

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

BOOKKEEPING AND ACCOUNTING II

Tuesday, June 18, 1974 — 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.

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 Receipts Journal, and the Cash Payments 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 Bolton and Geary are partners in a wholesale fabric company. On March 1, 1974, the business had a cash balance of \$4,812. Make, with sufficient explanations, entries for the following selected transactions, checking all items that should *not* be posted separately: [50]

March 2 We issued a check for \$184 to the Bond Trucking Co. for freight charges on merchandise purchased.

5 We received the following business paper from our customer, James Robbins:

This check is in full payment of the following invoices:			Ithaca National Bank Ithaca, New York		No. <u>1319</u>
Date		Amount		<u>March 2, 1974</u>	
<u>2/23</u>	Inv. #905	920	00		
Total		920	00	Pay to the order of <u>Bolton & Geary</u> \$901 60/100	
LESS <u>2%</u> DISCOUNT		18	40	<u>Nine hundred one 60/100-----Dollars</u>	
NET AMOUNT		901	60	<u>James Robbins</u>	

6 We received a check for \$804 from our customer, Style Dress Co., in payment of a 30-day promissory note due today with interest at 6%. The face of the note was \$800.

9 We prepaid a freight charge of \$96 on a shipment to our customer, Basics, Inc., and charged this amount to their account.

March 12 We sent the following business paper to our creditor, Dane Mills Corporation:

No. <u>105</u>	New York, N.Y. <u>March 12, 1974</u>
<u>Thirty days</u> after date <u>We</u> promise to pay to	
the order of <u>Dane Mills Corporation</u>	<u>\$730 60/100</u>
<u>Seven hundred thirty 60/100-----Dollars</u>	
<u>at City National Bank, New York, N.Y.</u>	
Value Received	Bolton & Geary
Due <u>April 11, 1974</u>	By <u>Harold Bolton, Partner</u>

13 We issued a credit memorandum for \$65 to the Mason Stores for damaged merchandise returned to us.

14 We drew a check in the amount of \$1,480 for payment of federal taxes withheld from employees' salaries during the month of February and for the employer's share of FICA taxes as follows:

Federal income taxes withheld.....	\$630.00
FICA taxes deducted from employees' salaries.....	425.00
Employer's share of FICA taxes.....	425.00

16 We issued a check to Waters & Co. in full settlement of the invoice of March 8 for \$875 less a cash discount of 2%.

19 We borrowed money from the City National Bank by discounting our promissory note for \$3,000. The bank credited our account for the net proceeds of \$2,940.

21 Adam Moss, a customer, has been declared a bankrupt. We received a check for \$200 in final settlement of the balance due of \$750. (The Allowance for Doubtful Accounts shows a balance of \$800.)

23 We sent a check for \$70 to a cash customer who had returned damaged merchandise to us.

27 Harold Bolton, a partner, withdrew \$350 for his personal use.

30 We had sublet part of the building to the Johnson Company. We received a check from them for \$275 for this month's rent.

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

Show the cash balance on March 31, 1974 in the Cash Receipts Journal.

Part II

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


2 Certain entries have been recorded in the General Journal which appears in the answer booklet. In the answer booklet do *each* of the following: [10]

Post the General Journal entries and the summary entry to the General Ledger and Accounts Receivable Subsidiary Ledger Accounts.

3 Using the form provided in the separate answer booklet, prepare a trial balance for Howard Dane as of December 31, 1973 from the following account balances. List each account on the trial balance with the debit or credit balance which would normally be expected for that account. Total the columns. [7]

List of account balances of Howard Dane —
December 31, 1973

Cash	\$ 4,975
Notes Receivable	750
Accounts Receivable	2,350
Allowance for Doubtful Accounts.....	120
Merchandise Inventory (1/1/73)	5,600
Furniture and Fixtures	1,500
Allowance for Depreciation of Furniture and Fixtures	225
FICA Taxes Payable	125
Howard Dane, Capital	10,000
Howard Dane, Drawing	7,800
Sales Income	40,500
Merchandise Purchases	18,350
Salaries Expense	9,200
FICA Tax Expense	470
Interest Income	25

 GO RIGHT ON TO THE NEXT PAGE.

