

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

BOOKKEEPING AND ACCOUNTING II

Tuesday, June 22, 1982 — 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.

Financial Statements

Directions (1-10): Each of the items in the following list belongs in either the Income Statement or the Balance Sheet. On the form provided in the answer booklet, place a check (✓) under the appropriate heading to indicate on which financial statement the item should be listed. [10]

- 1 Purchase Returns and Allowances
- 2 Capital Stock
- 3 Sales Discount
- 4 Miscellaneous Expense
- 5 Allowance for Depreciation of Delivery Equipment
- 6 Bad Debts Expense
- 7 Shipping Supplies Inventory
- 8 State Withholding Taxes Payable
- 9 Depreciation of Machinery and Equipment
- 10 Retained Earnings

Analyzing Accounts

Base your answers to questions 11 through 15 on the account shown below. [10]

Name *Wilson & Smith, Inc.*
 Address *190 Main St., Great Barrington, MA* *Terms: 2/10, net*

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
<i>'982 MAR. 2</i>		<i>P3</i>		<i>840 00</i>	<i>840 00</i>
<i>9</i>		<i>J3</i>	<i>40 00</i>		<i>800 00</i>
<i>12</i>		<i>CP6</i>	<i>800 00</i>		<i>—</i>
<i>24</i>		<i>P4</i>		<i>750 00</i>	<i>750 00</i>

- 11 In which ledger does the Wilson & Smith, Inc. account appear?
- 12 How may a bookkeeper check the accuracy of the ledger in which the Wilson & Smith, Inc. account appears?
- 13 What business transaction took place on March 9?
- 14 What was the amount of the check issued on March 12?
- 15 In order to obtain the discount, what is the latest possible date the invoice of March 24 may be paid?


Classification of Accounts

Directions (16–25): For *each* account listed in 16 through 25, select the classification of accounts, *chosen from the list below*, that correctly classifies that account and write its *number* in the space provided on the separate answer sheet. [Note: A classification of accounts may be used more than once.] [10]

Classifications of Accounts

- (1) Assets
- (2) Liabilities
- (3) Owner's equity
- (4) Revenue
- (5) Cost of merchandise sold
- (6) Expenses

- 16 Sales
 - 17 Depreciation of Delivery Equipment
 - 18 Salaries Payable
 - 19 Prepaid Rent
 - 20 Purchases
 - 21 Merchandise Inventory
 - 22 Freight In
 - 23 Alice George, Capital
 - 24 Mortgage Payable
 - 25 Accounts Receivable
-

 GO RIGHT ON TO THE NEXT PAGE.

Adjustments

Directions (26–30): For *each* account listed in questions 26 through 30, indicate the amount to be shown on either the Income Statement or the Balance Sheet for that account. Write your answers in the separate answer booklet. [5]

H. CORD Trial Balance December 31, 1981

Cash	\$ 32,300	
Notes Receivable	4,000	
Accounts Receivable	16,800	
Allowance for Doubtful Accounts		\$ 233
Merchandise Inventory 1/1/81	21,240	
Building	95,000	
Furniture & Fixtures	17,300	
Allowance for Depreciation of Furniture & Fixtures ..		2,480
Accounts Payable		15,600
Federal Withholding Taxes Payable		1,180
State Withholding Taxes Payable		85
FICA Taxes Payable		195
Mortgage Payable		17,000
H. Cord, Capital		80,237
H. Cord, Drawing	2,000	
Sales		218,600
Purchases	95,100	
Freight In	650	
Supplies Expense	300	
Insurance Expense	2,600	
Salaries Expense	48,000	
FICA Tax Expense	515	
State Unemployment Tax Expense	620	
Interest Expense	280	
Sales Discount	440	
Commissions Income		1,385
Interest Income		150
	<u>\$337,145</u>	<u>\$337,145</u>

