



一、守信公司於 2010 年 1 月 1 日，以現金\$1,910,400 於集中市場購買俊龍公司發行的五年期公司債 20 張，當時市場報價(quoted price)為 95.52，另支付手續費\$5,731。該公司債每張面額\$100,000，票面利率 4%，包含手續費之購入成本，其有效利率為 5.12%，每年 12 月 31 日付息。守信公司的經營模式是按期收取本息(held-for-collection)。

試作：守信公司有關公司債投資 2010 年至 2011 年的所有分錄。(15%)

二、延續前題，2011 年底，守信公司為靈活運用資金，決定將其公司債投資的目的改為賺取利率變動的差價 (held-for-trading)，2012 年 1 月 1 日公司債的市價為\$1,975,400(市場報價 98.77)。2012 年 12 月 31 日的市價為\$1,950,000。

試作：守信公司有關公司債投資 2011 年底至 2012 年的所有分錄。(10%)

三、村岡農業開發公司栽植柳丁園 1000 多公頃，已成熟量產多年，採用成本模式，成本\$250,060,606，截至 2012 年 6 月 5 日止，已計提累計折舊\$80,606,060，2012 年 6 月 5 日發生火燒山，大火延燒果園 250 多公頃。火災後評估柳丁園的公允價值減去處分成本後的餘額為\$120,066,006，其預計未來現金流量的現值估計為\$125,060,066。該火災損失已投保火災險，經欽城保險公司勘估後同意理賠\$30,606,060。

試作：村岡農業開發公司 2012 年 6 月 5 日相關分錄。(10%)

四、

Assume that UniTech purchased land on January 1, 2010, that cost €450,000. UniTech decides to report the land at fair value in subsequent periods. At December 31, 2010, an appraisal of the land indicates that its fair value is €570,000. The land's fair value is €430,000 at December 31, 2011. At December 31, 2012, UniTech's land value increases to €465,000. On January 2, 2013, UniTech sells the land for €465,000.

Please make journal entries for UniTech at the following dates.

1. January 1, 2010. (3%)
2. December 31, 2010. (3%)
3. December 31, 2011. (3%)
4. December 31, 2012. (3%)
5. January 2, 2013. (3%)



五、Yuntech Company buys an oil platform for \$110,000 on January 1, 2012. The life of the platform is 40 years and the expected cost to dismantle the platform at the end of 40 years is \$70,400. Based on an effective-interest rate of 5%, the fair value of the environmental liability on January 1, 2012, is \$10,000. Yuntech Company uses straight-line depreciation; the estimated residual value for the platform is zero. Prepare any journal entries required for the platform and the environmental liability at December 31, 2012(the end of the fiscal year).(8%)

六、On January 1, 2012, ABC Auto Company entered into an installment-sale contract with XYZ Company for a 5-year period. XYZ Company purchased an automobile for \$640,000. XYZ Company made a 25% down payment on January 1, 2012, and annual payments at the end of each of the next five years of \$133,156. Assume that the collection of the installments due under the contract is reasonably assured, and the appropriate rate of interest is 12%. Prepare the entry(ies) to record the annual payments on December 31, 2013.(10%)

七、Douliou Inc. is authorized to issue 500,000 \$10 par ordinary shares. As of July 1, 2011, 400,000 shares had been issued and were outstanding. Douliou Inc. issued additional 50,000 shares on April 1, 2012, and purchased 60,000 shares on September 1, 2012. The company declared and distributed a 100% share dividend on the ordinary shares outstanding on October 1, 2012. Douliou Inc. has a net income of \$1,200,000 and is subject to a 40% income tax rate.

The following transactions occurred during 2012.

- (1) On January 1, 2012, options were granted to purchase 60,000 ordinary shares at \$40 per share. The average market price of the ordinary shares was \$60 per share during 2012. All options are still outstanding at the end of 2012.
- (2) There are 50,000 convertible preference shares outstanding on January 1, 2012. Each share had a par value of \$100 and a cumulative dividend of \$3.5 per share. One share of preference shares can be converted into three shares of Douliou's ordinary shares.
- (3) On January 1, 2012, Douliou Inc. issued 3,000, \$1,000 face value, 6% convertible bonds. Each bond is convertible into 30 ordinary shares. The market rate of interest for a similar non-convertible bond at January 1, 2012, is 6%, and the liability component of the convertible bonds was issued at face value.

No bonds or preference shares were converted during 2012. Assume that the rate of conversion and the market price of the ordinary shares are automatically adjusted for share dividends.

#### Instructions

- (a) Compute basic earnings per share for 2012.(4%)
- (b) Compute diluted earnings per share for 2012.(8%)



八、Using the information provided below, prepare the cash flows from operating activities section of the statement of cash flows for 2012 for Yunlin Corporation : (12%)

- (1) Accounts payable decreased \$10,000.
- (2) The amortization of patent and the depreciation expense on plant assets for the year was \$500 and \$1,500.
- (3) Net income as reported on the income statement for the year was \$213,000.
- (4) On July 21, 2012, Yunlin Corporation purchased 1,000 shares of treasury shares at \$45.
- (5) On January 2, 2012, Yunlin Corporation purchased 25% of the outstanding ordinary shares of ABC Inc. for \$1,000,000, and subsequently used the equity method to account for the investment.
- (6) During 2012 ABC Inc. reported net income of \$640,000 and distributed cash dividends of \$40,000.
- (7) On January 1, 2012, Yunlin Corporation purchased bonds that are accounted for at amortized cost. During 2012 the amortization of premium on the bond investment was \$5,000.