Directions (4-7): Base your answers to questions 4 through 7 on the following information and tax tables.

TABLE I

Social Security Employee Tax Table

5.85 percent employee tax deductions

Wages		Tax to be withheld
At least	But less than	
\$144.36	\$144.53	\$8.45
144.53	144.71	8.46
144.71	144.88	8.47
144.88	145.05	8.48
145.05	145.22	8.49
145.22	145.39	8.50
145.39	145.56	8.51
145.56	145.73	8.52
145.73	145.90	8.53
145.90	146.07	8.54
146.07	146.24	8.55
146.24	146.42	8.56
146.42	146.59	8.57
146.59	146.76	8.58
146.76	146.93	8.59
146.93	147.10	8.60
147.10	147.27	8.61
147.27	147.44	8.62
147.44	147.61	8.63
147.61	147.78	8.64
147.78	147.95	8.65
147.95	148.12	8.66
148.12	148.30	8.67
148.30	148.47	8.68
148.47	148.64	8.69
148.64	148.81	8.70
148.81	148.98	8.71
148.98	149.15	8.72
149.15	149.32	8.73
149.32	149.49	8.74

TABLE II

NEW YORK STATE INCOME TAX WITHHOLDING TAX TABLE (WEEKLY)

WAGES		EXEMPTIONS CLAIMED										
At Least	Less Than	0	1	2	3	4	5	6	7	8	9	10 or more
		TAX TO BE WITHHELD										
\$ 105	\$ 110	\$ 2.50	\$ 2.00	\$ 1.50	\$ 1.00	\$.70	\$.30					
110	115	2.70	2.20	1.70	1.20	.80	.40	.10				
115	120	2.90	2.40	1.90	1.40	.90	.60	.20				
120	125	3.10	2.50	2.00	1.60	1.10	.70	.30				
125	130	3.30	2.70	2.20	1.70	1.20	.80	.50	.10			
130	135	3.60	2.90	2.40	1.90	1.40	1.00	.60	.20			
135	140	3.80	3.20	2.60	2.10	1.60	1.10	.70	.40			
140	145	4.00	3.40	2.80	2.20	1.80	1.30	.90	.50	.10		
145	150	4.20	3.60	3.00	2.40	1.90	1.40	1.00	.60	.30		
150	160	4.50	3.90	3.30	2.70	2.20	1.70	1.20	.80	.40	.10	
160	170	5.10	4.40	3.70	3.10	2.50	2.10	1.60	1.10	.70	.30	
170	180	5.60	4.80	4.20	3.60	3.00	2.40	1.90	1.40	1.00	.60	.20

TABLE III

**FEDERAL INCOME TAX WITHHOLDING TAX TABLE
MARRIED Persons — WEEKLY Payroll Period**

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
\$100	\$105	\$13.10	\$11.10	\$9.10	\$7.00	\$4.80	\$2.80	\$1.00	\$0	\$0	\$0	\$0
105	110	13.90	11.90	9.90	7.80	5.70	3.60	1.70	0	0	0	0
110	115	14.70	12.70	10.70	8.70	6.50	4.40	2.40	.70	0	0	0
115	120	15.50	13.50	11.50	9.50	7.40	5.30	3.10	1.40	0	0	0
120	125	16.30	14.30	12.30	10.30	8.20	6.10	4.00	2.10	.30	0	0
125	130	17.10	15.10	13.10	11.10	9.10	7.00	4.80	2.80	1.00	0	0
130	135	17.90	15.90	13.90	11.90	9.90	7.80	5.70	3.60	1.70	0	0
135	140	18.70	16.70	14.70	12.70	10.70	8.70	6.50	4.40	2.40	.70	0
140	145	19.50	17.50	15.50	13.50	11.50	9.50	7.40	5.30	3.10	1.40	0
145	150	20.30	18.30	16.30	14.30	12.30	10.30	8.20	6.10	4.00	2.10	.30
150	160	21.50	19.50	17.50	15.50	13.50	11.50	9.50	7.40	5.30	3.10	1.40
160	170	23.10	21.10	19.10	17.10	15.10	13.10	11.10	9.10	7.00	4.80	2.80
170	180	25.00	22.70	20.70	18.70	16.70	14.70	12.70	10.70	8.70	6.50	4.40
180	190	26.90	24.50	22.30	20.30	18.30	16.30	14.30	12.30	10.30	8.20	6.10
190	200	28.80	26.40	24.10	21.90	19.90	17.90	15.90	13.90	11.90	9.90	7.80

