

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

BOOKKEEPING AND ACCOUNTING II

Monday, June 20, 1977 — 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.

Remove the 4-page insert from the answer booklet to work on Part I.

The General Journal, Cash Payments Journal, and Cash Receipts 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 Rome Jewelry, a wholesale jewelry firm owned and operated by Harold Rome. On May 1, 1977, the firm had a cash balance of \$7,512.50. Make, with sufficient explanations, entries for the following selected transactions, checking all items that should *not* be posted separately. [50]

May 2 We sent a check for \$42.00 to the Atlas Trucking Co. for freight charges on merchandise we purchased.

3 We received the following check from our customer, East End Jewelry Co.:

In payment of the following		DATE		AMOUNT	
		4/23		425	00
TOTAL INVOICES				425	00
LESS DISCOUNT					
NET TOTAL				425	00

BUFFALO NATIONAL BANK
Buffalo, New York

No. 720

May 1 19 77 60-2780
313

PAY TO THE ORDER OF Rome Jewelry \$ 425⁰⁰/₁₀₀

Four hundred twenty-five and ⁰⁰/₁₀₀ DOLLARS

East End Jewelry Co.
John Foster
President

⑆0313⑆ 2780⑆ ⑆8585200⑆

4 We sent a check to our customer, East End Jewelry Co., for \$8.50. They had failed to deduct a 2% discount on their check of May 1.

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

Total earnings of employes.....	\$2,250.00
Federal withholding taxes.....	230.00
State withholding taxes.....	21.00
FICA taxes.....	131.63
Disability benefits.....	3.50
Net payment.....	1,863.87

6 We mailed a check to our creditor, J. & J. Jewelry Creations, in payment of the following invoice:

<u>INVOICE</u>		J. & J. JEWELRY CREATIONS 75 Pearl St. New York, N.Y. 10005	
Sold to <u>Rome Jewelry</u> <u>75 John St.</u> <u>Albany, N.Y. 12226</u>		Invoice No. <u>1431</u> Date <u>April 29, 1977</u> Purchase Order No. <u>1572</u> Shipped via <u>Johnson Trucking Co.</u>	
Terms: <u>2/10 n/30</u>			
Quantity	Description	Unit Price	Amount
26	Gold rings #A-75	20 00	520 00
10	Necklaces, silver, #Q-40	12 00	120 00
			640 00

9 We issued a check to Mr. Rome, the owner, as shown on the following stub.

NO.	<u>742 \$150.00</u>	
DATE	<u>May 9, 1977</u>	
TO	<u>MARCO ROME</u>	
FOR	<u>Personal use</u>	
	DOLLARS	CENTS
BALANCE	<u>5395</u>	<u>93</u>
AMT. DEPOSITED		
TOTAL	<u>5395</u>	<u>93</u>
AMT. THIS CHECK	<u>150</u>	<u>00</u>
BALANCE	<u>5245</u>	<u>93</u>

10 We received a check for \$367.20 from Rice Jewelry Shop in full settlement of their account shown below.

Rice Jewelry Shop
Glens Falls, NY 12801 Terms: 2/10, n/30

DATE 1977	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
<u>Apr 12</u>		<u>554</u>	<u>230 00</u>		<u>230 00</u>
<u>30</u>		<u>555</u>	<u>140 00</u>		<u>370 00</u>

12 We borrowed money from our bank by discounting our promissory note for \$850. The bank credited our account for the net proceeds of \$837.25.