Additional Information — December 31, 1981

Merchandise Inventory—\$24,570
 Insurance Prepaid—\$370
 Store Supplies on Hand—\$80
 Commissions Income Received in Advance—\$400
 Interest Accrued on Mortgage Payable—\$70
 Interest Accrued on Notes Receivable—\$35
 Depreciation of Furniture & Fixtures—10% of cost
 Additional Allowance for Doubtful Accounts—2% of Accounts Receivable

26 Allowance for Doubtful Accounts

27 Interest Expense

28 Depreciation of Furniture & Fixtures

29 Commissions Income

30 Interest Receivable

Practical Accounting Applications

Directions (31–33): Base your answers to questions 31 through 33 on the abbreviated statements and formulas below. [3]

<i>Income Statement</i>		
Net Sales		\$120,000
Less Cost of Goods Sold		
Mdse. Inventory 1/1	\$15,000	
Purchases	60,000	
	<u>75,000</u>	
Goods Available	\$75,000	
Mdse. Inventory 12/31	25,000	
Cost of Goods Sold		<u>50,000</u>
Gross Profit		\$70,000
Less Expenses		<u>45,000</u>
Net Income		<u><u>\$25,000</u></u>

<i>Balance Sheet</i>		
Cash	\$10,000	
Accounts Receivable	15,000	
Notes Receivable	5,000	
Prepaid Expenses	15,000	
	<u>45,000</u>	
Total Current Assets		\$45,000
Fixed Assets		<u>30,000</u>
TOTAL ASSETS		<u><u>\$75,000</u></u>
Notes Payable	\$ 3,000	
Accounts Payable	12,000	
	<u>15,000</u>	
Total Current Liabilities		\$15,000
Fixed Liabilities		<u>10,000</u>
TOTAL LIABILITIES		\$25,000
Capital 1/1	\$25,000	
Net Income	25,000	
	<u>50,000</u>	
Capital 12/31		<u>50,000</u>
TOTAL LIABILITIES & CAPITAL		<u><u>\$75,000</u></u>

Formulas

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

$$\text{Acid-Test Ratio} = \frac{\text{Cash} + \text{Receivables (Notes \& Accounts)}}{\text{Current Liabilities}}$$

- 31 Compute the Current Ratio.
- 32 What is the amount of Working Capital?
- 33 Compute the Acid-Test Ratio.

Directions (34-35): In the spaces provided in the separate answer booklet, write the regular and overtime hours for the employee whose time card is shown below. The normal working day is 8:00 a.m. to 5:00 p.m. with one hour for lunch. Regular and overtime hours are calculated on an 8-hour-per-day basis. [Note: Time less than ¼ hour is not credited, and 3 minutes are allowed without penalty for late arrival or early departure.] [2]

Name <u>Marian Van Dyke</u> Employee No. <u>48</u>							
Week Ending <u>3/12/82</u>							
Days	Regular				Overtime		Hours
	In	Out	In	Out	In	Out	
Mon.	8 ⁰⁰	12 ⁰⁰	1 ⁰⁰	5 ⁰⁰	5 ⁰⁰	7 ³⁰	
Tues.	8 ⁰⁷	12 ⁰¹	1 ⁰²	5 ⁰¹			
Wed.	7 ⁵⁹	12 ⁰³	1 ⁰¹	4 ⁵⁷	5 ⁰⁰	9 ³⁰	
Thurs.	8 ⁰⁰	11 ⁵⁹	1 ⁰¹	4 ⁵⁹			
Fri.	8 ⁰⁰	12 ⁰⁰	1 ⁰⁰	5 ¹⁰			
Sat.							
Sun.							
Extra Hours Approved <i>S. Head</i> Supervisor			Hours	Rate	Earnings		
	Regular						
	Overtime						
Total Hours				Gross Earnings			

34 Regular hours

35 Overtime hours


Transactions

Directions (36–45): For each transaction listed in 36 through 45, select the account title, *chosen from the list below*, that would be *debited* for that transaction. Then write its letter in the space provided in the separate answer booklet. [Note: An account title may be used more than once.]
[10]

