

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

FIRST SEMESTER EXAM 2015/2016

COURSE NAME: ACCOUNTING (2)

TRACK: توحيد المسارات

COURSE CODE: 212 مح

TIME: 2 Hours

QUESTION ONE:

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(A) Choose the correct answer for each of the following questions:

1. Which of the following part of the Income Statement will contain the amount of the **Carriage in**?
 - Revenue from Sales.
 - Operating Expenses.
 - Other Revenues.
 - Cost of Purchases

2. On January 1, 2013 a new machine was bought for BD45000. Its useful life was expected to be 10 years and the salvage value is expected to be BD 0. After four years of use, the company realized the asset would be useful for only three more years, (In other words, the total useful life of the asset will be seven years instead of the original 10 years.) The company uses the Straight-Line method of depreciation.
The Depreciation Expense in each of the first four years 2013, 2014, 2015 and 2016 will be:
 - BD5400
 - BD4500
 - BD1125
 - BD6428

3. The balance of supplies on 1st January 2014 was BD800. During the year BD600 was bought and the balance on hand on 31st December 2014 was BD200, so the supplies expense for the year was:
 - BD1400
 - BD600
 - BD1200
 - BD400

4. On a worksheet, the adjusted balance of the Prepaid Rent account is extended to:
 - The Income Statement credit column.
 - The Income Statement debit column.
 - The Balance Sheet credit column.
 - The Balance Sheet debit column.

QUESTION TWO:

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Future Trading Company bought a new machine on 1st January 2013, relevant information is given below:

Cost price	BD65000
Taxes	BD6500
Insurance	BD3200

Installation	BD800
Salvage value	BD8000
Useful life	4 years

(A) By using the **Double Declining Method**, calculate Depreciation Expense, Accumulated Depreciation & Net Book Value for the four years using the following table:

Year	Calculation	Depreciation Expense	Accumulated Depreciation	Net Book Value
1				
2				
3				
4				

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

General Journal

Date	Details	Debit (BD)	Credit (BD)

QUESTION THREE:

The following aging schedule shows the percentage for uncollectible accounts receivable:

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Age Group	Amount (BD)	Estimated Percentage of Uncollectible	Estimated Amount of Uncollectible (BD)
Not yet due	56000	2%
1 – 30 days past due	34000	4%
31 – 60 days past due	17000	10%
61 – 90 days past due	8000	20%
More than 90 days past due	10000	50%
Total

The Provision for Doubtful Debts shows a balance of BD3700.

Required:

- 1- Compute the total of Accounts Receivable and the estimated amount of Provision in the spaces 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- At the end of the year the company decided to write off Eman's balance of BD850 as uncollectible, prepare the adjusting entry.

Date	Details	Debit (BD)	Credit (BD)

QUESTION FIVE:

Complete the work sheet of **Hayat Cleaning Services**, for the year ended 31st December, 2015, using the following adjusting entries:

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GENERAL JOURNAL

Date	Explanation	Debit (BD)	Credit (BD)
December 31	Customer Advances	750	
	Service Revenue		750
December 31	Insurance Expense	250	
	Prepaid Insurance		250
December 31	Supplies Expense	800	
	Supplies		800

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