KINGDOM OF BAHRAIN MINISTRY OF EDUCATION <u>DIRECTORATE OF EXAMINATIONS / CENTRAL EXAMINATION SECTION</u>

SECOND SEMESTER EXAM 2017/2018

COURSE NAME: ACCOUNTING (1)

توحيد المسارات :TRACK

محا COURSE CODE: 111

TIME: 2 Hours

QUESTION ONE:

A- Show the effects of the following transactions on <u>Account Receivable only</u>. (Using \checkmark 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	A accurt Title	Incre	ase In
	Account Title	Debit (Dr)	Credit (Cr)
1	Premises		
2	Fees Earned		
3	Inventory		
4	Notes Payable		
5	Rent Expenses		

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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 **<u>Basic Accounting</u>** Equation.

Data		Assets		=	Liabilities	+	Owner's Equity	Demoster
Date	Cash	Accounts Receivable	Supplies		Accounts Payable		Capital	Remarks
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:

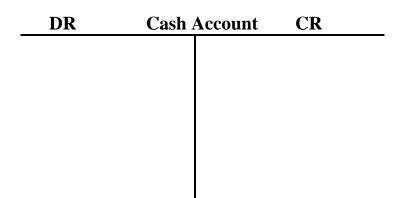
- 1- Prepare the journal entries for the previous transactions.
- **2-** Post to the ledger of Sales account.
- **3-** Post to T-account of cash account and find the balance on Aug 31 2017.

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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.



QUESTION FOUR:

The following <u>incorrect</u> trail balance for Hamad Est, on Dec 31 2016. At Dec 31 2016

Hamad Est,					
Tra	Trail Balance				
	Debit	Credit			
Account Title	BD	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 <u>correct</u> trail balance at Dec 31 2016.

Account Title	Debit BD	Credit BD
Account The		

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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 <u>Net Income or Net Loss</u> for the year ended on Dec 31 2017. (Using the previous balances and <u>estate the steps of solution</u>)

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

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Badria Est. Balance Sheet as at Dec 31 2017

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