13 We drew a check in payment of Federal taxes withheld from employees' salaries during the month of April and for the employer's share of FICA taxes as follows:

Federal income taxes withheld.....	\$870.00
FICA taxes deducted from employees' salaries	450.20
Employer's share of FICA taxes	450.20

16 We sent the following note to our creditor, Consolidated Jewelry Co.

\$ <u>575⁰⁰/₁₀₀</u>	<u>Albany</u> N.Y. <u>May 16</u> 19 <u>77</u>
<u>Sixty days</u>	AFTER DATE <u>1</u> PROMISE TO PAY
TO THE ORDER OF <u>Consolidated Jewelry Company</u>	
<u>Five hundred seventy-five and ⁰⁰/₁₀₀</u>	DOLLARS
PAYABLE AT <u>Albany National Bank, Albany, N.Y.</u>	
VALUE RECEIVED	
No. <u>85</u>	NAME <u>Harold Rome</u>
DUE <u>July 15, 1977</u>	<u>Rome Jewelry</u>

19 We sent the following credit memorandum to the Ace Jewelry Store for damaged merchandise returned to us:

CREDIT MEMORANDUM			
Rome Jewelry 75 John St. Albany, N.Y. 12226			
		Date May 19, 1977 Credit Memorandum No. 86	
To: Ace Jewelry Store 85 Broadway Rochester, N.Y. 14617			
We have credited your account as follows:			
Quantity	Description	Unit Price	Amount
4	Gold rings #A-77	18 00	72 00

24 We sent a check for \$422.10 to J. & J. Jewelry Creations in payment of our 30-day, 6% interest-bearing note for \$420.00 due tomorrow.

26 We received a check for \$75 for the return of damaged merchandise we had purchased last month for cash.

30 We received a check for \$2,500.00 from the owner, Harold Rome, to increase his investment in the business.

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

Show the cash balance on May 31, 1977 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 Cash Receipts Journal which appears in the answer booklet. In the answer booklet do each of the following: [10]

Post the daily entries and the totals to the General Ledger and Accounts Receivable Subsidiary Ledger Accounts.

Show all the required posting references in the journal and ledger accounts.

Directions (3–8): In the space provided in the answer booklet, write the name of the account to be debited for each of the following transactions. [6]

- 3 We sent a check in the amount of \$584 to the Tax Bureau for payment of sales taxes collected during the month.
- 4 John West was admitted as a member of a partnership by contributing land worth \$10,000 as his investment.
- 5 The bank notified us that they found a counterfeit \$10 bill in the deposit we had made this morning. They reduced the amount of our deposit by this amount.
- 6 We drew a check for \$50 to establish a petty cash fund.
- 7 When the books were being closed at the end of the fiscal period, there was a balance of \$120 in the office expense account. Record the name of the account to be debited to close this account.
- 8 The Acme Corporation declared a dividend of \$6,200.

 GO RIGHT ON TO THE NEXT PAGE.

Base your answers to questions 9 through 18 on the partial trial balance and additional information below.

**Jackson & Morrow
Trial Balance (Partial)
December 31, 1976**

Cash.....	\$ 8,500.00	
Accounts Receivable.....	14,000.00	
Allowance for Doubtful Accounts		\$ 160.00
Merchandise Inventory (January 1, 1976).....	15,300.00	
Furniture and Fixtures	6,000.00	
Allowance for Depreciation of Furniture & Fixtures.....		900.00
Delivery Trucks	12,000.00	
Allowance for Depreciation of Delivery Trucks		2,400.00
Accounts Payable.....		6,460.00
Federal Withholding Taxes Payable.....		880.00
State Withholding Taxes Payable		125.00
FICA Taxes Payable.....		100.00
Interest Income		56.00
Rental Income		760.00
Salaries Expense	11,310.00	
Advertising Expense	590.00	
Interest Expense	80.00	
Office Expense.....	220.00	
Insurance Expense.....	970.00	
FICA Tax Expense	415.00	
State Unemployment Insurance Tax Expense	1,165.00	

ADDITIONAL INFORMATION, DECEMBER 31, 1976

Merchandise Inventory.....	\$14,100.00	
Unpaid Advertising.....	130.00	
Unexpired Insurance.....	90.00	
Unused Office Supplies.....	60.00	
Additional State Unemployment Insurance Payable.....	75.00	
Rent Income Received in Advance	120.00	
Depreciation of Furniture and Fixtures	10% of Cost	
Depreciation of Delivery Trucks	25% of Cost	
Unpaid Salaries.....	300.00	
Accrued Interest on Notes Receivable.....	23.00	