Account Titles

- (a) Accounts Payable
- (b) Accounts Receivable
- (c) Allowance for Bad Debts
- (d) Bad Debts Expense
- (e) Capital Stock
- (f) Cash
- (g) Dividends Payable
- (h) Income and Expense Summary
- (i) Merchandise Inventory
- (j) Notes Payable
- (k) Notes Receivable
- (l) Petty Cash
- (m) Purchase Returns and Allowances
- (n) Purchases
- (o) Retained Earnings
- (p) Sales Returns and Allowances
- (q) State Withholding Taxes Payable

- 36 A customer sent us a 60-day note in settlement of his account.
 - 37 A customer returned defective merchandise for credit to his account.
 - 38 The corporation declared a dividend.
 - 39 We sent a check in payment of our non-interest-bearing note due today.
 - 40 We recorded the closing entry for salaries.
 - 41 We established a petty cash fund by drawing a check to the order of cash.
 - 42 We estimated bad debts to be 1% of sales.
 - 43 We paid the dividend previously declared.
 - 44 We recorded the end-of-period inventory on our books, which was greater than the beginning inventory.
 - 45 We issued a check to pay State withholding taxes for the current period.
-

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Directions (46–49): Base your answers to questions 46 through 49 on the Comparative Income Statement for the Baker Supply Company which includes the percent of Net Sales for all of the various parts of the income statement. [4]

Baker Supply Company
Comparative Income Statement
 For Years Ended December 31, 1981, 1980, 1979

	1981		1980		1979	
	Amount	Percent	Amount	Percent	Amount	Percent
Income from Sales:						
Net Sales	495,000.00	100.0	461,000.00	100.0	428,000.00	100.0
Cost of Merchandise Sold:						
Merchandise Inventory, Jan. 1	13,860.00	2.8	11,525.00	2.5	13,268.00	3.1
Net Purchases	277,695.00	56.1	252,167.00	54.7	235,400.00	55.0
Cost of Merchandise Available	291,555.00	58.9	263,692.00	57.2	248,668.00	58.1
Less Mdse. Inventory, Dec. 31	15,345.00	3.1	13,860.00	3.0	11,525.00	2.7
Cost of Merchandise Sold	276,210.00	55.8	249,832.00	54.2	237,143.00	55.4
Gross Profit on Sales	218,790.00	44.2	211,168.00	45.8	190,857.00	44.6
Operating Expenses:						
Bad Debts Expense	3,465.00	.7	2,766.00	.6	2,568.00	.6
Depr. Exp.—Store Equipment	20,295.00	4.1	19,823.00	4.3	17,976.00	4.2
Insurance Expense	5,445.00	1.1	5,532.00	1.2	5,136.00	1.2
Miscellaneous Expense	11,385.00	2.3	9,681.00	2.1	10,272.00	2.4
Payroll Taxes Expense	15,840.00	3.2	16,135.00	3.5	15,408.00	3.6
Rent Expense	23,265.00	4.7	23,050.00	5.0	20,972.00	4.9
Salary Expense	104,445.00	21.1	102,803.00	22.3	98,868.00	23.1
Supplies Expense	3,960.00	.8	3,227.00	.7	1,712.00	.4
Total Operating Expenses	188,100.00	38.0	183,017.00	39.7	172,912.00	40.4
Net Income	30,690.00	6.2	28,151.00	6.1	17,945.00	4.2

- 46 In which year was the percent of Gross Profit on Sales the most desirable?
- 47 In which year was the percent of Total Operating Expenses the most desirable?
- 48 In which year was the percent of Net Income the most desirable?
- 49 Is the net income trend for the Baker Supply Company favorable?

Journalizing

50 The Cash Receipts Journal and the Cash Payments Journal appear in the separate answer booklet. [Note: It is important to examine the columnar headings in these journals to determine which special columns are being used.]

On April 1, 1982, the cash balance on hand is \$7,560.80. Make, with sufficient explanations, entries for the following selected transactions, checking all items that should not be posted separately. [30]

April 1 Issued check No. 125 as shown on the following checkstub.

