

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

SECOND SEMESTER EXAM 2017/2018

COURSE NAME: ACCOUNTING (1)

TRACK: توحيد المسارات

COURSE CODE: 111 ما

TIME: 2 Hours

QUESTION ONE:

A- Show the effects of the following transactions on **Account Receivable only**.
(Using ✓ in the appropriate column).

| NO | Transactions | Increase | Decrease | No Effect |
|----|--|----------|----------|-----------|
| 1 | Purchased equipment on account | | | |
| 2 | Provided services to customer on account | | | |
| 3 | Sold goods to Mohammed on credit | | | |
| 4 | Issued invoice for sold goods | | | |
| 5 | Collected cash from debtor Mohammed | | | |

B- Classify each of the following accounts by using the major balance sheet classification to Current Assets (CA), Fixed Assets (FA), Liabilities (L), Owners Equity (OE) and Not Included (NI).

| Account | Classify | Account | Classify |
|-----------------|----------|-------------------|----------|
| Supplies | | Building | |
| Account Payable | | Cash | |
| Machines | | Prepaid Insurance | |
| Capital | | Salaries Payable | |

C- Indicate whether a **debit or credit** will **increase in the normal balance** of the following accounts. (Using ✓ in the appropriate column)

| NO | Account Title | Increase In | |
|----|---------------|-------------------|--------------------|
| | | <u>Debit (Dr)</u> | <u>Credit (Cr)</u> |
| 1 | Premises | | |
| 2 | Fees Earned | | |
| 3 | Inventory | | |
| 4 | Notes Payable | | |
| 5 | Rent Expenses | | |

QUESTION TWO:

The following transactions occurred during Dec 2016 for Salman Est.

Dec 1: Salman began his business by investing cash BD30,000 and supplies BD10,000.

Dec 2: Paid office rent for BD700 cash.

Dec 5: Billed to customer Ebrahim for services provided for BD5,000.

Dec 7: Purchased supplies for BD800 from Eman Est, on account.

Dec 10: Received 60% cash from customer Ebrahim.

Dec 12: Office supplies BD600 has been used.

Dec 15: Withdrew cash for BD400 for personal use.

REQUIRED:

Show the effects of the previous transactions on the **Basic Accounting Equation.**

| Date | Assets | | | = | Liabilities | + | Owner's Equity | Remarks |
|--------------|--------|---------------------|----------|---|------------------|---|----------------|---------|
| | Cash | Accounts Receivable | Supplies | | Accounts Payable | | Capital | |
| Dec 1 | | | | = | | + | | |
| Dec 2 | | | | = | | + | | |
| Dec 5 | | | | = | | + | | |
| Dec 7 | | | | = | | + | | |
| Dec 10 | | | | = | | + | | |
| Dec 12 | | | | = | | + | | |
| Dec 15 | | | | = | | + | | |
| Balance | | | | = | | + | | |
| Total | | | | | | | | |

QUESTION THREE:

The following transactions occurred during Aug 2017, for Talal Est.

Aug 1: Invested cash for BD36,000 in the business.

Aug 3: Cash sales for BD9,000.

Aug 6: Received invoice No# 615 from Samira for goods BD2,600.

Aug 8: Issued invoice No# 1217 to Yaser for goods BD7,200.

Aug 10: Sold goods to Abdulla for BD500, who used **American Express card**. The services charge is 1%.

Aug 13: Issued cheque to paid full amount due to Samira.

Aug 16: Issued receipt No# 2650 to Yaser for the amount due from him.

REQUIRED:

1- Prepare the journal entries for the previous transactions.

2- Post to the ledger of Sales account.

3- Post to T-account of cash account and find the balance on Aug 31 2017.

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| Date | Explanation | Debit (BD) | Credit (BD) |
|---------------|--------------------|-----------------------|------------------------|
| Aug 1 | | | |
| | | | |
| Aug 3 | | | |
| | | | |
| Aug 6 | | | |
| | | | |
| Aug 8 | | | |
| | | | |
| Aug 10 | | | |
| | | | |
| | | | |
| Aug 13 | | | |
| | | | |
| Aug 16 | | | |
| | | | |

2- Post to the ledger of **Sales account**.

| Name of Account: Sales | | | | | |
|------------------------|-------------|----|-------|--------|---------|
| Date | Explanation | PR | Debit | Credit | Balance |
| | | | | | |
| | | | | | |
| | | | | | |

3- Post to T-account of **Cash Account** and find the **Balance on Aug 31 2017**.

| DR | Cash Account | CR |
|----|--------------|----|
| | | |

QUESTION FOUR:

The following incorrect trail balance for Hamad Est, on Dec 31 2016.

At Dec 31 2016

Hamad Est,
Trail Balance

| Account Title | Debit BD | Credit BD |
|-----------------|----------------|----------------|
| Cash | 18,400 | |
| Supplies | | 6,200 |
| Lands | | 78,000 |
| Equipment | 15,400 | |
| Account Payable | 9,100 | |
| Capital | 97,900 | |
| Fees Income | | 21,000 |
| Rent Expense | | 3,500 |
| Wages Expense | | 6,500 |
| Total | 140,800 | 115,200 |

REQUIRED: Prepare a correct trail balance at Dec 31 2016.

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| Account Title | Debit BD | Credit BD |
|---------------|-------------|--------------|
| | | |
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QUESTION FIVE:

The following balances was extracted from the book of Badria Est, for the year ended On Dec 31 2017.

| Account Title | BD | Account Title | BD |
|--------------------|--------|-------------------|--------|
| Cash | 14,300 | Loans | 12,400 |
| Account Receivable | 7,700 | Capital | 74,500 |
| Ending Inventory | 3,500 | Drawings | 1,000 |
| Building | 62,000 | Commission Income | 9,900 |
| Motor Van | 18,000 | Salaries Expense | 4,800 |
| Furniture | 9,000 | Rent Expense | 2,200 |
| Account Payable | 5,600 | Repair Expense | 3,000 |
| Services Revenues | 17,100 | Notes Payable | 6,000 |

REQUIRED:

- 1- Calculate the **Net Income or Net Loss** for the year ended on Dec 31 2017.
(Using the previous balances and **estate the steps of solution**)

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- 2- Prepare a **Classified Balance Sheet** as at Dec 31 2017.

Badria Est.
Balance Sheet
as at Dec 31 2017

| | | | |
|-------------------------------|--|-------------------------------------|--|
| <u>Current Assets:</u> | | <u>Liabilities:</u> | |
| | | | |
| | | | |
| | | | |
| Total Current Assets | | Total Liabilities | |
| <u>Fixed Assets</u> | | <u>Owner's Equity</u> | |
| | | | |
| | | | |
| | | | |
| Total Fixed Assets | | Total Owner's Equity | |
| Total Assets | | Total liabilities and Equity | |