

現值計算參考表格

PRESENT VALUE OF \$1

Periods	1	2	3	4	5	6	7	8	9	10
3%	0.970874	0.942596	0.915142	0.888487	0.862609	0.837484	0.813092	0.789409	0.766417	0.744094
4%	0.961538	0.924556	0.888996	0.854804	0.821927	0.790315	0.759918	0.730690	0.702587	0.675564
5%	0.952381	0.907029	0.863838	0.822702	0.783526	0.746215	0.710681	0.676839	0.644609	0.613913
6%	0.943396	0.889996	0.839619	0.792094	0.747258	0.704961	0.665057	0.627412	0.591898	0.558395
8%	0.925926	0.857339	0.793832	0.735030	0.680583	0.630170	0.583490	0.540269	0.500249	0.463193
10%	0.909091	0.826446	0.751315	0.683013	0.620921	0.564474	0.513158	0.466507	0.424098	0.385543
12%	0.892857	0.797194	0.711178	0.635518	0.567427	0.506631	0.452349	0.403883	0.36061	0.321973

PRESENT VALUE OF AN ORDINARY ANNUITY OF \$1

Periods	1	2	3	4	5	6	7	8	9	10
3%	0.970874	1.91347	2.828611	3.717098	4.579707	5.417191	6.230283	7.019692	7.786109	8.530203
4%	0.961538	1.886095	2.775091	3.629895	4.451822	5.242137	6.002055	6.732745	7.435332	8.110896
5%	0.952381	1.85941	2.723248	3.545951	4.329477	5.075692	5.786373	6.463213	7.107822	7.721735
6%	0.943396	1.833393	2.673012	3.465106	4.212364	4.917324	5.582381	6.209794	6.801692	7.360087
8%	0.925926	1.783265	2.577097	3.312127	3.992710	4.622880	5.206370	5.746639	6.246888	6.710081
10%	0.909091	1.735537	2.486852	3.169865	3.790787	4.355261	4.868419	5.334926	5.759024	6.144567
12%	0.892857	1.690051	2.401831	3.037349	3.604776	4.111407	4.563757	4.96764	5.32825	5.650223

一、選擇題(每題 3 分，共 63 分) 請用 2B 鉛筆作答於電腦卡，於計算題答案卷上作答者不予計分

- On December 31, 2015, Company K leased a machine from Company M for a five-year period. The five equal annual lease payments of \$600,000 are discounted at 10% over the lease term (use the present value tables provided above). The payments are due on December 31 of each year and the first payment was made on December 31, 2015. This lease is accounted for as a finance lease. In its December 31, 2016 statement of financial position, Company K should report a lease liability of
(A) \$1,901,919 (B) \$1,872,011 (C) \$1,711,811 (D) \$1,492,111 (E) none of the above.

- Presented below is information related to Y Company

	Cost	Retail
Beginning inventory	\$280,000	\$390,000
Purchases	1,820,000	3,000,000
Markups		130,000
Markup cancellations		20,000
Markdowns		47,000
Markdown cancellations		7,000
Sales		3,150,000

What is ending inventory at cost by the conventional retail inventory method?

- (A)\$186,000 (B)\$187,000(C)\$310,000(D)320,000(E)none of the above

- At the beginning of 2018, Company C received \$2 million subsidized loan from the government for two years. The subsidized annual interest rate was 2% while the corresponding market rate was 6%. How much interest expense should Company C recognize for the loan at the end of year 2019?
(A)111,200(B)115,472(C)40,000(D)146,672(E)none of the above

見背面

4. Company D is a construction company that build factories for customers. Company D capitalize ALL of the interest incurred from project specific borrowings. Assume the construction period for factory E is two years from 2017 to 2018. During 2017, the company borrowed 20 Million with 5% annual interest for the project on 1/1. It also spent 6 million, 9 million, and 8 million for the project on 1/1, 5/1, 7/1 respectively. The average annual interest rate of general borrowings of Company D is 7%. The un-used specific borrowings generated 330,000 profit during 2017. The capitalized interest in 2017 should be:
(A)775,000(B)776,000(C)778,000(D)763,000(E)none of the above

