

This quiz has been regraded; your new score reflects 0 questions that were affected.

Graded Homework #1: Financial Accounting (Counts 5% of Course Grade)

Due May 29 at 11:59pm **Points** 5 **Questions** 11
Available May 21 at 8am - May 29 at 11:59pm 9 days **Time Limit** None

Instructions

When completing a Homework Assignment, the student can start and stop work as many times as they as long as the assignment is completed by the due date and time. Unlike Exams, Homework Assignments are not timed. Be sure to save and not submit after completing your work. Once you submit the answer question it cannot be changed. By saving, the students can change the answer at a later time. When you complete the Homework be sure to submit your final answers. Homeworks that are still open (not submitted) will be closed at the due date and time and auto-submitted by the system.

Homework Assignments are open book and students can collaborate but are not allowed to exchange homework answers. Collaborate means explaining approaches and concepts but does not mean sharing spreadsheets or calculations. Also students are not allowed to copy or screen print homework questions. Violations in collaboration or in copying homework questions are subject to honor code disciplinary procedures.

This quiz was locked May 29 at 11:59pm.

Attempt History

	Attempt	Time	Score	Regraded
LATEST	<u>Attempt 1</u>	9,417 minutes	4.5 out of 5	4.75 out of 5

Correct answers are hidden.

Score for this quiz: **4.75** out of 5
Submitted May 28 at 6:30am
This attempt took 9,417 minutes.

Question 1	0.5 / 0.5 pts

Rock Hard Software and Hardware (Graded Homework #1)

NOTE: You only have one chance at the answer. Once you enter submit, your answer will be graded and you will see if you received points. Point values will vary by question.

Use the financial data table below for
Questions 1 through 7

Rock Hard Software and Hardware reports the following amounts at the **end of the year** (all amounts in \$000):

Cash	\$23,430	Depreciation Expense	\$4,100	Taxes Payable	\$712
Mortgage Payable	\$43,500	Land	\$62,000	Treasury Stock	\$2,210
Sales Discounts and Returns	\$1,258	Accounts Receivable	\$5,292	Supplies Expenses	\$355
Bonds Payable	\$38,000	Accumulated Depreciation	\$17,250	Income Tax Expense	\$780
Equipment	\$29,300	Interest Expense	\$2,900	Notes Payable	\$11,000
Cost of Goods Sold	\$18,344	Current Portion of Bonds Payable	\$6,200	Current Portion of Mortgage Payable	\$2,350
Product Sales (Gross)	\$56,145	Utilities Expense	\$950	Inventory	\$12,500
Discount of Bonds Payable	\$970	Salaries Expense	\$14,100	Revenues from Software Licenses	\$1,050
Buildings	\$52,000	Goodwill	\$350	Advertising Expenses	\$5,340
Sales Expenses	\$7,200	Salaries Payable	\$412	Marketable Securities	\$3,450
Accounts	\$5,340	PrePaid	\$750	Deferred	\$1,920

Payable		Expenses		Revenues	
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In addition, the company had common stock of \$42,000 at the beginning of the year and issued an additional \$3,500 during the year. The company also had retained earnings of \$19,700 at the beginning of the year and declared dividends of \$1,500 during the year.

Using the account information above develop a Balance Sheet and Income Statement, then answer the next seven questions. The list of accounts is complete so your balance sheet should balance if you have performed the work correctly.

Question #1: Calculate the Net Income After Interest and Taxes and choose the best answer from the choices below.

☐ \$1,118

☐ \$1,988

☐ \$10,040

☒ \$1,868

☐ \$2,738

Question 2

0.5 / 0.5 pts

Calculate the Total Amount of Current Assets and choose the best answer from the choices below.

☐ \$49,440

☐ \$47,342

☐ \$46,040

☐ \$44,672

☒ \$45,422

Question 3

0.5 / 0.5 pts

Calculate the Total Amount of Current Liabilities. Choose the best answer from the choices below.

☒ \$16,934

☐ \$17,812

☐ \$8,384

☐ \$88,570

☐ \$80,620

Question 4

0.5 / 0.5 pts

Calculate the Total Assets for Rock Hard. Choose the best answer from the choices below.

