

Question 13

Not yet answered

Marked out of 1.00

Flag question

One of the main disadvantages of the corporate form is the

- a. professional management
- b. Government regulations
- c. Charter
- d. corporation must issue stock

Clear my choice

Question 14

Not yet answered

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Flag question

Which of the following represents the largest number of common shares?

- a. Treasury shares
- b. Issued shares
- c. Outstanding shares
- d. Authorized shares

Clear my choice

Question 15

Not yet answered

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Remove flag

Term bonds mature on one specified date, whereas serial bonds mature at more than one date.

- a. TRUE
- b. FALSE

Clear my choice

Question 9

Not yet answered

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Flag question

When using the indirect method to calculate and report the net cash provided or used by operating activities, net income is adjusted for all but which of the following?

- a. Gains and losses from non-operating items.
- b. Changes in noncurrent assets and noncurrent liabilities.
- c. Changes in current liabilities related to operating activities.
- d. Depreciation and amortization expense.

Clear my choice

Question 10

Not yet answered

Marked out of 1.00

Flag question

The appropriate section in the statement of cash flows for reporting the cash payment of wages and salaries is:

- a. Operating activities.
- b. Financing activities.
- c. Investing activities.
- d. Schedule of noncash investing or financing activity.

Clear my choice

Question 11

Not yet answered

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Remove flag

The book value of an asset when using double-declining-balance depreciation is always greater than the book value from using straight-line depreciation, except at the beginning and the end of the asset's useful life, when it is the same.

- a. TRUE
- b. FALSE

Clear my choice

Answer: 70000

Fly Corporation issued a \$ 5,000,000, 8%, 6 years convertible bonds on 1/1/2020. The bonds were issued at 103, and pay interest semiannually, on July 1, and January 1 of every year.

Required: Calculate the total financing (borrowing) cost for the company.

(Note: write your answer as a number only, with No dollar signs or commas)

Answer: 2250000

Next p

to customers. When the company mails the first quarterly journal to customers, it should record:

- a. Debit Prepaid Subscriptions \$33,750; credit Unearned Revenue \$33,750.
- b. Debit Unearned Revenue \$45,000; credit Cash \$45,000.
- c. Debit Cash \$11,250, credit Sales \$11,250.
- d. Debit Unearned Revenue \$11,250, credit Sales \$11,250.

Clear my choice

Martinez Corporation issues 2,000, 10-year, 8%, \$1,000 bonds dated January 1, 2017, at 98. The journal entry to record the issuance will show a

- a. debit to Cash of \$2,000,000.
- b. credit to Discount on Bonds Payable for \$40,000.
- c. credit to Bonds Payable for \$2,040,000.
- d. debit to Cash for \$1,960,000.

Clear my choice

A company's income statement showed the following: net income, \$124,000 and depreciation expense, \$30,000. An examination of the company's current assets and current liabilities showed the following changes: accounts receivable decreased \$9,400; merchandise inventory increased \$18,000; and accounts payable increased \$3,400. Calculate the net cash provided or used by operating activities.

- a. \$118,000.
- b. \$159,200.
- c. \$123,200.
- d. \$148,800.

Clear my choice

b. FALSE

Clear my choice

A new partner is admitted either by purchasing an interest from one or more current partners or by investing cash or other assets in the partnership.

a. TRUE

b. FALSE

Clear my choice

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Question 5

Not yet answered

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Flag question

When the corporation issuing the bonds has the right to repurchase the bonds prior to the maturity date for a specific price, the bonds are

- a. convertible bonds
- b. unsecured bonds
- c. debenture bonds
- d. callable bonds

Clear my choice

Question 6

Not yet answered

Marked out of 1.00

Flag question

If bonds are issued at a discount, it means that the

- a. financial strength of the issuer is suspect.
- b. market interest rate is higher than the contractual interest rate.
- c. market interest rate is lower than the contractual interest rate.
- d. bondholder will receive effectively less interest than the contractual interest rate.

Clear my choice

Question 7

Not yet answered

Marked out of 1.00

Flag question

A purchase of land in exchange for a long-term note payable must be disclosed as a noncash investing and financing activity.

- a. TRUE
- b. FALSE

Clear my choice

Balance Sheets

	Dec. 31, 2020	Dec. 31, 2021
Cash	152,400	134,500
Accounts receivable	33,200	35,000
Inventory	200,600	175,500
Prepaid Expenses	22,000	20,000
Long term Investments	300,000	420,000
Plant, Property and Equipment (net)	250,000	205,000
Accounts payable	98,600	105,000
Short term notes payable	62,000	40,000
Taxes payable	35,600	13,500
Long term liabilities	134,000	140,000
Stockholders' Equity	628,000	691,500

Income statement

Sales revenue	\$ 570,000
Cost of goods sold	300,000
Gross profit	\$ 270,000
Depreciation Expense	13,000
Other operating costs	166,500
Loss on sale of plant assets	2,000
Net Income for the year	\$ 88,500

Required: Calculate the cash flow from operating activities, for the year ended December 31, 2021, using the indirect method.

(Note: write your answer as a number only, with No dollar signs or commas)

Answer:

Question 17

Not yet answered

Marked out of 1.00

Flag question

When a partner invests noncash assets in a partnership, the assets should be recorded at their

- a. book value.
- b. carrying value.
- c. fair value.
- d. original cost.

Clear my choice

Question 18

Not yet answered

Marked out of 1.00

Flag question

Which of the following would not be recorded in the entry for the formation of a partnership?

- a. Accumulated depreciation
- b. Allowance for doubtful accounts
- c. Accounts receivable
- d. All of these would be recorded.