No. <u>125</u> \$ <u>343.00</u>	
<u>April 1</u> 19 <u>82</u>	
To <u>G. Sauer</u>	
For <u>Inv. of \$350, less 2%</u>	

	DOLLARS CENTS
BAL. BROT FORWARD	<u>7,560</u> <u>80</u>
AMOUNT DEPOSITED	
TOTAL	<u>7,560</u> <u>80</u>
AMOUNT THIS CHECK	<u>343</u> <u>00</u>
BALANCE	<u>7,217</u> <u>80</u>

- 3 Received a check for \$375 from S. Gutberlet in settlement of her account.
- 5 We borrowed money from our bank by discounting our promissory note for \$1,800. The bank credited our account for the net proceeds of \$1,711.25.
- 7 The cashier has given you the following cash register tape for today's business.

	\$ 2,300	Sales
	161	Sales Tax
	2,461	Total

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- April 8 Received a check for \$600 from S. Kelsey in payment of her non-interest-bearing note due today.
- 9 Purchased merchandise for cash, \$820. Issued check No. 126.
- 14 Bought a new filing cabinet for the office for cash, \$185. Issued check No. 127.
- 15 Returned some damaged merchandise that we purchased on April 9 and received a \$50 cash refund.
- 18 Issued check No. 128 to the District Director of Internal Revenue for the following:
- Federal Income Taxes Withheld \$721.50
 - FICA Taxes Withheld 243.25
 - FICA Taxes (Employer's Share) 243.25
- 25 Issued check No. 129 to pay the payroll as shown on the following Payroll Register totals.

GROSS EARNINGS	DEDUCTIONS				TOTAL DEDUCTIONS	NET EARNINGS
	FED. WITH.	STATE WITH.	FICA	DIS. BEN.		
2,800 00	560 00	280 00	186 20	6 80	1,033 00	1,767 00

Summarize and close both journals. Check any totals that are not to be posted.
 Show the cash balance on May 1 in the Cash Receipts Journal.

Posting

- 51 A Sales Journal for the month of May 1982 is shown on the separate answer sheet. [6]
- a Complete the summary entry on May 31.
 - b Post the daily entries to the customers' accounts.
 - c Post the summary entry to the necessary accounts.
-

Theory

Directions (52-63): Answer any 10 of the 12 questions in this part. Write the answers in the spaces provided in the separate answer booklet. [10]

- 52 In the preparation of a balance sheet, failure to consider the inventory of office supplies will result in
 1 overstating assets and overstating liabilities
 2 understating assets and overstating capital
 3 understating assets and understating capital
 4 overstating assets and understating liabilities
- 53 The annual Federal unemployment tax is paid by the
 1 employer, only
 2 employee, only
 3 employer and the employee equally
 4 employee, up to a maximum of 30 cents per week, and the balance is paid by the employer
- 54 Which are normally considered as current assets?
 1 bank overdrafts 3 accrued expenses
 2 prepaid expenses 4 payroll taxes
- 55 What type of ledger account is a summary of a number of accounts in another ledger?
 1 controlling account 3 asset account
 2 subsidiary account 4 proprietorship account
- 56 The primary purpose of a petty cash fund is to
 1 provide a fund for paying all miscellaneous expenses
 2 take the place of the cash account
 3 provide a common drawing fund for the owners of the business
 4 avoid entering a number of small amounts in the Cash Payments Journal
- 57 In the absence of a written agreement, profits in a partnership would be divided
 1 in proportion to the investment of the partners
 2 on an equitable basis depending on the time and effort spent by the partners
 3 equally
 4 on a ratio of investment basis giving the senior partner preference
- 58 Which account represents a subtraction or decrease to an income account?
 1 Purchase Returns & Allowances
 2 Sales Returns & Allowances
 3 Freight In
 4 Prepaid Rent
- 59 If the Interest Expense account showed a debit balance of \$210 as of December 31, 1981, and \$40 of this amount was prepaid on Notes Payable, which statement is correct as of December 31?
 1 Prepaid Interest of \$170 should be shown as a deferred expense in the balance sheet.
 2 Interest Expense should be shown in the Income Statement as \$210.
 3 Prepaid Interest of \$40 should be listed as a deferred credit to income in the balance sheet.
 4 Interest Expense should be shown in the Income Statement as \$170.
- 60 When prices are rising, which inventory-valuation method results in the lowest inventory value?
 (1) FIFO (3) average cost
 (2) LIFO (4) declining balance
- 61 Which is a correct procedure in preparing a bank reconciliation?
 1 Deposits in transit should be added to the cash balance on the books and outstanding checks should be deducted from the cash balance on the bank statement.
 2 The cash balance on the bank statement and the cash balance on the books should be equal if there are deposits in transit and outstanding checks.
 3 Outstanding checks should be deducted from the cash balance on the books.
 4 Any service charge should be deducted from the check stub balance.
- 62 Which ratio indicates that there may *not* be enough on hand to meet current obligations?
 (1) $\frac{\text{fixed assets}}{\text{fixed liabilities}} = \frac{2}{3}$
 (2) $\frac{\text{total assets}}{\text{total obligations}} = \frac{3}{5}$
 (3) $\frac{\text{current assets}}{\text{current liabilities}} = \frac{1}{3}$
 (4) $\frac{\text{current assets}}{\text{fixed liabilities}} = \frac{1}{2}$
- 63 Which asset is *not* subject to depreciation?
 1 factory equipment 3 buildings
 2 land 4 machinery

