

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

RESIT EXAM 2015/2016

MODEL ANSWERS

COURSE NAME: ACCOUNTING (2)

TRACK: توحيد المسارات

COURSE CODE: 212 محا

TIME: 2 Hours

QUESTION ONE:

The following information related to Najma Company on December 31st, 2015 (BD):

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Revenue from Sales	10400
Cost of goods sold	4900
Depreciation Expense	150
Rent revenue	1800

Wages Expense	1500
Fright out	450
Advertising Expense	240
Utilities Expense	160

Required:

Prepare the **Partial Income Statement** for the period ended December 31st 2015.

Najma Company
Partial Income Statement
For the period ended 31st December, 2015

Revenue from Sales		10400
Less: Cost of goods sold		4900
Gross Profit		5500
Other revenue:		
Rent revenue		1800
Total revenue		7300
Operating Expenses:		
Depreciation Expense	150	
Wages Expense	1500	
Fright out	450	
Advertising Expense	240	
Utilities Expense	160	
Total Operating Expenses		2500
Net Income		4800

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QUESTION TWO:

On 1st April 2015, Khalid Salman Company bought a new machine, relevant information is given below:

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Cost price	120000
Shipping fees	1100
Installation fees	400

Salvage value	20000
Useful life	4 years
Methods of calculating depreciation	Straight Line

(A) Calculate Depreciation Expense, Accumulated Depreciation & Net Book Value for the four years using the following table:

 $(18 \times \frac{1}{2})$

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Year	Calculation	Depreciation Expense	Accumulated Depreciation	Net Book Value
1	$101500 \div 4 \times 9/12$	19031	19031	102469
2	$101500 \div 4$	25375	44406	77094
3	$101500 \div 4$	25375	69781	51719
4	$101500 \div 4$	25375	95156	26344
	$101500 \div 4 \times 3/12$	6344	101500	20000

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

General Journal $6 \times \frac{1}{2}$

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Date	Details	Debit (BD)	Credit (BD)
Dec. 31	Depreciation Expense - machine	19031	
	Accumulated Depreciation		19031
Dec. 31	Depreciation Expense - machine	25375	
	Accumulated Depreciation		25375

QUESTION THREE:

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The following transactions were made by Ahlam Trading Company:

On 1st May 2015, the books of Ahlam Trading Company shows the following balances:

Accounts receivable **BD52000** – Provision for doubtful debts **BD1500**.

- On 12 July, the company decided to increase the provision for doubtful debts to BD4500.
- On 20 October, the company decided to write off Majeda's balance BD1200, because of some financial problems.
- On 3rd December, Majeda won some money and paid BD700.

Required:

Make the necessary journal entries for the above transactions:

GENERAL JOURNAL(16x $\frac{1}{2}$)

Date	Details	Debit (BD)	Credit (BD)
July 12	Bad debts expense /	3000 /	
	Provision for doubtful debts /		3000 /
Oct. 20	Provision for doubtful debts /	1200 /	
	Accounts receivable – Majeda /		1200 /
Dec. 03	Accounts receivable – Majeda /	700 /	
	Provision for doubtful debts /		700 /
Dec. 03	Cash /	700 /	
	Accounts receivable – Majeda /		700 /

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QUESTION FOUR:

Journalize the following adjusting entries were extracted from the books of Naima Company:

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1. Supplies Expense, BD150.
2. There was an accrued amount of BD1200 for rent revenue.
3. There was BD2100 for prepaid insurance, and the insurance expense for the period was BD300.

GENERAL JOURNAL

($12 \times \frac{1}{2}$)

Date	Details	Debit (BD)	Credit (BD)
Dec. 31	Supplies Expense /	150 /	
	Supplies /		150 /
Dec. 31	Accrued Rent Revenue /	1200 /	
	Rent Revenue /		1200 /
Dec. 31	Insurance Expense /	300 /	
	Prepaid Insurance /		300 /

QUESTION FIVE:

Complete the work sheet of Jassim Company, 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	Accounts receivable	350	
	Service revenue		350
December 31	Rent Expense	300	
	Rent payable		300

NOTICE: The Exam Contains 5 Pages

Jassim Company
Work Sheet

For the year ended 31st December, 2015

Account Title	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	10900				10900				10900	
Account Receivable	12500		350		12850				12850	
Supplies	5100				5100				5100	
Machines	12700				12700				12700	
Equipment	8500				8500				8500	
Furniture	3600				3600				3600	
Accounts Payable		9150				9150				9150
Capital		28200				28200				28200
Drawings	350				350				350	
Service Revenue		20400		350		20750		20750		
Salaries Expense	1350				1350		1350			
Carriage Expense	180				180		180			
Rent Expense	1800		300		2100		2100			
Advertising Expense	770				770		770			
Total	57750	57750								
				300		300				300
Rent Payable										
Total			650		58400	58400	4400	20750	54000	37650
Net Income			4x 1/2 (2)		4x 1/2 (2)		16350			16350
Grand Total							20750	20750	54000	54000

6x 1/2 (3) 9x 1/2 (4 1/2)

END OF EXAM