



KINGDOM OF BAHRAIN  
MINISTRY OF EDUCATION

DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION

FIRST SEMESTER EXAM 2016/2017

**MODEL ANSWERS**

COURSE NAME: ACCOUNTING (2)

TRACK: توحيد المسارات

COURSE CODE: 212 مح

TIME: 2 Hours

**QUESTION ONE:**

(8 Marks)

The following information related to Ahmed Company (BD):

Sales	150000	Carriage in	2000
Purchases	80000	Insurance on purchases	1000
Opening Inventory	50000	Sales Discount	3000
Closing Inventory	45000	Sales Returns	4000
Purchases Returns	2500	Purchases Discount	1500

**Required:**

Prepare the Partial Income Statement for the period ended December 31<sup>st</sup> 2015.

(32 × 0.25 = 8 Marks)

Ahmed Company

Income Statement

For the period ended December 31<sup>st</sup> 2015. /

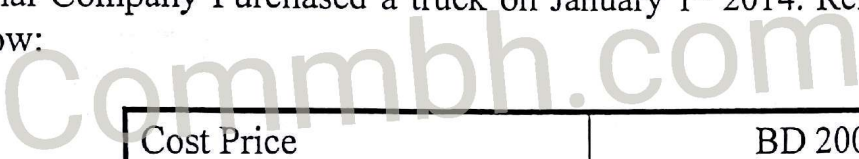
Sales /			150000 /
Less: Sales Discount /		3000 /	
Sales Returns /		4000 /	
			7000 /
Net Sales /			143000 //
<b>Cost of Goods Sold:</b>			
Opening Inventory /		50000 /	
Purchases /	80000 /		
Less: Purchases Returns /	2500 /		
Purchases Discount /	1500 /	+	-
Net Purchases	76000 /		
Add: Carriage in /	2000 /		
Insurance on Purchases /	1000 /		
Cost of Purchases /		79000 /	
Cost of goods available for sale		129000 /	
Less: Closing Inventory /		45000 /	
Cost of Goods Sold /			84000 //
Gross Profit			59000

البيان على الطريقة المباشرة على الرغم  
 Cost of goods Sold يكفى بالإجابة إلى  
 ٢٥ - ٢٤

**QUESTION TWO:**

(10 Marks)

Manal Company Purchased a truck on January 1<sup>st</sup> 2014. Relevant information is given below:



Cost Price	BD 20000
Insurance Expense	BD 1000
Import tax	BD 500
Salvage value	BD 2000
Useful life	5 Years

**Required:**

مطلوب: حساب القيمة المتبقية عند التقييم

A- By using the **Double Declining Method**, Calculate Depreciation Expense, Accumulated Depreciation, Net Book Value, for the Five years using following table:

~~(10 - 0.25 = 9.75 Marks)~~

$24 \times \frac{1}{4} = 6$

Years	Calculation	Deprecation Expense	Accumulated Deprecation	Net Book Value
2014	$21500 \times 40\%$	8600	8600 /	12900
2015	$12900 \times 40\%$	5160	13760 /	7740
2016	$7740 \times 40\%$	3096	16856 /	4644
2017	$4644 \times 40\%$	1857.600	18713.600 /	2786.400
2018	$2786.400 - 2000$	786.400	19500 /	2000

B- Prepare the necessary entries for the year 2016 and 2018.

**General Journal**

$8 \times \frac{1}{2} = 4$

Date	Explanation	PR	Debit (BD)	Credit (BD)
2016	Depreciation Expense – truck /		3096 /	
	Accumulated Depreciation /			3096 /
2018	Depreciation Expense – truck /		786.400 /	
	Accumulated Depreciation /			786.400 /

**QUESTION THREE:**

(6 Marks)

- 1- On 1<sup>st</sup> April, 2013 the books of Seham Establishment shows a balance of BD 50000 for Account Receivable.
- 2- On 15<sup>th</sup> June, 2013 one of the Account Receivable – Amal Company could not pay the balance of BD 3000 balance of some financial problems.
- 3- On 21<sup>st</sup> September, 2013 Amal Company made some profit and paid 50% of their balance.

