

KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION

MODEL ANSWERS

DIRECTORATE OF EXAMINATION / CENTRAL EXAMINATION SECTION
SECONDARY EDUCATION / UNIFIED TRACKS
RESIT EXAM 2017/2018

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COURSE NAME: ACCOUNTING (1)

TRACK : UNIFIED TRACKS

COURSE CODE: 111 ما

TIME: 2 Hours

QUESTION ONE:

Complete the following statements or transactions and state the steps of solution.

- 1- If the total assets is BD350,000 and total liabilities is BD60,000. The amount of Owner's Equity is.....

$$\text{Owner's Equity} = 350,000 - 60,000 = \text{BD}290,000$$

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- 2- Abdulla's books show the following balances:-
Cash BD18,000 – Notes Payable BD4,000 – Account Receivable BD6,000
Lands BD72,000 – Prepaid Insurance BD5,000 – Account Payable BD3,000
Motor Van BD21,000. The amount of Total Assets is.....

$$\text{Total Assets} = 18,000 + 6,000 + 72,000 + 5,000 + 21,000 = \text{BD}122,000$$

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- 3- A company spent BD2400 in cash for this period advertising expense. Entre the appropriate amount that reflect this transaction into the accounting equation format below(using + for increase and – for decrease):

$$\begin{array}{r} \text{Assets} = \text{Liabilities} + \text{Owner's Equity} \\ -2,400 \quad \dots\dots\dots \quad -2,400 \end{array}$$

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- 4- Mona Company paid BD5,500 of its account payable in cash. What would be the effect of this transaction on the accounting equation format below (using + for increase and – for decrease):

$$\begin{array}{r} \text{Assets} = \text{Liabilities} + \text{Owner's Equity} \\ -5,500 \quad -5,500 \quad \dots\dots\dots \end{array}$$

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- 5- The following balances was extracted from Ahmed's books on Dec 31 2015:
Cash BD29,500 – Equipment BD11,000 – Capital BD102,000
Building BD82,500 – Inventory BD7,000 – Furniture BD12,000.
The amount of Total Liabilities is.....

$$\text{Total Assets} = 29,500 + 11,000 + 82,500 + 7,000 + 12,000 = \text{BD}142,000$$

$$\text{Total Liabilities} = 142,000 - 102,000 = \text{BD}40,000$$

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QUESTION TWO:

The following transactions occurred during Jan 2017, For Yousef Company.

20X1/2

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Jan 1: Yousef started his business by investing cash for BD48,000 and machines for BD12,000.

Jan 2: Purchased equipment for BD6,000 from Ashraf Est, on account.

Jan 5: Provided services to customer Nada for BD7,500 on credit.

Jan 8: Decided to buy a new machines for BD18,000.

Jan 10: Purchased equipment for BD4,000 cash.

Jan 14: Received amount due from customer Nada.

Jan 20: Paid 20% to Ashraf Est, from his amount due.

REQUIRED:

Show the effects of the previous transactions on the Basic Accounting Equation by using the following table.

Date	Assets				=	Liabilities	+	Owner's Equity	Remarks
	Cash	Accounts Receivable	equipment	Machines		Accounts Payable		Capital	
Jan 1	+48,000/			+12,000/	=		+	+60,000//	Investment/
Jan 2			+6,000/		=	+6000/	+		
Jan 5		+7,500/			=		+	+7,500/	Revenues/
Jan 8	N.E //				=				
Jan 10	-4,000/		+4,000/		=		+		
Jan 14	+7,500/	-7,500/			=		+		
Jan 20	-1,200/				=	-1,200/	+		
Balance	50,300	0	10,000	12,000	=	4,800	+	67,500	
Total	72,300 /				=	72,300 /			

QUESTION THREE:

30X1/2

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The following transactions occurred during Dec 2017, for Fahad Est.

Dec 1: Invested cash for BD79,000 in the business.

Dec 2: Purchased goods for BD12,700 cash.

Dec 5: Received invoice No#6728 from Salman Est, for BD6,700.

Dec 8: Issued invoice No#1115 to Eman Est, for goods BD25,000.

Dec 12: Sold goods to Ebrahim, who paid BD4000 with **Diner's Club Card**. If the services charge is 2%.