Frank Wilson earned \$145 during one week in May. He is married and claims three exemptions (including himself). His wages are subject to FICA, Federal withholding and State withholding taxes, and disability insurance deduction. The weekly Disability Benefits tax rate is $\frac{1}{2}$ of 1%, with a maximum deduction of 30¢.


Using the above information and the three tax tables provided, compute the amount to be deducted for each of the items indicated in questions 4 through 7. Write your answers in the spaces provided in the answer booklet.

4 Federal income tax [1]

5 State income tax [1]

6 FICA taxes [1]

7 Disability Benefits tax [1]

 GO RIGHT ON TO THE NEXT PAGE.

- 8 Prepare the asset section of the balance sheet of the Meyer Sales Company as of December 31, 1973, on the form provided in the answer booklet. Base your answer on the following account balances and on the additional information for the Meyer Sales Company as of December 31, 1973. [9]

MEYER SALES COMPANY
Account Balances
December 31, 1973

Cash	\$ 5,860
Petty Cash	100
Notes Receivable	800
Accounts Receivable	9,100
Allowance for Doubtful Accounts.....	120
Merchandise Inventory, Jan. 1, 1973.....	14,600
Delivery Trucks	14,200
Allowance for Depreciation of Delivery Trucks.....	2,840
Office Equipment	4,700
Allowance for Depreciation of Office Equipment.....	705
Notes Payable	650
Accounts Payable	5,340
Federal Withholding Taxes Payable.....	870
FICA Taxes Payable	120
State Withholding Taxes Payable.....	95
Disability Benefits Insurance Payable.....	35
Henry Meyer, Capital	18,350
Henry Meyer, Drawing	7,800
Sales Income	96,800
Merchandise Purchases	52,750
Salaries Expense	10,900
Rent Expense	2,520
Advertising Expense	450
Interest Expense	65
Office Supplies and Expense.....	150
Insurance Expense	890
Electricity Expense	310
FICA Tax Expense	540
State Unemployment Insurance Tax Expense.....	210
Disability Benefits Insurance Expense.....	65
Interest Income	85

Additional Information
December 31, 1973

Unpaid Electricity	\$ 60
Merchandise Inventory	14,850
Insurance Unexpired	310
State Unemployment Insurance Taxes Payable.....	40
Accrued Interest on Notes Payable.....	15
Accrued Interest on Notes Receivable.....	32
FICA Taxes Payable (Employer's Share).....	120

The Allowance for Doubtful Accounts is to be increased by \$30.
 Depreciation of Office Equipment for the year is 10% on cost.
 Depreciation of Delivery Trucks is 20% on cost.


Part III

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

Group 1

Directions (9–14): Answer any *five* of the six questions in this group. Write the answers in the spaces provided in the separate answer booklet. [5]

- 9 A \$400, 30-day, 6% interest-bearing promissory note was paid when due. What was the total amount of the payment?
- 10 A firm's net profit for the year amounted to \$8,750. If the net worth of the firm was \$125,000, what was the percent profit earned on the investment?
- 11 At the start of the year, the Capital Stock account of a corporation showed a credit balance of \$75,000, and the Retained Earnings account showed a credit balance of \$14,000. The corporation had a net profit for the year of \$9,000. Dividends amounting to \$4,000 were declared and paid during the year. What was the net worth of the corporation at the end of the year?
- 12 Delivery equipment was purchased for \$4,600 on July 1. It is estimated that the equipment will have a scrap value of \$600 after a life of 4 years. Using the straight line method of depreciation, find the depreciation for the six-month period of July 1 to December 31.
- 13 On September 10, merchandise listed at \$200 was purchased subject to a trade discount of 25%, terms 2/10, n/30. If the purchaser makes payment on October 8, what should be the amount of the check?
- 14 On December 31, 1973, the Insurance Account had a debit balance of \$720. Unexpired insurance on December 31, 1973, actually amounted to \$60. What amount should be listed as Insurance Expense on the Income Statement for the year ending December 31, 1973?
-

 GO RIGHT ON TO THE NEXT PAGE.