(12 × 0.5 = 6 Marks)

**Required:****Make the necessary journal entries.****GENERAL JOURNAL**

Date	Explanation	Debit (BD)	Credit (BD)
April, 1	Bad debts expense /	3000 /	
	Accounts Receivable – Amal Co. /		3000 /
June, 15	Accounts Receivable – Amal Co. /	1500 /	
	Bad debts expense /		1500 /
Sep. 21	Cash /	1500 /	
	Accounts Receivable – Amal Co. /		1500 /

ملاحظة: إذا كتب الطالب الإجابة بدون بيان الحسابات، لا قيمة لها.  
الرقم

**QUESTION FOUR:**

(6 Marks)

Khaled Cleaning Services Company accounting period ended 31<sup>st</sup> December 2015. The trial balance of 1<sup>st</sup> January 2015 shows the following balance for selected accounts:

Accounts	Amount (BD)
Prepaid Insurance	1200
Service Revenue	15000
Accounts Receivable	22000
Supplies	700
Wages Expense	3600

(Entries:  $8 \times 0.5 = 4$  Marks) (Numbers:  $8 \times 0.25 = 2$  Marks)

The following adjustments were appeared on 31<sup>st</sup> December, 2015.

- 1- Insurance expired, BD 600.
- 2- Completed cleaning services for Wedad Company for BD 850 and agreed to receive the amount later.
- 3- Supplies on hand, 200.
- 4- Accrued wages are 900.

Required: Journalize the following entries for the year ending 31<sup>st</sup> December 2015.

**GENERAL JOURNAL**

Date	Explanation	Debit (BD)	Credit (BD)
Dec. 31	Insurance expense /	600 /	
	Prepaid Insurance /		600 /
Dec. 31	Account Receivable – Wedad Co. /	850 /	
	Service Revenue /		850 /
Dec. 31	Supplies expense /	500 /	
	Supplies /		500 /
Dec. 31	Wages expense /	900 /	
	Accrued wages /		900 /

$$8 \times \frac{1}{2} = 4$$

$$8 \times \frac{1}{4} = 2$$

ملاحظة: اذا كتب الطالب الرقم بدون بيان لا تحسب الدرجة

**QUESTION FIVE:**

(6 Marks)

Sara Company bought a Machine on 1<sup>st</sup> May 2012. Relevant information is given below:

Cost price	26000	Installation	2000
Insurance	900	Salvage value	3000
Import tax	1100	Useful life	5 years

**Required:**

By using the Straight Line Method, compute the following:

(12 × 0.5 = 6 Marks)

A- The Acquisition Cost.

$$26000 + 900 + 1100 + 2000 = \text{BD } 30000$$

B- The Depreciation Expense for year 2012.

$$30000 - 3000 = 27000 \times 20\% \times 8 \div 12 = \text{BD } 3600$$

C- The Accumulated Depreciation for year 2013.

$$3600 + 5400 = \text{BD } 9000$$

D- The Net Book Value for year 2012.

$$\text{BD } 26400$$

الإجابة: في إحصاء الميزان على الطريقة

**QUESTION SIX:**

(14 Marks)

Complete the work sheet of Layla Company for the year ended 31<sup>st</sup> December, 2014, using the following adjusting entries:

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**GENERAL JOURNAL**

Date	Explanation	Debit (BD)	Credit (BD)
Dec.31	Unearned Rent	700	
	Rent Revenue		700
Dec.31	Accrued Commission Income	1000	
	Commission Income		1000
Dec.31	Insurance Expense	600	
	Prepaid Insurance		600

Layla Company  
Work Sheet

For the year ended 31<sup>st</sup> December, 2014  $\frac{1}{2}$

Account Title	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	90000				90000				90000 /	
Accounts Receivable	17000				17000				17000 /	
Opening Inventory	25000				25000		25000 /			
Machine	18000				18000				18000 /	
Buildings	80000				80000				80000 /	
Prepaid Insurance	2400			600 /	1800 /				1800 /	
Account payable		8000				8000				8000 /
Unearned Rent		3000	700 /		2300 /					2300 /
Capital		138400			138400					138400 /
Sales		100000			100000		100000 /			
Sales discount	3500				3500		3500 /			
Commission Income		7000		1000 /	8000 /		8000 /			
Drawings	1500				1500				1500 /	
Purchases	13000				13000		13000 /			
Salaries Expense	6000				6000		6000 /			
<b>Total</b>	<b>256400</b>	<b>256400</b>								
Ending Inventory								9000		9000 /
Rent Revenue				700 /	700 /			700 /		
Accrued Comm. Income			1000 /		1000 /				1000 /	
Insurance expense			600 /		600 /		600 /			69600 /
Net Income							117700	117700	218300	218300
<b>Total</b>			<b>2300</b>	<b>2300</b>	<b>257400</b>	<b>257400</b>	<b>117700</b>	<b>117700</b>	<b>218300</b>	<b>218300</b>

End of Exam

1.5  
6x4

4.5  
9x2

6  
12x2

ملحظة: يرجى الخط المتريث