Accounting Resource Solutions

UIL Test Preparation & Study Materials
2018 - 2019

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Product Code	Product Description	Unit Price	Quantity Ordered	Product Total
	Original Concepts Review Materials *			
DR1	Essential district-level review. Written for the non-accounting coach or for students working without a coach. Includes an introduction to basic accounting. This is a detailed explanation of each and every concept covered on the district-level concepts list. Targets only the concepts included on UIL tests, (so extraneous material is eliminated) ~ small sample attached ~	$ 50		
RR1	Essential regional-level review This is a detailed explanation of each and every concept covered on the regional-level concepts list written for non-accounting coach or students. Does not include prior level concepts.	$ 30		
SR1	Essential state-level review This is a detailed explanation of each and every concept covered on the state-level concepts list written for non-accounting coach or students. Does not include prior level concepts)	$ 40		
AR1	Set of all reviews -- Intro, District, Regional and State level (save $20)	**$ 100**		
	All Concept Reviews are updated for the newest UIL concepts list			
	UIL Test Solutions			
17DS	Working solutions for **2017** District UIL Test (Detailed "how to" for calculated groups) ~ small sample attached ~	$ 45		
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CustUILSol	Working solutions for any pre-2017 UIL Test (Detailed "how to" for calculated groups) {May have to allow 2 weeks from order date} ****Specify which UIL Test (year and identifier i.e. 2016 State Test):**	$ 75 Test Ordered:		
	Order Total			$

Notes: **All products provided in PDF format via email**

* The essential review packets includes email support for students that have specific questions about any component on the list School contact (not individual students) may email me with questions and I will respond via email.

** If I do not have the test you are requesting a working solution for, you will need to provide it to me in digital format

All sales are available to schools only (tax-exempt# ______________________________)

School Name and Address:

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☐ Check this box if you would like me to email an Invoice to your school

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1306 Portland Ave.
Stamford, TX 79553

Thank you!!

From district-level review set:

Purchases Discounts		750		2,152		
Transportation In	2,995			750		
Expenses (combined)	34,515				47,223	
					83,973	
					40930	
						43,043
						109,557
						34515
						75,042

Inventory Summary will always allow you to figure either beg or end inv when you have the other one. Here, the beginning inventory is given (often given in the directions section, so read carefully). The fact that Income summary has a credit balance tells me that the adjusting entry for merchandise was a debit to Merchandise Inv and a credit to Income Summary, which means the beginning inventory needed to be increased (debited) in order to show a larger ending inventory. Take the beginning inventory and ADD the amount from income summary to get ending inventory (40,930). If Income Summary had been a debit, the opposite would apply. You need to learn to work these numbers forward and backward. Sometimes several of them will be missing and you have to know the formulas (like gross profit minus cost of goods sold is net sales) in order to find all of the missing numbers. Also, Gross profit may be given as a percentage, like 40%. That will always be a percentage of NET SALES.

New: See #23 below. Other component percentages may be asked. Income Stmt component percentages will always be a percentage of NET SALES and Balance Sheet component percentages will always be a percent of TOTAL ASSETS.

*** Really, this little chart is VERY IMPORTANT to know inside and out!! ***

20.Accts Receivable: Controlling account is the A/R acct in the General Ledger and its balance must agree with the total of all A/R accounts in the A/R subsidiary ledger. A/R is an asset therefore balance is a Dr and increase on the Dr side and decrease on the Cr side.

Accts Receivable		
600		Beg Bal
150	75	
675		End Bal

From regional-level review set:

Gross Profit: If we are told the gross profit percentage is 40%, then we can calculate the ending inventory by backing into it. We already know Revenue and so we can calculate gross profit by multiplying. Once we know GP, we can get cost of goods sold (subtract). We already know COGA, so now we can subtract to get End Inv (COGA – COGS = End Inv). Refer to Group 19 on the District Concept Review sheet for a thorough review of these calculations.

		12,375.00	Rev
COGA	12,495.00		
End Inv	5,070.00		
		7,425.00	COGS
		7425.00	GP

Each method will yield similar, but not the same values, but once a method of ending valuation is chosen, we stick with it in order to comply with Consistent Reporting

LCM—Lower of Cost or Market. When both are known, you go with the lowest value.