The University of the State of New York

REGENTS HIGH SCHOOL EXAMINATION

BOOKKEEPING AND ACCOUNTING II

Tuesday, June 22, 1982 — 1:15 to 4:15 p.m., only

ANSWER BOOKLET

	Credit Allocated	Credit Earned
Part I		
Financial Statements	10	
Analyzing Accounts	10	
Classification of Accounts	10	
Adjustments	5	
Practical Accounting Applications	19	
Journalizing	30	
Posting	6	
Part II		
Theory	10	
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 I

Financial Statements

	<i>Income Statement</i>	<i>Balance Sheet</i>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Analyzing Accounts

- 11.....
- 12.....
- 13.....
- 14.....
- 15.....

Classification of Accounts


- 16..... 18..... 20..... 22..... 24.....
- 17..... 19..... 21..... 23..... 25.....

Adjustments

26.....	28.....	30.....
27.....	29.....	

Practical Accounting Applications

31.....		34 Regular hours.....		
32.....		35 Overtime hours.....		
33.....				
<hr/>				
36.....	38.....	40.....	42.....	44.....
37.....	39.....	41.....	43.....	45.....
<hr/>				
46.....		48.....		
47.....		49.....		

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Journalizing

CASH RECE

DATE	ACCOUNT CREDITED	EXPLANATION	POST. REF.	

CASH PAYM

DATE	ACCOUNT DEBITED	EXPLANATION	CHECK NO.	POST. REF.	GENERAL LEDGER DE

SALES JOURNAL

DATE	INVOICE NO.	ACCOUNT DEBITED	TERMS	POST. REF.	AMOUNT
1982 MAY 4	38	Carmelina Lopez	n/30		935.00
12	39	Tyrone Burden	n/30		264.50
18	40	Sean Cassidy	n/30		131.75
31					

ACCOUNTS RECEIVABLE LEDGER

Name Burden, Tyrone
 Address 67 South Avenue, Buffalo, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1982 MAY 1	Balance	✓			800.00

Name Cassidy, Sean
 Address 80 Crown St, Brooklyn, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1982 MAY 1	Balance	✓			500.00

Name Lopez, Carmelina
 Address 49 Main St, Albany, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE

GENERAL LEDGER

Accounts Receivable

No. 103

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1982 MAY 1	Balance	✓	1300.00				

Sales

No. 401

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
				1982 MAY 1	Balance	✓	2175.55

Part II

Theory

Be sure to answer only *ten* questions in this group.