Directions (9–13): Compute the amount which should be reported on the Income Statement for the year ended December 31, 1976, for each of the following. Write the answer for each item in the space provided on the separate answer sheet. [5]

9 Insurance Expense

10 Advertising Expense

11 Interest Expense

12 Rental Income

13 Depreciation of Furniture & Fixtures

Directions (14–18): Compute the amount which should be reported on the December 31, 1976 Balance Sheet for each of the following. Write the answer for each item in the space provided on the separate answer sheet. [5]


14 Allowance for Doubtful Accounts

15 Merchandise Inventory

16 Office Supplies Inventory

17 Interest Receivable

18 Salaries Payable

 GO RIGHT ON TO THE NEXT PAGE.

Directions (19–22): Base your answers to questions 19 through 22 on the following information and tax tables.

Social Security Employee Tax Table

NEW YORK STATE INCOME TAX WITHHOLDING TAX TABLE (WEEKLY)

5.85 percent employee tax deductions

Wages		Tax to be withheld
At least	But less than	
213.59	213.77	12.50
213.77	213.94	12.51
213.94	214.11	12.52
214.11	214.28	12.53
214.28	214.45	12.54
214.45	214.62	12.55
214.62	214.79	12.56
214.79	214.96	12.57
214.96	215.13	12.58
215.13	215.30	12.59
215.30	215.48	12.60
215.48	215.65	12.61
215.65	215.82	12.62
215.82	215.99	12.63
215.99	216.16	12.64
216.16	216.33	12.65
216.33	216.50	12.66
216.50	216.67	12.67
216.67	216.84	12.68
216.84	217.01	12.69
217.01	217.18	12.70
217.18	217.36	12.71
217.36	217.53	12.72
217.53	217.70	12.73
217.70	217.87	12.74
217.87	218.04	12.75
218.04	218.21	12.76
218.21	218.38	12.77
218.38	218.55	12.78
218.55	218.72	12.79

WAGES		EXEMPTIONS CLAIMED											
At Least	Less Than	0	1	2	3	4	5	6	7	8	9	10 or more	
140	145	5.10	4.40	3.80	3.20	2.60	2.10	1.60	1.20	.80	.50	.20	
145	150	5.30	4.70	4.00	3.40	2.80	2.30	1.80	1.40	1.00	.60	.30	
150	160	5.70	5.00	4.30	3.70	3.10	2.60	2.10	1.50	1.20	.80	.40	
160	170	6.20	5.50	4.80	4.10	3.50	2.90	2.40	1.90	1.40	1.00	.70	
170	180	6.80	6.00	5.20	4.60	3.90	3.30	2.70	2.20	1.70	1.30	.90	
180	190	7.30	6.50	5.70	5.00	4.40	3.70	3.10	2.60	2.10	1.60	1.20	
190	200	7.90	7.00	6.30	5.50	4.80	4.20	3.50	2.90	2.40	1.90	1.40	
200	210	8.50	7.60	6.80	6.00	5.30	4.60	4.00	3.30	2.80	2.30	1.70	
210	220	9.10	8.20	7.30	6.50	5.80	5.00	4.40	3.70	3.10	2.60	2.10	
220	230	9.70	8.80	7.90	7.10	6.30	5.50	4.80	4.20	3.50	3.00	2.40	
230	240	10.30	9.40	8.50	7.60	6.80	6.10	5.30	4.60	4.00	3.30	2.80	
240	250	11.00	10.00	9.10	8.20	7.30	6.60	5.80	5.10	4.40	3.80	3.10	
250	260	11.70	10.70	9.70	8.80	7.90	7.10	6.30	5.60	4.90	4.20	3.60	
260	270	12.50	11.50	10.50	9.50	8.60	7.70	6.90	6.20	5.40	4.70	4.10	
270	280	13.30	12.30	11.30	10.30	9.40	8.50	7.60	6.80	6.00	5.20	4.60	

