

The University of the State of New York
REGENTS HIGH SCHOOL EXAMINATION

BOOKKEEPING AND ACCOUNTING II

Monday, June 21, 1976 — 1:15 to 4:15 p.m., only

The answers to the questions on this examination are to be written in the separate answer booklet. Be sure to fill in the heading of your answer booklet.

When you have completed the examination, you must sign the statement printed at the end of the answer booklet, indicating that you had no unlawful knowledge of the questions or answers prior to the examination and that you have neither given nor received assistance in completing the examination. Your answer booklet cannot be accepted if you fail to sign the declaration.

DO NOT OPEN THIS EXAMINATION BOOKLET UNTIL THE SIGNAL IS GIVEN

Part I

Write the answers to all questions in the separate answer booklet.

The General Journal, Cash Payments Journal, Cash Receipts Journal, and Purchases Journal appear in the separate answer booklet. [Note: It is important to examine the columnar headings in each journal to determine which special columns are being used.]

- 1 Assume you are the bookkeeper for Fleischer and Clark, partners in a wholesale television and radio supplies and parts company. On April 1, 1976, the firm had a cash balance of \$8,416.39. Make, with sufficient explanations, entries for the following selected transactions, checking all items that should *not* be posted separately. [50]

April 1 We purchased merchandise from J & J Television Corp., Rochester, N.Y., for \$1,250, terms 2/10, n/30. Their invoice, #432, was dated March 30.

2 We received notice from our bank that the check for \$550 deposited by us on March 23, which we had received from Allen Electronics Co., one of our customers, was returned marked "Insufficient Funds." The bank deducted the \$550 from our account.

5 We sent a check to Northern Television Co., within the discount period, to settle the balance due on the account shown below:

Name *Northern Television Co.*

Address *Yonkers, New York* *2/10, n/30*

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1976 MAR 29	Merchandise	P 18		425 00	425 00
30	Return	G 25	100 00		325 00

- 6 We bought a typewriter from the Boulevard Business Machines Co., and issued a check for \$245 in full payment.

April 7 We received the following promissory note from our customer, Donald Ramsey:

\$1,400 ⁰⁰ / ₁₀₀	New York N.Y. April 5 19 76
Thirty days	AFTER DATE 1 PROMISE TO PAY
TO THE ORDER OF <u>Fleisher & Clark</u>	
<u>One thousand four hundred and ⁰⁰/₁₀₀</u> -DOLLARS	
PAYABLE AT <u>Second National Bank</u>	
VALUE RECEIVED WITH INTEREST AT <u>8%</u>	
No. <u>46</u>	NAME <u>Donald Ramsey</u>
DUE <u>May 5, 1976</u>	

8 We received the following check from our customer, Frank R. Smith Co. in payment of invoice No. 683 for \$850 less a 2% discount.

	NO. <u>812</u>	<u>67-8</u>
		<u>32</u>
PAY TO THE ORDER OF	<u>April 6</u> 19 <u>76</u>	
<u>Fleisher & Clark</u>	\$ <u>833 ⁰⁰/₁₀₀</u>	
<u>Eight hundred thirty-three and ⁰⁰/₁₀₀</u> DOLLARS		
FIRST CONNECTICUT BANK Hartford, Connecticut	FRANK R. SMITH COMPANY	
	<u>John Calvert</u>	
⑈0210⑈130⑈ 531⑈15397⑈		

9 We drew a check to meet the weekly payroll. The following information was obtained from the payroll record:

Total earnings of employees	\$2,570.00
Federal withholding taxes	234.00
State withholding taxes	71.00
FICA taxes	150.35
Disability benefits	4.00
Net payment	2,110.65

➡ GO RIGHT ON TO THE NEXT PAGE.

