

第一題：(20 分)

The beginning balance sheet of Talknet, Inc., included the account Long-Term Equity-Method Investments (\$300,000 Dr). During the year, Talknet completed the following investment transactions:

- Mar.2 Purchased 2,000 shares of DLV Inc., common stock as a long-term available-for-sale investment, paying \$12.25 per share.
- Apr.21 Received cash dividend of \$0.75 per share on the DLV investment.
- Oct.17 Received cash dividend of \$50,000 from the equity-method investments.
- Dec. 31 Received annual reports from the equity-method investee companies. Their total net income for the year was \$550,000. Of this amount, Talknet's proportion is 33%.
- Dec. 31 Adjusted the available-for-sale investment to market value. The market value of Talknet's investment in DLV is \$26,800.

Required

Journalize the above transactions.

第二題：(20 分)

ABC company purchased a used car at a cost of \$42,000 on May 1, 2000. ABC company expects the car to remain useful for five years and to have a residual value of \$6,000.

Required

Compute ABC company first-three-year (2000, 2001, 2002) depreciation on the car using the following methods:

- (a) Straight-line method
- (b) Double-declining-balance method

第三題：(10 分)

Whitney, Olivia, and Wendy form the WOW Partnership and agree to share their profits based on service, with any remainder divided equally. At the beginning of the year, their capital balances are \$300,000, \$100,000, and \$200,000, respectively. Whitney has agreed to manage the partnership in return for \$60,000. If the partnership earns \$210,000 in its first year, how much profit will be allocated to Whitney?

第四題：(30 分)

On December 31, 2007, Bible Distributing Company issues 8% (annually), 10-year convertible bonds with a maturity value of \$700,000. The semiannual interest dates are June

30 and December 31. The annual market interest rate is 9%, and the issue price of the bonds is 94. Bible Distributing Company amortizes bond premium and discount by the effective-interest method.

Required

- (1) Journalize the issuance of the bonds on December 31, 2007. Credit Convertible Bonds Payable. (10 分)
- (2) Prepare an effective-interest-method amortization table for the first four semiannual interest periods (with all figures rounded to the nearest dollar). (20 分)

第五題：(10 分)

Best Center began in December with 140 units of inventory that cost \$75 each. During December, the store made the following purchases:

Dec.	3	217@\$79
	12	95@\$82
	18	210@\$83
	24	248@\$87

The store uses the periodic inventory system, and the physical count at December 31 indicates that 229 units of inventory are on hand.

Required:

Determine the ending inventory amount for the December 31 financial statements under the LIFO method.

第六題：(10 分)

Tyler, Inc. earned net income of \$74,000 for 2006. The ledger reveals the following figures:

Preferred stock, \$4 per year, no-par, 1,000 shares issued and outstanding	\$ 50,000
Common stock, \$10 par, 52,000 shares issued	520,000
Treasury stock, common, 2,000 shares at cost	36,000

Required

Compute Tyler's EPS for the year.