九、The following information pertains to Yuntech Inc.:

Preference shares, cumulative:

Par per share	\$10
Dividend rate	8%
Shares outstanding	10,000
Liquidating value per share	\$12
Share premium—preference	\$10,000
Dividends in arrears	none

Ordinary shares:

Par per share	\$10
Shares outstanding	50,000
Dividends paid per share	\$1.8
Market price per share	\$48
Share premium—ordinary	\$200,000
Retained earnings	\$190,000
Net income	\$370,000

Compute (assume no changes in balances during the past year): (a) Book value per ordinary share, and (b) Dividend payout ratio.(8%)



1. Yuntech Canning Company processes tomatoes into catsup, tomato juice, and canned tomatoes. During the summer of 2011, the joint costs of processing the tomatoes were \$420,000. There was no beginning or ending inventories for the summer. Production and sales value information for the summer is as follows:

Product	Cases	Sales Value at Splitoff Point	Separable Costs	Selling Price
Catsup	100,000	\$6 per case	\$3.00 per case	\$28 per case
Juice	150,000	8 per case	5.00 per case	25 per case
Canned	200,000	5 per case	2.50 per case	10 per case

**Required:** (8 分×2=16 分)

- a. Determine the amount allocated to each product if the estimated net realizable value method is used and compute the cost per case for each product. (8 分)
  - b. Determine the amount allocated to each product if the sales value at splitoff point method is used and compute the cost per case for each product. (8 分)
2. Lin Products is committed to its quality program. It works with all areas of the company to establish sound quality programs within reasonable budget guidelines. For year 2012, it has budgeted \$1,000,000 for prevention costs and \$800,000 for appraisal costs. Internal failure has a budget of \$100 per failed item, while external failure has a total budget of \$600,000. Product Testing has proposed to management a change in the year 2012 budget for a new method of testing products. If management decides to implement the new method, \$2 per unit of appraisal costs will be saved, up to a level of 200,000 tests. No additional savings are expected past the 200,000 level. The new method involves \$120,000 in training costs and \$50,000 in yearly testing supplies. Traditionally, 4% of all completed items have to be reworked. External failure costs average \$120 per failed unit. The company's average external failures are 2% of units sold. The company carries no ending inventories.



**Required:** (8 分×3=24 分)

- a. What is the adjusted budget for appraisal costs, assuming the new method is implemented and 800,000 units are tested during the manufacturing process in year 2012? (8 分)
  - b. How much do internal failure costs change, assuming 600,000 units are tested under the new method and it reduces the amount of unacceptable units in the manufacturing process by 40%? (8 分)
  - c. What would be the change in the external failure budget, assuming external failures are reduced by 50% and the same facts as in part (b)? (8 分)
3. The ACC Division of Taiwan Products is planning the 2011 operating budget. Average operating assets of \$1,800,000 will be used during the year and unit selling prices are expected to average \$100 each. Variable costs of the division are budgeted at \$400,000, while fixed costs are set at \$200,000. The company's required rate of return is 18%.

**Required:** (5 分×2=10 分)

- a. Compute the sales volume necessary to achieve a 20% ROI. (5 分)
  - b. The division manager receives a bonus of 50% of residual income. What is his anticipated bonus for 2011, assuming he achieves the 20% ROI from part (a)? (5 分)
4. Define the following terms: (5 分×3=15 分)
- a. differential cost
  - b. opportunity cost
  - c. sunk cost



5. Happy Corporation has two service departments, Service Department A and Service Department B, and two operating departments, Operating Department X and Operating Department Y.

	Service Department		Operating department	
	Service Department A	Service Department B	Operating Department X	Operating Department Y
departmental costs	\$46,560	\$56,960	\$576,650	\$415,260
allocation base A	3,000	5,000	30,000	13,000
allocation base B	2,000	1,000	15,000	15,000

The company uses the step-down method to allocate service department costs to operating departments. Service Department A costs are allocated first on the basis of allocation base A and Service Department B costs are allocated second on the basis of allocation base B.

**Required:** (10 分)

Allocate the service department costs to the operating departments using the step-down method. Show your calculation.

6. The YUN Manufacturing Company's costing system has two direct-cost categories: direct materials and direct manufacturing labor. Manufacturing overhead (both variable and fixed) is allocated to products on the basis of standard direct manufacturing labor-hours (DLH). At the beginning of 2011, YUN adopted the following standards for its manufacturing costs:

	Input	Cost per Output Unit
Direct materials	3 lbs. at \$5 per lb.	\$ 15.00
Direct manufacturing labor	5 hrs. at \$15 per hr.	75.00
Manufacturing overhead:		
Variable	\$6 per DLH	30.00
Fixed	\$8 per DLH	40.00
Standard manufacturing cost per output unit		<u>\$160.00</u>



The denominator level for total manufacturing overhead per month in 2011 is 40,000 direct manufacturing labor-hours. YUN's flexible budget for January 2011 was based on this denominator level. The records for January indicated the following:

Direct materials purchased	25,000 lbs. at \$5.20 per lb.
Direct materials used	23,000 lbs.
Direct manufacturing labor	40,100 hrs. at \$14 per hr.
Total actual manufacturing overhead (variable and fixed)	\$600,600
Actual production	7,800 output units

**Required:** (5分×5=25分)

For the month of January 2011, compute the following variances, indicating whether each is favorable (F) or unfavorable (U). Be sure to identify each variance as favorable (F) or unfavorable (U). Show your calculation.

- Direct materials efficiency variance
- Direct manufacturing labor price variance
- Total manufacturing overhead spending variance
- Variable manufacturing overhead efficiency variance
- Production-volume variance