

CPA Company had the following cash balance on July 31, 2021:

Undeposited Coins and Currencies	40,000
Unrestricted Demand Deposits	1,660,000
Company checks written and recorded but scheduled to be mailed on August 2, 2021	370,000
90-day time deposit (restricted)	3,000,000

In exchange for a guaranteed line of credit, CPA has agreed to maintain a minimum balance of P150,000 in its unrestricted demand deposit. How much is the correct cash to be reported in the statement of financial position as of July 31, 2021?

1,870,000

2,070,000

4,970,000

3,000,000

ANSWER: B

CPA Company had the following account balances on December 31, 2021:

Cash in Bank	2,250,000
Cash on Hand	125,000
Cash Restricted for addition to plant and expected to be disbursed in 2022	1,600,000

Cash in bank included P600,000 of compensating balance against short-term borrowing arrangement. The compensating balance is not legally restricted as to withdrawal. On December 31, 2021, what total cash should be reported under current assets?

1,775,000

2,250,000

2,375,000

3,975,000

ANSWER: C

CPA Company had the following account balances on December 31, 2021:

Cash in Bank	3,000,000
Cash on Hand	400,000
Cash Restricted for addition to plant and expected to be disbursed in 2022	1,500,000

Cash in bank included P600,000 of compensating balance against short-term borrowing arrangement. The compensating balance is not legally restricted as to withdrawal. What total amount should be reported as cash?

3,400,000

4,900,000

4,400,000

5,400,000

ANSWER: A

CPA Company had the following account balances on December 31, 2021:

Cash in Bank	2000000
Cash on Hand	125000
Cash Restricted for addition to plant and expected to be disbursed in 2022	2500000

Cash in bank included P500,000 of compensating balance against short-term borrowing arrangement. The compensating balance is not legally restricted as to withdrawal. What total amount should be reported as cash equivalents?

2,000,000

1,500,000

0

4,500,000

ANSWER: C

The following data pertain to Cards Company on December 31, 2021:

Checkbook balance	3,000,000
Bank statement balance	4,000,000
Check drawn on Cards' account payable to supplier, dated and recorded on December 31, 2021 but not mailed until January 15, 2022	300,000