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

MODEL ANSWERS 2**RESET EXAM 2021/2022****COURSE NAME:** ACCOUNTING (1)**TRACK:** توحيد المسارات**COURSE CODE:** 111 ما**TIME:** 2 Hours**QUESTION ONE:**

The following transactions are for Alhuda Est, during May 2021.

May 01: Invested BD15,000 cash and BD5000 equipment in the business.

May 02: Purchased equipment for BD2,000 cash.

May 03: Provided services for BD8,000 to Younis on account.

May 04: Paid BD700 cash for advertising.

May 05: Hired a secretary for monthly salary of BD550.

May 06: Abdulla withdrew BD1,000 cash for personal use.

May 07: Received full amount due from customer Younis.

Required:**22 × 0.5****11**

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إبراهيم حسن الزمان

Complete the following tabular analysis for the previous transactions to show the effects on the basic accounting equation.

Date	Assets =			Liabilities		+ Owner's Equity		
	Cash	Account Receivable	Equipment	Account Payable	Capital	Revenues	Drawings	Expenses
May 01	+15,000 /		+ 5,000 /		+20,000 /			
May 02	-2,000/		+2,000/					
May 03		+8,000/				+8,000/		
May 04	-700/							-700/
May 05	NE/							
May 06	-1,000/						-1,000/	
May 07	+8,000/	- 8,000/						
Balance	19,300 /	0	7,000/		20,000/	8,000/	-1,000/	-700/
Total	26,300 /			26,300 /				

QUESTION TWO:

18 × 0.50

9

Eman's Company was started on June 1 2021. The following selected transactions occurred during May.

June 1 : Invested BD28,000 cash in the business.

June 5 : Purchased machine costing BD9,000 from Hamad Est, on account.

June 7: Performed services to customer BD17,000 cash.

June 14: Paid BD2,800 cash for a two - year insurance policy.

June 16: Paid BD5,000 cash to creditor Hamad.

May 18: Eman withdrew BD400 cash for personal use.

June 22: Paid BD1,300 cash for store rent.

June 25: Completed services for BD11,500 to customer Ebrahim on credit

June 27: Received BD 3,500 cash from debtor Ebrahim.

Required:

Journalize the June transactions.

Solution**GENERAL JOURNAL**

Date	Account Title and Explanation	PR	Debit	Credit
June 1	Cash /		28,000	
	Capital/			28,000
June 5	Machine/		9,000	
	Account Payable (Hamad)/			9,000
June 7	Cash/		17,000	
	Services Revenues/			17,000
June 14	Prepaid Insurance/		2,800	
	Cash/			2,800
June 16	Account Payable (Hamad)/		5,000	
	Cash/			5,000
June 18	Drawings/		400	
	Cash/			400
June 22	Rent Expenses/		1,300	
	Cash/			1,300
June 25	Account Receivable (Ebrahim)/		11,500	

	Services Revenues/			11,500
June 27	Cash/		3,500	
	Account Receivable (Ebrahim)/			3,500

QUESTION THREE:

The following is the trial balance of Hala Company at 31st December, 2021:

Trial Balance

As at 31st December, 2020

24 × 0.5

12

Account Title	Debit	Credit
Cash	19,000	
Accounts Receivable	3,400	
Office Supplies	2,600	
Equipment	7,000	
Furniture	13,000	
Accounts Payable		5,000
Utilities Payable		2,000
Loans (due in 7 years)		11,000
Hala 's Capital		23,000
Hala's Drawings	2,500	
Service Revenues		8,200
Fees Earned		7,800
Rent Expense	3,500	
Salaries Expense	2,000	
Wages Expense	4,000	
Total	57,000	57,000

Required:

- 1- Prepare the Income Statement
- 2- Prepare the Statement of Owner's Equity.
- 3- Prepare the Balance Sheet as at Dec, 31 2021.

Hala Company
Income Statement

الدكتور هاشم حسن العاني

For the year ended 31st December 2021

Revenues:	BD	BD
Service Revenues /	8,200	
Fees Earned /	7,800	
Total Revenues /		16,000
- Expenses:		↓
Rent Expense /	3,500	(-)
Salaries Expense /	2,000	↓
Wages Expense /	4,000	
Total Expenses		9,500
Net Profit /		6,500

Hala Company

Statement of Owner's Equity

For the year ended 31st December 2021

	BD	BD
Owner's capital, (Beginning Capital) /	23,000	
	+	
Less: Net Profit /	6,500	
		29,500
		-
Less: Drawings /		(2,500)
Owner's Capital, Dec 31 (Ending Capital) /		27,000

Hala Company

Balance Sheet

As at 31st December, 202

Current Assets			Current Liabilities		
Cash /	19,000		Account Payable /	5,000	
Accounts Receivable/	3,400		Utilities Payable /	2,000	
Office Supplies /	2,600		Total Current Liabilities		7,000
					↓
Total Current / Assets		25,000	Long-Term liabilities		↓
		↓			+
			Loan (due in 7 years)/	11,000	↓
Fixed(Plant) Assets		+			↓
		↓			
Equipment /	7,000		Total Long-Term liabilities		11,000
Furniture /	13,000		Total Liabilities		18,000
			Owner's Equity		↓
Total Fixed Assets /		20,000	Owner's capital /		27,000
Total Assets/		45,000	Total Liabilities and Equity /		45,000

QUESTION FOUR:

Saleh Est, was started in January 1 2021. Presented below are both the unadjusted part of trial balance as of June 30 2021.

8×1

8

Account	Debit (BD)	Credit (BD)
Supplies	1,400	
Prepaid Insurance	2,900	
Machinery	22,000	
Accumulated Depreciation-Machinery		6,000
Notes Payable		9,000
Other Revenue		18,000
Service Revenues		12,000
Salaries Expenses	3,500	

The following data appeared on June 30, 2021:

- 1- Expired insurance for the period is BD900.
- 2- Supplies on hand at June 30 totaled BD400.
- 3- The depreciation charge for machinery is BD200 per month.
- 4- Salaries not paid BD1500.

الإسلام
هو
عقيدة
عيسى
العلي

Required:

Prepare the adjusting entries on June 30, 2021 assuming that adjusting entries are made semiannually (**Each 6 months**).

General Journal			
1	Insurance expenses / Prepaid Insurance /	900	900
2	Supplies Expenses (1400 - 400) / Supplies. /	1000	1000
3	Depreciation Expenses - Machinery (200×6) / Accumulated Depreciation – Machinery /	1200	1200

4	Salaries Expenses / Salaries Payable. /	1500	1500

END OF EXAM