

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.

$22 \times \frac{1}{2} = 11$ Marks

QUESTION TWO:

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.

Handwritten notes: $11 = \frac{1}{2} \times 22$ and a circle containing $\frac{11}{11}$.

General Journal

Page No. (1)

Date	Explanation	Debit (BD)	Credit (BD)
May, 1	Cash / Capital	75000	75000
May, 2	Purchases / Account Payable - (Khaled Est)	2900	2900
May, 5	Account Receivable - (Asma) / Credit Card Expenses / Sales	784 / 16	800
May, 8	Account Payable - (Khaled Est) / Purchases Returns	400	400
May, 10	Drawing / Cash	500	500
May, 15	Account Payable - (Khaled Est) / Cash	2500	2500

Name of Account: Account Payable

Account No. 210

Date	Explanation	PR	Debit	Credit	Balance
May, 2				2900	2900
May, 8			400		2500
May, 15			2500		0

QUESTION THREE:

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

$$18 \times \frac{1}{2} = 9 \text{ Marks}$$

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.

$$18 \times \frac{1}{2} = \frac{9}{9}$$

/ Razan Company
/ Trail Balance.
/ As at Dec,31,2016

Account Title	Debit BD	Credit BD
/ Cash	12800	
/ Account Receivable	3600	
/ Lands	42000	
/ Building	57000	
/ Machines	14300	
/ 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.

$$18 \times \frac{1}{2} = 9$$

$$18 \times \frac{1}{2} = 9 \text{ Marks}$$

Salman Company /
Income Statement
at the end of Dec,31,2015./

	BD	BD
Revenues:		
Fees Earned	9200	
Rent Revenues	26800	
Total Revenues		36000
Expenses:		
Salaries Expenses	11000	
Electricity Expenses	9000	
Telephone Expenses	4100	
Utilities Expenses	5000	
Total Expenses		29100
Net Income (Profit)		6900

$$\triangle = \frac{1}{r} \times 22$$

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

22
~~41~~ × ½ = 22 Marks

Assets:		
Current Assets:		
/ Cash	/29400	
/ Supplies	/6750	
/ Account Receivable	/3250	
Total Current Assets		39400
Fixed Assets:		
/ Premises	/90000	
/ Trucks	/12600	
/ Furniture	/3400	
Total Fixed Assets		/106000
Total Assets		/145400
Liabilities:		
/ Account Payable	17500	
/ Wages Payable	/13100	
/ Interest Payable	/12400	
Total Liabilities		, 43000
Owner's Equity:		
/ Capital	99000	
/ + Net Income	/6900	
/ - Drawings	(3500)	
Total Owner's Equity		102400
Total Liabilities and Owner's Equity		145400

END OF ANSWERS