April 12 We received the following invoice from our creditor for merchandise we had purchased:

CHARLES MARKS

WILSON, NEW YORK 11632

INVOICE NO. 212
DATE April 9, 1976
YOUR NO. 816
TERMS 2/10; n/30

SOLD TO Fleischer & Clark
75 Broadway
Syracuse, New York

SHIP TO Same

STOCK NO.	QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
/14B	8	Television tubes	40.00	320.00

13 We received a check for \$45 as a refund on insurance premiums we had paid.

22 We received the following credit memorandum for merchandise we had returned:

Charles Marks

WILSON, NEW YORK 11632

Credit Memorandum

No. 59

Date April 20, 1976

SEND TO: [Fleischer & Clark
75 Broadway
Syracuse, New York]

YOUR ACCOUNT HAS BEEN CREDITED FOR:

Quantity	Catalogue No.	Description	Unit Price	Amount
1	714B	Television tube (damaged)	40.00	40.00

23 We made a cash purchase of merchandise amounting to \$85.

26 Henry Clark, one of the partners, drew a check for his own use, \$125.


April 28 We received a check for \$1,212.00 from the Tri-City TV Service Company in payment of their interest-bearing note due today. The face of the note was \$1,200.

30 We drew a check in the amount of \$1,970 for payment of Federal taxes withheld from employees' salaries during the month of March and for the employer's share of FICA taxes, as follows:

Federal income taxes withheld	\$850
FICA taxes deducted from employees' salaries	560
Employer's share of FICA taxes	560

Summarize and close all journals. Check any total that is not to be posted.

Show the cash balance on April 30, 1976 in the Cash Receipts Journal.

 GO RIGHT ON TO THE NEXT PAGE.

Part II

Answer all questions in this part. Write the answers to the questions in the spaces provided in the separate answer booklet.

- 2 The Sales Journal of the H. Kramer Company for the month of March 1976 is shown in the answer booklet. Do each of the following in the answer booklet: [10]
- a Post the daily entries from the Sales Journal to the Subsidiary Ledger. All the required posting references should be shown in the journal and ledger accounts.
 - b Prepare the summary entry in the Sales Journal.
 - c Post the summary entry from the Sales Journal to the General Ledger.

Directions (3-7): Write the correct account title and amount for each item as it should appear on an Income Statement. Base your answers on the following account balances and additional information. Use the form provided in the separate answer booklet. [5]

Trial Balance (Partial) 12/31/75

3 Allowance for Depreciation of Delivery Equipment		\$1,800
4 Rent Income		1,200
5 Office Salaries	\$12,000	
6 Interest Expense	28	
7 Office Supplies	230	

Additional information as of 12/31/75

Depreciation of delivery equipment	20% on cost of \$5,000
Rent income received in advance	\$400
Unpaid office salaries	300
Accrual interest on mortgage	16
Office supplies on hand	170

- 8 Using the statement for 1974 and the additional information below, prepare the statement of Partners' Capital on December 31, 1975. Use the form provided in the separate answer booklet. [5]

HYDE & VAN HORN
Statement of Partners' Capital
December 31, 1974

HENRY HYDE

Capital 1/1/74		\$80,000	
One-half net profit	\$22,000		
Less: Drawing	<u>8,000</u>		
Net Increase in Capital		<u>14,000</u>	
Capital 12/31/74			\$94,000

JOHN VAN HORN

Capital 1/1/74		\$95,000	
One-half net profit	\$22,000		
Less: Drawing	<u>13,000</u>		
Net Increase in Capital		<u>9,000</u>	
Capital 12/31/74			<u>104,000</u>

TOTAL CAPITAL \$198,000

The ledger accounts 12/31/75 show the following:

Hyde, Drawing \$9,500
 Van Horn, Drawing \$14,000
 The net profit for the year 1975 amounted to \$51,000.

The partnership agreement states that the net profit is to be divided equally.

Directions (9–13): In the spaces provided in the separate answer booklet, write the *number* preceding the word or expression, that, of those given, best completes *each* statement or answers *each* question. [5]

Base your answers to questions 9 through 13 on the information below.

The balance on our bank statement is \$6,842.50. The bank had made a service charge of \$4.50. Our checkstubs reveal a final balance of \$5,747.50. A comparison of the checkstubs with the bank statement indicated that a deposit we had mailed on the 29th for \$585. had not been recorded by the monthly closing. Four checks which we had made out (\$1,001.; \$645.; \$38.50; and a CERTIFIED check for \$1,200.) had not been cleared by the monthly closing.

