

KINGDOM OF BAHRAIN MINISTRY OF EDUCATION

DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION

50

SECOND SEMESFER EXAM 2016/2017

MODEL ANSWERS

COURSE NAME: ACCOUNTING (1)

TRACK: توحيد المسارات

COURSE CODE: 111 Lan

TIME: 2 Hours

#### QUESTION ONE:

Choose the correct answer:

10×1 = 10 Marks

1- On Jan,31,2016. The Assets and Liabilities of Ahmed Company are as follow: Cash DB15200- Account receivable BD3300- Supplies BD8500-Premises BD35000-Account Payable BD11900. What the amount of Owner's Equity?

- -- a) BD50100
  - b) BD51000
  - c) BD62000
  - D) BD38900
  - 2- How would the accounting equation of Amal Est, by completed services to customer for BD16000 on credit
  - a) + BD16000 for Account Receivable and + BD16000 for Cash.
- b) + BD16000 for Account Receivable and + BD16000 for Owner's Equity.
  - c) + BD16000 for Account Receivable and BD16000 for Cash.
  - d) BD16000 for Account Receivable and BD16000 for Owner's Equity.
  - 3- Dana Company has assets BD300000 and liabilities BD100000. If it buys supplies on credit for BD2800. What would be the effects of this transaction on the basic accounting equation?
- → a) + BD2800 for assets and + 2800 for liabilities.
  - b) BD2800 for assets and 2800 for liabilities
  - c) BD2800 for assets and + 2800 for liabilities
  - d) + BD2800 for assets and 2800 for liabilities.
  - 4- Debit side in journal entry is:
  - a) + Assets, + Expenses, + Liabilities and + Capital.
- → b) + Assets, + Expenses, Liabilities and Capital.
  - c) + Assets, Expenses, + Liabilities and Capital.
  - d) Assets, + Expenses, Liabilities and + Capital.

- 5- If the assets of business increased by BD105000 and liabilities increased by BD35000 during a period. The owner's equity in the same period must have.
- a) Increased BD140000
- b) Decreased BD140000
- → c) Increased BD70000
  - d) Decreased BD70000
  - 6- Fahad Est, Invested cash BD32000 in the business. The journal entry should be.
  - a) Debit cash and credit revenues
  - b) Debit cash and credit account receivable
  - c) Debit capital and credit cash
- ---- d) Debit cash and credit capital
  - 7- Fawaz Company collected BD19200 cash from debtor (account receivable). The effects in the accounting equation are,
- →a) Total assets, total liabilities and total owner's equity are unchanged.
  - b) Total assets, total liabilities and total owner's equity are increased
  - c) Total assets, total liabilities and total owner's equity are decreased.
  - d) Total assets, total liabilities are increased and total owner's equity are unchanged.
  - 8- On July, 31, 2016. Paid salary expenses BD4500 cash, the journal entry should be.
  - a) Debit cash and credit salary expenses
- → b) Debit salary expenses and credit cash
  - c) Debit salary expenses and credit account payable
  - d) Debit salary expenses and credit capital
  - 9- On March,15,2016. Paid cash BD1900 to creditor (account payable). What would be the effects of this transaction on the basic accounting equation?
  - a) + BD1900 for assets and + 1900 for liabilities.
- → b) BD1900 for assets and 1900 for liabilities
  - c) BD1900 for owner's equity and + 1900 for liabilities
  - d) + BD1900 for assets and 1900 owner's equity.
  - 10- Sold goods BD7200 cash, the journal entry should be.
- a) Debit cash and credit Sales.
  - b) Debit Sales and credit cash
  - c) Debit sales and credit account payable
  - d) Debit account receivable and credit sales.

## **QUESTION TWO:**

22× 1= 22 Marks

Majed Company contained the following transactions were completed during May,2016:

May,1: Invested cash BD75000 in the business.

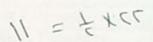
May,2: Purchased goods BD2900 on credit from Khaled Est.

May,5: Sold goods for BD800 to Asma Company who are using American Express Card. The credit card make services charge of 2%.

May, 8: Returned goods BD 400 to Khaled Est on credit.

May, 10: Withdrew cash BD500 for personal used.

May, 15: Paid full amount due to Khaled Est.





REQUIRED:

a) Prepare the journal entries.

b) Post to the ledger for Account Payable.

