

**Simon Fraser University  
BUS 251  
SAMPLE FINAL EXAM  
ANNE MACDONALD**

**TIME: 180 MINUTES = 150 MARKS**

<u>SECTION</u>	<u>MARKS</u>	<u>TIME (min.)</u>
READING TIME		30
1. Technical questions (4 questions A, B, C, D)	50	50
2. Financial statement analysis	30	30
3. Theory/written questions	30	30
4. Multiple choice	40	40
	150	180

**A FORMULA SHEET FOR FINANCIAL STATEMENT RATIOS IS PROVIDED AT THE BACK OF THE EXAM.**

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**SECTION 1. TECHNICAL ACCOUNTING QUESTIONS  
(50 MARKS = 50 MINUTES)**

**ANSWER EACH OF QUESTIONS A, B, C AND D BELOW. WATCH YOUR TIME, 1 MARK = 1 MINUTE.**

**A. (16 marks) PREPARATION OF INCOME STATEMENT and STATEMENT OF RETAINED EARNINGS**

The following is a trial balance for Zane Ltd. as at the recent fiscal year-end (December 31<sup>st</sup>, 2013):

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Accounts payable		\$ 2,400
Accounts receivable	\$ 3,100	
Accumulated depreciation		26,500
Bank loan		56,000
Cash	1,400	
Cost of goods sold expense	14,100	
Depreciation expense	2,000	
Dividends declared	4,100	
Gain on sale of surplus machinery		1,000
Heat, light and utility expenses	400	
Income tax expense	860	
Interest expense	570	
Inventory	11,500	
Loss on prefabrication business (discontinued)	2,650	