Multiple Choice Questions (5% each):

1. Which of the following is not a characteristic of the cost principle?
   a. Reliability
   b. Subjectivity
   c. Objectivity
   d. Verifiability

2. The first step in designing a computerized accounting system is the creation of the
   a. general ledger.
   b. general journal.
   c. trial balance.
   d. chart of accounts.

3. If unearned revenues are initially recorded in revenue accounts and have not all
   been earned at the end of the accounting period, then failure to make an
   adjusting entry will cause
   a. liabilities to be overstated.
   b. revenues to be understated.
   c. revenues to be overstated.
   d. accounts receivable to be overstated.

4. Closing entries are made
   a. in order to terminate the business as an operating entity.
   b. so that all assets, liabilities, and owner's capital accounts will have zero
      balances when the next accounting period starts.
   c. in order to transfer net income (or loss) and owner's drawing to the owner's
      capital account.
   d. so that financial statements can be prepared.

5. Income from operations will always result if
   a. the cost of goods sold exceeds operating expenses.
   b. revenues exceed cost of goods sold.
   c. revenues exceed operating expenses.
   d. gross profit exceeds operating expenses.
6. A company uses the periodic inventory method and the beginning inventory is overstated by $4,000 because the ending inventory in the previous period was overstated by $4,000. The amounts reflected in the current end of the period balance sheet are

\[
\begin{array}{ll}
\text{Assets} & \text{Owner's Equity} \\
\text{a. Overstated} & \text{Overstated} \\
\text{b. Correct} & \text{Correct} \\
\text{c. Understated} & \text{Understated} \\
\text{d. Overstated} & \text{Correct} \\
\end{array}
\]

7. A bank may issue a credit memoranda for
   a. a bank service charge.
   b. an NSF (not sufficient funds) check from a customer.
   c. the collection of a note receivable for the depositor by the bank.
   d. the cost of printing checks.

8. When the totals of the sales journal are posted at the end of the month, there will be credits to
   a. Sales and Merchandise Inventory and debits to Accounts Receivable and Cost of Goods Sold.
   b. Accounts Receivable and Cost of Goods Sold and debits to Sales and Merchandise Inventory.
   c. Sales and debits to each individual customer account.
   d. the Sales account only, and no debits.

9. An aging of a company’s accounts receivable indicates that $6,000 are estimated to be uncollectible. If Allowance for Doubtful Accounts has a $1,100 credit balance, the adjustment to record bad debts for the period will require a
   a. debit to Bad Debts Expense for $6,000.
   b. debit to Allowance for Doubtful Accounts for $4,900.
   c. debit to Bad Debts Expense for $4,900.
   d. credit to Allowance for Doubtful Accounts for $6,000.

10. When the allowance method of recognizing bad debts expense is used, the entry to recognize that expense
    a. increases net income.
    b. decreases current assets.
    c. has no effect on current assets.
    d. has no effect on net income.
11. A company purchases a remote site building for computer operations. The building will be suitable for operations after some expenditures. The wiring must be replaced to computer specifications. The roof is leaky and must be replaced. All rooms must be repainted and recarpeted and there will also be some plumbing work done. Which of the following statements are true?
   a. The cost of the building will not include the repainting and recarpeting costs.
   b. The cost of the building will include the cost of replacing the roof.
   c. The cost of the building is the purchase price of the building, while the additional expenditures are all capitalized as Building Improvements.
   d. The wiring is part of the computer costs, not the building cost.

12. If a plant asset is retired before it is fully depreciated, and no salvage or scrap value is received, what will be recorded?
   a. a gain on disposal will be recorded.
   b. phantom depreciation must be taken as though the asset were still on the books.
   c. a loss on disposal will be recorded.
   d. no gain or loss on disposal will be recorded.

13. The accounting for warranty costs is based on the
   a. going concern principle.
   b. matching principle.
   c. conservatism principle.
   d. objectivity principle.

14. A cost that is not expected to provide future benefits is an
   a. expired cost.
   b. accrued cost.
   c. operating cost.
   d. unexpired cost.

15. The acquisition of treasury stock by a corporation
   a. increases its total assets and total stockholders' equity.
   b. decreases its total assets and total stockholders' equity.
   c. has no effect on total assets and total stockholders' equity.
   d. requires that a gain or loss be recognized on the income statement.
16. A mortgage note payable with a fixed interest rate requires the borrower to make installment payments over the term of the loan. Each installment payment includes interest on the unpaid balance of the loan and a payment on the principal. With each installment payment, indicate the effect on the portion allocated to interest expense and the portion allocated to principal.

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<thead>
<tr>
<th>Portion Allocated to Interest Expense</th>
<th>Portion Allocated to Payment of Principal</th>
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<tbody>
<tr>
<td>a. Increases</td>
<td>Increases</td>
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<td>b. Increases</td>
<td>Decreases</td>
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<td>c. Decreases</td>
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<tr>
<td>d. Decreases</td>
<td>Increases</td>
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17. When stock dividends are distributed,
   a. Common Stock Dividends Distributable is decreased.
   b. Retained Earnings is decreased.
   c. Paid-in Capital in Excess of Par Value is debited if it is a small stock dividend.
   d. no entry is necessary if it is a large stock dividend.

18. The sale of bonds above face value
   a. is a rare occurrence.
   b. will cause the total cost of borrowing to be less than the bond interest paid.
   c. will cause the total cost of borrowing to be more than the bond interest paid.
   d. will have no net effect on Interest Expense by the time the bonds mature.

19. Under the equity method of accounting for long-term investments in common stock, when a dividend is received from the investee company,
   a. the Dividend Revenue account is credited.
   b. the Stock Investments account is increased.
   c. the Stock Investments account is decreased.
   d. no entry is necessary.
20. A company had net income of $420,000. Depreciation expense is $52,000. During the year, Accounts Receivable and Inventory increased $30,000 and $80,000, respectively. Prepaid Expenses and Accounts Payable decreased $4,000 and $8,000, respectively. There was also a loss on the sale of equipment of $6,000. How much cash was provided by operating activities?

a. $352,000.
b. $364,000.
c. $512,000.
d. $536,000.
就下列各題簡單回答：

1. 試問股票價格的變動是否可由股票間的替代性來解釋？

2. 利率代表未來消費與本期消費的替代率，試以圖分析消費、儲蓄與利率變動的關係。

3. 若所得效果為正，則需求曲線一定為負，請證明。

4. 何謂機會成本？當你選擇繼續就學而放棄就業時，請問其機會成本應如何衡量？

5. 試以圖型分析專利權措施對廠商均衡與利潤的影響。

6. 何謂品牌營養？其對產業集中度的影響如何？對廠商利潤的影響如何？

7. 在就業市場，常發生交遊主義，即只有名校與高學歷者較有機會，試以資訊經濟學的觀點來探討這一現象。

8. 有一保險推銷員來向你推銷一項長期的儲蓄計畫，他告訴你，台灣可能走向零利率的時代，應此對於有 2-3%利率的產品，應把握。試述你對此一論點的看法。

9. 國防支出是否為國民所得？又如何以政府購買新數與稅賦乘數來分析對總體經濟的影響。

10. 試分析政府從事重大經濟建設，並以公債方式籌措經費，對（1）利率，（2）消費，（3）投資，（4）物價，（5）產出的影響。

每題各 10 分