Number on the attendance list:

Vrije Universiteit Amsterdam

School of Business and Economics

Accounting Department
Exam Accounting (E_IBA1_ACC)

31 May 2018

Name: ……

Studentnumber: ……

Signuature:

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 credits)

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)

$\text{Q-be} = \frac{240{,}000}{30 - 18} = \mathbf{20{,}000\ units}$

b. (2 credits)

$\text{MOS-\%} = \frac{30{,}000 - 20{,}000}{30{,}000} \times 100\% = \mathbf{33.3\%}$

c. (2 credits)

$\text{Q} = 20{,}000 + \frac{126{,}000 / 60\%}{30 - 18} = \mathbf{37{,}500\ units}$

d. (2 credits)

$\text{Q-be} = \frac{240{,}000 + 84{,}000 / 7}{30 - (18 + 4)} = \mathbf{31{,}500\ units}$

e. (2 credits)

$$Q = 31{,}500 + \frac{120{,}000}{30 - 22} = \textbf{46,500 units}$$

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)

$$v = \frac{€\ 426{,}920 - €\ 384{,}920}{16{,}300 - 11{,}300} = \textbf{€ 8.40 / hour}$$

h. (2 credits)

TC = € 384,920 + (14,200 – 11,300) x € 8.40 = **€ 409,280**

OR:

FC = € 384,920 – 11,300 x € 8.40 = € 384,920 - € 94,920 = € 290,000

TC = € 290,000 + 14,200 x € 8.40 = € 290,000 + € 119,280 = € 409,280

Assignment 4 (14 credits)

Question	Answer
4a	A
4b	C
4c	C
4d	A
4e	D
4f	A
4g	D

Answer in CAPITAL letters!

No specifications required.