國立彰化師範大學 102 學年度碩士班招生考試試題

系所：會計學系　　　　　　　　　　　　　　科目：會計學(含中級會計學)

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1. Presented below is information related to Darpenter Inc.

	Cost	Retail
Inventory, 12/31/12	$375,000	$ 550,000
Purchases	1,369,000	2,050,000
Purchase returns	90,000	120,000
Purchase discounts	27,000	–
Gross sales (after employee discounts)	–	2,110,000
Sales returns	–	145,000
Markups	–	180,000
Markup cancellations	–	60,000
Markdowns	–	65,000
Markdown cancellations		30,000
Freight-in	63,000	–
Employee discounts granted	–	12,000
Loss from breakage (normal)	–	8,000

Questions：(10%)

Assuming that Darpenter Inc. uses the conventional retail inventory method, compute the cost of its ending inventory at December 31, 2013.

2. On May 31, 2012, Armstrong Company paid $3,500,000 to acquire all of the common stock of Hall Corporation, which became a division of Armstrong. Hall reported the following statement of financial position at the time of the acquisition:

Non-current assets	$2,700,000	Equity	$2,500,000
Current assets	900,000	Non-current liabilities	500,000
		Current liabilities	$ 600,000
Total assets	$3,600,000	Total equity and liabilities	$3,600,000

It was determined at the date of the purchase that the fair value of the identifiable net assets of Hall was $2,800,000. At December 31, 2012, Hall reports the following statement of financial position information:

Current assets	$ 800,000
Non-current assets (including goodwill recognized in purchase)	2,400,000
Current liabilities	(700,000)
Non-current liabilities	(500,000)
Net assets	$ 2,000,000

It is determined that the recoverable amount value of the Hall division is $2,100,000.

Questions：(15%)

(a) Compute the amount of goodwill recognized, if any, on May 31, 2012. (5%)

(b) Determine the impairment loss, if any, to be recorded on December 31, 2012. (5%)

(c) Assume that the recoverable amount of the Hall division is $1,900,000 instead of $2,100,000. Prepare the journal entry to record the impairment loss, if any, on December 31, 2012. (5%)

3. Presented below is information related to equipment owned by Barley Company at December 31, 2012.

Cost	7,000,000
Accumulated depreciation to date	1,500,000
Value-in-use	5,000,000
Fair value less cost of disposal	4,400,000

Assume that Barley will continue to use this asset in the future. As of December 31, 2012, the equipment has a remaining useful of 4 years.

Questions：(15%)

(a) Prepare the journal entry (if any) to record the impairment of the asset at December 31, 2012. (5%)

(b) Prepare the journal entry to record depreciation expense for 2013. (5%)

(c) The recoverable amount of the equipment at December 31, 2013, is 5,250,000. Prepare the journal entry (if any) necessary to record this increase. (5%)

4. Gibbs Manufacturing Co. was incorporated on 1/2/10 but was unable to begin manufacturing activities until 8/1/10 because new factory facilities were not completed until that date. The Land and Building account at 12/31/10 per the books was as follows:

Date	Item	Amount
1/31/10	Land and dilapidated building	$200,000
2/28/10	Cost of removing building	4,000
4/1/10	Legal fees	6,000
5/1/10	Fire insurance premium payment	5,400
5/1/10	Special tax assessment for streets	4,500
5/1/10	Partial payment of new building construction	150,000
8/1/10	Final payment on building construction	150,000
8/1/10	General expenses	30,000
12/31/10	Asset write-up	75,000
		$624,900

Additional information:

(1) To acquire the land and building on 1/31/10, the company paid $100,000 cash and 1,000 ordinary shares of its (par value = $100/share) which is very actively traded and had a market value per share of $170.

(2) When the old building was removed, Gibbs paid Kwik Demolition Co. $4,000, but also received $1,500 from the sale of salvaged material.

(3) Legal fees covered the following:

Cost of organization	$2,500
Examination of title covering purchase of land	2,000
Legal work in connection with the building construction	1,500
	$6,000

(4) The fire insurance premium covered premiums for a three-year term beginning May 1, 2010.