FEDERAL INCOME TAX WITHHOLDING TAX TABLE

MARRIED Persons — WEEKLY Payroll Period

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
170	180	23.90	21.10	18.20	15.30	12.40	9.50	6.90	4.40	2.00	0	0
180	190	25.60	23.10	20.20	17.30	14.40	11.50	8.60	6.10	3.70	1.20	0
190	200	27.30	24.80	22.20	19.30	16.40	13.50	10.60	7.80	5.40	2.90	.50
200	210	29.00	26.50	24.10	21.30	18.40	15.50	12.60	9.80	7.10	4.60	2.20
210	220	30.70	28.20	25.80	23.30	20.40	17.50	14.60	11.80	8.90	6.30	3.90
220	230	32.40	29.90	27.50	25.00	22.40	19.50	16.60	13.80	10.90	8.00	5.60
230	240	34.10	31.60	29.20	26.70	24.30	21.50	18.60	15.80	12.90	10.00	7.30
240	250	35.80	33.30	30.90	28.40	26.00	23.50	20.60	17.80	14.90	12.00	9.10
250	260	37.50	35.00	32.60	30.10	27.70	25.20	22.60	19.80	16.90	14.00	11.10
260	270	39.20	36.70	34.30	31.80	29.40	26.90	24.50	21.80	18.90	16.00	13.10
270	280	41.70	38.40	36.00	33.50	31.10	28.60	26.20	23.70	20.90	18.00	15.10
280	290	44.20	40.60	37.70	35.20	32.80	30.30	27.90	25.40	22.90	20.00	17.10
290	300	46.70	43.10	39.50	36.90	34.50	32.00	29.60	27.10	24.70	22.00	19.10
300	310	49.20	45.60	42.00	38.60	36.20	33.70	31.30	28.80	26.40	23.90	21.10
310	320	51.70	48.10	44.50	40.90	37.90	35.40	33.00	30.50	28.10	25.60	23.10

Henry Reyes earned \$215 during one week in May. He is married and claims four 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 19 through 22. Write your answers in the spaces provided in the answer booklet.

19 Federal income tax [1]

20 State income tax [1]

21 FICA taxes [1]

22 Disability Benefits tax [1]

 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 (23–28): Answer any *five* of the six questions in this group. Write the answers in the spaces provided in the separate answer booklet. [5]

23 On February 28, 1977, Howard's bank statement showed a balance of \$1,243.87. After comparing his statement with his checkbook, he found the following checks outstanding: \$18.56, \$111.25, \$43.33, and \$28.79. On February 28, Howard made a \$40 deposit which did not appear on the bank statement. What is Howard's correct available bank balance?

24 Smith and Jones are partners sharing profits in the ratio of 3:2, respectively. Partnership profits for the year amounted to \$30,000. How much is Smith's share of the profit?

25 A truck is purchased for \$4,800. It is estimated that the truck will be used for four years. At the end of the four years, it is estimated that the truck will have a scrap value of \$400. If the straight-line method of depreciation is used, how much is the annual depreciation?

