Business ethics are the cornerstone of a successful free enterprise economy. Personal ethics are the foundation for all personal intercourse. In the University setting, ethical behavior is part of academic honesty. Please read and sign the following statement:

This examination represents my sole effort. I have neither given nor received aid in the completion of this examination.

Signed: ________________________________

Printed name: __________________________
• For each of the following multiple choice or true/false questions, select the best answer.
• In all instances requiring a computation, show computations in good form.

1. How are FASB discussion memoranda and FASB exposure drafts related to FASB Statements?
   a. Both are promulgated by the technical staff of the FASB in order to get public input regarding items under consideration by the FASB
   b. Both are promulgated by the FASB in order to get public input regarding items under consideration by the FASB
   c. Discussion memoranda are promulgated by the technical staff of the FASB in order to get public input regarding items under consideration by the FASB; Exposure drafts are promulgated by the FASB
   d. Exposure drafts are promulgated by the technical staff of the FASB in order to get public input regarding items under consideration by the FASB; Discussion memoranda are promulgated by the FASB
   e. None of the above

2. What is rule 203 of the Code of Professional Conduct?
   a. Rule 203 establishes the process of establishing GAAP
   b. Rule 203 prohibits a member of the AICPA from expressing an opinion that financial statements conform to GAAP if those statements contain a material departure from an accounting principle established by the FASB.
   c. Rule 203 prohibits a member of the AICPA from expressing an opinion that financial statements conform to GAAP if those statements contain a material departure from an accounting principle established by the FASB or its predecessors.
   d. Both a and b
   e. None of the above

3. What is a “Conceptual Framework”?
   a. A conceptual framework is a set of concepts that governs the creation of GAAP.
   b. A conceptual framework is a set of concepts that establishes a system of interrelated objectives and fundamentals that helps lead to consistent standards of GAAP.
   c. A conceptual framework the qualitative characteristics that contribute to the qualitative characteristics of GAAP
   d. Both a and c
   e. None of these

4. What is the basic accounting problem created by the monetary unit assumption when there is significant inflation?
   a. Inflation does not cause any material problems
   b. Inflation causes the monetary units to have different values thereby reducing its validity
   c. Inflation does not cause any material problems because under Concept No. 5 the FASB allows the monetary unit to be adjusted for reporting purposes
   d. Both a and c
   e. None of the above

5. A worksheet is
   a. A permanent record, and its use is required in the accounting cycle
   b. A required but informal device for accumulating and sorting information needed for the preparation of the financial statements.
   c. An optional and informal device for accumulating and sorting information needed for the preparation of the financial statements.
   d. Both a and b
   e. None of these
6. What is earnings management?
   a. The "smoothing" of income over time.
   b. Planned timing of revenues, expenses and losses
   c. A component of good management that results in more predictable earning to the benefit of both creditors and investors
   d. Both a and b
   e. None of these

7. What are the objectives of GAAP in their application to the Income Statement?
   a. Measure and report the results of operations as they occur for a specified period.
   b. Measure and report the results of operations as they occur for a specified period without regard to the many assumptions and estimates that are necessary.
   c. Measure and report the results of operations as they occur for a specified period without recognizing any artificial exclusions or modifications.
   d. Either b or c
   e. None of these

8. How should prior period adjustments be reported in the financial statements?
   a. On the income statement after continuing operations net of tax affect
   b. On the income statement as an “other item” net of tax affect
   c. As an adjustment to the beginning balance of retained earnings
   d. Either a or b depending on the nature of the error
   e. None of these

9. What types of contractual obligations must be disclosed in great detail in the notes to the balance sheet?
   a. General debt obligations
   b. Lease contracts
   c. Pension arrangements
   d. Stock option plans
   e. All of these

10. Which of the following is a financing activity?
    a. Interest from any source
    b. Making or collecting loans
    c. Obtaining capital from the owners of the company
    d. Obtaining capital from outsiders
    e. Acquiring or disposing of debt

11. Which of the following are not components of an interest rate?
    a. Pure interest rate
    b. Credit risk rate of interest
    c. Expected inflation rate of interest
    d. Simple interest rate
    e. All are components

