

Inv. A - 1998

Analyze each of the following transactions into debit and credit parts. Using the account titles chart, mark the identifying letter of the correct answer for items 25 through 38 on your answer sheet.

| | | |
|-------------------------------|---------------------------------|-----------------------------|
| A. Advertising Expense | E. Merchandise Inventory | I. Prepaid Insurance |
| B. Cash | F. Miscellaneous Expense | J. Sales |
| C. Income Summary | G. Owner's capital | K. Supplies |
| D. Insurance Expense | H. Owner's withdrawals | L. Supplies Expense |

| | <u>Debit</u> | <u>Credit</u> |
|--|---------------------|----------------------|
| Adjusting entry for supplies used..... | #25 | #26 |
| Adjusting entry for prepaid insurance expired..... | #27 | #28 |
| Entry to close Supplies Expense..... | #29 | #30 |
| Entry to adjust Merchandise Inventory from a beginning inventory of \$5,000 to an ending inventory of \$2,000..... | #31 | #32 |
| Closing entry for owner's drawing account..... | #33 | #34 |
| Closing entry for revenue account..... | #35 | #36 |
| Closing entry for Income Summary with a net income..... | #37 | #38 |

Invitational A-990A – Group 6

Refer to the information in Table 1 below. Answer questions 43 through 55 using the code: T=True F=False

43. The balances of the asset accounts on the unadjusted trial balance will be the same as the balances of the asset accounts on the Post-Closing Trial Balance.
44. In August of 1999 Prepaid Insurance was debited for \$3,600.
45. The balance of the Prepaid Insurance account on January 1, 1999 was zero.
46. To adjust Prepaid Insurance on December 31, 1999, Insurance Expense must be debited \$1,500.
- *47. The correct balance of Prepaid Insurance on the Post-Closing Trial Balance is \$3,100.
- *48. The Supplies account must have had a January 1, 1999 balance of \$11,800.
49. In order to report the actual 12-31-99 inventory of supplies on the Balance Sheet, the Supplies account must be credited \$6,400.
50. The adjustment to record the newly discovered Invoice #6390 includes a credit of \$800 to Income Summary.
51. Recording Invoice #6390 is an application of the revenue principle.
- *52. Because ending merchandise inventory increased over beginning inventory, cost of merchandise sold increased.
53. If purchases for the year had been \$30,000, cost of merchandise available for sale would have been \$45,000.
- *54. If purchases for the year had been \$30,000, and sales had been \$50,000, then gross profit would have been \$28,580.
- *55. The balancing total of the adjustment columns is \$10,120.

TABLE 1 (for questions 43 through 55)

Holly James is the bookkeeper for Dayton Appliances. She gathered the following information in order to prepare the annual adjusting entries for December 31, 1999.

- The Prepaid Insurance account contains an increase of \$3,600 for a three-year policy acquired on August 1, 1999. This is the balance of Prepaid Insurance on the unadjusted Trial Balance.
- The balance in the Supplies account on the unadjusted trial balance is \$11,800. A physical inventory of supplies on December 31, 1999 indicates \$5,400 of supplies on hand.
- The balance in the Accounts Receivable account on the unadjusted trial balance is \$32,400. A 1999 missing invoice #6390 for \$800 for a sale on account to a customer was found while preparing adjusting entries. Holly James elected to record Invoice #6390 as a regular correcting entry along with the adjusting entries. Recording these kinds of corrections with the adjusting entries is a common practice at Dayton Appliances.
- Merchandise Inventory on the unadjusted trial balance is \$15,000. A physical inventory on December 31, 1999 indicates \$16,420 on hand.

Regional-2000 Group 2

Analyze each of the following entries into debit and credit parts. When supplies or prepaid insurance are purchased, the respective amounts are debited to Supplies on Hand and Prepaid Insurance. Using the account titles chart, mark the identifying letter of the correct account on your answer sheet for items 7 through 22.