	FIFO	LIFO
Stands for	First in, first out	Last in, first out
Unsold inventory	Unsold inventory comprises goods acquired most recently.	Unsold inventory comprises the earliest acquired goods.
Effect of Inflation	If costs are increasing, the items acquired first were cheaper. This decreases the cost of goods sold (COGS) under FIFO and increases profit. The income tax is larger. Value of unsold inventory is also higher.	If costs are increasing, then recently acquired items are more expensive. This increases the cost of goods sold (COGS) under LIFO and decreases the net profit. The income tax is smaller. Value of unsold inventory is lower.
Effect of Deflation	Converse to the inflation scenario, accounting profit (and therefore tax) is lower using FIFO in a deflationary period. Value of unsold inventory	Using LIFO for a deflationary period results in both accounting profit and value of unsold inventory being higher.

From state-level review set:

**** NEW:** The cash receipts and cash payments of a company are called cash flows. The statement reports the source of all cash receipts and the reason for all cash payments during a fiscal period is called a **CASH FLOW ANALYSIS** Cash flow analysis helps owners, creditors, and other interested parties: 1) Determine a company's potential to produce cash in the future. 2) Judge a company's ability to pay bills and repay debts. 3) Explain changes in the cash account balance. 4) Evaluate a company's investment and equity transactions. The statement of cash flows is divided into three sections: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities.

CASH FLOWS FROM OPERATING ACTIVITIES

The cash receipts and payments necessary to operate a business on a day-to-day basis are called *operating activities*. Cash inflows and outflows from operating activities are listed below.

Operating Activities	
Cash Inflows	**Cash Outflows**
Cash sales of merchandise Cash sales of services Cash received on account Interest income	Cash paid for salaries Cash paid for merchandise Cash paid on account Cash paid for supplies Cash paid for utilities Cash paid for interest

CASH FLOWS FROM INVESTING ACTIVITIES

Cash receipts and cash payments involving the sale or purchase of assets used to earn revenue over a period of time are called *investing activities*. Cash inflows and outflows from investing activities are listed below.

Investing Activities	
Cash Inflows	**Cash Outflows**
Sale of property/building Sale of investments Sale of machinery/equipment	Purchase of property/building Cash paid for investment Purchase of machinery/equipment

CASH FLOWS FROM FINANCING ACTIVITIES

Cash receipts and payments involving debt or equity transactions are called *financing activities*. Cash inflows and outflows from financing activities are listed below.

Financing Activities	
Cash Inflows	**Cash Outflows**
Issuing stock Long-term loans Issuing bonds	Payment of cash dividends Repayment of loan principal Retirement of bond principal

The first item listed in the operating activities section is the net income for the period. Since this amount is calculated using the accrual basis of accounting, several adjustments must be made to adjust the net income to actual cash flow from operating activities. Depreciation expense is recorded on the income statement and reduces net income. However, depreciation expense is a non-cash expense, because cash is not paid out for depreciation. Therefore, even though it is an expense, it is not an outflow of cash. Since it has already been subtracted to determine net income, it has to be added back in when adjusting net income to cash flow. Similarly, an increase in the supplies account means that more supplies were bought than were used during the period. The amount of supplies used is listed as an expense and reduces net income. The increase in supplies represents an amount of cash that was used and needs to be deducted from the net income to determine ash flow. For cash flow purposes, all decreases in current assets will be added to net income and all increases in current assets will be deducted from net income.

Effect of Changes in Current Assets on Cash Flows	
Increases in current assets →	Deducted from net income
Decreases in current assets →	Added to net income

Increases and decreases in current liabilities also affect cash flows and require adjustments. A decrease in accounts payable means that the cash flow for purchases on account was

Effect of Changes in Current Liabilities on Cash Flows

From state-level working solution:

54,259

We can get the beginning capital from the A and L. The dividends are given in the table and the net income is given in the instructions so we can get the ending retained earnings. We also know from the chart that the common stock increased 10,000, so we know Common Stock and Ret Earning, so we now have End Capital. We subtract the Liabilities from Ending Capital to get Ending Assets.

Group 3

At the end of its fiscal year (12-31-16), after all accounts determined to be uncollectible have been writt and before any adjusting entries are recorded, the following information is available:

Accounts Receivable	59,155
Allowance for Uncollectible Accounts	142 credit
Net sales	92,600
Total charge sales	60,200
The aging of accounts receivable indicates uncollectible accounts of	1,840

For questions 8 and 9, write the identifying letter of the correct response on your answer sheet.

What is the amount of bad debt expense for 2016 if the aging method is used to estimate uncollectible accounts?
A. $1,204 B. $1,389 C. $1,698 D. $1,840 E. $1,852 F. $1,982

Allowance	
	142
	1,698
	1,840

When the AGING method is specified, the amount given needs to be the BALANCE in the Allowance account (because that is the amount we think will be uncollectible. So you back in the expense amount (yellow).