- | | | | | | |
|----------|----------|----------|----------|----------|----------|
| 52 | 54 | 56 | 58 | 60 | 62 |
| 53 | 55 | 57 | 59 | 61 | 63 |

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

SCORING KEY

BOOKKEEPING AND ACCOUNTING II

Tuesday, June 22, 1982 — 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

Financial Statements

(1–10) Deduct one credit for each incorrect answer.

	<i>Income Statement</i>	<i>Balance Sheet</i>
1	✓	
2		✓
3	✓	
4	✓	
5		✓
6	✓	
7		✓
8		✓
9	✓	
10		✓

Analyzing Accounts

(11–15) Deduct two credits for each incorrect answer.

(11) Accounts Payable Ledger *or* Subsidiary Ledger *or* Creditors Ledger

(12) Prepare a Schedule of Accounts Payable.

(13) We made a \$40 purchase return to Wilson & Smith, Inc.

or

We received a \$40 allowance from Wilson & Smith, Inc.

or

We received a credit memorandum from Wilson & Smith, Inc.

(14) \$784

(15) April 3, 1982

Classification of Accounts

(16–25) Deduct one credit for each incorrect answer.

(16) 4

(18) 2

(20) 5

(22) 5

(24) 2

(17) 6

(19) 1

(21) 1

(23) 3

(25) 1

Adjustments

(26–30) Deduct one credit for each incorrect answer.

(26) \$569	(28) \$1,730	(30) \$35
(27) \$350	(29) \$985	

Practical Accounting Applications

(31–49) Deduct one credit for each incorrect answer.

(31) 3:1 or 3 to 1	(34) $39\frac{3}{4}$
(32) \$30,000	(35) 7
(33) 2:1 or 2 to 1	

(36) <i>k</i>	(38) <i>o</i>	(40) <i>h</i>	(42) <i>d</i>	(44) <i>i</i>
(37) <i>p</i>	(39) <i>j</i>	(41) <i>l</i>	(43) <i>g</i>	(45) <i>q</i>

(46) 1980	(48) 1981
(47) 1981	(49) yes

Journalizing

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

In rating the Journalizing problem, it has been found that deductions as shown in the *Guide for Rating Regents Examinations and Competency Tests in Business Subjects*, (1974 Edition), are inconsistent with the reduction in point value of this problem from 50 points to 30 points.

Refer to the following guide when grading the Journalizing Problem:

- Deduct 1 point for each incorrect or omitted debit or credit. The maximum deduction for a simple entry, (1 debit and 1 credit), shall be 2 points, and for a compound entry, (3 or more general ledger accounts), shall be 3 points.
- Deduct 1 point for each failure to indicate by a bracket entry, or otherwise, that controlling accounts are used in the ledger when the system required in the question makes them necessary.
- Deduct 1 point for each omission of an explanation or cash balance. (maximum deduction of 2 points for each type of error)
- Deduct 1 point for each error in copying or calculation.
- Deduct 1 point for each error in summary entry. Summary errors include failure to total each column in a journal, ruling the columns, improperly using post reference marks, and the omission or reversal of accounts when required for closing the journals. (maximum deduction of 2 points for each journal summary)
- Deduct 1 point for entering the transaction in the wrong journal when the accounts and amounts are correct.
- Deduct 1 point for placing an amount in the wrong column of a journal. (maximum deduction of 2 credits for any one column)
- Deduct 1 point for failure to enter the proper date (year or month or day) of a transaction, or unnecessary repetition of the month or year. (maximum deduction of 2 points for entire problem)
- Deduct 1 point for error in checking or failing to check the posting reference column for an entry when necessary. (maximum deduction of 2 points for entire problem)
- Deduct 1 point for writing the title of the controlling account in the journal when a special column is being used for that controlling account. (maximum deduction of 2 points for entire problem)
- No error shall be penalized if it is the result of an error already penalized.