Clear my choice

Question 19

Not yet answered

Marked out of 1.00

Flag question

A corporation has 10,000 shares of \$100 par value stock outstanding. If the corporation issues a 5-for-1 stock split, the number of shares outstanding after the split will be 50,000.

- a. TRUE
- b. FALSE

Clear my choice

Plant assets are used in operations and have useful lives that extend over more than one accounting period.

- a. TRUE
- b. FALSE

Clear my choice

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Chapter 14, Saturday
021 @ 4:30 p.m

Jump to...



Accounting 230 ▶

Safe Shipment Company purchased a delivery truck on January 1, 2015, at a cost of \$ 150,000. The estimated useful life of the truck is 10 years, with an estimated salvage value of \$ 10,000. On January 1, 2018 the airline revises the total estimated useful life to 8 years with a revised salvage value of \$ 5,000.

Required: Assuming the straight-line method is used, compute the revised depreciation expense for the year ended December 31, 2018.

(Note: write your answer as a number only, with No dollar signs or commas)

Answer:

WOW Corporation has the following shares issued and outstanding in December 2020:

Common stock, \$ 2 par, 100,000 shares issued and outstanding

Cumulative Preferred stock, \$ 100 par, 6%, 10,000 shares issued and outstanding.

All shares were issued and outstanding since 1/1/2018.

In the year 2018, WOW declared and paid \$ 30,000 as cash dividends. In the year 2019, no dividends were declared. In December 2020, the Company declared \$ 220,000 as cash dividends.

Required: How much dividends will common shareholders get?

(Note: write your answer as a number only, with No dollar signs or commas)

Answer:

Clear my choice

A prior period adjustment should be reported as an adjustment to the retained earnings balance at the beginning of the period in which the adjustment was made.

- a. TRUE
- b. FALSE

Clear my choice

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Jump to...



Clear my choice

Conversion of preferred stock to common stock appears in the financing section of the statement of cash flows.

- a. TRUE
- b. FALSE

Clear my choice

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Chapter 14, Saturday
021 @ 4:30 p.m

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Accounting 230 ▶

Which of the following do not apply to unearned revenues?

- a. May also be called deferred revenues.
- b. Amounts received in advance from customers for future delivery of products or services.
- c. Gift cards are an example.
- d. Amounts to be received in the future from customers for delivery of products or services in the current period.

Clear my choice

Accounts payable are:

- a. Amounts owed to suppliers for products and/or services purchased on credit.
- b. Amounts received in advance from customers for future services.
- c. Estimated liabilities.
- d. Not usually due on specific dates.

Clear my choice

Admitting a partner by accepting assets invested into the partnership is a personal transaction between one or more current partners and the new partner.

- a. TRUE
- b. FALSE

Clear my choice

Clear my choice

A bond with a par value of \$1,000 trading at 102 sells for a premium.

- a. TRUE
- b. FALSE

Clear my choice



[Clear my choice](#)

Question 24

Not yet answered

Marked out of 1.00

[Flag question](#)

A company sold \$12,000 worth of bicycles with an extended warranty. The company's experience is that warranty expense averages 2% of sales. The current period's entry to record the warranty expense is:

- a. Debit Warranty Expense \$240; credit Cash \$240.
- b. Debit Prepaid Warranties \$240; credit Warranty Expense \$240.
- c. Debit Estimated Warranty Liability \$240; credit Cash \$240.
- d. Debit Warranty Expense \$240; credit Estimated Warranty Liability \$240.

[Clear my choice](#)

Question 25

Not yet answered

Marked out of 1.00

[Flag question](#)

Radley and Smithers share income and losses in a 2:1 ratio after allowing for salaries to Radley of \$24,000 and \$30,000 to Smithers. Net income for the partnership is \$48,000. Income should be divided as follows:

- a. Radley, \$24,000; Smithers, \$24,000
- b. Radley, \$21,000; Smithers, \$27,000
- c. Radley, \$32,000; Smithers, \$16,000
- d. Radley, \$20,000; Smithers, \$28,000

[Clear my choice](#)

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Match the following statements, by choosing the correct letter. Each answer can only be used One time.

1	Issuing common stocks at par for cash	A	Debit: Cash Debit: Discount on bonds payable Credit: Bonds payable
2	Declaring a large common stock dividends	B	Debit: Common stock dividends distributable Credit: Common stocks
3	Paying off interest accrued from last year	C	Debit: depletion expense Credit: Accumulated depletion
4	Retirement of bonds at Maturity	D	Debit: Cash Credit: Common stocks Credit: Paid in capital in excess of par
5	Paying off an installment on a long term note payable	E	Debit: Cash Credit: common stocks
6	Recording deletion expense	F	No journal entry
7	Issuing bonds for cash, at 98	G	Debit: stock dividends Credit: Common stock dividends distributable.
8	Performing a 1: 3 stock split	H	Debit: Notes payable Debit: Interest expense Credit: Cash
9	Issuing common stocks at a price above par for cash	I	Debit: Interest payable Credit: Cash
10	Issuing a large common stock dividends	J	Debit: Bonds payable Credit: Cash

10	Issuing a large common stock dividends	J	Debit: Bonds payable Credit: Cash
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Issuing common stocks at par for cash

E

Declaring a large common stock dividends

G

Paying off interest accrued from last year

I

Retirement of bonds at Maturity

J

Paying off an installment on a **long term note payable**

H

Recording deletion expense

C

Issuing bonds for cash, at 98

A

Performing a 1:3 stock split

F

Issuing common stocks at a price above par for cash

D

Issuing a large common stock dividends

B

Safe Shipment Company purchased a delivery truck on January 1, 2015, at a cost of \$ 150,000. The estimated useful life of the truck is 10 years, with an estimated salvage value of \$ 10,000. On January 1, 2018 the airline revises the total