中國文化大學 101 學年度暑假轉學招生考試

系組:會計學系三年級

日期節次:7月25日第1節09:00-10:20

科目: 會計學(二)

U-1-3

MULTIPLE CHOICE (30%)

- 1. Which of the following statements is true regarding the International Accounting Standards Board (IASB)?
 - a. The IASB is a regulatory agency with enforcement powers for its International Financial Reporting Standards (IFRS).
 - b. The IASB is a public organization, funded by taxpayer dollars from member countries.
 - c. Is compromised of 14 members from 9 countries.
 - d. All of the choices are correct regarding the IASB.
- 2. Which of the following statements is true?
 - a. Over 115 countries require or permit use of International Financial Reporting Standards (IFRS).
 - b. Canada is the most significant holdout from use of International Financial Reporting Standards (IFRS).
 - c. Nearly 50% of investors in the United States own foreign securities, either directly or through funds.
 - d. To facilitate efficient capital allocation, investors need relevant information stated in a common currency.
- 3. The second level in the International Accounting Standards Board's (IASB's) Conceptual Framework
 - a. Identifies the objective of financial reporting.
 - b. Identifies recognition, measurement, and disclosure concepts used in establishing and applying accounting standards.
 - c. Provides the elements of financial statements.
 - d. Includes assumptions, principles, and constraints.
- 4.In the International Accounting Standards Board's (IASB's) Conceptual Framework, a fundamental qualitative characteristic is
 - a. Materiality.
 - b. Faithful representation.
 - c. Decision usefulness.
 - d. Neutrality.
- 5.Using IFRS, which of the following items is matched correctly with its basis of valuation for purposes of reporting on the statement of financial position?

Basis of Valuation <u>ltem</u>

Inventories 1.

A. Cost

11.

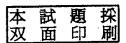
Prepaid expenses B. Estimated amount collectible

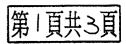
Receivables 111.

C. Lower-of-cost-or net realizable value

- a. I and A
- b. II and C
- c. III and B
- d. II and B

- 6.In preparing a statement of cash flows, sale of treasury stock at an amount greater than cost would be classified as a(n)
 - a. operating activity.
 - b. financing activity.
 - c. extraordinary activity.
 - d. investing activity.
- 7.Under IFRS Morley Manufacturing will derecognize its receivables in all of the following cases except
 - a. When Morley elects to use the fair value option for a receivable.
 - b. When the contractual rights to the cash flows of the receivable no longer exist; for example when one of Morley's customers declares bankruptcy.
 - c. When Morley collects a receivable when due.
 - d. All of the choices require Morley Manufacturing to derecognize its receivables.





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- 8.Oats Company offers a trade discount to its customers as a reward for large orders.

 According to the International Accounting Standards Board (IASB) how should the customers of Oats Company account for these trade discounts?
 - a. As an expense.
 - b. As a revenue.
 - c. As a reduction in the cost of inventory.
 - d. The IASB allows any of these treatments so long as the company applies it consistently.
- 9.Each of the following are included in <u>both</u> the current ratio and the acid-test ratio except
 - a. cash.
 - b. short-term investments.
 - c. net receivables.
 - d . inventory.
- 10.Long-term debt that matures within one year and is to be converted into shares should be reported
 - a. as a current liability.
 - b. in a special section between liabilities and equity.
 - c. as part current and part non-current.
 - d. as non-current.

PROBLEMS

1. The trial balance before adjustment of Risen Company reports the following balances:

	Dr	 Cr.
Accounts receivable	\$100,000	
Allowance for doubtful accounts		\$ 2,500
Sales (all on credit)		750,000
Sales returns and allowances	40,000	

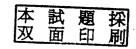
Instructions

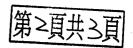
- (a) Prepare the entries for estimated bad debts assuming that doubtful accounts are estimated to be (1) 6% of gross accounts receivable and (2) 1% of net sales.(10%)
- (b) Assume that all the information above is the same, except that the Allowance for Doubtful Accounts has a debit balance of \$2,500 instead of a credit balance. How will this difference affect the journal entries in part (a)?(10%)

2.Gott Company adopted the dollar-value LIFO inventory method on 12/31/09. On this date, its inventory consisted of the following items.

<u>Item</u>	Number of Units	Cost Per Unit	Total Cost
X	200	\$2.00	\$ 400
Υ	600	4.50	2,700
			<u>\$3,100</u>

December 31		
2010	2011	
300	400	
\$3.00	\$3.25	
800 \$5.50	1,200 \$6.00	
	2010 300 \$3.00 800	





Instructions

(a) Compute the price index for 2010. Round to 2 decimal places.(5%)

(b) Calculate the 12/31/10 inventory. Label all numbers. (5%)

(c) Compute the price index for 2011. Round to 2 decimal places. (5%)

(d) Calculate the 12/31/11 inventory. Label all numbers. (5%)

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3.Freeze Corporation is having financial difficulty and therefore has asked Manhattan National Bank to restructure its \$3 million note outstanding. The present note has 3 years remaining and pays a current rate of interest of 10%. The present market rate for a loan of this nature is 12%. The note was issued at its face value.

Instructions

Prepare below are three independent situations. Prepare the journal entry that Halvor would make for each of these restructurings.

- (a) Manhattan National Bank agrees to take an equity interest in Halvor by accepting ordinary shares valued at \$2,200,000 in exchange for relinquishment its claim on this note. The ordinary shares have a par value of \$1,000,000.(10%)
- (b) Manhattan National Bank agrees to accept land in exchange for relinquishing its claim on this note. The land has a book value of \$1,950,000 and a fair value of \$2,400,000. (10%)
- (c) Manhattan National Bank agrees to modify the terms of the note, indicating that Halvor does not have to pay interest on the note over the 3-year period. (3 years at 12% present value =0.65752) (10%)

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