

RSM 320 SPRING 2010 ASSIGNMENT 2 GRADING GUIDELINES

QUESTION 1

(a) (4 marks)

Missal Corporation
Pension Work Sheet—2008 and 2009

Items	General Journal Entries				Memo Record		
	Annual Pension Expense	Cash	Accrued Pension Liability	Accrued Benefit Obligation	Plan Assets	Unreco-gnized Past Service Cost	Unreco-gnized Net Gain or Loss
Balance, Jan. 1, 2008			80,000 Cr.	650,000 Cr.	410,000 Dr.	160,000 Dr.	
(a) Service cost	40,000 Dr.			40,000 Cr.			
(b) Interest cost	65,000 Dr.			65,000 Cr.			
(c) Expected return	36,900 Cr.				36,900 Dr.		
(d) Actuarial loss on assets					900 Cr.		900 Dr.
(e) Funding		72,000 Cr.			72,000 Dr.		
(f) Benefits				31,500 Dr.	31,500 Cr.		
(g) Liability loss				87,000 Cr.			87,000 Dr.
(h) Amortization of PSC	70,000 Dr.					70,000 Cr.	
Journal entries, 12/31/08	<u>138,100</u> Dr.	<u>72,000</u> Cr.	<u>66,100</u> Cr.				
Balance, Dec. 31, 2008			<u>146,100</u> Cr.	<u>810,500</u> Cr.	<u>486,500</u> Dr.	<u>90,000</u> Dr.	<u>87,900</u> Dr.
(i) Service cost	59,000 Dr.			59,000 Cr.			
(j) Interest cost	81,050 Dr.			81,050 Cr.			
(k) Expected return	43,785 Cr.				43,785 Dr.		
(l) Unexpected gain					17,215 Dr.		17,215 Cr.
(m) Amortization of PSC	55,000 Dr.					55,000 Cr.	
(n) Funding		81,000 Cr.			81,000 Dr.		
(o) Benefits				54,000 Dr.	54,000 Cr.		
(p) Unrecognized loss amortization	343 Dr.						343 Cr.
Journal entries, 12/31/09	<u>151,608</u> Dr.	<u>81,000</u> Cr.	<u>70,608</u> Cr.				