Number on the attendance list:

Vrije Universiteit Amsterdam School of Business and Economics Accounting Department Exam Accounting (E_IBA1_ACC) 31 May 2018

	Name:		
	Studentnu	umber:	
Signuat	ture:		

Do not write (for official use only)		
Assignment 1		
Assignment2		
Assignment3		
Assignment4		
Total		

Assignment 1 (20 credits)

a1 (2 credits)

Machines	180,000
Cash	120,000
Notes Payable	60,000

a2 (2 credits)

Cash	25,000
Common Stock	10,000
Additional Paid-in Capital	15,000

a3 (2 credits)

Accounts Receivable	18,000
Sales Revenues	18,000
Cost of Goods Sold	12,000
Merchandise Inventory	12,000

a4 (2 credits)

Prepaid Insurance Premiums	7,200
Cash	7,200

a5. (2 credits)

Cash	8,000
Treasury Stock	5,000
Paid-in Capital, Treasury Stock	3,000

a6. (2 credits)

Cash	9,000
Accounts Receivable	9,000

a7. (2 credits)

Allowance for Uncollectible Accounts	11,000
Accounts Receivable	11,000

b8. (2 credits)

Depreciation Expenses	30,250
Accumulated Depreciation Machines	30,250
((180,000 – 15,000) x 1/5 x 11/12)	

b9. (2 credits)

Interest Expenses	4,400
Interest Payable	4,400
(8% x 60,000 x 11/12)	

b10. (2 credits)

Insurance Expenses	1,600
Prepaid Insurance Premiums	1,600
(7,200 x 8/36)	

Assignment 2 (16 credits)

a	(3	cred	itς۱

False.			
ROA = profit margin x asset productivity			
= net income/net sales x net sales/average assets			
Productivity increase could compensate for the margin decrease.			

b. (3 credits)

B. The prudence principle.		

c. (4 credits)

·
CF Op. = 640 + 175 + 40 + 5 - 35 + 15 - 10 = 830

d. (2 credits)

CF Inv. = $-120 + (20-5) = -105$	

e. (2 credits)

Div. Paid = 640 – 160 – 25 = 455	

f. (2 credits)

Assets:	Overstated / none / understated
Liabilities:	Overstated / none / understated
Net income:	Overstated / none / understated
Cash flows:	Overstated / none / understated

Assignment 3 (16 credits)

a. (2 credits)

	240,000
Q-be =	= 20,000 units
	30 - 18

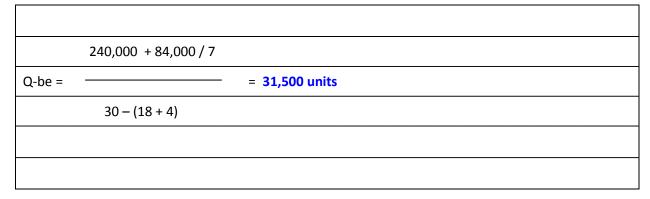
b. (2 credits)

30,000 – 20,000	
MOS-% =	x 100% = 33.3 %
30,000	

c. (2 credits)

	126,000 / 60%	
Q = 20,000 +		= 37,500 units
	30 - 18	

d. (2 credits)



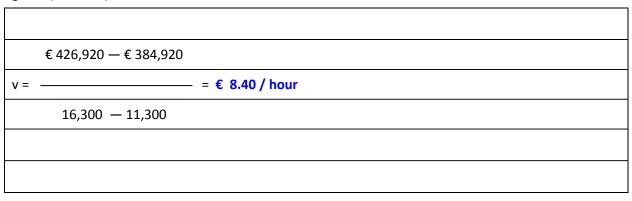
e.	(2	cred	its
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120,000	
Q = 31,500 +	= 46,500 units
30 - 22	

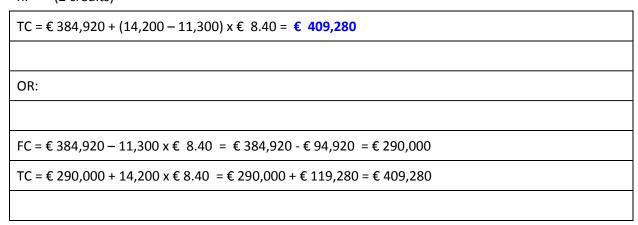
f. (2 credits)

Short-term disadvantage: (examples)	
regular customers complaining /too high capacity use/employees stressed	
Long-term advantage:	
perhaps additional regular customer attracted after granting one-time special order	

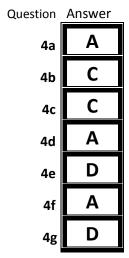
g. (2 credits)



h. (2 credits)



Assignment 4 (14 credits)



Answer in CAPITAL letters!

No specifications required.