- | | | | | | | | | | | | | | |
|---|--|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
| <p>9 What is the effect of the deposit in transit?</p> <ol style="list-style-type: none"> 1 It increases the final checkstub balance. 2 It decreases the final checkstub balance. 3 It increases the bank balance. 4 It decreases the bank balance. <p>10 What is the effect of the bank service charge?</p> <ol style="list-style-type: none"> 1 It increases the final checkstub balance. 2 It decreases the final checkstub balance. 3 It increases the bank balance. 4 It decreases the bank balance. | <p>11 The corrected checkstub balance after reconciliation is</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">(1) \$5,743.</td> <td style="width: 50%;">(3) \$6,337.</td> </tr> <tr> <td>(2) \$5,752.</td> <td>(4) \$6,843.</td> </tr> </table> <p>12 The total of the outstanding checks <i>to be subtracted from the bank balance</i> is</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">(1) \$484.50</td> <td style="width: 50%;">(3) \$2,269.50</td> </tr> <tr> <td>(2) \$1,684.50</td> <td>(4) \$2,885.50</td> </tr> </table> <p>13 The corrected bank balance after reconciliation is</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">(1) \$5,743.</td> <td style="width: 50%;">(3) \$6,843.</td> </tr> <tr> <td>(2) \$5,789.</td> <td>(4) \$7,428.</td> </tr> </table> | (1) \$5,743. | (3) \$6,337. | (2) \$5,752. | (4) \$6,843. | (1) \$484.50 | (3) \$2,269.50 | (2) \$1,684.50 | (4) \$2,885.50 | (1) \$5,743. | (3) \$6,843. | (2) \$5,789. | (4) \$7,428. |
| (1) \$5,743. | (3) \$6,337. | | | | | | | | | | | | |
| (2) \$5,752. | (4) \$6,843. | | | | | | | | | | | | |
| (1) \$484.50 | (3) \$2,269.50 | | | | | | | | | | | | |
| (2) \$1,684.50 | (4) \$2,885.50 | | | | | | | | | | | | |
| (1) \$5,743. | (3) \$6,843. | | | | | | | | | | | | |
| (2) \$5,789. | (4) \$7,428. | | | | | | | | | | | | |

GO RIGHT ON TO THE NEXT PAGE.

Directions (14-18): In the spaces provided in the separate answer booklet, write the number preceding the word or expression that, of those given, best completes each statement or answers each question. [5]

Base your answers to questions 14 through 18 on the worksheet below, which is for the first quarter of the Argo Tax Company.

ARGO TAXI CO., INC.
WORKSHEET
FOR QUARTER ENDED 3/31/76

	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
Cash	17000	-					17000	-
Oil Products Inventory	5000	-		3600	-		1400	-
Prepaid Insurance	10000	-		680	-		9320	-
Automobiles	105000	-					105000	-
Allow. for Depreciation of Autos		23000	-	8750	-			31750
Maintenance Equipment	20000	-					20000	-
Allow. for Dep. of Maintenance Equip.		7000	-	500	-			7500
Accounts Payable		12000	-					12000
Dividends Payable		2000	-					2000
Capital Stock		55000	-					55000
Retained Earnings		13200	-					13200
Share Income		80000	-			80000	-	
Miscellaneous Expenses	4500	-				4500	-	
Rent Expense	1500	-				1500	-	
Repair Expenses	5200	-				5200	-	
Salary Expense	24000	-				24000	-	
	192200	-	192200	-				
Oil Products Expense			3600	-	3600	-		
Insurance Expense			680	-	680	-		
Depreciation of Automobiles Exp.			8750	-	8750	-		
Dep. of Maintenance Equip.			500	-	500	-		
			13530	-	13530	-	80000	-
Federal Income Taxes					781750	-		781750
Net Profit after Income Taxes					2345250	-		2345250
					80000	-	80000	-
							152720	-
							152720	-

14 The balance of the Automobiles account after the June adjustment is

- (1) \$8,750. (3) \$31,750.
(2) \$23,000. (4) \$105,000.

15 The book value of the asset, Maintenance Equipment, after adjusting entries is

- (1) \$7,500. (3) \$13,000.
(2) \$12,500. (4) \$20,000.