5. Company F spent \$1,500,000 to acquire a machine with useful life of 2 years on July 1, 2015. Assume there is no residual value and the company use straight line depreciation. The recoverable amount on December 31, 2015 is estimated to be \$1,050,000. Related impairment losses were also recognized. On March 31, 2016, the machine was reclassified as asset held for sale. On that day, the value in use is \$800,000 and net fair value is \$750,000. On December 31, 2016, the machine was reclassified to PPE again. On that day, the recoverable amount is \$440,000. What is the book value of the machine on December 31, 2016?
(A)340,000(B)320,000(C)300,000(D)440,000(E)none of the above

6. Company G conducted an impairment test in 2014 for its department H. The recoverable amount of the department as a whole is \$7 million. The recoverable amount of asset A is \$2 million. All the other asset cannot generate independent cash flow.

	Inventory	Asset A	Asset B	Asset C	Goodwill	Debt
Before impairment	3,500,000	3,000,000	2,000,000	3,000,000	500,000	2,000,000
Accumulated impairment		(1,000,000)	(600,000)	(900,000)	(500,000)	
Remaining useful life		10	8	15		

- Assume that at the end of 2015, the recoverable amount of the department increased to \$8 million. The recoverable amount of asset A increased to \$3 million. The inventory and debt become \$4,000,000 and 3,000,000 respectively. What is the impairment recovery amount for asset B?
(A)428,846(B)482,826(C)430,846(D)418,846(E)440,826

7. The exploratory costs for oil wells are A-\$350K B-\$250K C-\$180K D-\$270K and E-\$340K. It is estimated that A has 1,400K, B has 540K, E has 1,700K barrels of oil while C & D has none. After the oil wells are exhausted, the environment recovery costs are 352K, and the land can be sold for 286K. In year 2008, a total of 1,523K barrels are produced and 1,200K barrels are sold. In year 2009, a total of 1,829K barrels are produced and 1,586K are sold. At the beginning of year 2009, there is an additional development cost of \$33,660 which increase the estimated number of barrels by 200K. The inventory method is FIFO. The exploratory costs was recognized with full-costing (capitalize all the exploration costs). The cost of goods sold in 2009 is
(A)609,140(B)619,140(C)629,140(D)639,140(E)none of the above

Use the following information for questions 8 and 9

The net changes in the statement of financial position accounts of L Company for the year 2016 are shown below.

Account	Debit	Credit
Cash	\$ 82,000	
Short-term investments		\$121,000
Accounts receivable	83,200	
Allowance for doubtful accounts		13,300
Inventory	74,200	
Prepaid expenses		17,800
Investment in subsidiary (equity method)		20,000
Plant and equipment	210,000	
Accumulated depreciation		130,000
Accounts payable	80,700	
Accrued liabilities		21,500
Deferred tax liability	15,500	
8% serial bonds		80,000
Share capital-ordinary, \$10 par		90,000
Share premium-ordinary		150,000
Retained earnings—		
Appropriation for bonded indebtedness	60,000	
Retained earnings—Unappropriated	38,000	
	<u>\$643,600</u>	<u>\$643,600</u>

An analysis of the Retained Earnings—Unappropriated account follows:

Retained earnings unappropriated, December 31, 2015		\$1,300,000
Add: Net income		327,000
Transfer from appropriation for bonded indebtedness		60,000
Total		<u>\$1,687,000</u>
Deduct: Cash dividends	\$185,000	
Share dividend	240,000	425,000
Retained earnings unappropriated, December 31, 2016		<u>\$1,262,000</u>