Group 2

Directions (15-32) : Answer any 15 of the 18 questions in this group. Write the answers in the spaces provided in the separate answer booklet. [15]

- 15 A 60-day promissory note dated April 12 will be due on
- | | |
|-----------|-----------|
| 1 June 11 | 3 June 13 |
| 2 June 12 | 4 June 14 |

- 16 Failure to set up an allowance for doubtful accounts at the end of 1973 will result in an
- 1 understatement of net profit for 1973
 - 2 overstatement of net profit for 1973
 - 3 understatement of assets at the end of 1973
 - 4 overstatement of liabilities at the end of 1973

- 17 Which error will cause the trial balance to be out of balance?
- 1 forgetting to post from the Sales Journal to the H. Allen account in the Accounts Receivable Ledger
 - 2 failing to record the purchase of a desk
 - 3 incorrectly totaling the Purchase Journal
 - 4 posting the \$1,250 total of the accounts receivable column in the Cash Receipts Journal as \$1,520

- 18 The checkbook balance on May 2, at the start of the day, was \$1,500. During the day a deposit of \$75 was made, and checks for \$100 and \$50 were written. What was the checkbook balance at the end of the day?
- | | |
|-------------|-------------|
| (1) \$1,275 | (3) \$1,575 |
| (2) \$1,425 | (4) \$1,725 |

- 19 Data about Accounts Receivable to be fed into an automatic data processing system, is often recorded in the form of
- 1 statements of account
 - 2 punched cards
 - 3 schedule of accounts receivable
 - 4 sales journals

- 20 A purchase of merchandise on credit results in
- 1 an increase in assets and an increase in liabilities
 - 2 an increase in assets and a decrease in liabilities
 - 3 a decrease in assets and a decrease in liabilities
 - 4 a decrease in assets and an increase in liabilities

- 21 During her vacation, Harriet Miller, age 45, was injured while driving her own car. For part of the 5 weeks she was unable to work, cash benefits most likely would be paid to her under
- 1 Workmen's Compensation
 - 2 the Social Security Administration
 - 3 New York State Disability Benefits Insurance
 - 4 Unemployment Insurance

- 22 The book value of a share of stock of a corporation may be found by
- 1 dividing the net worth of the corporation by the number of shares of stock
 - 2 dividing the total amount of stock of the corporation by the number of shares of stock
 - 3 looking at the amount shown on the stock certificate
 - 4 looking at the price of the stock on the stock exchange page of the daily newspaper

- 23 In a business, which are most likely to be prepared by automatic data processing?
- 1 sales invoices
 - 2 inspection reports by the night watchman
 - 3 business correspondence (letters)
 - 4 applications for employment

- 24 The entry recording the estimated depreciation for the year results in
- 1 an increase in liabilities and a decrease in capital
 - 2 a decrease in liabilities and an increase in capital
 - 3 an increase in assets and an increase in capital
 - 4 a decrease in assets and a decrease in capital

- 25 The balance of the Accounts Receivable controlling account would be different from the total of the Accounts Receivable Schedule if the bookkeeper
- 1 made an error in totaling the Sales Journal, and posted the incorrect total
 - 2 failed to record a sale made to S. Charles
 - 3 recorded the receipt of a check from a customer, but neglected to record the cash discount
 - 4 added an invoice incorrectly, and entered the incorrect total in the Sales Journal

- 26 Credits in the Notes Payable account usually originate in the
- 1 Purchase Journal
 - 2 Cash Receipts Journal
 - 3 Cash Payments Journal
 - 4 General Journal