Dec 15: Purchased goods for BD9,100 from Hana Est, on account.

Dec 17: Issued cheque No#719 to paid full due to Salman Est,

REQUIRED:

1- Prepare journal entries for the previous transactions.

2- Post to the ledger of purchases account.

3- Post to T-account of account payable and find the balance on Dec 31 2017.

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Date	Explanation	Debit (BD)	Credit (BD)
Dec 1	Cash /	79,000	
	Capital /		79,000
Dec 2	Purchases /	12,700	
	Cash /		12,700
Dec 5	Purchases /	6,700	
	Account Payable (Salman Est.) /		6,700
Dec 8	Account Receivable (Eman Est.) /	25,000	
	Sales /		25,000
Dec 12	Account Receivable (Ebrahim) //	3,920	
	Credit Card Expense (4000X 2%) //	80	
	Sales /		4,000
Dec 15	Purchases /	9,100	
	Account Payable (Hana Est.) /		9,100
Dec 17	Account Payable (Salman Est.) /	6,700	
	Cash /		6,700

2- Post to the ledger of Purchases Account.

Name of Account: Purchases					
Date	Explanation	PR	Debit	Credit	Balance
Dec 2			12,700/		12,700/
Dec 5			6,700/		19,400/
Dec 15			9,100/		28,500/

3- Post to T-account of Account Payable and find the Balance on Dec 31 2017.



DR	Account Payable	CR	
Dec 17	6,700/	Dec 5	6,700/
		Dec 15	9,100/
	6,700/		15,800/
Dec 31 Balance	9,100//		

QUESTION FOUR:

The following incorrect income statement of Salah Est, for the year ended on Dec 31 2017.

14X1/2

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Income Statement
Salah Est
For the year ended on Dec 31 2017

Revenue:		
Services Revenues	24,000	
Account Payable	7,200	
Salaries Payable	1,800	
Wages Expense	13,600	
Repair Expense	2,400	
Total Revenues		49,000
Expenses:		
Fees Earned	12,300	
Prepaid Rent	4,500	
Advertising Expense	1,300	
Telephone Expense	4,700	
Equipment	15,000	
Commission Income	7,500	
Total Expenses		45,300
Net Income		3,700

REQUIRED: Prepare a correct income statement for the year ended on Dec 31 2017.

Salah Est /
Income Statement /
For the year ended on Dec 31 2017 /

Revenue:		
Services Revenues /	24,000	
Fees Earned /	12,300	
Commission Income /	7,500	
Total Revenues		43,800 /
Expenses:		
Wages Expense /	13,600	
Repair Expense /	2,400	
Advertising Expense /	1,300	
Telephone Expense /	4,700	
Total Expenses		22,000 /
Net Income		21,800 //

QUESTION FIVE:

The following balances was extracted from the book of Sara Est, for the year ended Dec 31 2017.

22X1/2

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Account Title	BD	Account Title	BD
Cash	37,000	Account Payable	7,100
Notes Receivable	13,000	Interest Payable	3,900
Prepaid Insurance	5,000	Loans	14,000
Building	96,000	Beginning Capital	144,000
Trucks	24,000	Drawings	2,500
Equipment	10,000	Net Income for the year	18,500

REQUIRED:

1- Calculate the **Ending Capital Balance** on Dec 31 2017.

$$\text{Ending Capital} = 144,000 / +18,500 / - 2,500 / = \text{BD}160,000 /$$

2- Prepare a **Classified Balance Sheet** as at Dec 31 2017.

Sara Est /
Balance Sheet
As at Dec 31 2017 /

<u>Current Assets:</u>		<u>Liabilities:</u>	
Cash	37,000 /	Account Payable	7,100 /
Notes Receivable	13,000 /	Interest Payable	3,900 /
Prepaid Insurance	5,000 /	Loans	14,000 /
Total Current Assets	55,000 /	Total Liabilities	25,000 /
<u>Fixed Assets</u>		<u>Owner's Equity</u>	
Building	96,000 /	Ending Capital	160,000 /
Trucks	24,000 /		
Equipment	10,000 /		
Total Fixed Assets	130,000 /	Total Owner's Equity	160,000 /
Total Assets	185,000 /	Total liabilities and Equity	185,000 /

END OF ANSWERS