26 The turnover of merchandise stock may be calculated by using the formula:

$$\frac{\text{Cost of Goods Sold}}{\text{Average Merchandise Inventory}} = \text{Merchandise Turnover}$$

Compute the merchandise turnover for the Royal Company for the year, using the following information:

Sales for the year	\$24,000
Merchandise Inventory 1/1.....	3,000
Merchandise Inventory 12/31.....	5,000
Cost of Goods Sold.....	16,000

27 Compute Jack Masten's capital as of December 31, 1976, using the following information:

Jack Masten, Capital 1/1/76	\$27,500
Drawings for the year	6,500
Net Income for year	10,000

28 A 60-day promissory note is dated March 29. Find the date of maturity of this note.

Group 2

Directions (29-46): Answer any 15 of the 18 questions in this group. Write the answers in the spaces provided in the separate answer booklet. [15]

- 29 Why is a bookkeeping worksheet prepared?
1 to be used as a source document
2 to distribute to the stockholders at the end of the year
3 as an aid in the preparation of financial statements
4 to be used as a financial statement
- 30 When a set of books for a partnership is opened, the correct procedure is to set up
1 a capital account for each partner
2 a capital account for each partner except "silent" partners
3 one capital account that would show the combined investment of the partners
4 an account showing stock already subscribed
- 31 At the end of the fiscal period, it is determined that the interest owed and not paid on the mortgage amounts to \$420. This amount will be debited to
1 Interest Expense 3 Interest Receivable
2 Mortgage Payable 4 Interest Income
- 32 Income that has been earned but not yet received is referred to as
1 deferred income 3 unearned income
2 accrued income 4 prepaid income
- 33 The account Mortgage Payable is
1 a current liability 3 an accrued expense
2 a prepaid expense 4 a fixed liability
- 34 Under the cash basis of keeping books, all items of income are recorded when
1 paid 3 received
2 billed 4 ordered
- 35 A financial statement prepared by a data processing system is an example of
1 a source document 3 a flowchart
2 output 4 input
- 36 On an income statement, net sales minus cost of goods sold is the
1 gross profit
2 merchandise available for sale
3 net operating profit
4 net profit before taxes
- 37 Allowance for Depreciation of Delivery Equipment is
1 a liability account 3 an accrual account
2 an expense account 4 a valuation account
- 38 When the totals of the two columns of a Trial Balance are equal, it proves that
1 all debits and credits have been posted to the proper accounts
2 there have been no offsetting errors
3 no entries have been omitted
4 equal amounts of debits and credits have been posted
- 39 The total of the Sales Journal is posted as a debit to
1 Accounts Receivable 3 Sales
2 Accounts Payable 4 Cash
- 40 Unexpired insurance is recorded as a debit to
1 Insurance Receivable 3 Insurance Payable
2 Prepaid Insurance 4 Insurance Expense
- 41 The cost price of a fixed asset minus the Allowance for Depreciation is known as its
1 cash value 3 market value
2 par value 4 book value
- 42 The payment in cash by The Lake Corporation on April 1, 1977, of a dividend declared and recorded on March 10, 1977, results in
1 a decrease in assets and a decrease in capital
2 both an increase and a decrease in assets
3 a decrease in assets and a decrease in liabilities
4 a decrease in liabilities and an increase in capital
- 43 Current assets minus current liabilities equals
1 current ratio 3 merchandise turnover
2 current turnover 4 working capital
- 44 The proprietor withdrew cash for his personal use. The effect on the fundamental bookkeeping equation is to
1 increase assets and decrease owner's worth
2 increase assets and increase owner's worth
3 decrease assets and decrease liabilities
4 decrease assets and decrease owner's worth

45 A payment for gasoline and oil was incorrectly debited to the Delivery Equipment account instead of to the Delivery Expense account. This error, if not corrected, would result in

- 1 understatement of the total assets
- 2 no effect on the net profit
- 3 an understatement of the net profit
- 4 an overstatement of the net profit

46 A bookkeeper made an entry debiting the Bad Debts Expense account and crediting the Allowance for Bad Debts account. The credit represents

- 1 an increase in the liabilities
 - 2 an increase in the net worth
 - 3 a decrease in the value of the assets
 - 4 a decrease in the liabilities
-

The University of the State of New York

REGENTS HIGH SCHOOL EXAMINATION

BOOKKEEPING AND ACCOUNTING II

Monday, June 20, 1977 — 1:15 to 4:15 p.m., only

ANSWER BOOKLET

	Credit Allocated	Credit Earned
Part I Question 1	50	
Part II Questions 2–22	30	
Part III Group 1	5
Group 2	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 The Accounts Receivable Ledger for this problem is located on the top of page 7 in this answer booklet.