16 Assuming that the entire net profit after taxes was transferred to Retained Earnings, the balance of the Retained Earnings account would be

- (1) \$10,252.50 (3) \$23,452.50
(2) \$13,200. (4) \$36,652.50

17 The total operating expenses for the quarter were

- (1) \$13,530. (3) \$121,450.
(2) \$48,730. (4) \$192,200.

18 Closing entries are prepared from

- 1 Trial Balance columns
2 Adjustment columns
3 Income Statement columns
4 Balance Sheet columns

Part III

Answer both Group 1 and Group 2. Write the answers to these questions in the separate answer booklet.

Group 1

Directions (19–24): Answer any *five* of the six questions in this group. Write the answers in the spaces provided in the separate answer booklet. [5]

19 The current assets of a firm are \$50,000 and the current liabilities are \$20,000. What is the current ratio?

20 What amount is needed to pay an invoice for \$650, less a credit memorandum of \$30, and less a cash discount of 2%?

21 A truck costing \$1,650 is expected to last five years and then have a trade-in value of \$150. Using the straight-line method of depreciation, what is the yearly amount of depreciation?

22 The insurance account contains a debit of \$180 for a one-year fire policy purchased on April 1, 1975.

What amount of insurance should be listed as prepaid on the balance sheet of December 31, 1975?

23 The balance of the Retained Earnings account of the Sultan Corporation on January 1, 1975 was \$28,000. A cash dividend of \$5,000 was declared and paid during the year. The net profit for the year 1975 was \$27,000.

What was the balance of the Retained Earnings account on December 31, 1975?

24 A line on the State Income Tax Rate Schedule reads:

Income		
<i>At least</i>	<i>But not over</i>	<i>Your tax is:</i>
\$7,000	\$9,000	\$260 plus 6% of excess over \$7,000

What is the tax on taxable income of \$7,400?

 GO RIGHT ON TO THE NEXT PAGE.

Group 2

Directions (25-42): Answer any 15 of the 18 questions in this group. Write the answers in the spaces provided in the separate answer booklet. [15]

- 25 When sales taxes are collected from cash customers, the account credited is
- | | |
|-----------------------|--------------------|
| 1 Sales Taxes Payable | 3 Cash |
| 2 Sales Taxes | 4 Accounts Payable |
- 26 What type of data processing equipment would arrange punched cards alphabetically?
- | | |
|-----------------|-------------|
| 1 card punch | 3 sorter |
| 2 card verifier | 4 tabulator |
- 27 Which tax is affected by the number of exemptions claimed by the employee?
- (1) State Unemployment Insurance tax
 - (2) Federal Unemployment Insurance tax
 - (3) FICA tax
 - (4) Federal Income tax
- 28 The merchandise turnover is found by dividing
- 1 net sales by ending merchandise inventory
 - 2 net sales by average merchandise inventory
 - 3 cost of goods sold by average merchandise inventory
 - 4 cost of goods sold by ending merchandise inventory
- 29 The process of summarizing the income and expense accounts and transferring the net result to the Retained Earnings account is known as
- 1 adjusting the accounts
 - 2 reversing the accounts
 - 3 closing the ledger
 - 4 preparing a post-closing trial balance
- 30 An example of a fixed asset is
- 1 equipment
 - 2 merchandise inventory
 - 3 cash
 - 4 prepaid insurance
- 31 Determining that the amount of cash on hand agrees with the balance of the cash account is known as
- 1 recording
 - 2 proving cash
 - 3 reconciling the bank statement
 - 4 establishing the petty cash fund
- 32 The balance in the Accounts Receivable controlling account on December 31 is \$20,500. The balance in the Allowance for Bad Debts account is \$750 after adjustments. The amount believed to be collectible from customers is
- | | |
|--------------|--------------|
| (1) \$750 | (3) \$20,500 |
| (2) \$19,750 | (4) \$21,250 |
- 33 The first record of any transaction of a business is made in the
- | | |
|-----------|-----------------|
| 1 ledger | 3 journal |
| 2 account | 4 balance sheet |
- 34 A decrease in owner's capital that results from a business transaction is called
- | | |
|-----------|-------------|
| 1 income | 3 asset |
| 2 expense | 4 liability |
- 35 The difference between the sales and the cost of goods sold is called
- 1 net sales
 - 2 sales returns
 - 3 gross profit on sales
 - 4 sales discount
- 36 A customer sent a check for \$50 in partial payment of her account. What would be the effect of erroneously posting the check as a debit to the customer's account?
- 1 overstatement of the total of the Schedule of Accounts Receivable
 - 2 understatement of the Accounts Receivable controlling account
 - 3 overstatement of the Accounts Receivable controlling account
 - 4 understatement of the total of the Schedule of Accounts Receivable
- 37 The New York State Disability Benefits Insurance law provides benefits for an employee or his family when the employee
- 1 dies
 - 2 retires
 - 3 is temporarily unable to work because of an off-the-job accident
 - 4 is temporarily unable to work because of an on-the-job accident

