

**KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION
DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION**

SECOND SEMESTER EXAM 2012/2013

COURSE NAME: ACCOUNTING (2)

TRACK: التجاري وتوحيد المسارات

COURSE CODE: 212 محا

TIME: 2 Hours

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QUESTION ONE: (10 Marks)

Choose the correct answer for each of the following questions:

- 1) If Net Sales is BD20,000, Sales Returns is BD50,000, and sales discount is BD10,000 Gross sales is:
 - a) BD80,000
 - b) BD60,000
 - c) BD20,000
 - d) BD70,000
- 2) In straight line method of depreciation, residual value means:
 - a) Acquisition cost
 - b) Book Value
 - c) Salvage Value
 - d) Useful life
- 3) To calculate the provision under income statement approach, companies take percentage of:
 - a) Net sales
 - b) Account receivable
 - c) Net income
 - d) Net purchases
- 4) Gross Profit =
 - a) Net Sales – Ending Inventory
 - b) Net Sales – Cost of goods sold
 - c) Total Revenue – Operating Expenses
 - d) Gross Sales – Cost of purchases
- 5) Salaries payable is classified as a(n):
 - a) Liability
 - b) Asset
 - c) Expense
 - d) Revenue

QUESTION THREE: (17 Marks)

(A) Ahmed Company purchased a machine on January 1st 2010. Relevant information is given below:

Cost price	BD2,000
Installation Expense	BD200
Salvage value	BD500
Useful life	5 years

Required:

1- Complete the following depreciation schedule if the Straight Line Method is used:

Year	Calculation	Depreciation expense	Accumulated depreciation	Net book value
1	..... ÷ .....	.....	.....	1,860
2	..... ÷ .....	.....	.....	1,520
3	1,700 ÷ 5	.....	1,020	.....
4	..... ÷ .....	.....	.....	840
5	..... ÷ .....	.....	1,700	.....

(B) Prepare the journal entry for the first and second year.

Date	Details	Debit (BD)	Credit (BD)

QUESTION FOUR: (15 Marks)

The following information has been taken from the books of Fawzi Trading Company on 31st October, 2012:

Account Receivable BD250,800

Provision for doubtful debts BD4,200

Period	Accounts Receivable (BD)	Provision	Amount of Provision (BD)
Less than one month	85,000	3%	?
31-60 days past due	48,000	6%	?
61-90 days past due	66,000	10%	?
Over 90 days past due	51,800	10%	?
Total	250,800		?

Required:

- 1- Compute the estimated amount of Provision in the space provided in the above table.
- 2- Prepare the adjusting entry needed to bring the provision for doubtful debts to the proper amount.

Date	Details	Debit (BD)	Credit (BD)

- 3- On 31st December 2012, the company decided to write off Noor Company's balance of BD650 as uncollectible.

Date	Details	Debit (BD)	Credit (BD)

QUESTION FIVE: (15 Marks)

Thamer Co. accounting period ended on 31st December. The Trial Balance on 31st December, 2012 shows the following balances for selected accounts:

Accounts	Amount (BD)
Customer Advances	5,700
Rent Expense	900
Supplies	3,400

Adjustments:

- 1- Supplies on hand BD1,200.
- 2- 20% of the customer advances have been completed.
- 3- Advertising payable for the period BD600.

Required

Prepare the adjusting entries on December 31st, 2012.

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Date	Explanation	Debit (BD)	Credit (BD)

QUESTION SIX: (21 Marks)

Complete the work sheet of **Nahla Trading Est.** for the year ended 31st December, 2012, using the following adjusting entries:

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Date	Explanation	Debit (BD)	Credit (BD)
Dec. 31	Accounts Receivable	1,900	
	Sales		1,900
Dec. 31	Rent Expense	350	
	Prepaid Rent		350
Dec. 31	Accrued Interest Revenue	250	
	Interest Revenue		250

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Account Title	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	180,000									
Account Receivable	90,000									
Prepaid Rent	1,550									
Opening Inventory	65,000									
Trucks	134,480									
Equipment	77,300									
Accounts Payable		70,000								
Capital		450,000								
Drawings	2,000									
Sales		144,600								
Sales Returns	5,600									
Purchases	113,420									
Purchases Returns		11,000								
Rent Expense	1,850									
Advertising Expense	4,400									
Total	675,600	675,600								

أ.إبراهيم أمان

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