CASH RECEIPTS JOURNAL

DATE 1977	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GENERAL LEDGER CR.	ACCOUNTS RECEIVABLE CR.	SALES DISCOUNT DR.	CASH DR.
Mar 3	Notes Receivable	60-day note due today		600.00			600.00
19	Eckert Co.	inv. 2/28, less 2%			520.00	10.40	509.60
31	Totals			600.00	520.00	10.40	1109.60

GENERAL LEDGER

Cash

1

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	1970.00				

Notes Receivable

12

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	600.00				

Accounts Receivable

15

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	2060.00				

Sales Discount

43

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

1

ACCOUNTS PAYABLE DEBIT			GENERAL LEDGER DEBIT			DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	GENERAL LEDGER CREDIT			ACCOUNTS RECEIVABLE CREDIT		

[3]

[OVER]

CASH RECEIPTS JOURNAL

DATE	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GENERAL LEDGER CR.	ACCOUNTS RECEIVABLE CR.	SALES DISCOUNT DR.	CASH DR.

[9]

ACCOUNTS RECEIVABLE LEDGER

Eckert Company - Old River Road, Bainbridge, NY

DATE	EXPLANATION	POST. REF.	DEBIT		CREDIT		BALANCE	
1977 Mar 1	Balance	✓					820	00

Account Debited

Account Debited

- | | |
|---------|---------|
| 3 | 6 |
| 4 | 7 |
| 5 | 8 |

Amount

- 9 Insurance Expense
- 10 Advertising Expense
- 11 Interest Expense
- 12 Rental Income
- 13 Depreciation of Furniture & Fixtures
- 14 Allowance for Doubtful Accounts
- 15 Merchandise Inventory
- 16 Office Supplies
- 17 Interest Receivable
- 18 Salaries Payable

- 19
- 20
- 21
- 22

Part III

Answer both Group 1 and Group 2.

Group 1

Be sure to answer only five questions in this group.

23	25	27
24	26	28

Group 2

Be sure to answer only fifteen questions in this group.

29	35	41
30	36	42
31	37	43
32	38	44
33	39	45
34	40	46

When you have finished the examination, remember to put the 4-page insert in its proper place in the answer booklet before you turn it in.

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

SCORING KEY

Monday, June 20, 1977 — 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

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ACCOUNTS PAYABLE DEBIT	GENERAL LEDGER DEBIT	DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	GENERAL LEDGER CREDIT	ACCOUNTS RECEIVABLE CREDIT
	837.25	1977 May 12	Cash	—		
	12.75		Interest Expense			
			Notes Payable		850.00	
			Discounted our note			
575.00		16	Consolidated Jewelry Co.			
			Notes Payable		575.00	
			Issued Note on Acct.			
	72.00	19	Sales Returns + Allowances			
			Ace Jewelry Store			72.00
			CR Memo 86			
575.00	922.00	31	Totals		1425.00	72.00
	(✓)				(✓)	

CASH RECEIPTS JOURNAL

Page 23

DATE	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GENERAL LEDGER CR.	ACCOUNTS RECEIVABLE CR.	SALES DISCOUNT DR.	CASH DR.
1977 May 1	Cash Balance	\$ 7512.50	—				
3	East End Jewelry Co	on account			425.00		425.00
10	Rice Jewelry Shop	on account			370.00	2.80	367.20
12	Notes Payable	Discounted our Note	—	837.25			837.25
26	Purchase Returns + Allow	Returned Damaged Mdse		75.00			75.00
30	Harold Rome, Capital	Increased Investment		2500.00			2500.00
31	Totals			3412.25	795.00	2.80	4204.45
June 1	Cash Balance	\$ 6832.88	—	(✓)			
	OR						
May 12	Notes Payable			850.00			850.00
12	Notes Payable			850.00		(IE) 12.75	837.25