12. Which of the following are not primary characteristics of an “ordinary” annuity?
    a. Periodic payments
    b. Equal amounts
    c. Rents received at the end of the period
    d. Interest compounded each period
    e. All are components of an "ordinary" annuity
13. Which of the following should be **not** be classified as “cash”?
   a. Coins and currency
   b. US treasury bonds
   c. Deposits in transit
   d. Savings and checking accounts
   e. Petty cash

14. Which of the following are not basic problems that occur in the valuation of accounts receivable?
   a. The determination of the face value of the receivable
   b. The probability of future collection
   c. The length of time the receivable will be outstanding
   d. Accounting for credit sales
   e. All are basic problems

15. In what ways are the inventory accounts of a retailing concern different from those of a manufacturing enterprise?
   a. In a retailing company there are many inventories
   b. In a retailing concern there is only one inventory
   c. In a manufacturing concern, inventory is much easier to account for
   d. In a manufacturing concern there are several ways to account for inventories
   e. All of the above

16. Define “cost” as applied to the valuation of inventories:
   a. The catalog price
   b. The price of the item plus all charges directly or indirectly incurred in getting the item ready for use.
   c. All items in “b” above plus selling and administrative costs.
   d. All items in “b” above excluding freight costs
   e. a, b and c are all correct.

17. Which of the following is a potentially serious problem with the LIFO inventory system?
   a. The method is impractical for manufacturing processes in which units are commingled and unit identity is lost.
   b. It allows an artificial determination of income by permitting arbitrary selection of items to be sold from a homogeneous group.
   c. The cost of using it restricts its use to goods of high unit value
   d. Phantom inventory profits occur when the inventory costs matched against sales are less than the replacement cost of inventory.
   e. All of the above

Utilize the information presented below to answer Questions 18-22:

<table>
<thead>
<tr>
<th>Case</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$15.90</td>
<td>$16.10</td>
<td>$15.90</td>
<td>$15.90</td>
<td>$15.90</td>
</tr>
<tr>
<td>Net Realizable Value</td>
<td>14.30</td>
<td>19.20</td>
<td>15.20</td>
<td>10.40</td>
<td>16.40</td>
</tr>
<tr>
<td>Normal Profit</td>
<td>1.50</td>
<td>1.60</td>
<td>1.45</td>
<td>1.60</td>
<td>1.60</td>
</tr>
<tr>
<td>Market (Replac.Cost)</td>
<td>14.80</td>
<td>17.20</td>
<td>12.80</td>
<td>9.70</td>
<td>16.80</td>
</tr>
</tbody>
</table>

18. In case 1, what unit value should be used to compute total inventory cost?
   a. $15.90
   b. $14.30
   c. $9.70
   d. $16.10
   e. $13.75
19. In case 2, what unit value should be used to compute total inventory cost?
   a. $15.90 
   b. $14.30 
   c. $9.70 
   d. $16.10 
   e. $13.75

20. In case 3, what unit value should be used to compute total inventory cost?
   a. $15.90 
   b. $14.30 
   c. $9.70 
   d. $16.10 
   e. $13.75

21. In case 4, what unit value should be used to compute total inventory cost?
   a. $15.90 
   b. $14.30 
   c. $9.70 
   d. $16.10 
   e. $13.75

22. In case 5, what unit value should be used to compute total inventory cost?
   a. $15.90 
   b. $14.30 
   c. $9.70 
   d. $16.10 
   e. $13.75

23. Which of the following is/are not a characteristic of plant assets?
   a. Acquired for use in operations 
   b. Not held for resale 
   c. Long-term in nature and subject to depreciation 
   d. Have "physical substance" 
   e. All of the above

24. What interest rate should be used in determining the amount of interest to be capitalized?
   a. The avoidable interest 
   b. Weighted average interest rate during construction 
   c. The weighted average interest rate while the asset is held for resale 
   d. The interest rate the company could borrow at the beginning of construction 
   e. None of these

