

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

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**FIRST SEMESTER EXAM 2018/2019****MODEL ANSWERS****COURSE NAME: ACCOUNTING (2)****TRACK: توحيد المسارات****COURSE CODE: 212****TIME: 2 Hours****QUESTION ONE:**

The following information were extracted from the books of Ameen Company on Dec 31 2017.

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Account Title	BD	Account Title	BD
Sales	512,000	Opening Inventory	???
Net Sales	504,000	Cost of Goods Available for Sales	389,500
Sales discount	???	Ending Inventory	10,500
Purchases	385,000	Fees Earned	16,000
Purchases Returns	7,000	Total Operating Expenses	???
Freight In	2,000	Net Profit	58,000

**Required:** Choose the correct answer for each of the following questions by using the previous information and estate the steps of solution.

**1- Sales Discount is;**

- a) BD8,000 /
- b) BD18,000
- c) BD16,000
- d) BD12,000

$$512,000 / - 504,000 / = \text{BD}8,000$$

**2- Net Purchases will be;**

- a) BD392,000
- b) **BD378,000 /**
- c) BD385,000
- d) BD380,000

$$385,000 / - 7,000 / = \text{BD}378,000$$

**3- Cost of Purchases are:**

- a) **BD380,000 /**
- b) BD377,000
- c) BD387,000
- d) BD383,000

$$378,000 / + 2,000 / = \text{BD}380,000$$

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**4- Opening Inventory will be:**

- a) BD12,500
- b) BD9,500 /**
- c) BD6,500
- d) BD16,500

$$389,500 / - 380,000 / = \text{BD}9,500$$

**5- Cost of Goods Sold are:**

- a) BD400,000
- b) BD390,500
- c) BD369,500
- d) BD379,000 /**

$$389,500 / - 10,500 / = \text{BD}379,000$$

**6- Gross Profit will be:**

- a) BD114,500
- b) BD122,500
- c) BD133,000
- d) BD125,000 /**

$$504,000 / - 379,000 / = \text{BD}125,000$$

**7- Total Revenues are:**

- a) BD153,500
- b) BD138,500
- c) BD149,000
- d) BD141,000 /**

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$$125,000 / +16,000 / = \text{BD}141,000$$

**8- Total Operating Expenses are:**

- a) BD95,500
- b) BD80,500
- c) BD83,000 /**
- d) BD91,000

$$141,000 / - 58,000 / = \text{BD}83,000$$

**QUESTION TWO:**

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On Jan 1 2015, Tareq Company Purchased equipment for the amount cost BD120,000. It has an estimated a scrap value for BD9,000 at the end of useful life 5 years . The company uses **Double Declining Balance Method**.

**Required:**

a) Compute Depreciation Rate Double Declining Balance Method:

$$= (100 / \div 5 /) \times 2 / = 40\% /$$

b) Complete the following table to find **Depreciation expense, Accumulated depreciation and Net book value**.

Year	Calculation	Depreciation expense	Accumulated depreciation	Net book value
2015	120,000 / × 40% /	48,000 /	48,000 /	72,000 /
2016	72,000 / × 40% /	28,800 /	76,800 /	43,200 /
2017	43,200 / × 40% /	17,280 /	94,080 /	25,920 /
2018	25,920 / × 40% /	10,368 /	104,448 /	15,552 /
2019	15,552 / - 9,000 /	6,552 /	111,000 /	9,000 /

c) If, Tareq Company purchased equipment on **June 30 2015** and uses **Straight Line Method**. Compute annual depreciation expense for the first year 2015.

$$(120,000 / - 9000 /) \div 5 / = \text{BD } 22,200 \times (6 / \div 12 /) = \text{BD } 11,100 //$$

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**QUESTION THREE:**

تعطى درجة القيد على صحة البيان والرقم معا

8×2

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Wala Company had the following balances on Dec 31 2016.

Cash Sales BD130,000

Credit Sales BD270,000

Account Receivable BD150,000

**Required:**

Prepare journal entries for the following transactions by using provision for doubtful debts method:

a) On Jan 5 2017, the company estimated bad debts to be 5% from credit sales.

Date	Explanation	Debit	Credit
Jan 5 2017	Bad Debts Expense (270,000×5%) /	13,500	
	Provision (allowance) for Doubtful Debts /		13,500

b) On Jan 15 2017, Customer Sameh has bankrupt and wrote off his balance BD3,500 as uncollectible.

Date	Explanation	Debit	Credit
Jan 15 2017	Provision (allowance) for Doubtful Debts /	3,500	
	Account Receivable /		3,500

c) On Feb 10 2017, Customer Sameh won money and paid BD1,500 from his balance which wrote off on Jan 15 2017.

Date	Explanation	Debit	Credit
Feb 10 2017	Account Receivable /	15 00	
	Provision (allowance) for Doubtful Debts /		15 00
Feb 10 2017	Cash /	15 00	
	Account Receivable /		15 00

**QUESTION FOUR:**

3×2

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Find out the amount indicated by blanks in columns below, the amount in each column constitute a separate question.

Title	A	B	C
Supplies on Jan 1 2017 (opening).	3,000	<u>4,500 /</u>	2,200
Supplies purchased during the year 2017.	5,000	8,000	<u>9,800 /</u>
Supplies on hand on Dec 31 2017 (Ending)	<u>2,000 /</u>	4,000	3,400
Supplies expenses for the year 2017.	6,000	8,500	8,600

**QUESTION FIVE:**

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You are required to prepare the adjusting entries and complete the following Work sheet of Ebrahim Company for the period ended on Dec 31 2017.

**Adjustments:**

6×2

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- 1) Unearned Rent Revenue for BD3,000 was performed.
- 2) Accrued (Not paid) wages for BD4,800.
- 3) Accrued Interest on notes receivable for BD1,700.

Notes: Using the information from the work sheet to prepare adjusting entries.

تعطي درجة القيد على صحة البيان والرقم معا

Date	Explanation	Debit	Credit
Dec 31 2017	Unearned Rent Revenue /	3,000	
	Rent Revenue /		3,000
Dec 31 2017	Wages Expense /	4,800	
	Accrued Wages (Payable) /		4,800
Dec 31 2017	Accrued Interest Revenue /	1,700	
	Interest Revenue /		1,700

Ebrahim Company /  
Work Sheet

For the period ended on Dec 31 2017 /

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Account Title	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	19,800				19,800/				19,800/	
Account Receivable	7,500				7,500/				7,500/	
Notes Receivable	4,600				4,600/				4,600/	
Premises	135,000				135,000/				135,000/	
Machines	58,000				58,000/				58,000/	
Unearned Rent Revenues		12,400	3,000/			9,400/				9,400/
Capital		204,000				204,000/				204,000/
Drawings	3,300				3,300/				3,300/	
Services Revenues		16,000				16,000/		16,000/		
Interest Revenues		8,000		1,700/		9,700/		9,700/		
Rent Revenues		11,000		3,000/		14,000/		14,000/		
Wages Expenses	12,200		4,800/		17,000/			17,000/		
Advertising Expenses	9,500				9,500/			9,500/		
Telephone Expenses	1,500				1,500/			1,500/		
Total	251,400	251,400								
Wages Payable				4,800/		4,800/				4,800/
Accrued Interest Revenues			1,700/		1,700/				1,700/	
			9,500	9,500	257,900	257,900	28,000	39,700	229,900	218,200
Net Profit /							11,700	/	/	11,700
Grand Total			/	/	/	/	39,700	39,700	229,900	229,900

END OF EXAM

عبد الرحمن حسن