- On January 2, 2011 short-term investments (classified as non-trading) costing \$121,000 were sold for \$155,000.
 - The company paid a cash dividend on February 1, 2016.
 - Accounts receivable of \$16,200 and \$19,400 were considered uncollectible and written off in 2016 and 2015, respectively.
 - Major repairs of \$33,000 to the equipment were debited to the Accumulated Depreciation account during the year. No assets were retired during 2016.
 - The wholly owned subsidiary reported a net loss for the year of \$20,000. The loss was recorded by the parent.
 - At January 1, 2016, the cash balance was \$166,000.
8. Net cash provided by the operating activities is
(A)24,500(B)25,500(C)27,500(D)29,500(E)none of the above
9. Net cash provided by the investing activities is
(A)-89,000(B)-88,000(C)-24,300(D)-55,000(E)none of the above

見背面

10. On January 1, 2011, B Company borrow a 4-year \$40,000,000 loan from A Bank. Annual coupon interest rate is 8%, the same with the effective interest rate. Interest is paid on December 31 every year. On January 1, 2014. A Bank enters a debt restructuring agreement with B Company. The bank agrees to restructure the loan by the following modifications:
- Reducing the principal obligation from \$40,000,000 to \$36,000,000.
 - Extending the maturity date from December 31, 2014 to December 31, 2015.
 - Reducing the interest rate from 8% to 6%.
- The market rate rises to 10% on January 1, 2014 because of B Company's worse financial position. What is the amount of gain on debt restructuring for company B on January 1, 2014?
- (A)6,199,184(B)6,499,184(C)6,799,184(D)7,299,184(E)none of the above

11. On X6/9/30, ABC Company purchased 35% of DEF Company's outstanding ordinary shares at \$2,100,000, and obtained significant influence on DEF Company. Subsequent changes of "Investment in DEF Company" account on ABC's books are provided as below:

Investment in DEF Company					
X6.09.30	Original cost	\$ 2,100,000	X6.12.31	Amortization of patent	\$ 4,450
X6.12.31	Investment income	322,000	X6.10.31	Cash dividend received	199,500
			X7.12.31	Investment loss	65,100
			X7.12.31	Amortization of patent	17,800

- On X8/1/1, ABC Company sold 20% of DEF Company's ordinary shares at \$1,300,000. Since ABC Company's holding percentage declined to 15%, it decided to reclassify the shares as available-for-sale investment. The fair value of the remaining 15% of DEF Company's ordinary shares is \$975,000. What is the amount of gain when ABC reclassify the shares into AFS investment?
- (A)79,914(B) 79,214 (C)59,236(D) 59,936 (E)None of the above
12. Nangshin Credit Card Company participated in the customer loyalty program held by AVE Airline. According to the program, for every \$100 spent, a member would be granted with one point and the points could be redeemed into travel miles. Nangshin Company estimated that each point was worth \$0.1 and it had to pay AVE Airline \$0.07 for each point redeemed. During 2017, \$500,000,000 was spent by the members of the customer loyalty program and 5,000,000 points were granted. Nangshin charged 3% on the amount of consumption as processing revenue. Based on past experience, all points would be redeemed in 2018. Since AVE Airline was the principal of the customer loyalty program and was responsible for the redemption of the points, Nangshin Company fulfilled its obligation once the points were granted. What amount would be recognized as revenue for Nangshin Company in 2017?
- (A)15,000,000(B)14,500,000(C)14,650,000(D)14,850,000(E)none of the above.
13. Regarding reporting pension plans, which of the following is correct?
- (A)On an income statement, the components of pension expense are not required to be reported separately.
 - (B)On a statement of cash flows, changes of net defined benefit obligation belong to cash flows from financing activities.
 - (C)On a balance sheet, net defined benefit asset belongs to current assets.
 - (D)On a balance sheet, net defined benefit asset belongs to non-current assets.
 - (E)None of the above.

