

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

**A**

**BOOKKEEPING  
AND ACCOUNTING II**

Tuesday, June 17, 1975 — 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 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, Sales 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 Assume you are the bookkeeper for the Beverly Sportswear Corporation, a wholesale distributor of women's sportswear. On April 1, 1975, the business had a cash balance of \$4,375.25. Make, with sufficient explanations, entries for the following selected transactions, checking all items that should *not* be posted separately: [50]

April 2 Merchandise was sold to Elaine's Madison Shop, New York City, for \$340; terms 2/10, n/30.

- 4 A check was issued to our creditor in accordance with the facts shown on the following check stub:

No.	<u>764</u>	\$ <u>723.60</u>
Date	<u>April 4, 1975</u>	
To	<u>S &amp; R fashions</u>	
For	<u>Inv. 2/2/74</u>	
	Dollars	Cents
Bal. br'd for'd	<u>4375</u>	<u>25</u>
Amt. deposited		
Total	<u>4375</u>	<u>25</u>
Amt. this check	<u>723</u>	<u>60</u>
Bal. car'd for'd	<u>3651</u>	<u>65</u>

April 5 The following credit memorandum was sent to Elaine's Madison Shop for damaged merchandise returned to us:

## BEVERLY SPORTSWEAR CORP.

### *Credit Memorandum*

TO

Elaine's Madison Shop  
15 Broadway  
New York, New York 10001

DATE April 5, 1975  
CREDIT MEMO NO. 343

#### YOUR ACCOUNT HAS BEEN CREDITED AS FOLLOWS:

QUANTITY	DESCRIPTIONS	UNIT PRICE	AMOUNT
4	Blouses #714	\$12.50	\$50.00

8 We issued a 60-day, 6% interest-bearing promissory note for \$850 to our creditor, Dormay Sweater Co., to settle the balance of our account.

 GO RIGHT ON TO THE NEXT PAGE.

April 9 Merchandise was sold to Fay Fashions, as shown on the following invoice:

<b>BEVERLY SPORTSWEAR CORP.</b>				<b>INVOICE</b>
1450 First Street		Albany, New York 12210		
CUSTOMER'S ORDER NO.	350	DATE	April 9, 1975	812
SOLD TO	Fay Fashions 17 West Street Syracuse, New York 13201		SHIP TO	SAME
SHIPPED VIA	Express	TERMS	Net 20 days	
QUANTITY	CAT. NO.	DESCRIPTION	UNIT PRICE	TOTAL
15	410 B	Slacks	\$12.00	\$180.00

- 10 A check was issued for \$25 to prepay the freight charge on the shipment of April 9 to Fay Fashions. We charged this amount to the customer's account.
- 11 Our cash sales for the day amounted to \$460.
- 12 We received a check for \$284.20 from Elaine's Madison Shop in settlement of the invoice of April 2 for \$340, less the return of April 5 for \$50, and less the 2% discount. (See transactions of April 2 and April 5.)
- 13 Our Board of Directors declared a cash dividend of \$.50 per share on each of 3,000 shares of stock outstanding. The dividend is to be paid to stockholders on May 31.

April 17 A check was issued to our creditor, Standard Manufacturing Co., to settle the balance due on their account shown below:

**STANDARD MANUFACTURING COMPANY**  
**ROCHESTER, NEW YORK 14617**

**TERMS 2/10 N/30**

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1975 Mar. 20	Merchandise	P 18		600.00	600.00
Apr. 9	Merchandise	P 19		300.00	900.00

- 23 A check was issued for \$125 to the National Insurance Co. in payment of the fire insurance premium.
- 25 We received a check for \$75 as a refund on an advertisement that we had paid for but cancelled.
- 29 We received a check for \$205 from Fay Fashions in settlement of the invoice of April 9 for \$180, plus the freight charge of \$25 we had prepaid and charged to their account. (See transactions of April 9 and April 10.)
- 30 A check was issued in 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 Withholding Taxes Payable ..... | \$630 |
| FICA Taxes Payable .....                | \$140 |
| Employer's share of FICA Taxes .....    | \$140 |

Summarize and close all journals. Check any total that is not to be posted.  
 Show the cash balance on April 30, 1975 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 Prepare a partial Income Statement for Franklin Ridgeway for the year ended December 31, 1974, on the form provided in the answer booklet. Base your answer on the following account balances and on the additional information as of December 31, 1974. [10]