25. Which of the following costs should not be capitalized to the price of a new production machine?
   a. Termination costs for employees no longer needed 
   b. Cost of training new employees 
   c. Transportation costs to get the machine to the plant 
   d. Improvements to the building required to accommodate the machine 
   e. All of the above
Questions 26 through 28 refer to the following information:

Consider the following accounts and balances:

Administrative expenses:
- Officers salaries $4,900
- Depreciation of equipment 3,960
- Cost of goods sold 60,570
- Rental revenue 17,230

Selling Expense:
- Transportation out 2,690
- Sales Commissions 7,980
- Depreciation Expense 6,480
- Sales 96,500
- Income Tax 9,070
- Interest Expense of Bonds payable 1,860

In the space below and to the right to prepare an income statement in good form using the multiple step format and then answer the following questions:

26. What is the Gross profit?
   a. 26,010
   b. 9,920
   c. 16,220
   d. 35,930
   e. 27,150

27. What is the Net income?
   a. 26,010
   b. 9,920
   c. 16,220
   d. 35,930
   e. 27,150

28. What is the total operating expense?
   a. 26,010
   b. 9,920
   c. 16,220
   d. 35,930
   e. 27,150
Questions 29 thru 33 refer to the following worksheet.

Instructions:
Using the other date included in the worksheet below, complete the worksheet and answer the following questions.

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Trial Balance</th>
<th>Adjustments</th>
<th>Adjusted Trial Balance</th>
<th>Income Statement</th>
<th>Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dr.</td>
<td>Cr.</td>
<td>Dr.</td>
<td>Cr.</td>
<td>Dr.</td>
</tr>
<tr>
<td>Cash</td>
<td>2,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roofing Supplies</td>
<td>1,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>6,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>1,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>6,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Revenue</td>
<td>3,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Expense</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>12,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other data:
(a) A physical count reveals only $520 dollars of supplies on hand
(b) Equipment is depreciated at the rate of $120 per month
(c) Unearned service revenue amounted to $100 on March 31.
(d) Accrued salaries are $850.
Questions 29 through 33 refer the worksheet completed on page 6 of this examination.

29. What is the net income?
   a. 1,750  
   b. 2,150  
   c. 3,200  
   d. 1,050  
   e. none of these

30. What is the total of expenses appearing on the income statement?
   a. 1,750  
   b. 2,150  
   c. 3,200  
   d. 1,050  
   e. none of these

31. In what column would Salaries payable appear?
   a. Worksheet  
   b. Adjustments debit  
   c. Adjustments credit  
   d. Income Statement Credit  
   e. Balance Sheet Debit

32. What is the total in the Adjustments, debit column?
   a. 1,750  
   b. 2,150  
   c. 3,200  
   d. 1,050  
   e. none of these

33. In what columns should the Net Income amount be shown?
   a. Adjustments credit  
   b. Income statement Debit  
   c. Balance Sheet Credit  
   d. Adjustments credit  
   e. Both b and c

For questions 34 through 46 please indicate how each of the following transactions should be classified using the following choices:

a. Operating activity—add to net income  
   b. Operating activity—deduct from net income  
   c. Investing activity  
   d. Financing activity  
   e. Not reported as a cash flow

34. Issuance of capital stock
35. Purchase of land and building
36. Redemption of bonds
37. Sale of equipment
38. Depreciation of machinery
39. Amortization of patent
40. Issuance of bonds for plant assets
41. Payment of cash dividends
42. Exchange of furniture for office equipment
43. Purchase of treasury stock
44. Loss on sale of equipment
45. Increase in accounts receivable during the year
46. Decrease in accounts payable during the year
47. On January 1, 2001, Marx Co. sold goods to Cox Company. Cox signed a noninterest-bearing note requiring payment of $30,000 annually for seven years. The first payment was made on January 1, 2001. The prevailing rate of interest for this type of note at date of issuance was 10%. Information on present value factors is as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Present Value of 1 at 10%</th>
<th>Present Value of Ordinary Annuity of 1 at 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>.5645</td>
<td>4.3553</td>
</tr>
<tr>
<td>7</td>
<td>.5132</td>
<td>4.8684</td>
</tr>
</tbody>
</table>

Marx should record sales revenue in January 2001 of (rounded)

a. $160,660.
b. $146,050.
c. $130,660.
d. $107,100.