Use the following information for questions 14 and 15

Assume that the following data relative to J Company for 2010 is available:

Net Income after tax	\$644,000
Income tax rate	25%

Transactions in Common Shares	Change	Outstanding
Jan. 1, 2010, Beginning number		400,000
Apr. 1, 2010, Purchase of treasury shares	(200,000)	200,000
Oct. 1, 2010, Issuance of treasury shares	200,000	400,000
Dec. 31, 2010, Issuance of new shares	100,000	500,000

At the beginning of 2010, J Company had the following dilutive securities outstanding:

- 8% Convertible Bonds
10-year, \$180,000 par, issued at par, each \$1,000 bond is convertible into 30 common shares.
- 10% Convertible Bonds
12-year, \$150,000 par, issued at \$162,000. The premium is amortized using the straight-line method over the 12-year period. Each \$1,000 bond is convertible into 45 common shares.
- 7% Preferred Stock
Cumulative, \$200,000 par, issued at par. Each \$100 preferred is convertible into 7 common shares.
- Stock Options
60,000 stock options. Exercise price is \$30 per share. Average market price of the company's stock is \$50 in 2010.

Assume that none of the dilutive securities are converted into common stock during 2010.

14. What is the basic EPS for J in 2010?
(A)1.9(B)2.0(C)2.1(D)2.2(E)none of the above
15. What is the diluted EPS for J in 2010?
(A)1.944(B)1.905(C)1.898(D)2.00(E)none of the above
16. Construction job with contract price 1,600,000 completed in 2017. Revenue recognition is based on percentage of completion. What is the amount of change for work-in-process (construction) from this contract in year 2016?

	2015	2016	2017
Costs incurred to date	400,000	825,000	1,070,000
Estimated costs to complete	600,000	275,000	-
Billings to date	300,000	900,000	1,600,000
Collections to date	270,000	810,000	1,425,000

(A)1,200,000(B)560,000(C)550,000(D)540,000(E)none of the above

17. At the end of 2016, if the estimated cost to complete is \$925,000. What is the amount of change for work-in-process (construction) from this contract in 2016?
(A)-150,000(B)-710,000(C)-700,000(D)-690,000(E)none of the above

見背面

18. D Construction Company decided at the beginning of 2016 to change from the cost-recovery method to the percentage-of-completion method for financial reporting purposes. The company will continue to use the cost-recovery method for tax purposes. For years prior to 2016, pretax income under the two methods was as follows: percentage-of-completion £144,000, and cost-recovery £114,000. The tax rate is 35%. D Company has a profit-sharing plan, which pays all employees a bonus at year-end based on 1.5% of pretax income. What is the amount of the indirect effect of D's change in accounting policy that will be reported in the 2016 income statement, assuming that the profit-sharing contract explicitly requires adjustment for changes in income numbers?
 (A)£2,160 (B)£1,710 (C)£ 450 (D)£ 954 (E) none of the above

19. P company began operations on January 1, 2015. Financial statements for 2015 and 2016 contained the following errors:

	Dec. 31, 2015	Dec. 31, 2016
Ending inventory	\$132,000 too high	\$156,000 too low
Depreciation expense	84,000 too high	—
Insurance expense	60,000 too low	60,000 too high
Prepaid insurance	60,000 too high	—

In addition, on December 31, 2016 fully depreciated equipment was sold for \$28,800, but the sale was not recorded until 2017. No corrections have been made for any of the errors. Ignore income tax considerations. The total effect of the errors on the balance of P company's retained earnings at December 31, 2016 is understated by

- (A) \$328,800 (B) \$268,800 (C) \$184,800 (D) \$136,800 (E) none of the above
20. According to IFRS 15, when identifying performance obligations, which of the following was not one of the suggested steps?
 (A)Identify promises in contracts with customers.
 (B)Identify the prices of goods or services.
 (C)Identify whether goods or services are distinct.
 (D)Identify whether goods or services are capable of being distinct.
 (E)Identify whether the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

21. Company Z has implemented defined benefit pension plan for several years. At the beginning of 2017, the company changed the pension plan, causing past service cost \$110,000. Other information in 2017 as follows:

Defined Benefit Obligation, 1/1(Past service cost \$110,000 included)	\$1,000,000
Plan Assets, 1/1	1,050,000
Pension Asset, 1/1	50,000
Annual Service Cost	360,000
Annual Funding Contributions	540,000
Actual Return on Plan Assets	95,000
Discount Rate	10%

If the asset ceiling at 2017/12/31 was \$85,000. What was the total amount of Other Comprehensive Income affected by the pension plan in 2017?