**Franklin Ridgeway  
Trial Balance  
December 31, 1974**

Cash .....	\$15,700	
Notes Receivable .....	2,900	
Accounts Receivable .....	40,000	
Allowance for Doubtful Accounts .....		400
Merchandise Inventory (1/1/74) .....	70,000	
Office Equipment .....	2,600	
Accumulated Depreciation—Office Equipment .....		200
Accounts Payable .....		36,000
Notes Payable .....		10,100
Franklin Ridgeway, Capital .....		63,000
Franklin Ridgeway, Drawing .....	7,420	
Sales .....		408,200
Sales Returns and Allowances .....	5,350	
Purchases .....	320,100	
Office Supplies Expense .....	1,450	
Rent Expense .....	4,730	
Salaries Expense .....	42,720	
Insurance Expense .....	2,150	
Advertising Expense .....	3,010	
Sales Discount .....	2,970	
Purchase Discount .....		3,250
Interest Expense .....	1,250	
FICA Tax .....	2,000	
Freight on Purchases .....	3,000	
Purchase Returns and Allowances .....		5,100
Interest Income .....		1,100
	527,350	527,350
	527,350	527,350

**Additional Information  
December 31, 1974**

Merchandise Inventory .....	\$83,000
Accrued Salaries .....	2,500
Office Supplies on Hand .....	125
Depreciation—Office Equipment .....	10% of cost
Additional Allowance for Doubtful Accounts .....	500
Interest due on Notes Receivable .....	50
Unexpired Insurance .....	75

*Directions (3-7):* Using the account balances and additional information given in question 2, compute the amount for *each* of the items indicated in questions 3-7 to be shown on the completed Income Statement of Franklin Ridgeway for the year ended December 31, 1974. [5]

- 3 Salary Expense
  - 4 Office Supplies Expense
  - 5 Depreciation Expenses — Office Equipment
  - 6 Interest Income
  - 7 Insurance Expense
- 

8 In the Cash Receipts Journal which appears in the separate answer booklet, certain entries have been recorded. Post these Cash Receipts Journal entries to the General Ledger and Accounts Receivable Subsidiary Ledger accounts that have been provided. Check any total that is *not* to be posted. [10]


9 The payroll register of the Smith Company shows the following totals:

Payroll Register      Week ended *May 30*

Total Wages	Deductions				Total Deductions	Net Wages
	FICA Tax	Fed. Withholding Tax	State Withholding Tax	Disability Insurance Benefits		
1855 00	76 90	184 00	36 40	5 00	302 30	1532 70

A check was issued and cashed to meet the payroll. In the form provided in the separate answer booklet, indicate the accounts to be debited and credited by filling in the account titles and amounts in the appropriate columns. [5]

---

 GO RIGHT ON TO THE NEXT PAGE.

Part III

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

Group 1

*Directions (10–15):* Answer any *five* of the six questions in this group. Write the answers in the spaces provided in the separate answer booklet. [5]

- 10 On an investment of \$1,200, Jane Sullivan made a profit of \$84. What was the percent return on her investment?
- 11 Smith invested \$40,000 and his partner, Jones, invested \$80,000 in their business. Smith and Jones share profits in the ratio 2 to 3. If the partnership profit for the year was \$20,000, what was the amount of Jones' share of the profit?
- 12 On March 31, 1975, the bank statement for the Arden Product Co. showed a balance of \$2,360.90. The checkbook showed a balance of \$2,189.60. The following check was outstanding: No. 138, \$175.80. The bank had deducted \$4.50 as a service charge for the month. What is the correct available checkbook balance?
- 13 Mr. Elliot is paid time and a half for working overtime. If his regular hourly rate is \$3.20, what amount of money did Mr. Elliot earn for 6 hours of overtime work?
- 14 During a recent week, an employee earned \$264 in regular wages and \$86 in overtime wages. At the current rate of 5.85%, what FICA (Social Security) tax did this employee pay on her gross wages for that week?
- 15 A petty cash fund was started with \$25 cash. During the month, the following petty cash vouchers were written for expenditures:

No. 85	\$1.50
86	3.40
87	6.90
88	5.40

How much money should be restored to the petty cash box to replenish the fund to its original amount?



