

答案請寫在答案卷上，標明題號，依序作答。

1. (20%) Use accounting equation to explain the rules of debit and credit.
2. (20%) How come the measurement for inventory and trading securities are different?
3. (20%) (a). Why firms are allowed to choose depreciation methods under generally accepted accounting principles? (b). Assume the following statement is correct: 'changes in depreciation methods should be treated as changes in estimates, not changes in accounting principles'. Provide possible reasons for this statement.
4. (20%) State the reasons supporting the following statement: transactions of treasury shares should be treated the same as transactions on trading securities.
5. (8%) The inventory of CCC Company was destroyed by fire on March 1. From an examination of the accounting records, the following data for the first 2 months of the year are obtained: Sales \$51,000, Sales Returns and Allowances \$1,000, Purchases \$28,200, Freight-in \$1,200, and Purchase Returns and Allowances \$1,400. A beginning inventory of \$25,000 and a gross profit rate of 30% on net sales. What is the merchandise lost by fire? (Please use gross profit method to estimate inventory) What factors could be considered when estimating the economic loss of the fire?
6. (8%) BBB exchanged an old word processor for a new one. The old machine had cost \$32,000 and has an accumulated depreciation of \$17,000 at the time of the exchange. BBB gave the old machine and \$11,000 cash to acquire a new word processor which has a selling price of \$23,000.
  - (a). Calculate the gain or loss indicated in this exchange.
  - (b). Is the gain/loss an economic gain/loss or a paper gain/loss?
7. (4%) The financial statements of AAA Company appear below.

**AAA COMPANY**  
**Comparative Balance Sheets**  
**December 31**

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash	\$ 29,000	\$ 18,000
Accounts receivable	20,000	14,000
Merchandise inventory	38,000	35,000
Property, plant, and equipment	\$70,000	\$78,000
Less: Accumulated depreciation	(30,000) 40,000	(24,000) 54,000
Total	<u>\$127,000</u>	<u>\$121,000</u>
 <u>Liabilities and Stockholders' Equity</u>		
Accounts payable	\$ 26,000	\$ 33,000

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Income taxes payable	15,000	20,000
Bonds payable	20,000	10,000
Common stock	30,000	30,000
Retained earnings	<u>36,000</u>	<u>28,000</u>
Total	<u>\$127,000</u>	<u>\$121,000</u>

**AAA COMPANY**  
**Income Statement**  
**For the Year Ended December 31, 2012**

Sales		\$240,000
Cost of goods sold		<u>180,000</u>
Gross profit		60,000
Selling expenses	\$24,000	
Administrative expenses	<u>10,000</u>	<u>34,000</u>
Income from operations		26,000
Interest expense		<u>2,000</u>
Income before income taxes		24,000
Income tax expense		<u>7,000</u>
Net income		<u>\$ 17,000</u>

Additional information:

- Dividends of \$9,000 were declared and paid.
- During the year equipment was sold for \$10,000 cash. This equipment cost \$15,000 originally and had a book value of \$10,000 at the time of sale.
- All sales and purchases are on account.
- Additional equipment was purchased for \$7,000 cash.

Question:

Calculate the net cash flow from operating activities for AAA in 2012.

**試題必須隨卷繳回**