(5) General expenses covered the following for the period 1/2/10 to 8/1/10.

President's salary	$20,000
Plant superintendent covering supervision of new building	10,000
	$30,000

(6) Because of the rising land costs, the president was sure that the land was worth at least $75,000 more than what it cost the company.

Questions：(10%)

Determine the proper balances as of 12/31/10 for a separate land account and a separate building account. Use separate T-accounts (one for land and one for building) labeling all the relevant amounts and disclosing all computations.

5. Cooper Inc. began business on January 1, 2011. Its pretax financial income for the first 2 years was as follows:

2011	$260,000
2012	540,000

The following items caused the only differences between pretax financial income and taxable income.

(1) In 2011, the company collected $180,000 of rent; of this amount, $60,000 was earned in 2011; the other $120,000 will be earned equally over the 2012–2013 period. The full $180,000 was included in taxable income in 2011.

(2) The company pays a $10,000 fine for pollution.

(3) In 2012, the company terminated a top executive and agreed to $90,000 of severance pay. The amount will be paid $30,000 per year for 2012–2014. The 2012 payment was made. The $90,000 was expensed in 2012. For tax purposes, the severance pay is deductible as it is paid.

(4) The estimated warranty liability related to 2011 sales was $19,600. Repair costs under warranties during 2011 were $13,600. The remainder will be incurred in 2012.

The enacted tax rates existing at December 31, 2011 are:

2011	30%	2013	40%
2012	35%	2014	40%

Questions：(20%)

(a) Determine taxable income for 2011 and 2012. (5%)

(b) Determine the deferred income taxes at the end of 2011, and prepare the journal entry to record income taxes for 2011. (3%)

(c) Prepare a schedule of future taxable and (deductible) amounts at the end of 2012. (3%)

(d) Prepare a schedule of the deferred tax (asset) and liability at the end of 2012. (3%)

(e) Compute the net deferred tax expense (benefit) for 2012. (3%)

(f) Prepare the journal entry to record income taxes for 2012. (3%)

6. McGee Corp. sponsors a defined-benefit pension plan for its employees. On January 1, 2012, the following balances related to this plan.

Plan assets (fair value)	$450,000
Defined benefit obligation	600,000
Pension asset/liability	10,000 Cr.
Past service cost	75,000
Unrecognized Net gain/loss	65,000

As a result of the operation of the plan during 2012, the actuary provided the following additional data at December 31, 2012.

Service cost for 2012	$ 75,000
Actual return on plan assets in 2012	45,000
Amortization of past service cost	20,000
Contributions in 2012	115,000
Benefits paid retirees in 2012	70,000
Discount rate	7%
Expected return rate	8%

Average remaining service life of active employees 10 years

Questions: (20%)

(a) Determine the defined benefit obligation at December 31, 2012.

(b) Determine the fair value of plan assets at December 31, 2012.

(c) Calculate pension expense for 2012.

(d) Calculate unrecognized net gain/loss at December 31,2012.

(e) Prepare the journal entry to record pension expense and the contributions for 2012.

7. Presented below is information related to Star Company for 2012.

(1) Net Income [including a discontinued operations gain (net of tax) of $70,000] $630,000

(2) Capital Structure

a. Cumulative 8% preference shares, $100 par, 6,000 shares issued and outstanding	$600,000
b. 6% Cumulative convertible preference shares Sold at par, convertible into 20,000 ordinary shares	$1,000,000
c. $10 par,,74,000 ordinary shares outstanding on January 1. On April 1, 40,000 shares were issued for cash. On October 1, 16,000 shares were purchased and retired.	$1,000,000
d. Share option 6,000 shares. Exercisable at the option price of $25 per share.	

(3) Other Information

a. Average market price per ordinary share during entire year	$30
b. Income tax rate	30%

Question: (10%)

Compute earnings per share for 2012. (Round to the nearest penny.)