Group 2

*Directions (16–33):* Answer any 15 of the 18 questions in this group. Write the answers in the spaces provided in the separate answer booklet. [15]

- 16 If the assets of a firm at the end of the year were greater than the assets at the beginning of the year, then which statement would be true?  
1 The firm made a profit for the year.  
2 The firm was well managed for the year.  
3 The capital of the firm was greater at the end of the year.  
4 More information is needed before arriving at a conclusion.
- 17 Which is a legal characteristic of a general partnership?  
1 long-term liability  
2 unlimited liability  
3 contingent liability  
4 deferred liability
- 18 The term “double entry bookkeeping” means that, for each transaction, an entry is made  
1 in the journal and also in the ledger  
2 in the general ledger and also in a subsidiary ledger  
3 on the debit side of one account and on the credit side of another account  
4 on a business paper and also in the books
- 19 The count of merchandise inventory on hand at the end of 1974 was overstated. This error will result in an  
1 overstatement of profit for 1974  
2 understatement of profit for 1974  
3 overstatement of liabilities at the end of 1974  
4 understatement of assets at the end of 1974
- 20 The Accounts Receivable account is an example of a  
1 subsidiary account                      3 fixed asset account  
2 controlling account                      4 valuation account
- 21 On which type of check is space provided for stating the purpose for which the check is written?  
1 cashier’s check                      3 preferred check  
2 certified check                      4 voucher check
- 22 Allowance for Doubtful Accounts is best described as  
1 a contingent liability account  
2 a capital account  
3 an expense account  
4 an asset valuation account
- 23 A sales invoice to Judy Burns for \$50 was entered in the Sales Journal as \$150. Which would occur as a result of this error?  
1 The trial balance will not balance at the end of the month.  
2 The balance of the monthly statement to Judy Burns will be overstated.  
3 The check received from Judy Burns in payment of her account will be larger than the correct amount.  
4 The Accounts Receivable controlling account will not agree with the Schedule of Accounts Receivable at the end of the month.
- 24 Sales taxes which are collected from customers and which will subsequently be remitted to the State Tax Bureau are recorded by the retailer as  
1 an operating expense in the Income Statement  
2 an addition to sales in the Income Statement  
3 a current asset in the Balance Sheet  
4 a current liability in the Balance Sheet
- 25 When the payee of a check writes as an endorsement “Pay to the order of (name of the firm)” before his signature, he has used a  
1 blank endorsement  
2 qualified endorsement  
3 restrictive endorsement  
4 full endorsement
- 26 Entries in the Purchases Journal are usually made from which source document?  
1 purchase order                      3 incoming invoice  
2 purchase requisition                      4 outgoing invoice
- 27 Which is shown on the bank statement sent by the bank each month?  
1 outstanding checks  
2 deposits in transit  
3 checks paid by the bank during the month  
4 the amount of interest earned during the month
- 28 The authorization by the State of New York which permits a group of persons to do business as a corporation is called the  
1 charter  
2 by-laws  
3 trade acceptance  
4 articles of copartnership
- 29 An invoice dated March 10, terms 2/10, n/30, should be paid no later than  
1 March 20                      3 April 9  
2 March 31                      4 April 10

- 30 Which can be determined from information found on the Balance Sheet?
- 1 current ratio
  - 2 rate of net profit based on sales
  - 3 merchandise turnover
  - 4 total operating expenses
- 31 Which statement best describes the function of a source document in an automatic data processing system?
- 1 Input is recorded on it.
  - 2 Output is recorded on it.
  - 3 Raw data is obtained from it.
  - 4 It manipulates the central processing unit.
- 32 Postings to the debit side of Accounts Payable in the general ledger usually come from the
- 1 Cash Payments Journal
  - 2 Sales Journal
  - 3 Purchases Journal
  - 4 Cash Receipts Journal
- 33 The primary purpose of a trial balance is to
- 1 check the accuracy of control accounts
  - 2 locate errors in posting
  - 3 assure the accuracy of financial reports
  - 4 determine if the general ledger is in balance
-

The University of the State of New York

REGENTS HIGH SCHOOL EXAMINATION

**A**

# BOOKKEEPING AND ACCOUNTING II

Tuesday, June 17, 1975 — 1:15 to 4:15 p.m., only

## ANSWER BOOKLET

	Credit Allocated	Credit Earned
Part I Question 1	50	
Part II Questions 2-9	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.

