

AM I READY TO CHALLENGE AC 232, PRINCIPLES OF ACCOUNTING II?

This document is intended for student self-assessment purposes only. Please review it carefully to help you determine if you believe you are ready for the Challenge Exam for the course indicated above. Your self-assessment is not a guarantee that you will pass the Challenge Exam. Faculty with expertise in the subject matter/course outcomes evaluate whether your exam provides sufficient evidence that you have demonstrated appropriate college-level mastery of the course content. Enrolling in the course may be your best option.

COURSE OBJECTIVES:

This exam will test your knowledge and skills for the following course objectives:

After completing this course the student will be able to:

1. understand and use the appropriate accounting terminology;
2. journalize and post accounting transactions for corporations and manufacturing companies;
3. prepare and use the income statement, the statement of retained earnings, the balance sheet and the statement of cash flows;
4. record transactions relating to stocks and bonds;
5. compute ratios to analyze financial information;
6. identify product costs and prepare job order cost sheets;
7. journalize and post entries for a manufacturing company;
8. prepare cost-volume-profit analysis and statements; and
9. organize and coordinate individual budgets within the master budget.

CHALLENGE EXAM DESCRIPTION:

You will be asked to demonstrate your knowledge and skill related to the Challenge Course through these types of questions:

- Short Answer/Problem
- Multiple-Choice

EXAMPLE EXAM ITEMS:

Multiple Choice:

If Baylor Company issues 8,000 shares of \$5 par value common stock for \$280,000,

- a) Common Stock will be credited for \$280,000.
- b) Paid-In Capital in Excess of Par will be credited for \$40,000.
- c) Paid-In Capital in Excess of Par will be credited for \$240,000.
- d) Cash will be debited for \$240,000.

The product cost that is most difficult to associate with a product is

- a) advertising.
- b) direct materials.
- c) direct labor.
- d) manufacturing overhead.

Short answer/Problem

A division sold 100,000 calculators during the year:

Sales	\$2,000,000
Variable costs	700,000
Fixed costs	1,000,000

How much is the contribution margin per unit?

DETERMINATION OF CHALLENGE EXAM OUTCOME:

This exam will be evaluated on a Pass/Fail basis. You will have two hours to complete the exam and may use a financial calculator to prepare your work. You will need to earn the following to be awarded credit through the Challenge Exam for this course:

A score of 73% or greater out of 100% correct will be passing. There will be 25 multiple choice and/or Short answer/Problem questions. Each correct answer is worth 4 points out of a total of 100 points possible.

ITEM	Does not demonstrate end-of-course learning	Meets or Exceeds Expectations for end-of-course learning
Multiple choice and/or Short answer/problem	<73%	>= 73%