48. On January 1, 2001, Cox Co. exchanged equipment for a $120,000 noninterest-bearing note due on January 1, 2004. The prevailing rate of interest for a note of this type at January 1, 2001 was 10%. The present value of $1 at 10% for three periods is 0.75. What amount of interest revenue should be included in Cox's 2002 income statement?

a. $0
b. $9,000
c. $9,900
d. $12,000

49. On January 1, 2001, Grant Co. issued ten-year bonds with a face amount of $3,000,000 and a stated interest rate of 8% payable annually on January 1. The bonds were priced to yield 10%. Present value factors are as follows:

<table>
<thead>
<tr>
<th>Present value of 1 for 10 periods</th>
<th>At 8%</th>
<th>At 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.463</td>
<td>0.386</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present value of an ordinary annuity of 1 for 10 periods</th>
<th>At 8%</th>
<th>At 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.710</td>
<td>6.145</td>
<td></td>
</tr>
</tbody>
</table>

The total issue price (rounded) of the bonds was

a. $3,000,000.
b. $2,940,000.
c. $2,760,000.
d. $2,632,800.

50. On January 1, 2001, Lank Co. sold to Day Corp. $400,000 of its 10% bonds for $354,118 to yield 12%. Interest is payable semiannually on January 1 and July 1. What amount should Lank report as interest expense for the six months ended June 30, 2001?

a. $17,706
b. $20,000
c. $21,247
d. $24,000

51. May Co. prepared an aging of its accounts receivable at December 31, 2001 and determined that the net realizable value of the receivables was $290,000. Additional information is available as follows:

<table>
<thead>
<tr>
<th>Allowance for uncollectible accounts at 1/1/01—credit balance</th>
<th>$ 34,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts written off as uncollectible during 2001</td>
<td>23,000</td>
</tr>
<tr>
<td>Accounts receivable at 12/31/01</td>
<td>320,000</td>
</tr>
<tr>
<td>Uncollectible accounts recovered during 2001</td>
<td>5,000</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2001, May's uncollectible accounts expense would be

a. $20,000.
b. $23,000.
c. $16,000.
d. $14,000.
52. For the year ended December 31, 2001, Colt Co. estimated its allowance for uncollectible accounts using the year-end aging of accounts receivable. The following data are available:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for uncollectible accounts, 1/1/01</td>
<td>$51,000</td>
</tr>
<tr>
<td>Provision for uncollectible accounts during 2001</td>
<td></td>
</tr>
<tr>
<td>(2% on credit sales of $2,000,000)</td>
<td>$40,000</td>
</tr>
<tr>
<td>Uncollectible accounts written off, 11/30/01</td>
<td>$46,000</td>
</tr>
<tr>
<td>Estimated uncollectible accounts per aging, 12/31/01</td>
<td>$69,000</td>
</tr>
</tbody>
</table>

After year-end adjustment, the uncollectible accounts expense for 2001 should be:

a. $46,000.
b. $57,000.
c. $69,000.
d. $64,000.

53. Linn Co.'s allowance for uncollectible accounts was $92,000 at the end of 2001 and $90,000 at the end of 2000. For the year ended December 31, 2001, Linn reported bad debt expense of $13,000 in its income statement. What amount did Linn debit to the appropriate account in 2001 to write off actual bad debts?

a. $2,000  
b. $11,000  
c. $13,000  
d. $15,000

54. Under the allowance method of recognizing uncollectible accounts, the entry to write off an uncollectible account

a. increases the allowance for uncollectible accounts.
b. has no effect on the allowance for uncollectible accounts.
c. has no effect on net income.
d. decreases net income.

55. The following accounts were abstracted from Uler Co.'s unadjusted trial balance at December 31, 2001:

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$700,000</td>
<td></td>
</tr>
<tr>
<td>Allowance for uncollectible accounts</td>
<td></td>
<td>$8,000</td>
</tr>
<tr>
<td>Net credit sales</td>
<td></td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>

Uler estimates that 1% of the gross accounts receivable will become uncollectible. After adjustment at December 31, 2001, the allowance for uncollectible accounts should have a credit balance of

a. $30,000.
b. $22,000.
c. $15,000.
d. $7,000.