- 27 On the books of the seller, the deduction granted to a customer for early payment of the invoice is called a
- | | |
|---------------------|------------------|
| 1 retail discount | 3 trade discount |
| 2 purchase discount | 4 sales discount |

- 28 A firm started the year with \$25 worth of office supplies. During the year the firm purchased \$65 worth of office supplies. A count of the office supplies at the end of the year showed that \$20 worth was still on hand. What was the total cost of the office supplies which the firm must have used during the year?
- | | |
|----------|-----------|
| (1) \$45 | (3) \$70 |
| (2) \$60 | (4) \$110 |

- 29 A payroll check prepared by a computer is an example of
- 1 electronic data processing input
 - 2 electronic data processing output
 - 3 manual data processing output
 - 4 manual data processing input
- 30 A sale of \$250 was made subject to a 7% sales tax. To record the sale correctly, the credits should be
- 1 Sales Income \$250, Sales Taxes \$17.50
 - 2 Sales Income \$250, Sales Taxes Payable \$17.50
 - 3 Sales Income \$267.50, Sales Taxes \$17.50
 - 4 Sales Income \$267.50, Sales Taxes Payable \$17.50
- 31 In order to determine which checks are outstanding, the bookkeeper should compare the
- 1 cancelled checks with the stubs in the checkbook
 - 2 cancelled checks with the checks listed in the bank statement
 - 3 check stubs with entries made in the Cash Payments Journal
 - 4 checkbook deposits with entries made in the Cash Receipts Journal
- 32 In a sale on credit to B. Benson, the bookkeeper, by mistake, posted to the B. Boyers account. The error will probably be discovered when
- (1) the schedule of the subsidiary ledger does not agree with the controlling account
 - (2) the trial balance does not balance
 - (3) B. Boyers receives his monthly statement
 - (4) the bookkeeper receives monthly statements from creditors
-

The University of the State of New York

REGENTS HIGH SCHOOL EXAMINATION

BOOKKEEPING AND ACCOUNTING II

Tuesday, June 18, 1974—1:15 to 4:15 p.m., only

ANSWER BOOKLET

	Credit Allocated	Credit Earned
Part I Question 1	50	
Part II Questions 2-8	30	
Part III Group 1 Group 2	5 15	
Total	100	
Rater's Initials:.....		

Pupil.....Teacher.....

Grade.....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.

2

GENERAL JOURNAL

Page 31

ACCOUNTS PAYABLE DEBIT	GENERAL LEDGER DEBIT	DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	GENERAL LEDGER CREDIT	ACCOUNTS RECEIVABLE CREDIT
	560 00	1974 JAN 4	Notes Receivable S. Gordon 60-day note			560 00
	4800 00	28	Delivery Equipment Notes payable 90-day note for station wagon		4800 00	
	5360 00				4800 00	560 00
	(✓)				(✓)	

GENERAL LEDGER

ACCOUNTS RECEIVABLE

10

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1974 JAN 1	Balance	✓	8460 00				

NOTES RECEIVABLE

14

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

DELIVERY EQUIPMENT

21

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

[5]

[OVER]

4.....
5.....
6.....
7.....

8
MEYER SALES COMPANY
BALANCE SHEET
December 31, 1973

ASSETS

Current Assets

Cash		_____	
Petty Cash		_____	
Notes Receivable		_____	
Accounts Receivable	_____		
Less: Allowance for Doubtful Accounts	_____	_____	
Merchandise Inventory		_____	
Accrued Interest Receivable		_____	
Prepaid Insurance		_____	
Total Current Assets			_____

Fixed Assets

Delivery Trucks		_____	
Less: Allowance for Depreciation		_____	_____
Office Equipment		_____	
Less: Allowance for Depreciation		_____	_____
Total Fixed Assets			_____

Total Assets

Part III
Answer both Group 1 and Group 2.

Group 1
Be sure to answer only five questions in this group.

9.....	11.....	13.....
10.....	12.....	14.....

Group 2
Be sure to answer only fifteen questions in this group.

15.....	21.....	27.....
16.....	22.....	28.....
17.....	23.....	29.....
18.....	24.....	30.....
19.....	25.....	31.....
20.....	26.....	32.....

