ACC.212

KINGDOM OF BAHRAIN MINISTRY OF EDUCATION



NOTICE: The Answers Contains 3 pages

DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION

40 40

MID TERM OF FIRST SEMESTER EXAM 2018/2019

COURSE NAME: ACCOUNTING (2)

توحيد المسارات :TRACK

TIME: 1 Hour

COURSE CODE: 212

OUESTION ONE:

Choose the correct answer for each of the following questions:

1. The account commission income is shown in the income statement as:

10

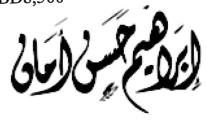
10×1

- A. Other Revenue //
- B. Expense on Purchase
- C. Operating Expense
- D. Sales
- 2. In the income statement, If the total operating expenses are greater than total revenues, it will result in:
 - A. Net Income
 - B. Net Loss//
 - C. Gross Profit
 - D. Gross Loss
 - Ghusson Company purchased a Motor Van on 1st of June 2018, at a cost price of BD8,000, insurance BD500. It is expected to have a salvage value of BD1,000 at the end of its useful life of 4 years, it's using the straightline method: (Use this information to answer 3 and 4)
- 3. The acquisition cost is:
- A. BD8,000
- B. BD9,000
- C. BD7,500
- D. BD8,500 /

State the steps of the solution: 8,000 /+ 500 /= BD8,500

- 4. The Depreciation Base is:
- A. BD8,000
- B. BD9,000
- C. BD7,500 /
- D. BD8,500

State the steps of the solution: 8,500 / -1,000 / = BD7,500



QUESTION TWO:

The following balances were extracted from the books of Dana Company:

18×1	
18	

Accounts	BD	Accounts	BD
			400
Gross Sales	22,000	Purchase Discount	
Purchases	18,000	Purchase Returns	600
Transportation in	700	Opening Inventory	2000
Sales Returns	1000	Closing Inventory	????
Sales Discount	3000	Gross profit	3300

Required:

From the balances above, prepare the Partial Income Statement for the period ended 31st December 2016:

Dana company /

Partial Income Statement
For the period ended 31st December 2016 /

Revenue from sales:			
Sales		22,000 /	
Less: Sales discount	1000 /	(-)	
Sales return	3000 /	4000	
Net sales			18,000 /
Cost of goods sold:			
Opening inventory		2000 /	
Purchases	18,000 /		
Less: Purchase discount	(400)/		
Purchase Return	(600)/	+	(-)
Net purchase	17,000 /		
Add: Expense on purchase	+		
Transportation in	700 /		
Cost of purchase	,	17,700 /	
Cost of goods available for sale		19,700 /	
Less: ending inventory		(5000) //	
Cost of goods sold			14,700 /
Gross profit			3300 /

إنكاني فيمين لأمالي

NOTICE: The Answers Contains 3 pages

QUESTION THREE:

Salman Company purchased a Machine on 1st January 2015. Relevant information is given below:

Cost price	BD5,000
Installation	BD500
Salvage value	BD400
Useful life	5 years

Page 3

12

20 x ½	_
10	

Required:

A) Calculate the depreciation expense, accumulated depreciation and net book value by using the **straight-line method**:

()	5500-4	00) × 20%	Depreciation Expense	Accumulated Depreciation	Net Book Value
	2015	$(5500 - 400) \div 5$	1020 /	1020 /	4480 /
	2016	(5500 - 400) ÷ 5 /	1020 /	2040 /	3460 /
	2017	(5500 - 400) ÷ 5 /	1020 /	3060 /	2440 /
	2018	(5500 - 400) ÷ 5 /	1020/	4080 /	1420 /
	2019	(5500 - 400) ÷ 5 /	1020/	5100 /	400 /

تعطي درجة قيد اليومية على صحة البيان والرقم معا

4 x ½

B) Prepare the journal entries for the third year (2017):

2

Date	Explanation	Debit	Credit
31 Dec	Depreciation expense- machine //	1020	
2017	Accumulated depreciation //		1020

END OF EXAM