- 38 At the end of the year, which account should be closed into the Income and Expense Summary account?
- 1 Petty Cash
 - 2 Depreciation of Furniture and Fixtures
 - 3 Allowance for Bad Debts
 - 4 Notes Payable

- 39 On an Income Statement, losses from bad debts will appear as
- 1 an operating expense
 - 2 a deduction from Accounts Receivable
 - 3 an addition to the cost of goods sold
 - 4 a deduction from the cost of goods sold

- 40 Adjusting entries are normally made
- 1 before the Trial Balance is taken
 - 2 whenever price changes occur in inventory costs
 - 3 at the beginning of each fiscal period
 - 4 at the end of the current fiscal period

- 41 The declaration of a cash dividend by the Yule Corporation will result in
- 1 an increase in assets and an increase in liabilities
 - 2 an increase in liabilities and a decrease in capital
 - 3 a decrease in assets and a decrease in liabilities
 - 4 a decrease in assets and a decrease in capital

Base your answer to question 42 on the account below which was taken from the General Ledger of Clarke & Scott.

Accounts Payable

1975						1975					
May	31		CP6	178	00	May	31		P3	320	00
			J4	80	00						
June	2		J5	75	00						

- 42 How is the above account classified?
- | | |
|--------------------|---------------------|
| 1 fixed liability | 3 deferred asset |
| 2 contingent asset | 4 current liability |

The University of the State of New York

REGENTS HIGH SCHOOL EXAMINATION

BOOKKEEPING AND ACCOUNTING II

Monday, June 21, 1976 — 1:15 to 4:15 p.m., only

ANSWER BOOKLET

	Credit Allocated	Credit Earned
Part I Question 1	50	
Part II Questions 2-18	30	
Part III Group 1 Group 2	5 15
Total	100	
Rater's Initials:.....		

Pupil.....Teacher

School

All of your answers should be written in this answer booklet.

All answers must be written with pen and ink.

Correct any errors by using regular bookkeeping procedures.

If you cannot answer a question in the space provided in the answer booklet, obtain another answer booklet from the teacher in charge and continue your answers in the new answer booklet.

Part II

Answer all questions in this part.

SALES JOURNAL

DATE	ACCOUNT DEBITED	ADDRESS	TERMS	POST. REF.	AMOUNT
1976 MAR. 7	THOMAS GOMEZ	ROME, N.Y.	2/10, n/30		430.00
17	LUCY PERKINS	BRONX, N.Y.	2/10, n/30		650.00
21	THOMAS GOMEZ	ROME, N.Y.	2/10, n/30		400.00
					<u>1480.00</u>

GENERAL LEDGER

ACCOUNTS RECEIVABLE

15

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1976 MAR. 1	BALANCE		800.00				

SALES INCOME

31

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT

ACCOUNTS RECEIVABLE LEDGER

Name THOMAS GOMEZ 2/10, n/30
 Address ROME, NEW YORK

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE

Name LUCY PERKINS 2/10, n/30
 Address BRONX, N.Y.

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1976 MAR. 1		✓			250.00

- | | | |
|---------|---------|---------|
| 9..... | 11..... | 13..... |
| 10..... | 12..... | |
| 14..... | 16..... | 18..... |
| 15..... | 17..... | |

Part III

Answer both Group 1 and Group 2.

Group 1

Be sure to answer only five questions in this group.

19.....	21.....	23.....
20.....	22.....	24.....

Group 2

Be sure to answer only fifteen questions in this group.

25.....	31.....	37.....
26.....	32.....	38.....
27.....	33.....	39.....
28.....	34.....	40.....
29.....	35.....	41.....
30.....	36.....	42.....

