dean Codell, Capital		9,300	
	Dean Codell, Drawing			9,300