| Account Titles Chart | |
|--|---------------------------------|
| A. Accumulated Depr., Equipment | H. Joe Max, Drawing |
| B. Cash in Bank | I. Merchandise Inventory |
| C. Depreciation Expense | J. Petty Cash |
| D. Equipment | K. Prepaid Insurance |
| E. Income Summary | L. Sales |
| F. Insurance Expense | M. Supplies on Hand |
| G. Joe Max, Capital | N. Supplies Expense |

| Entries | Debit | Credit |
|---|--------------|---------------|
| Entry to adjust merchandise inventory from a beginning inventory of \$5,000 to an ending inventory of \$6,000 | #7 | #8 |
| Entry to record \$1,000 of depreciation expense on equipment | #9 | #10 |
| Entry to record \$100 of supplies used | #11 | #12 |
| Entry to record insurance expired | #13 | #14 |
| Closing entry for the revenue account | #15 | #16 |
| Closing entry for Insurance Expense | #17 | #18 |
| Closing entry for Income Summary with a net loss | #19 | #20 |
| Closing entry for owner's drawing account | #21 | #22 |

Regional 2002 – Group 2

Analyze each of the following entries into debit and credit parts. When supplies or prepaid insurance are purchased, the respective amounts are debited to Supplies on Hand and Prepaid Insurance. Using the account titles chart (which is in alphabetical order), mark the identifying letter of the correct account on your answer sheet for items 9 through 24.

| Account Titles Chart | | | |
|--|--|---------------------------------|--|
| A. Accumulated Depr., Equipment | | H. Beatrice Nix, Drawing | |
| B. Cash in Bank | | I. Merchandise Inventory | |
| C. Depreciation Expense | | J. Petty Cash | |
| D. Equipment | | K. Prepaid Insurance | |
| E. Income Summary | | L. Sales | |
| F. Insurance Expense | | M. Supplies on Hand | |
| G. Beatrice Nix, Capital | | N. Supplies Expense | |

| Entries | Debit | Credit |
|---|-------|--------|
| Entry to record \$200 of supplies used | #9 | #10 |
| Entry to record insurance expired | #11 | #12 |
| Entry to record \$500 depreciation expense on equipment | #13 | #14 |
| Entry to adjust merchandise inventory from a beginning inventory of \$15,000 to an ending inventory of \$12,000 | #15 | #16 |
| Closing entry for the revenue account | #17 | #18 |
| Closing entry for Supplies Expense | #19 | #20 |
| Closing entry for Income Summary when there was a net loss | #21 | #22 |
| Closing entry for owner's drawing account | #23 | #24 |

2007 Inv. A - Group 2

The following T-accounts represent information regarding the supplies accounts of a company that has been in business for several years. Answer questions 11 through 14 by writing the correct amount on your answer sheet.

| Office Supplies | | Office Supplies Expense | |
|-----------------|-----|-------------------------|--|
| 650 | | 980 | |
| 125 | | | |
| 840 | | | |
| 150 | 980 | | |

11. What was the amount of the office supplies inventory at the beginning of the fiscal period?

12. What was the total amount of office supplies purchased during the fiscal period?

13. What was the amount of office supplies used during the fiscal period?
14. What was the amount of the office supplies inventory at the end of the fiscal period?

Regional 2003 – Group 7 & 9

37. The supplies balance on January 1 was \$4,980. During the year supplies were purchased as follows: \$270, \$1,410, \$3,650, and \$910. A physical inventory taken on December 31 totaled \$6,790. What is the amount of the adjustment to the supplies account on the work sheet?

54. The following information is found on a correctly completed work sheet for the year ended 12-31-02 and in the general ledger for Prepaid Insurance. (All premiums are debited to Prepaid Insurance when policies are purchased.)

Insurance Expense, work sheet Income Statement Debit column \$6,060

Prepaid Insurance balance on 1-1-02 \$1,200

Insurance premiums paid during 2002 \$6,400

What is the amount of Prepaid Insurance written on the work sheet in the balance sheet column?

- A. \$1,200 B. \$1,540 C. \$6,060 D. \$6,400 E. \$7,600

57. The following information is found on a correctly completed work sheet for the year ended December 31, 2002 on the line for Office Supplies on Hand:

| | |
|---------------------|---------|
| Adjustments credit | \$3,822 |
| Balance Sheet debit | \$ 815 |

If the January 1, 2002 balance of Office Supplies on Hand was \$795, what is the amount of supplies purchased during 2002?