I do hereby affirm, at the close of this examination, that I had no unlawful knowledge of the questions or answers prior to the examination, and that I have neither given nor received assistance in answering any of the questions during the examination.

Signature

FOR TEACHERS ONLY

SCORING KEY

BK BOOKKEEPING AND ACCOUNTING II

Monday, June 21, 1976 — 1:15 to 4:15 p.m., only

Use only *red* ink or *red* pencil in rating Regents papers. Do not attempt to *correct* the pupil's work by making insertions or changes of any kind.

Scores should be cumulated within parts of the examination and transferred to the cover of the answer booklet.

Part I

(1) Use the following solutions as a guide in correcting papers, but allow other correct bookkeeping methods and procedures. [50]

GENERAL JOURNAL

Page 26

<u>A/P Debit</u>	<u>Gen'l. Debit</u>	<u>Date</u>	<u>Accounts & Explan.</u>	<u>P/R</u>	<u>Gen'l. Cr.</u>	<u>A/R Cr.</u>
	1,400.00	1976 Apr. 7	Notes Receivable Donald Ramsey 30-day note			1,400.00
40.00		22	Charles Marks Purchase Returns & Allow. Cr. Memo 59		40.00	
<u>40.00</u>	<u>1,400.00</u>	<u>30</u>	Totals		<u>40.00</u>	<u>1,400.00</u>
	(√)				(√)	

PURCHASES JOURNAL

Page 19

<u>Date</u>	<u>Account Credited</u>	<u>Address</u>	<u>Invoice</u>		<u>Terms</u>	<u>P/R</u>	<u>Amount</u>
			<u>No.</u>	<u>Date</u>			
1976							
Apr. 1	J & J Television Corp.	Rochester, N.Y.	432	3/30	2/10, n/30		1,250.00
12	Charles Marks	Wilson, N.Y.	212	4/9	2/10, n/30		320.00
<u>30</u>	<u>Purchases Dr./Accounts Payable Cr.</u>					/	<u>1,570.00</u>

[1]

[OVER]

CASH RECEIPTS JOURNAL

<u>Date</u>	<u>Account Credited</u>	<u>Explan.</u>	<u>P/R</u>	<u>Gen'l. Cr.</u>	<u>A/R Cr.</u>	<u>Sales Discount Dr.</u>	<u>Cash Dr.</u>
1976							
Apr. 1	Cash Balance	\$8,416.39	—				
8	Frank R. Smith Co.	Invoice 683			850.00	17.00	833.00
13	Prepaid Insurance	Refund Insur. Premiums		45.00			45.00
28	Notes Receivable	Tri-City T.V. Sv. Co.		1,200.00			1,212.00
	Interest Income	Int. on Note		12.00			
<u>30</u>	<u>Totals</u>			<u>1,257.00</u>	<u>850.00</u>	<u>17.00</u>	<u>2,090.00</u>
1976							
May 1	Cash Balance	\$5,102.24	—	(√)			
	OR						
Apr. 13	Insurance Expense			45.00			45.00

CASH PAYMENTS JOURNAL

BOOKKEEPING AND ACCOUNTING II — continued

<u>Date</u>	<u>Account Debited</u>	<u>Explan.</u>	<u>P/R</u>	<u>General Ledger Dr.</u>	<u>Accts. Pay. Dr.</u>	<u>Salaries Dr.</u>	<u>Fed. With. Tax Pay. Cr.</u>	<u>State With. Tax Pay. Cr.</u>	<u>FICA Tax Pay. Cr.</u>	<u>Disability Ben. Pay. Cr.</u>	<u>Purch. Disc. Cr.</u>	<u>Cash Cr.</u>
1976	Accounts Receivable/											
Apr. 2	Allen Electronics Co.	Insufficient Fund Check		550.00								550.00
5	Northern Television Co.	Invoice 3/29			325.00						6.50	318.50
6	Office Equipment	New Typewriter		245.00								245.00
9	Salaries	Weekly Payroll	—			2,570.00	234.00	71.00	150.35	4.00		2,110.65
23	Purchases	Cash Purchase Mdse.		85.00								85.00
26	Henry Clark, Drawing	Personal Use		125.00								125.00
30	Federal Withholding Taxes Payable	Monthly Deductions		850.00								1,970.00
	FICA Taxes Payable			1,120.00								
<u>30</u>	<u>Totals</u>			<u>2,975.00</u>	<u>325.00</u>	<u>2,570.00</u>	<u>234.00</u>	<u>71.00</u>	<u>150.35</u>	<u>4.00</u>	<u>6.50</u>	<u>5,404.15</u>
		OR		(√)								
Apr. 30	Federal With. Taxes Payable			850.00								1,970.00
	FICA Taxes Payable			560.00								
	FICA Taxes			560.00								