FOR TEACHERS ONLY

BK

SCORING KEY BOOKKEEPING AND ACCOUNTING II

Tuesday, June 18, 1974 — 1:15 to 4:15 p.m., only

Use only *red* ink or 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 15
<u>A/P</u> <u>Debit</u>	<u>Gen'l.</u> <u>Debit</u>	<u>Date</u> <u>1974</u>	<u>Accounts & Explan.</u>	<u>P/R</u>	<u>Gen'l.</u> <u>Cr.</u>	<u>A/R</u> <u>Cr.</u>	
730.60		Mar. 12	Dane Mills Corp. Notes Payable 30-day note		730.60		
	65.00	13	Sales Returns & Allow. Mason Stores Credit Memo			65.00	
	550.00	21	Allowance for Doubtful Accts. Adam Moss Declared Bankrupt			550.00	
<u>730.60</u>	<u>615.00</u>	31	Totals		<u>730.60</u>	<u>615.00</u>	
	(V)				(V)		

CASH RECEIPTS JOURNAL								Page 26
<u>Date</u> <u>1974</u>	<u>Account Credited</u>	<u>Explan.</u>	<u>P/R</u>	<u>Gen'l.</u> <u>Cr.</u>	<u>A/R</u> <u>Cr.</u>	<u>Sales</u> <u>Dis. Dr.</u>	<u>Cash</u> <u>Dr.</u>	
Mar. 1	Cash Balance	\$4,812.00	—					
5	James Robbins	2/23 Inv. #905			920.00	18.40	901.60	
6	Notes Receivable } Interest Income }	Style Dress Co. Int. on note		800.00 } 4.00 }			804.00	
19	Notes Payable	borrowed — City Nat'l. Bank declared bankrupt		3,000.00		I.E. 60.00	2,940.00	
21	Adam Moss				200.00		200.00	
30	Rent Income			275.00			275.00	
31	Totals			<u>4,079.00</u>	<u>1,120.00</u>	<u>18.40</u> I.E. 60.00	<u>5,120.60</u>	
Mar. 31	Cash Balance	\$6,895.10	—	(V)				

[1]

[OVER]

CASH PAYMENTS JOURNAL

<u>Date</u>	<u>Acct. Debited</u>	<u>Explanation</u>	<u>P/R</u>	<u>Gen'l. Ledger Dr.</u>	<u>Accts. Pay. Dr.</u>	<u>Freight In Dr.</u>	<u>Pur. Dis. Cr.</u>	<u>Cash Cr.</u>
1974								
Mar. 2	Freight In	to Bond Trucking	✓			184.00		184.00
9	Basics, Inc.	Prepaid Freight		96.00				96.00
	Accounts Rec.	Chgs.						
*14	Fed. With. Tax Pay			630.00				
	FICA Tax Pay			850.00				1480.00
16	Waters & Co.	3/8 inv.			875.00		17.50	857.50
23	Sales Ret. & Allow.	damaged mdse.		70.00				70.00
27	Harold Bolton, Draw	pers. use		350.00				350.00
31	Totals			1996.00	875.00	184.00	17.50	3037.50
			✓	(✓)				
*March 14 may be entered as follows:								
	Fed. With. Tax. Payable			630.00				
	FICA Taxes Payable			425.00				
	FICA Tax Expense			425.00				1480.00

Part II

- (2) Deduct 1 point for each error with a maximum deduction of 2 points for each posting.
- Deduct a maximum of 2 points for omission of parts of dates (month, day, or year).
- Deduct no more than 2 points for omission of post reference in journal.
- Deduct no more than 2 points for omission of post reference in ledger accounts.