[1]

[OVER]

CASH PAYMENTS JOURNAL

DATE	ACCOUNT DEBITED	EXPLANATION	POST. REF.	GENERAL LEDGER DR.	ACCTS. PAY. DR.	SALARIES DR.	FED. WITH. TAX PAY. CR.	STATE WITH. TAX PAY. CR.	FICA TAX PAY. CR.	DISABILITY BEN. PAY. CR.	PURCH. DISC. CR.	CASH CR.
1977 May 2	Freight In	Freight Charges Mdse Pur		42 00								42 00
4	Sales Discount	Discount Check May 1		8 50								8 50
5	Salaries	Weekly Payroll	—			2250 00	230 00	21 00	131 63	3 50		1863 97
6	J. & J. Jewelry Creations	On Account			640 00						12 80	627 20
9	Harold Rome, Drawing	Personal Use		150 00								150 00
13	Employees Withholding Taxes Payable	Payment Federal Taxes Withheld		870 00								1770 40
	FICA Taxes Payable			900 40								
24	Notes Payable	Paid our note plus interest		420 00								420 10
	Interest Expense			2 10								
31	Totals			2393 00	640 00	2250 00	230 00	21 00	131 63	3 50	12 80	4884 07
				(67)								
	OR											
May 12	Interest Expense	Discounted Note		12 75								12 75
13	Employees Withholding Taxes Payable			870 00								1770 40
	FICA Taxes Payable			450 20								
	FICA Taxes			450 20								

BOOKKEEPING AND ACCOUNTING II — continued

Part II

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

CASH RECEIPTS JOURNAL

DATE 1977	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GENERAL LEDGER CR.	ACCOUNTS RECEIVABLE CR.	SALES DISCOUNT DR.	CASH DR.
Mar 3	Notes Receivable	60-day note due today	12	600.00			600.00
19	Eckert Co.	inv. 2/28, less 2%	✓		520.00	104.00	509.60
31	Totals			600.00 (✓)	520.00 (15)	104.00 (43)	1109.60 (1)

GENERAL LEDGER

Cash

1

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	1970.00				
31		CR12	1109.60				

Notes Receivable

12

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	600.00	Mar 3		CR12	600.00

Accounts Receivable

15

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 1	Balance	✓	2060.00	Mar 31		CR12	520.00

Sales Discount

43

DATE 1977	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
Mar 31		CR12	104.00				

ACCOUNTS RECEIVABLE LEDGER

Eckert Company - Old River Road, Bainbridge, NY

DATE 1977	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
Mar 1	Balance	✓			820.00
19		CR12		520.00	300.00

BOOKKEEPING AND ACCOUNTING II — *concluded*

(3–22) Allow one credit for each of the following correct answers.

- (3) Sales Tax Payable
- (4) Land
- (5) Cash Short & Over
- (6) Petty Cash
- (7) Income & Expense Summary
- (8) Retained Earnings

(9) \$880.00	(14) \$160.00	(19) \$20.40
(10) \$720.00	(15) \$14,100.00	(20) \$5.80
(11) \$80.00	(16) \$60.00	(21) \$12.58
(12) \$640.00	(17) \$23.00	(22) \$.30
(13) \$600.00	(18) \$300.00	

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.)

(23) \$1,081.94	(25) \$1,100.00	(27) \$31,000.00
(24) \$18,000.00	(26) 4 to 1	(28) May 28

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.)

(29) 3	(35) 2	(41) 4
(30) 1	(36) 1	(42) 3
(31) 1	(37) 4	(43) 4
(32) 2	(38) 4	(44) 4
(33) 4	(39) 1	(45) 4
(34) 3	(40) 2	(46) 3