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MODEL ANSWERS

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

RESET EXAM 2021/2022

COURSE NAME: ACCOUNTING (3)

TRACK: توحيد المسارات

COURSE CODE: 213 ما

TIME: 1.5 Hours

QUESTION ONE:

The following adjusted trial balance for Hamad Cleaning Services shows the following account balances on Dec 31, 2021:

**Hamad Cleaning Services
Adjusted Trial Balance
Dec 31, 2021**

الإسلام حسن العباد

18×0.5

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Account Title	Debit (BD)	Credit (BD)
Cash	20,000	
Accounts Receivable	10,000	
Building	90,000	
Land	60,000	
Accounts Payable		25,000
Hamad , Capital		153,000
Hamad ,Drawings	3,000	
Service Revenue		26,000
Wages Expense	14,000	
Advertising Expense	7,000	
Totals	204,000	204,000

Required:

- 1- Prepare the necessary **closing entries** on Dec 31, 2021.
- 2- Prepare a **post-closing trial balance** at Dec 31, 2021.

Solution:**GENERAL JOURNAL
1- CLOSING ENTRIES**

Date	Explanation	PR	Debit (BD)	Credit (BD)
Dec.31	Services Revenues /		26000	
	Income Summary /			26000
Dec.31	Income Summary/		21000	
	Wages Expense/			14000
	Advertising Expense/			7000
Dec.31	Income Summary/		5000	
	Mahmoud, Capital /			5000
Dec.31	Hamad, Capital/		3000	
	Hamad, Drawings/			3000

Hamad Cleaning Services
2- Post - Closing Trail Balance
Dec 31, 2021

الإسلام هبة من إيمان

Account Title	Debit (BD)	Credit (BD)
Cash/	20,000	
Accounts Receivable/	10,000	
Building/	90,000	
Land/	60,000	
Accounts Payable/		25,000
Hamad , Capital//		155,000
Totals	180,000/	180,000/

QUESTION TWO:

Noor Company uses a **perpetual inventory system**. It entered into the following information for the month of May 2021.

48×0.25

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Date	Explanation	Units	Unit Cost (BD)	Unit Sold (BD)
May 01	Beginning Inventory	200	6	
May 07	Purchases	500	7	
May 12	Sales	300		15
May 21	Purchases	400	8	
May 28	Sales	600		15

Required:

Compute cost of goods sold and cost of ending Inventory using FIFO Method.

Solution:

الإمام حسن العاني

Date	Goods Purchased	Cost of Goods Sold	Inventory Balance
May 01			200/ ×6 /= BD1200//
May 07	500/×7/ = BD3500//		500/ ×7/ = BD3500//
May 12		200 /×6 /= BD1200//	
		100/×7/ = BD700//	
			400/×7/= BD2800//
May 21	400/×8/= BD3200//		400/×8/= BD3200//
June 27		400/×7/= BD2800//	
		200/×8= BD1600//	
Total		900 6,300////	200/×8/= BD1600//

QUESTION THREE:

The following information for Asia Est. is shown on December 31, 2021:

14×0.5

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- On December 31, cash per bank statement was BD8160; cash per the cash account was BD8480.
- Service charges for December were BD156.
- BD280 check drawn by Khalid marked NSF.
- Cash receipts of BD1500 on December 31, 2021 were not deposited until January 2022.
- Outstanding checks: No.123 for BD500 – No.134 for BD516– No.141 for BD600.

Required:

- 1- Prepare the Bank Reconciliation
- 2- Prepare Journal entries necessary to reconcile the cash account balances.

Solution:

Asia Est
Bank Reconciliation
December 31, 2021

الإسلام
عبد الرحمن
الحسين

Bank Statement / Balance		8160	Book Balance/		8480
Add: Deposits in transit/		1500	Add:		
		9660			
Less: Outstanding checks			Less:		
No#123/	500		Bank services charge/	156	
No#134/	516		NSF Checks /	280	
No#141/	600				
		1616			436
Adjusted Bank Statement Balance/		8044	Adjusted Book Balance/		8044

2- General Journal

Date	Explanation	Debit (BD)	Credit (BD)
Nov. 30	Miscellaneous Expense /	156	
	Account Receivable/	280	

	Cash//		436
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QUESTION FOUR:

Using the following accounts analysis columns for the Petty Cash system: (1) Postage (2) Carriage (3) Stationery.

March 4	Established petty cash fund by writing a check for BD60	
4	Paid for postage stamps	9.000
5	Paid for stationery	5.000
5	Paid for carriage	16.000
6	Paid for postage stamps	8.000
8	Paid for stationery	12.000
9	Received from the chief cashier to replenish the petty cash fund	BD50
10	Increased the amount of the petty cash fund to BD80 by writing check for BD20.	

8×1

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Required:

Prepare the necessary journal entries for the petty cash transactions.

Solution:**General Journal**

Date	Explanation	Debit	Credit
March 4	Petty Cash /	60	
	Cash/		60
March 9	Postage (9+8)/	17	
	Carriage (16)/	16	
	Stationery (5+12) /	17	
	Cash/		50
March 10	Petty Cash/	20	
	Cash/		20

الإسلام
عبد الرحمن
عبد الرحمن

QUESTION FIVE:

Abdulla Est. using the vertical analysis for the following balance sheet items.

16×0.25

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Abdulla Est.
Balance Sheet
December 31, 2021

ACCOUNT	AMOUNT (BD)
Current Assets	60,000
Fixed Assets	140,000
Total Assets	200,000
Current Liabilities	80,000
Stockholders' Equity	120,000
Total Liabilities and Stockholders' Equity	200,000

Required:

Compute the percentage of balance sheet for Abdulla Est. using the Vertical Analysis:

Abdulla Est
Balance sheet
December 31, 2020

أبو عبد الله محمد حسن العسلي

Account	Amount (BD)	Percentage %
Current Assets	60,000	= 60000/200000 x 100 = 30% ///
Plant Assets	140,000	140000/200000 x 100 = 70% ///
Total Assets	200,000	= 200000/200000 x 100 = 100%
Current liabilities	80,000	= 80000/200000x 100 = 40% ///
Stockholder's Equity	120,000	=120000/200000 x 100 = 60% ///

Total Liabilities and Equity	200,000	=200000/200000 x 100 = 100%
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END OF ANSWER EXAM