GENERAL JOURNAL

<u>Accounts Payable Debit</u>	<u>General Ledger Debit</u>	<u>Date</u>	<u>Account Title and Explanation</u>	<u>P/R</u>	<u>General Ledger Credit</u>	<u>Accounts Receivable Credit</u>
1974						
	560.00	Jan. 4	Notes Receivable S. Gordon 60-day note	14 ✓		560.00
	4800.00	28	Delivery Equipment Notes payable 90-day note for station wagon	21 53	4800.00	
	5360.00	31	Totals		4800.00	560.00
	(✓)				(✓)	(10)

**GENERAL LEDGER
ACCOUNTS RECEIVABLE**

<u>Date</u>	<u>Explanation</u>	<u>Post Ref.</u>	<u>Debit</u>	<u>Date</u>	<u>Explanation</u>	<u>Post Ref.</u>	<u>Credit</u>
1974							
Jan. 1	Balance	✓	8460.00	Jan. 31		J 31	560.00

BOOKKEEPING AND ACCOUNTING II — *continued*

NOTES RECEIVABLE

Account No. 14

<u>Date</u> 1974	<u>Post Ref.</u>	<u>Debit</u>	<u>Date</u>	<u>Post Ref.</u>	<u>Credit</u>
Jan. 4	J 31	560.00			

DELIVERY EQUIPMENT

Account No. 21

<u>Date</u> 1974	<u>Post Ref.</u>	<u>Debit</u>	<u>Date</u>	<u>Post Ref.</u>	<u>Credit</u>
Jan. 28	J 31	4800.00			

NOTES PAYABLE

Account No. 53

<u>Date</u>	<u>Post Ref.</u>	<u>Debit</u>	<u>Date</u> 1974	<u>Post Ref.</u>	<u>Credit</u>
			Jan. 28	J 31	4800.00

ACCOUNTS RECEIVABLE LEDGER

Name: S. Gordon
Address: White Plains, N.Y.

115 Ross St., White Plains, N.Y. 10603

<u>Date</u> 1974		<u>Post Ref.</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
Jan. 1	Balance	√			970.00
4		J 31		560.00	410.00

BOOKKEEPING AND ACCOUNTING II — *continued*

(3) Deduct one credit for each error.

**HOWARD DANE
TRIAL BALANCE
DECEMBER 31, 1973**

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Cash	4,975.00	
Notes Rec.	750.00	
Accounts Rec.	2,350.00	
Allow. for Doubtful Accounts		120.00
Mdse. Inventory	5,600.00	
Furn. & Fix.	1,500.00	
Allowance for Depreciation Furn. & Fix.		225.00
FICA Taxes Payable		125.00
Howard Dane, Capital		10,000.00
Howard Dane, Drawing	7,800.00	
Sales Income		40,500.00
Mdse. Purchases	18,350.00	
Salaries Expense	9,200.00	
FICA Taxes Expense	470.00	
Interest Income		25.00
	50,995.00	50,995.00

(4-7) Allow 1 credit for each of the following correct answers.

- (4) \$14.30
- (5) \$2.40
- (6) \$8.48
- (7) 30¢

(8) Deduct 1 credit for each error, up to a maximum of 9 credits.

**MEYER SALES CO.
BALANCE SHEET
DECEMBER 31, 1973**

<u>Assets</u>		
Current Assets		
Cash	5,860.00	
Petty Cash	100.00	
Notes Receivable	800.00	
Accounts Receivable	9,100.00	
Less: Allowance For Doubtful Acct.	150.00	8,950.00
Merchandise Inventory		14,850.00
Accrued Interest Receivable		32.00
Prepaid Insurance		310.00
Total Current Assets		30,902.00
Fixed Assets		
Delivery Trucks	14,200.00	
Less: Allowance for Depreciation	5,680.00	8,520.00
Office Equipment	4,700.00	
Less: Allowance for Depreciation	1,175.00	3,525.00
Total Fixed Assets		12,045.00
Total Assets		42,947.00

BOOKKEEPING AND ACCOUNTING II — *concluded*

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.)

(9) \$402

(11) \$94,000

(13) \$150

(10) 7%

(12) \$500

(14) \$660

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.)

(15) 1

(21) 3

(27) 4

(16) 2

(22) 1

(28) 3

(17) 4

(23) 1

(29) 2

(18) 2

(24) 4

(30) 2

(19) 2

(25) 1

(31) 1

(20) 1

(26) 4

(32) 3