DATE 1982	ACCOUNT CREDITED	EXPLANATION	POST. REF.	GEN. LEDGER
APR. 1	Cash Balance	\$ 7,560.80	✓	
3	S. Gutberlet	settlement of Account		
* 5	Notes payable	discounted our note		18
7	Sales or "V"	cash sales	✓	
8	Notes Receivable	S. Kelsey note		6
15	Purchase Returns + Allowances	Cash Refund		
30	Totals			24
MAY 1	Cash Balance	\$ 8,435.05	✓	
* 5	Notes Payable	discounted our note		18

DATE 1982	ACCOUNT DEBITED	EXPLANATION	CHECK NO.	POST. REF.	GEN. LEDGER
APR. 1	G. Sauer	invoice less 2%	125		
5	Interest Expense	discounted our note			8 75
9	Purchases	cash purchase	126		825 00
14	Office Equipment **	filing cabinet	127		185 00
*** 18	Federal Withholding Taxes Payable	{ paid taxes }	128		72 50
	FICA Taxes Payable				486 50
25	Salaries OR "V"	payroll	129	✓	
30	Totals				230 75
**	OR office furniture				(V)
**	OR office fixtures				
*** 18	Federal Withholding Taxes Payable	{ paid taxes }	128		72 50
	FICA Taxes Payable				24 22
	FICA Tax				243 2

MEMO NUMBER CR.	ACCOUNTS RECEIVABLE CR.	SALES CR.	SALES TAXES PAYABLE CR.	SALES DISCOUNT DR.	CASH DR.
	375 00				375 00
00 00					1800 00
		2300 00	161 00		2461 00
00 00					600 00
50 00					50 00
50 00	375 00	2300 00	161 00	—	5286 00
00 00				I.E. 88 75	1711 25

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.
350 00						7 00	343 00
							88 75
							820 00
							185 00
							1208 00
	2800 00	560 00	280 00	186 20	6 80		1767 00
350 00	2800 00	560 00	280 00	186 20	6 80	7 00	4411 75
							1208 00

(51) Deduct one credit for each error with a maximum deduction of two credits for each posting. A maximum deduction of three credits shall be made for the incorrect use, or omission of, post reference marks.

Posting

SALES JOURNAL

DATE	INVOICE NO.	ACCOUNT DEBITED	TERMS	POST. REF.	AMOUNT
1982 MAY 4	38	Carmelina Lopez	n/30	✓	935.00
12	39	Tyrone Burden	n/30	✓	264.50
18	40	Sean Cassidy	n/30	✓	131.75
31		Amounts Receivable Debit/Sales Credit		103/401	1331.25

ACCOUNTS RECEIVABLE LEDGER

Name Burden, Tyrone
 Address 67 South Avenue, Buffalo, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1982 MAY 1	Balance	✓			800.00
12	Inw. 39	S21	264.50		1064.50

Name Cassidy, Sean
 Address 80 Crown St, Brooklyn, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1982 MAY 1	Balance	✓			500.00
18	Inw. 40	S21	131.75		631.75

Name Lopez, Carmelina
 Address 49 Main St. Albany, N.Y. Terms: n/30

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
1982 MAY 4	Inw. 38	S21	935.00		935.00

GENERAL LEDGER

Accounts Receivable

No. 103

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
1982 MAY 1	<i>Balance</i>	✓	1 300 00				
31		521	1 331 25				

Sales

No. 401

DATE	EXPLANATION	POST. REF.	DEBIT	DATE	EXPLANATION	POST. REF.	CREDIT
				1982 MAY 1	<i>Balance</i>	✓	2 175 55
				31		521	1 331 25

Part II

Theory

(52-63) Ten of twelve required. Deduct one credit for each incorrect answer. (If more than ten questions are answered, rate only the first ten.)

- | | | | | | |
|--------|--------|--------|--------|--------|--------|
| (52) 3 | (54) 2 | (56) 4 | (58) 2 | (60) 2 | (62) 3 |
| (53) 1 | (55) 1 | (57) 3 | (59) 4 | (61) 4 | (63) 2 |