56. On June 1, 2001, Oslo Corp. sold merchandise with a list price of $15,000 to Mead on account. Oslo allowed trade discounts of 30% and 20%. Credit terms were 2/15, n/40 and the sale was made f.o.b. shipping point. Oslo prepaid $300 of delivery costs for Mead as an accommodation. On June 12, 2001, Oslo received from Mead a remittance in full payment amounting to

a. $8,232.
b. $8,526.
c. $8,532.
d. $8,397.
57. Crane Corp.'s accounts payable at December 31, 2001, totaled $900,000 before any necessary year-end adjustments relating to the following transactions:

- On December 27, 2001, Crane wrote and recorded checks to creditors totaling $350,000 causing an overdraft of $100,000 in Crane's bank account at December 31, 2001. The checks were mailed out on January 10, 2002.
- On December 28, 2001, Crane purchased and received goods for $200,000, terms 2/10, n/30. Crane records purchases and accounts payable at net amounts. The invoice was recorded and paid January 3, 2002.
- Goods shipped f.o.b. destination on December 20, 2001 from a vendor to Crane were received January 2, 2002. The invoice cost was $65,000.

At December 31, 2001, what amount should Crane report as total accounts payable?
   a. $1,511,000.
   b. $1,446,000.
   c. $1,150,000.
   d. $1,100,000.

58. During periods of rising prices, a perpetual inventory system would result in the same dollar amount of ending inventory as a periodic inventory system under which of the following inventory cost flow methods?

<table>
<thead>
<tr>
<th>FIFO</th>
<th>LIFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes</td>
<td>No</td>
</tr>
<tr>
<td>b. Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>c. No</td>
<td>Yes</td>
</tr>
<tr>
<td>d. No</td>
<td>No</td>
</tr>
</tbody>
</table>

59. Noll Co. had 150 units of product A on hand at January 1, 2001, costing $42 each. Purchases of product A during January were as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Units</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 10</td>
<td>200</td>
<td>$44</td>
</tr>
<tr>
<td>18</td>
<td>250</td>
<td>46</td>
</tr>
<tr>
<td>28</td>
<td>100</td>
<td>48</td>
</tr>
</tbody>
</table>

A physical count on January 31, 2001 shows 200 units of product A on hand. The cost of the inventory at January 31, 2001 under the LIFO method is
   a. $9,400.
   b. $8,900.
   c. $8,500.
   d. $8,200.

Use the following information for questions 60 through 64

Trent Co. uses the retail inventory method. The following information is available for the current year.

<table>
<thead>
<tr>
<th>Cost</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning inventory</td>
<td>$117,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>442,000</td>
</tr>
<tr>
<td>Freight-in</td>
<td>8,000</td>
</tr>
<tr>
<td>Employee discounts</td>
<td>—</td>
</tr>
<tr>
<td>Net markups</td>
<td>—</td>
</tr>
<tr>
<td>Net Markdowns</td>
<td>—</td>
</tr>
<tr>
<td>Sales</td>
<td>—</td>
</tr>
</tbody>
</table>
60. If the ending inventory is to be valued at approximately lower of average cost or market, the calculation of the cost ratio should be based on cost and retail of
   a. $450,000 and $645,000.
   b. $450,000 and $642,000.
   c. $559,000 and $825,000.
   d. $567,000 and $828,000.

61. If the ending inventory is to be valued at approximately LIFO cost, the calculation of the cost ratio should be based on cost and retail of
   a. $567,000 and $828,000.
   b. $567,000 and $798,000.
   c. $450,000 and $615,000.
   d. $450,000 and $645,000.

62. The ending inventory at retail should be
   a. $240,000.
   b. $225,000.
   c. $216,000.
   d. $210,000.

63. The approximate cost of the ending inventory by the conventional retail method is
   a. $143,850.
   b. $142,380.
   c. $147,000.
   d. $153,720.