2

FRANKLIN RIDGEWAY  
PARTIAL INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1974

Income

Gross Sales .....	_____	
Less: Sales Returns & Allowances .....	_____	
Sales Discount .....	_____	
Total Deductions .....	_____	
Net Sales .....		_____

Cost of Goods Sold

Merchandise Inventory _____ 19 _____		_____
Purchases .....	_____	
Add: Freight On Purchases .....	_____	
Total Purchases .....	_____	
Less: Purchases Returns & Allowances ... _____	_____	
Purchases Discount .....	_____	
Total Deductions .....	_____	
Net Purchases .....		_____
Total Cost of Goods for Sale .....		_____
Less: Merchandise Inv. _____ 19 _____		_____
Cost of Goods Sold .....		_____
Gross Profit on Sales .....		_____

- 3.....
- 4.....
- 5.....
- 6.....
- 7.....

CASH RECEIPTS JOURNAL

DATE	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GENERAL LEDGER CR.	ACCOUNTS RECEIVABLE CR.	SALES DISCOUNT DR.	CASH DR.
1975 Mar. 1	Balance	\$6,510.00	-				
7	Arthur Hill	Invt. 2/28, less 2%			300.00	6.00	294.00
26	Purchase Discount	from Bennett Co.		20.00			20.00
28	Charles Stern	Invt. 3/20, less 2%			750.00	15.00	735.00
31	Totals			20.00	1050.00	21.00	1049.00

GENERAL LEDGER

CASH

Account No. 101

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1975 Mar. 1	Balance	✓	6510.00				

ACCOUNTS RECEIVABLE

Account No. III

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1975 Mar. 1	Balance	✓	2570.00				

SALES DISCOUNT

Account No. 402

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

PURCHASES DISCOUNT

Account No. 502

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





**Part III**  
**Answer both Group 1 and Group 2.**

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

10.....	12.....	14.....
11.....	13.....	15.....

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

16.....	22.....	28.....
17.....	23.....	29.....
18.....	24.....	30.....
19.....	25.....	31.....
20.....	26.....	32.....
21.....	27.....	33.....

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

## BK BOOKKEEPING AND ACCOUNTING II A

### SCORING KEY

Tuesday, June 17, 1975 — 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 8
<u>A/P</u> <u>Debit</u>	<u>Gen'l.</u> <u>Debit</u>	<u>Date</u>	<u>Accounts &amp; Explan.</u>	<u>P/R</u>	<u>Gen'l.</u> <u>Cr.</u>	<u>A/R</u> <u>Cr.</u>
	50.00	1975 Apr. 5	Sales Returns & Allow. Elaine's Madison Shop Credit Memo 343			50.00
850.00		8	Dormay Sweater Co. Notes Payable 60-day, 6% note		850.00	
	1,500.00	13	Retained Earnings (Earned Surplus) Dividends Payable 3,000 shares @ 50¢		1,500.00	
850.00	1,550.00	30	Totals		2,350.00	50.00
	(✓)				(✓)	

SALES JOURNAL						Page 11
<u>Date</u>	<u>Account Debited</u>	<u>Address</u>	<u>Terms</u>	<u>P/R</u>	<u>Amount</u>	
1975						
Apr. 2	Elaine's Madison Shop	New York City	2/10, n/30		340.00	
9	Fay Fashions	Syracuse, N.Y.	n/20		180.00	
30	Accts. Rec. Dr./Sales Cr.				520.00	

[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 Cr.</u>	<u>Sales Disc. Dr.</u>	<u>Cash Dr.</u>
1975								
Apr. 1	Cash Balance	\$4,375.25	—			460.00		460.00
11	Sales	Cash Sales 4/11	—					284.20
12	Elaine's Madison Shop	Inv. 4/2			290.00		5.80	75.00
25	Advertising Expense	Refund, Cancelled Adv.		75.00				205.00
29	Fay Fashions	Inv. 4/9 Plus Freight			205.00			
30	Totals			75.00	495.00	460.00	5.80	1,024.20
Apr. 30	Cash Balance	\$2,721.85		(✓)				

**CASH PAYMENTS JOURNAL**

<u>Date</u>	<u>Account Debited</u>	<u>Explan.</u>	<u>P/R</u>	<u>Gen'l. Dr.</u>	<u>Accts. Pay. Dr.</u>	<u>Purch. Disc. Cr.</u>	<u>Cash Cr.</u>
1975							
Apr. 4	S & R Fashion	Invoice 2/2			723.60		723.60
10	Accts. Rec./Fay Fashions	Prepaid Freight Inv. 4/9		25.00			25.00
17	Standard Mfg. Co.	Invs. 3/20 & 4/9			900.00	6.00	894.00
23	Insurance Expense	Fire Insur. Premium		125.00			125.00
30	Federal With. Tax Payable	Employee Taxes		630.00			910.00
	FICA Taxes Payable	Withheld		280.00			
30	Totals			1,060.00	1,623.60	6.00	2,677.60
Apr. 23	OR Prepaid Insurance			(✓) 125.00			125.00
30	Federal With. Tax Payable			630.00			910.00
	FICA Taxes Payable			140.00			
	FICA Taxes			140.00			

**Part II**

(2) Deduct 1 credit for each error, up to a maximum of 10 credits.

