

KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION

MODEL ANSWERS

DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION

100

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SECOND SEMESTER EXAM 2016/2017

COURSE NAME: ACCOUNTING (3)

TRACK: توحيد المسارات

COURSE CODE: 213 ما

TIME: 1.5 Hours

QUESTION ONE:

The following trail balance of Ayat Company on Dec,31,2016.

Ayat Company

Trail Balance

As at Dec,31,2016

56×1/2

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Account Title	Debit BD	Credit BD
Cash	36100	
Account Receivable	7900	
Premises	102000	
Machines	18000	
Equipment	6500	
Account Payable		3000
Unearned Ticket Revenues		2400
Capital		153500
Drawings	900	
Ticket Revenues		15000
Fees Earned		11000
Salaries Expenses	8200	
Telephone Expenses	3300	
Advertising Expenses	2000	
Total	184900	184900

REQUIRED:

- Prepare The Closing Entries on Dec,31,2016.
- Post to the Ledger of Capital Account.
- Prepare a Post- Closing Trail Balance as at Dec,31,2016.

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a) General Journal

Page No. (1)

Date	Explanation	Debit (BD)	Credit (BD)
Dec,31/	Ticket Revenues /	/15000	
	Fees Earned /	/11000	
	Income Summary A/C /		/26000
Dec,31/	Income Summary A/C /	/13500	
	Salaries Expenses /		/8200
	Telephone Expenses /		/3300
	Advertising Expenses /		/2000
Dec,31/	Income Summary A/C /	/12500	
	Capital /		/12500
Dec,31/	Capital /	/900	
	Drawings /		/900

b) Post to the Ledger of Capital Account.

Name of Account: Capital			Account No.301		
Date	Explanation	PR	Debit	Credit	Balance
Dec,31/	Balance /			/153500	/153500
Dec,31/	Income Summary /			/12500	/166000
Dec,31/	Drawings /		/900		/165100

Ayat Company
c) Post- Closing Trail Balance
As at Dec,31,2016

Account Title	Debit BD	Credit BD
Cash /	/36100	
Account Receivable /	/7900	
Premises /	/102000	
Machines /	/18000	
Equipment /	/6500	
Account Payable /		/3000
Unearned Ticket Revenues /		/2400
Capital /		/165100
Total	/170500	/170500

QUESTION TWO:

Ayisha Company is unable to reconcile the bank statement at May,31,2016.
Ayisha reconciliation is as follow.

	BD	BD
Balance per Bank Statement	8750	
Add: Bank Services Charge	50	
Collected of Notes Receivable	530	9330
Less: Outstanding Checks	2050	
Interest Earned	200	(2250)
Adjusted Balance per Bank Statement		7080
Balance per Cash Book	7600	
Add: NSF Checks	330	7930
Less: Deposit in transit		1250
Adjusted Balance per Cash Book		6680

REQUIRED:

Prepare a correct Bank Reconciliation Statement for the month ended
May,31,2016.

Ayisha Company

Bank Reconciliation Statement
for the month ended May,31,2016.

18×1

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Balance per Bank Statement	/8750	
Add: Deposit in transit /	/1250	10000
Less: Outstanding Checks/		/(2050)
Adjusted Balance per Bank Statement		/7950
Balance per Cash Book	/7600	
Add: Collected of Notes Receivable/	/530	
Interest Earned/	/200	/8330
Less: NSF Checks/	/330	
Bank Services Charge/	/50	/380
Adjusted Balance per Cash Book		/7950

QUESTION THREE:

You are required to Compute the Percentage of Balance Sheet for Rashid Company. (Using Vertical Analysis)

42×1/2

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Rashid Company
Balance Sheet
As at Dec,31,2015

Account	Amount (BD)	Percentage %
Assets:		
Cash	25000	$25000 \div 120000 \times 100 = 20.83\%$
Account Receivable	15000	$15000 \div 120000 \times 100 = 12.5\%$ //
Building	80000	$80000 \div 120000 \times 100 = 66.67\%$ //
Total Assets	120000	$120000 \div 120000 \times 100 = 100\%$ //
Liabilities		
Account Payable	30000	$30000 \div 120000 \times 100 = 25\%$ //
O.E		
Ending Capital	90000	$90000 \div 120000 \times 100 = 75\%$ //
Total Liabilities and O.E	120000	$120000 \div 120000 \times 100 = 100\%$ //

QUESTION FOUR:

19×1

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The following transactions during March,2015 for Abeer Est.

March,1 : Received BD50 cash from the chief cashier to established petty cash book.

March,2 : Purchased postage stamps for BD6.250.

March,3 : Paid taxi fare BD4.500.

March,5 : Purchased pens BD2.750 and A4 paper BD5.300.

March,8 : Paid for tea and coffee BD3.700.

March,10 : Paid bus fare BD0.750

March,11 : Received from the chief cashier BD23.250 to replenished petty cash expenditure.

REQUIRED:

**Prepare the Journal Entries (Uses the following accounts for expenses)
Postage and Stationery – Traveling – Other Expenses)**

General Journal**Page No. (10)**

Date	Explanation	Debit (BD)	Credit (BD)
March,1/	Petty Cash/	/50	
	Cash/		/50
March,10/	Postage and Stationery Expenses/	/14.300	
	Traveling Expenses/	/5.250	
	Other Expenses/	/3.700	
	Petty Cash/		/23.250
March,11/	Petty Cash/	/23.250	
	Cash/		/23.250

QUESTION FIVE:

Given below is information extracted from the book of Mostafa Company for the month of July, 2016

28×1/2

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Date	Explanation	Units	Unit Cost (BD)	Total Value (BD)
July,1	Inventory	300	8	2400
July,5	Purchases	200	9	1800
July,8	Purchases	600	10	6000
July,20	Purchases	400	11	4400
Total		1500		14600

On July,31,2016. The company found 40% of total units remain on hand.

REQUIRED:

a) Calculate the Cost of Goods Sold using FIFO method.

$$\text{Unit Sold} = 1500 \times 60\% = 900 \text{ units}$$

OR:

$$\text{Ending Units} = 1500 \times 40\% = 600 \text{ units//}$$

$$\text{Unit Sold} = 1500 - 600 = 900 \text{ units//}$$

Date	Units	Unit Cost (BD)	Total Value (BD)
July,1/	300 /	8/	/2400
July,5/	200 /	9/	/1800
July,8/	400 /	10/	/4000
Total	900/		/8200

b) Calculate the Cost of Ending Inventory using FIFO method.

Date	Units	Unit Cost (BD)	Total Value (BD)
July,8/	200/	10/	/2000
July,20/	400/	11/	/4400
Total	600/		/6400