[3]

[OVER]

Part II

(2) Deduct 1 credit for each error with a maximum deduction of 2 credits for each posting.

SALES JOURNAL

Page 16

<u>Date</u>	<u>Account Debited</u>	<u>Address</u>	<u>Terms</u>	<u>P/R</u>	<u>Amount</u>
1976					
Mar. 7	Thomas Gomez	Rome, N. Y.	2/10, n/30	✓	430.00
17	Lucy Perkins	Bronx, N. Y.	2/10, n/30	✓	650.00
21	Thomas Gomez	Rome, N. Y.	2/10, n/30	✓	400.00
<u>31</u>	Accts. Rec. Dr./Sales Cr.			<u>15/31</u>	<u>1,480.00</u>

GENERAL LEDGER

ACCOUNTS RECEIVABLE

15

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Credit</u>
1976							
Mar. 1	Balance	✓	800.00				
31		S16	1,480.00				

SALES INCOME

31

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Credit</u>
				1976			
				Mar. 31		S16	1,480.00

ACCOUNTS RECEIVABLE LEDGER

Name: Thomas Gomez
Address: Rome, New York

2/10, n/30

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
1976					
Mar. 7		S16	430.00		430.00
21		S16	400.00		830.00

Name: Lucy Perkins
Address: Bronx, N. Y.

2/10, n/30

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
1976					
Mar. 1		✓			250.00
17		S16	650.00		900.00

(3-7) Allow 1 credit for each of the following correct answers.

<u>Account Title</u>	<u>Amount</u>
(3) Depreciation of Delivery Equipment	1,000.00
(4) Rent Income	800.00
(5) Office Salaries	12,300.00
(6) Interest Expense	44.00
(7) Office Supplies Expense	60.00

(8) Deduct 1 credit for each error.

**HYDE & VAN HORN
STATEMENT OF PARTNERS' CAPITAL
DECEMBER 31, 1975**

Henry Hyde

Capital 1/1/75		\$94,000.00	
One-Half Net Profit	\$25,500.00		
Less: Drawing	<u>9,500.00</u>		
Net Increase in Capital		<u>16,000.00</u>	
Capital 12/31/75			\$110,000.00

John Van Horn

Capital 1/1/75		\$104,000.00	
One-Half Net Profit	\$25,500.00		
Less: Drawing	<u>14,000.00</u>		
Net Increase in Capital		<u>11,500.00</u>	
Capital 12/31/75			<u>115,500.00</u>
Total Capital			<u><u>\$225,500.00</u></u>

BOOKKEEPING AND ACCOUNTING II — *concluded*

(9-18) Allow a total of 10 credits, 1 credit each.

(9) 3	(11) 1	(13) 1
(10) 2	(12) 2	
(14) 4	(16) 4	(18) 3
(15) 2	(17) 2	

Part III

Allow a total of 20 credits; 5 credits for Group 1 and 15 credits for Group 2.

Group 1

Five of six required. Allow 1 credit for each answer. (If all six questions are answered, rate only the first five questions answered.)

(19) 2½ to 1	(21) \$300	(23) \$50,000
(20) \$607.60	(22) \$45	(24) \$284

Group 2

Fifteen of eighteen required. Allow 1 credit for each answer. (If all eighteen questions are answered, rate only the first fifteen questions answered.)

(25) 1	(31) 2	(37) 3
(26) 3	(32) 2	(38) 2
(27) 4	(33) 3	(39) 1
(28) 3	(34) 2	(40) 4
(29) 3	(35) 3	(41) 2
(30) 1	(36) 1	(42) 4