64. Assuming that the LIFO inventory method is used, that the beginning inventory is the base inventory when the index was 100, and that the index at year end is 112, the ending inventory at dollar-value LIFO retail cost is
   a. $120,689.
   b. $139,135.
   c. $143,850.
   d. $153,720.

65. If a corporation purchases a lot and building and subsequently tears down the building and uses the property as a parking lot, the proper accounting treatment of the cost of the building would depend on
   a. the significance of the cost allocated to the building in relation to the combined cost of the lot and building.
   b. the length of time for which the building was held prior to its demolition.
   c. the contemplated future use of the parking lot.
   d. the intention of management for the property when the building was acquired.

66. Sparks Co. exchanged merchandise that cost $18,000 and normally sold for $27,000 for a new delivery truck with a list price of $30,000. The delivery truck should be recorded on Sparks' books at
   a. $18,000.
   b. $22,500.
   c. $27,000.
   d. $30,000.

67. The debit for a sales tax properly levied and paid on the purchase of machinery preferably would be a charge to
   a. the machinery account.
   b. a separate deferred charge account.
   c. miscellaneous tax expense (which includes all taxes other than those on income).
   d. accumulated depreciation--machinery.
68. Small tools and containers used repeatedly for more than a year are classified on the balance sheet as
   a. current assets.
   b. fixed assets.
   c. deferred charges.
   d. investments.

69. Which of the following assets do not qualify for capitalization of interest costs incurred during
    construction of the assets?
   a. Assets under construction for an enterprise’s own use.
   b. Assets intended for sale or lease that are produced as discrete projects.
   c. Assets financed through the issuance of long-term debt.
   d. Assets not currently undergoing the activities necessary to prepare them for their intended use.

70. Assets that qualify for interest cost capitalization include
   a. assets under construction for a company’s own use.
   b. assets that are ready for their intended use in the earnings of the company.
   c. assets that are not currently being used because of excess capacity.
   d. All of these assets qualify for interest cost capitalization.
1. A Chp1Q16
2. C Chp1Q18
3. B Chp2Q1
4. B Chp2Q12
5. C Chp3 Q18
6. D Chp4Q6
7. C Chp4Q8
8. C Chp4Q14
9. E Chp5Q22
10 C Chp5 Q28
11. D Chp6Ex4
12. E. Chp6Ex9
13. B. Chp7Ex2
14. D Chp7Ex7
15. B Chp8Q1
16. B Chp8Q8
17. D. Chp8Q20
18. B. Chp9Q5
19. D Chp9Q5
20. E Chp9Q5
21. C Chp9Q5
22. A Chp9Q5
23. E Chp10 Q1
24. A Chp10Q10
25. A Chp10 Q20
26. D Chp4Ex5
27. C Chp4Ex5
28. A Chp4Ex5
29. E Chp3Ex18
30. B Chp3Ex18
31. C Chp3Ex18
32. A Chp3Ex18
33. E Chp3Ex18
34. D Chp5Ex10
35. C Chp5Ex10
36. D Chp5Ex10
37. C Chp5Ex10
38. A Chp5Ex10
39. A Chp5Ex10
40. E Chp5Ex10
41. D Chp5Ex10
42. E Chp5Ex10
43. D Chp5Ex10
44. A Chp5Ex10
45. B Chp5Ex10
46. B Chp5Ex10
47. A Chp6Chpt examples
48. C Chp6Chpt examples
49. D Chp6Chpt examples
50. C Chp6Chpt examples
51. D Chp7Chpt examples
52. D Chp7Chpt examples
53. D Chp7Chpt examples
54. C Chp7Chpt examples
55. D Chp7Chpt examples
56. C Chp8Chpt examples
57. B Chp8Chpt examples
58. A Chp8Chpt examples
59. C Chp8Chpt examples
60. D Chp9Chpt examples
61. C Chp9Chpt examples
62. D Chp9Chpt examples
63. A Chp9Chpt examples
64. A Chp9Chpt examples
65. D Chp10Chpt examples
66. C Chp10Chpt examples
67. A Chp10Chpt examples
68. B Chp10Chpt examples
69. D Chp10Chpt examples
70. A Chp10Chpt examples