



ISEG - INSTITUTO SUPERIOR DE ECONOMIA E GESTÃO
Accounting I

Época recurso (ER): 26th June of 2014

Time: 2H00M

Degree: _____ **Class:** _____

Name: _____ **Nº:** _____

GROUP I (2,0 POINTS)

Identify the differences and similarities between “Expenses of the period” and “Pre-paid expenses”.

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GROUP II (6,0 POINTS)

Choose (and **justify**) the correct answer. (each answer is worth 1,5 points):

1. Using the information from the table below, presented in chronological order, and knowing that the quantity of inventory sold was 1.450 units, the value of the final inventory using FIFO is:

	Quantity	Unit cost (€)
Initial Inventory	120	170
Acquisitions	1.340	180
Acquisitions	220	185
Final Inventory	?	?

a)	39.100 €;
b)	42.550 €;
c)	42.500 €;
d)	40.000 €;
e)	None of the above.

Justification:

2. The company “Alfa” bought some basic equipment, during year N, for 9.000 €. The estimated useful life is 10 years and the residual value is 900 €. This equipment was sold in May of N+5 for 4.950 €. The company uses the straight line depreciation method. The company depreciated the equipment in the year of acquisition, not the year of sale. What is recognized gain at N+5?

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a)	900 €;
b)	450 €;
c)	90 €;
d)	0 €;
e)	None of the above.

Justification:

3. The company "Alfa" increased its capital in year N. It had expenses of 2.000 €. In which account should this expense be recognized?

a)	External Services Expenses;
b)	Intangible Assets;
c)	Accrual of unrecorded revenues;
d)	Legal Reserves;
e)	None of the above.

Justification:

Name: _____ Nº: _____

4. The following table shows financial information for company X, at 31/12/N and at 31/12/N-1, (in euros):

	N	N-1
62 External Services – electricity	15.000	12.000
27 Creditors for Accrual of unrecorded expenses - Electricity	2.000	1.300

The value of the electricity paid in year N was:

a)	15.000 €;
b)	15.700 €;
c)	14.300 €;
d)	18.300 €;
e)	14.000 €.

Justification:

Name: _____ Nº: _____

GROUP III (8,0 POINTS)

The company "Gama" is in the business of frozen products. Its accountant presented the trial balance for 31 December of 2013. However, in order to close the accounts for 2013, there are still some **events that need to be recorded or need rectifications**. Do these adjustments in the space given below. The company uses the periodic inventory system.

OP 1 (2 points) – At December 2013, the company sold some frozen products, for credit, for 30.000 € (+VAT 23%). In September 2013, the company received an advanced payment of 12.300 € (VAT 23% included). The advanced payment is already recorded.

OP 2 (2 points) – The company processed the wages of December (not yet recorded). The gross value of wages is 100.000€. The deductions (for employees) are 20% for IRS (mean yield) and 11% for Social Security. The deduction for the company is 23,75% for Social Security. During December the company paid the wages to the employees

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OP 3 (2 points) – The company is estimated to receive 221.000 Euros from tradable accounts receivable (Clients) The books show a value for this account of 223.500€. The existing value of accumulated impairments is 2.000€. Do the necessary adjustments using this information.

OP 4 (1 point) – The company bought, at December 1st, administrative equipment, on credit for 50.000€ (+IVA deductible 23%).

OP 5 (1,0 point) – The insurance for the company cars was paid in July 1st, 600€. It covers the period from 1 July 2013 to 1 July 2014. This is not recorded yet.

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GROUP IV (4,0 POINTS)

During October, company Alfa had the following events:

1. Acquisition of inventories of 1.000.000€, 60% of these were by credit;
2. Cash acquisition of a car for 25.000€;
3. Sales of inventories of 5.000.000€, 50% of these were by credit;
4. Payment of October wages, 540.000€;
5. At the end of the month the company paid, to the bank, 150.050€ of October interests (from an obtained loan);
6. Payment of electricity, water and communications of 12.000€, (consumed in the previous month);
7. New bank loan of 100.000 €. The related expenses were 1.500 €.

1. Calculate the cash flow from operational activities (1,5 points).

2. Calculate the cash flow from financing activities (1,5 points).

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3. Knowing that in the beginning of the month the value of Cash and Bank deposits was 145.000€, calculate the final value for Cash and Bank deposits (1 points).