- A. \$795 B. \$815 C. \$3,822 D. \$3,842 E. \$4,637

Regional 2010 – Group 15

Selected information from a work sheet is shown below. For questions 75 through 77, write the correct amount on your answer sheet.

| ACCOUNT TITLE | TRIAL BALANCE | | ADJUSTED TRIAL BALANCE | |
|-----------------------|---------------|--------|------------------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT |
| Prepaid Insurance | Q#75 | | 1,572 | |
| Supplies | 11,018 | | 2,784 | |
| Merchandise Inventory | 39,660 | | Q#76 | |
| Income Summary | | | | 3,485 |
| Insurance Expense | | | 6,109 | |
| Supplies Expense | | | Q#77 | |

2021 Inv. B – Group 4

For questions 21 through 28, use the following list of account titles to determine the accounts to be debited and credited for the closing entries below. On your answer sheet, write the identifying letter for the correct account.

| | |
|--------------------------------------|-------------------------------|
| A. Elaine Bentes, Capital | E. Sales Returns |
| B. Elaine Bentes, Withdrawals | F. Purchases |
| C. Income Summary | G. Purchases Discounts |
| D. Sales | H. Rent Expense |

21. To close Sales Returns, debit ____.
22. To close the revenue account, debit ____.
23. To close Purchases, debit ____.
24. To close Income Summary when there is a net loss, debit ____.
25. To close Purchases Discounts, debit ____.
26. To close the owner's drawing account, debit ____.
27. To close Rent Expense, credit ____.
28. To close Income Summary when there is a net income, debit ____.

2017 District – Group 4

Shawn Stone owns a business called Rock-Solid Repairs. He specializes in three types of repair services: 1) computers, 2) cell phones, and 3) printers. Shawn set up his general ledger so he could track the revenue for each of the three services.

Shawn uses the following policy when closing the temporary accounts at the end of the fiscal year:

- First, close all revenue accounts in one combined entry.
- Second, close all expense accounts in one combined entry.
- Third, close the Income Summary account.
- Fourth, close the owner's drawing account.

The adjusted trial balance data for Rock-Solid Repairs for the calendar year 2016 follows. All accounts have normal balances. Shawn Stone invested \$12,260 in cash in his business during 2016.

| | | | |
|---------------------------------|---------------|-------------------------------|--------------|
| Cash in Bank | 18,684 | Cell Phone Repair Fees | 7,327 |
| Accounts Receivable | 3,814 | Printer Repair Fees | 4,950 |
| Supplies on Hand | 2,430 | Rent Expense | 4,500 |
| Prepaid Insurance | 1,160 | Utilities Expense | 2,220 |
| Repair Equipment (Tools) | 11,155 | Supplies Expense | 3,219 |
| Computer Equipment | 8,790 | Equip. Repairs Expense | 1,430 |
| Accounts Payable | 2,530 | Cleaning Expense | 900 |
| Shawn Stone, Capital | 37,243 | Advertising Expense | 1,565 |
| Shawn Stone, Drawing | 15,000 | Insurance Expense | 3,180 |
| Computer Repair Fees | 26,415 | Miscellaneous Expense | 418 |

For questions 15 through 21, write the identifying letter of the best response on your answer sheet.

15. What was the balance of Shawn Stone, Capital on 1-1-16?

- A. \$15,983 B. \$24,983 C. \$30,983 D. \$37,243 E. \$39,983 F. \$49,503

16. What was the amount that affected Income Summary in the first closing entry?

- A. \$12,277 B. \$17,432 C. \$26,415 D. \$32,432 E. \$37,243 F. \$38,692

17. What was the amount that affected Income Summary in the second closing entry?

- A. \$17,432 B. \$22,382 C. \$29,709 D. \$32,432 E. \$38,692 F. \$44,709

18. What was the amount that affected Income Summary in the third closing entry?

- A. \$3,294 B. \$6,260 C. \$15,000 D. \$21,260 E. \$36,260 F. \$38,692

19. The third closing entry will include a debit to which account?

- A. Shawn Stone, Capital B. Income Summary C. Shawn Stone, Drawing

20. The fourth closing entry will include a debit to which account?

- A. Shawn Stone, Capital B. Income Summary C. Shawn Stone, Drawing

*21. What was the balance of Shawn Stone, Capital on 12-31-16 after all closing entries were posted?

- A. \$22,243 B. \$37,243 C. \$43,503 D. \$51,952 E. \$57,503 F. \$66,952