	General Journal	Page No. (1)		
Date	Explanation	Debit (BD)	Credit (BD)	
May,1	Cash /	/ 15000		
KINLE	Capital /		75000	
May,2	Purchases /	, 2900		
	Account Payable - (Khaled Est) / /		2900	
May,5	Account Receivable - (Asma) /	784		
	Credit Card Expenses /	16		
	Sales /		; 800	
May,8	Account Payable - (Khaled Est) /	400		
	Purchases Returns /		400	
May,10	Drawing /	-500		
	Cash /		500	
May,15	Account Payable - (Khaled Est) /	2500		
	Cash /		. 2500	

Name of Account	: Account Payable	Name of the last		Account	No.210
Date	Explanation	PR	Debit	Credit	Balance
May,2				/ 2900	. 2900
May,8			/ 400		2500
May,15			. 2500 .	1	0 .

#### **QUESTION THREE:**

The following Balances was extracted from the book Razan Company on Dec,31,2016.

Account Title	BD	Account Title	BD
Cash	12800	Capital	
Account Receivable	3600	Drawings	2000
Lands	42000	Services Revenues	13500
Building	57000	Fees Earned	17000
Machines	14300	Salaries Expenses	15000
Account Payable	5600	Rent Expenses	6100
Notes Payable	4400	Repair Expenses	2900

REQUIRED: Prepare The Trail Balance for Razan Company on Dec,31,2016 and Find the value of capital. 18 x ½ =

/ Razan Company

Trail Balance.

As at Dec, 31, 2016

	Debit	Credit
Account Title	BD	BD
Cash /	12800	
Account Receivable	/3600	
Lands	42000	
Building	57000	A STATE
Machines	/14300	THE LINE IN
Account Payable		5600
Notes Payable		4400
Capital /		115200
Drawings "	2000	
Services Revenues		13500
Fees Earned		, 17000
Salaries Expenses	15000	
Rent Expenses	6100	
Repair Expenses	2900	
Total	155700	155700

## QUESTION FOUR:

20

40 Marks

The following Balances was extracted from the book Salman Company on Dec,31,2015.

Account Title	BD	Account Title	BD
Cash	29400	Capital	99000
Supplies	6750	Drawings	3500
Account Receivable	3250	Fees Earned	9200
Premises	90000	Rent Revenues	26800
Trucks	12600	Salaries Expenses	11000
Furniture	3400	Electricity Expenses	9000
Account Payable	17500	Telephone Expenses	4100
Wages Payable	13100	Utilities Expenses	5000
Interest Payable	12400		

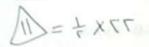
## REQUIRED:

- a) Prepare Income Statement at the end of Dec,31,2015.
- b) Prepare a classified Balance sheet as at Dec,31,2015.

18x2 =

Salman Company / Income Statement at the end of Dec,31,2015./  $18 \times 1 = 18$  Marks

	BD	BD
Revenues:		I STATE OF
Fees Earned	9200	Bergi Al
Rent Revenues	26800	
Total Revenues		36000
Expenses:		
Salaries Expenses	11000	AND STATE OF
Electricity Expenses	9000	To the state of
Telephone Expenses	4100	
Utilities Expenses	/5000	
Total Expenses		/29100
Net Income ( Profit)		. 6900



/ Salman Company Balance Sheet
/ as at Dec,31,2015.

1
2 Marks

Assets:		and other	
Current Assets:		and the second	
Cash '	29400	150.0	
Supplies '	/6750	and the last	
Account Receivable	/3250	1988	
Total Current Assets	A P. S. 4 19 19	39400	
Fixed Assets:		minute and	1
Premises	/90000	I Show the	
Trucks /	/12600	Constant of	
Furniture /	/3400	of themsel	
Total Fixed Assets	N EGYDE SOLERY	/106000	Ş
Total Assets		/145400	
Liabilities:			
Account Payable	17500		
Wages Payable	13100	in the same	N
Interest Payable	/12400	76-10 3119	
Total Liabilities		, 43000	
Owner's Equity:			
Capital / 3 20 4 3 4	99000		
+ Net Income 3 7 6 7	6900		
- Drawings / 200 100 100 100 100 100 100 100 100 100	(3500)		
Total Owner's Equity	12940	102400	
Total Liabilities and Owner's Equity		145400	

# END OF ANSWERS