- (A)10,000 loss(B)40,000 loss(C)20,000 gain(D)30,000 gain(E)None of the above.

二、計算題(共 37 分) 請於計算題答案卷上作答並清楚標明題號

1. Company A transfers \$500,000 of accounts receivable to Bank B with recourse (guarantee). Bank B assesses a finance charge of 3% and retains an amount equal to 5% of the accounts receivable for probable adjustments. Company A estimates that this recourse obligation has a fair value of \$6,000. Suppose there are \$9,500 of sales returns and \$2,600 of sales discounts related to the accounts receivable. The actual bad debt is \$4,100.

Required:

Prepare journal entries for Company A to record (a) the transfer of accounts receivable; (b) the occurrence of bad debt, sales returns and allowances, and sales discounts; (c) final settlement with respect to the amount retained, assuming the transfer is treated as a secured borrowing. (9 points)

2. Company C was established at the beginning of year X1. The pretax financial income were \$900,000, \$1,250,000, and \$1,000,000 for year X1, X2, and X3 respectively. The tax rate were 20%. The differences between the taxable income and the financial income were listed below:

- The company used straight-line method for financial reporting purpose, but it used sum-of-the-years'-digits method for tax purpose. The only equipment was bought at the beginning of X1, costing \$1,500,000, with 3 useful years and no residual value.
- Interest revenue recognized on an investment in tax-exempt government bond amounts to \$100,000 each year.
- Income on construction contracts using the percentage-of-completion method per books amounts to \$100,000, \$200,000, and \$200,000 for year X1, X2, and X3. Income on construction contracts \$500,000 for tax purposes were all recognized at year X3.
- At the end of year X1, foreign currency accounts receivables were revalued based on the exchange rate at year end and foreign exchange loss \$50,000 was recognized on financial statement. For tax purpose, the loss were recognized at year X2 when it was realized.

Required:

Prepare journal entries to record the income tax expense for year X1, X2, and X3. (10 points)

3. On January 1, 2011, ABC Company issued a five-year convertible bond, and received \$1,026,746 in return. Face value of the bond was \$1,000,000, and its coupon rate was 6%. Payment of interest was on December 31 every year. According to the covenant, per \$1,000 face value bond can be converted into 30 ordinary shares with \$10 par. Conversion period is six months after issuance of the bond to six months before its expiration date. Upon issuance, fair value of bonds under the same condition excluding the conversion right was \$920,146 (effective rate 8%).

Other information about the bond (excluding the conversion right) is as follows:

	December 31, 2011	December 31, 2012
Fair Value of the Bond excluding the conversion right	939,760	952,285

Required:

Prepare journal entries for ABC when it spent \$1,100,000 buying back all convertible bond from the market on January 1, 2013. (9 points)

4. On X5/1/1, T Company granted 500 ordinary share options to each of its 50 employees. The market price was \$ 40 per share (\$10 par) on the grant date and the subscription price was also \$40. On the grant date, T Company cannot reliably estimate the fair value of the granted options. According to T Company's rule, the options can only be exercised from X5/1/1 after providing service for three years, and would be forfeited after one year from the exercisable date. T Company's estimations related to the option are listed as below:

Year	Estimated total demission rate (離職率) during vesting period	Actual number of employees resigned each year	Market price per share
At the end of year X5	4%	1	47
At the end of year X6	8%	2	43
At the end of year X7	-	2	48

At the end of year X8, all of the employees who held vested options exercised these options, and at that time, market price per share was \$51.

Required:

Prepare journal entries related to share option plan for T Company in year X8. (9 points)

試題隨卷繳回