**FRANKLIN RIDGEWAY  
PARTIAL INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1974**

<u>Income</u>			
Gross Sales			\$408,200.00
Less: Sales Returns & Allowances	\$ 5,350.00		
Sales Discount	2,970.00		
Total Deductions			8,320.00
Net Sales			\$399,880.00
<u>Cost of Goods Sold</u>			
Merchandise Inventory Jan. 1, 1974			\$ 70,000.00
Purchases	\$320,100.00		
Add: Freight On Purchases	3,000.00		
Total Purchases		\$323,100.00	
Less: Purchases Returns & Allowances	\$5,100.00		
Purchases Discount	3,250.00		
Total Deductions		8,350.00	
Net Purchases			314,750.00
Total Cost of Goods for Sale			\$384,750.00
Less: Merchandise Inv. Dec. 31, 1974			83,000.00
Cost of Goods Sold			301,750.00
Gross Profit on Sales			\$ 98,130.00

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

- (3) \$45,220
- (4) \$1,325
- (5) \$260
- (6) \$1,150
- (7) \$2,075

(8) Deduct 1 point for each error with a maximum deduction of 2 points for each posting.

**CASH RECEIPTS JOURNAL**

Page 17

<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 Disc. Dr.</u>	<u>Cash Dr.</u>
1975							
Mar. 1	Balance	\$6,510.00	—				
7	Arthur Hill	Inv. 2/28, less 2%	√		300.00	6.00	294.00
26	Purchase Discount	from Bennett Co.	502	20.00			20.00
28	Charles Stern	Inv. 3/20, less 2%	√		750.00	15.00	735.00
31	Totals			20.00	1,050.00	21.00	1,049.00
				(√)	(111)	(402)	(101)

**GENERAL LEDGER**

**CASH**

**Account No. 101**

<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>
1975 Mar. 1	Balance	√	6,510.00				
31		CR 17	1,049.00				

**ACCOUNTS RECEIVABLE**

**Account No. 111**

<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>
1975 Mar. 1	Balance	√	2,570.00	1975 Mar. 31		CR 17	1,050.00

**SALES DISCOUNT**

**Account No. 402**

<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>
1975 Mar. 31		CR 17	21.00				

**PURCHASES DISCOUNT**

**Account No. 502**

<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>
				1975 Mar. 26		CR 17	20.00

**ACCOUNTS RECEIVABLE LEDGER**

Name: Arthur Hill  
Address: 32 Holly Lane, Latham, New York 12211

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
1975 Mar. 1	Balance	√			300.00
7		CR 17		300.00	—

Name: Charles Stern  
Address: 1256 Livingston Street, Albany, New York 12204

<u>Date</u>	<u>Explan.</u>	<u>P/R</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
1975 Mar. 5		S5	400.00		400.00
20		S6	750.00		1,150.00
28		CR 17		750.00	400.00

BOOKKEEPING AND ACCOUNTING II — *continued*

- (9) Deduct 1 credit for each error, up to a maximum of 5 credits.  
 Do not penalize for failure to indent credits or for omission of explanation.  
 Deduct a maximum of 2 credits for a repetitive error. (i.e., omission of the word *Payable* in account titles.)

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Salaries Expense	1,835.00	
FICA Taxes Payable		76.90
Fed. Withholding Taxes Payable		184.00
State Withholding Taxes Payable		36.40
Disability Insurance Benefits Payable		5.00
Cash		1,532.70

---

**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.)

- |               |                 |              |
|---------------|-----------------|--------------|
| (10) 7%       | (12) \$2,185.10 | (14) \$20.48 |
| (11) \$12,000 | (13) \$28.80    | (15) \$17.20 |

**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.)

- |        |        |        |
|--------|--------|--------|
| (16) 4 | (22) 4 | (28) 1 |
| (17) 2 | (23) 2 | (29) 3 |
| (18) 3 | (24) 4 | (30) 1 |
| (19) 1 | (25) 4 | (31) 3 |
| (20) 2 | (26) 3 | (32) 1 |
| (21) 4 | (27) 3 | (33) 4 |