

國立中央大學八十八學年度碩士班研究生入學試題卷

所別： 企業管理研究所 乙組 科目：

會計學

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1. The following data are from the 1997 income statement of the Central Company (in thousands):

Sales	\$800
Deduct Cost of goods sold:	
Beginning inventory	\$ 195
Purchases	<u>360</u>
Cost of goods available for sale	\$ 555
Deduct: Ending inventory	<u>185</u>
Cost of goods sold	<u>370</u>
Gross profit	\$ 430
Other expenses	<u>305</u>
Income before income taxes	\$125
Income tax expense at 20%	<u>25</u>
Net income	<u>\$ 100</u>

The ending inventory was overstated by \$15,000 because of errors in the physical count. The income tax rate was 20% in 1997 and 1998.

Required:

a. Which items in the income statement are incorrect? By how much? Use O for overstated, U for understated, and N for not affected. Complete the following tabulation: (12%)

	1997	1998
Beginning inventory	N	O \$15
Ending inventory	?	?
Cost of goods sold	?	?
Gross margin	?	?
Income before income taxes	?	?
Income tax expense	?	?
Net income	?	?

參考用

b. What is the dollar effect of the inventory error on retained income at the end of 1997? at the end of 1998? (6%)

c. What are the major influences of the inventory error on analyzing financial statements? (7%)

2. Yangming Company's 1998 annual report indicates that it "manufactures, distributes, and finances a full range of agricultural equipment; a broad range of industrial equipment for construction, forestry, and public works; and a variety of lawn and grounds care equipment." During 1998, Yangming Company earned \$1,207.2 million on revenues of approximately \$15.2 billion. The following summarized information relates to Yangming's statement of cash flows:

(millions of dollars)

Provision for depreciation	\$ 585.6
Principal payments on long-term borrowing	1,181.4
Proceeds from long-term borrowing	377
Other non-cash operating expenses	27.2
Decrease in accounts receivable	295.6
Decrease in inventories	329
Other increases in cash from operations due to changes in current assets and liabilities	242.2
Purchases of property and equipment	456.2
Dividends paid	343.6

注意：背面有試題

Required:

a. Compute the net cash provided by operating activities. All of the information necessary for that task is provided, together with some information related to other elements of the cash flow statement. Note that the format does not include parentheses to differentiate elements that increase cash from those that (decrease) cash, but the distinction should be clear from the captions. (15%)

b. What is free cash flow? Do you think free cash flow is an important information? Why? (10%)

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3. The following information is available for Jung-Li Company as of June 30, 1998:
- (1) Cash on the books as of June 30 amounted to \$28,418.82. Cash on the bank statement for the same date was \$35,429.27.
 - (2) A deposit of \$3,562.46, representing cash receipts of June 30, did not appear on the bank statement.
 - (3) Outstanding checks totaled \$1,823.41.
 - (4) A check for \$605 returned with the statement was recorded as \$506. The check was for advertising.
 - (5) The bank service charge for June amounted to \$6.5.
 - (6) The bank collected \$9,100 for Jung-Li Company on a note. The face value of the note was \$9,000.
 - (7) An NSF check for \$285 from a customer, Mr. Chen, was returned with the statement.
 - (8) The bank mistakenly deducted a check for \$200 drawn by Taipei Corporation.
 - (9) The bank reported a credit of \$240 for interest on the average balance.

Required:

- a. Prepare a bank reconciliation for Jung-Li Company as of June 30, 1998. (15%)
 - b. Why is the bank reconciliation very useful? How does the bank reconciliation relate to the internal control of cash for a company? (10%)
4. Online Computers Company constructed a new training center in 1997. You have been hired to manage the training center. A review of the accounting records at the end of the year shows the following expenditures debited to the Training Center account.

Attorney's fee, land acquisition	\$ 8,725
Cost of land	149,500
Architect's fee, building design	25,500
Contractor's cost, building	255,000
Contractor's cost, parking lot and sidewalk	33,900
Electrical wiring, building	41,000
Landscaping	13,750
Costs of surveying land	2,300
Training equipment, tables, and chairs	34,100
Contractor's cost, installing training equipment	17,000
Cost of grading the land	3,500
Cost of changes in building to soundproof rooms	14,800
Total account balance	<u>\$ 599,075</u>

During the center's construction, someone from Online Computers Company worked full time on the project. She spent two months on the purchase and preparation of the site, six months on the construction, one month on land improvements, and one month on equipment installation and training room furniture purchase and set-up. Her salary of \$16,000 during this ten-month period was charged to Administrative Expense. The training center was placed in operation on November 1.

Required:

- a. Prepare a schedule with the following four column (account) headings: Land, Land Improvements, Building, and Furniture and Equipment. List all items and place the cost of each in the appropriate column. Total the columns. (20%)
- b. What are the factors that affect the computation of depreciation? And how do they affect the analysis of financial statements? (5%)

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