

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

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SECOND SEMESTER EXAM 2017/2018**MODEL ANSWERS**

COURSE NAME: ACCOUNTING (3)

TRACK: توحيد المسارات

COURSE CODE: 213 ما

TIME: 1.5 Hours

QUESTION ONE:

The following ledger accounts for Rawan Est, during Dec 2017 are posting from closing entries.

22X1/2

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Name of Account: Rent Revenues					
Date	Explanation	PR	Debit	Credit	Balance
Dec 10	Cash			10,000	10,000
Dec 15	Cash			15,000	25,000
Dec 31	Income Summary		25,000		0

Name of Account: Fees Earned					
Date	Explanation	PR	Debit	Credit	Balance
Dec 8	Cash			8,000	8,000
Dec 20	Cash			12,000	20,000
Dec 31	Income Summary		20,000		0

Name of Account: Salaries Expense					
Date	Explanation	PR	Debit	Credit	Balance
Dec 28	Cash		16,000		16,000
Dec 31	Income Summary			16,000	0

Name of Account: Repair Expense					
Date	Explanation	PR	Debit	Credit	Balance
Dec 17	Cash		9,000		9,000
Dec 31	Income Summary			9,000	0

Name of Account: Telephone Expense					
Date	Explanation	PR	Debit	Credit	Balance
Dec 25	Cash		7,000		7,000
Dec 31	Income Summary			7,000	0

Name of Account: Drawings					
Date	Explanation	PR	Debit	Credit	Balance
Dec 5	Cash		1,800		1,800
Dec 31	Capital			1,800	0

REQUIRED:

- 1- Prepare the **closing entries** that were made from the previous ledger accounts.
- 2- Post the closing entries to the ledger of **Income Summary Account** and **Capital Account**, assuming that the **balance of capital is BD35,000**.

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	Explanation	Debit (BD)	Credit (BD)
Dec 31	Rent Revenues /	25,000	
	Fees Earned /	20,000	
	Income Summary /		45,000
Dec 31	Income Summary /	32,000	
	Salaries Expense /		16,000
	Repair Expense /		9,000
	Telephone Expense /		7,000
Dec 31	Income Summary /	13,000	
	Capital /		13,000
Dec 31	Capital /	1,800	
	Drawings /		1,800

- 2-Post closing entries to the ledgers of income summary and capital accounts.

Name of Account: Income Summary					
Date	Expl	PR	Debit	Credit	Balance
Dec 31	Revenues			/45,000	/45,000
Dec 31	Expenses		/32,000		/13,000
Dec 31	Capital		/1,800	/13,000	/0

Name of Account: Capital					
Date	Explanation	PR	Debit	Credit	Balance
Dec 31	Balance				/35,000
Dec 31	Income Summary			/13,000	/48,000
Dec 31	Drawings		/1,800		/46,200

QUESTION TWO:

On June 30 2017, the bank statement of Abdulla Est, showed balance of BD10,500. The cash account balance was BD10,400 and on checking the following difference was fund during June 2017.

15X1

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- 1- Checks deposited for BD12,800 did not appear on the bank statement.
- 2- NSF check from Yahya of BD520.
- 3- Collected notes by the bank for BD9,550 less collection fees BD50.
- 4- Outstanding Checks during June 2017 are: Check No#235 for BD1,500 and check No#236 for BD800.
- 5- Bank services charge for BD180.
- 6- Check No#240 of BD6,500 for buying goods has been recorded in the cash Payment as BD5,600 and check No#245 of BD4,700 as BD7,400 for buying motor van.

REQUIRED:

Prepare the bank reconciliation statement for the month ended June 30 2017.

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Abdulla Est. /

Bank Reconciliation Statement /

for the month ended June 30 2017 /

Balance as per bank statement ▲	/10,500	
Add: Deposit in transit	/12,800	
		23,300
Less: Outstanding Checks:		(-)
No#235	/1,500	
No#236	/800	2,300
Adjusted balance as per bank statement		/21,000
Balance per cash book	/10,400	
Add: Collected Notes BD9,550 lees fees BD50	/9,500	
Error Check No#245 (7,400-4,700)	/2,700	22,600
		(-)
Less: NSF Check	/520	
Bank Services Charge	/180	
Error Check No#240(6,500 – 5,600)	/900	1,600
Adjusted balance as per cash book		/21,000

طحو لمة
تحدف فصل
ees BD50

QUESTION THREE:

You are required to Prepare Journal Entries for a petty cash book of Fawaz Est, the book is kept on the imprest system the amount the imprest being **BD60**. The following transactions occurred during the first week on Feb 2017. (**Using the following analysis:** Postage Expense, Transportation Expense and Stationery Expense in your answer).

6X1

6

Feb 1: Balance in hand BD12.500.

Feb 1: Received cash from the chief cashier to make imprest to BD60.

Feb 2: Paid for postage stamps BD4.350.

Feb 3: Paid for note pads BD3.200.

Feb 4: Paid for bus fare BD6.500.

Feb 5: Paid for taxi fare BD7.150.

Feb 6: Paid for staples BD4.800.

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Date	Explanation	Debit (BD)	Credit (BD)
Feb 1	Petty Cash /	47.500	
	Cash /		47.500
Feb 6	Postage Expense /	4.350	
	Transportation Expense (6.500 + 7.150) /	13.650	
	Stationery Expense (3.200 + 4.800) /	8.000	
	Petty Cash /		26.000

QUESTION FOUR:

The accounting records of Amal Est, showed the following data during May 2017.

11X1

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Beginning Inventory 5,000 units @ BD10 each.
 Purchases 6,000 units @ BD15 each.
 Sales 5,500 units @ BD25 each.

REQUIRED:

Calculate **Cost of Goods Sold** during the period under a periodic inventory system using: a) FIFO Method b) LIFO Method

a) COGS (FIFO Method)

Units	Unit Cost (BD)	Total Value (BD)
5,000 /	10 /	50,000 /
500 /	15 /	7,500 /
5,500 /		57,500 /

b) COGS (LIFO Method)

Units	Unit Cost (BD)	Total Value (BD)
5,500 /	15 /	82,500 /

QUESTION FIVE:

You are **required to complete** the following table of **Income Statement** by **using the Vertical Analysis**.

7X1

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Account	Amount	Calculation	%
Net Sales	240,000	$(240,000 \div 240,000) \times 100$ (1/4) (1/4) (1/4)	100 / (1/4)
Cost of Goods Sold	(180,000) /	$(180,000 \div 240,000) \times 100$	75 /
Gross Profit	60,000	$(60,000 \div 240,000) \times 100$	25 /
Operating Expense	(15,000) /	$(15,000 \div 240,000) \times 100$	6.25 /
Net Income	45,000	$(45,000 \div 240,000) \times 100$	18.75 /

END OF ANSWER EXAM