☐ \$173,742

☒ \$171,822

☐ \$171,072

☐ \$196,660

☐ \$189,210

Question 5**0.5 / 0.5 pts**

What is the total amount of the stockholders equity for Rock Hard Software and Hardware. Choose the best answer from the choices below.

☐ \$108,590

☐ \$62,608

☐ \$63,478

☒ \$63,358

☐ \$64,228

Question 6**0.5 / 0.5 pts**

Continuing with Rock Hard, what is the amount of Long-Term Liabilities. Chose the best answer from the choices below.

☐ \$100,080

☐ \$93,470

☒ \$91,530

☐ \$80,530

☐ \$97,730

Question 7**0.5 / 0.5 pts**

What is Rock Hard Software and Hardware's Return on Equity (ROE). Chose the best answer from the choices below.

☒ 2.95%

☐ 1.76%

☐ 1.79%

☐ 3.13%

☐ 2.32%

Question 8

0.25 / 0.25 pts

Using the following information calculate the cost of goods sold expense and the ending inventory amount that would be reported at the end of the year if the FIFO inventory valuation methods are used: (NOTE that in the answers below the COGS amount is shown first)

	Units	Dollars/Unit
Beginning Inventory 9/1	17	\$5.55
Purchases #1 - 9/3	15	\$5.59
Purchases #2 - 9/8	24	\$6.22
Purchases #3 - 9/23	12	\$6.49
Purchases #4 - 9/29	18	\$6.78
Sales	52	

☐ \$319/\$208

☐ \$289/\$238

☒ \$303/\$225

☐ \$5.55/\$6.78

☐ \$6.78/\$5.55

Question 9**0.25 / 0.25 pts**

	AR Balance	% Uncollectible
Current Accounts	\$140,000	1%
1 - 30 days past due	\$15,000	3%
31- 60 days past due	\$12,000	6%
61- 90 days past due	\$5,000	12%
Over 90 days past due	\$7,000	30%
Total Accounts Receivable	\$179,000	

Grisson Company had a \$400 balance in the Allowance for Doubtful Accounts as of December 31, 2018, before the current year's provision for uncollectible accounts. An aging of the Accounts Receivable is provided above. What is the amount of bad debt expense that should be recorded for 2018?

☒ \$4,870☐ \$18,616☐ \$7,000☐ \$5,270☐ \$5,670**Question 10****0.5 / 0.5 pts**

	12/31/2018	12/31/2019
Assets	\$295,000	\$318,000
Liabilities	\$100,000	\$110,000
Capital Stock	?	?
Retained Earnings	\$82,000	?

The above data is for Richard's Bait Shop. During 2019, Richard's net income was \$28,000 and \$3,200 in dividends were declared. The firm did not

hold any Treasury Stock in 2018 but did purchase Treasury Stock in 2019. No new common stock shares were issued in 2019. Using the data above calculate the amount of Treasury Stock purchased in 2019.

☐ \$16,800

☒ \$11,800

☐ \$101,200

☐ \$1,800

☐ \$2,800

ncorrect

Question 11

Original Score: 0 / 0.5 pts **Regraded Score: 0.25 / 0.5 pts**

This question has been regraded.

Rex-All Movie Productions Inc. produces movies featuring alien action heroes. The firm has a tax rate of 30% (Federal and State combined), an EBIT of \$650,000, net working capital of \$95,000, fixed assets of \$1,620,000, and current liabilities of \$320,000, no long term liabilities, and a cost of capital of 5.37%. With no long-term debt the firm had no interest expense for the year. What is the firm's ROIC? NOTE: This may be the first time you've seen ROIC or Return on Invested Capital. No worries, use the simplified formula: $ROIC = \text{Net Income} / (\text{Total Long Term Debt} + \text{Total Equity})$

☐ 37.90%

☐ 12.34%

☐ 22.36%

☒ 32.61%%

☐ 40.12%

☐ 26.53%

Quiz Score: **4.75** out of 5