Subject: Accounting Time: 2Hour Second Attempt Date: 4 /9/2018



Final Exam

Second Class

2017/2018



Collage of Administration &Economic Accounting Department

Note : Answer Four questions only . First question must be answered.

Chose the correct answers:

1- The basic accounting equation may be expressed as

a- Assets = liabilities. b- Assets – Liabilities = owner's equity.

c- Assets =Liabilities + owner's equity. d- All of these.

2- Kenan company contributed \$250000 cash and land worth \$500000 to open her new business. Which of the following journal entries dose Kenan co. make to record this transaction?

a-	cash 750000	b- capital 750000
	capital 750000	cash 75000
C-	cash 250000	d- capital 750000
	Land 500000	cash 250000
	Capital 750000	land 500000

3- At March 1,2016 Happy time Inc. had supplies on hand of \$1500, during the month Happy Time purchased supplies of \$1900 and used supplies of \$1800. O March balance sheet should report what balance in the supplies account?

a- \$1500. b- \$1600. C- \$1800. d- \$1900.

4- Dividends account appear in :

a- income statement. b- retained earnings statement. c-balance sheet. d- all of these.

5- On April 1, 2017 Defacto company purchase merchandise for \$12000 with terms 2/10, n/30, if this company paid all the amount on April 14,2017, the entry will record as below:

a- purc	hase	12000	d	- A/R		12000		
	A/P	12000	-		sales	1200	00	
c- A/P		12000		d-	A/P	120	000	
	cash p	urchase discount	240			cash	12000	
	cash	1	1760					

6- Insurance expense payable appear in :

a- Retained earnings. b- income statement. c- balance sheet. d- P&L A/C.

7- Which of the following would added to the balance per books on a bank reconciliation ?

a- outstanding. b- deposits in transit.

c- NSF check. d- collection of note by bank.

8- Notification by the bank that a deposit customer check was returned NSF required that the company make the following adjusting entry:

a- A/R	b- cash	c- Miscellaneous expense	d- no adjusting entry
cas	h A/R	A/R	is necessary

9- A 30-day note dated August 18 has a maturity date of

a- September `18. b- September 17. C- September 19. d- September 16.

10- Star company purchased merchandise cash for 20000 units , \$3 each with quantity discount as flow:

The first 5000 2%, from 5001- 10000 3%, from 10001- 15000 4%. More than 15000 5%. Star company record this transactions as below

а-рі	urchase	60000		b- cash		57900
	quanti	ty purchase discount	2100	quanti	ty sale dis	count 2100
	cash		57900	_	sale	60000
с- рі	urchase	60000		d- A/R		57900
	quanti	ty purchase discount	2100	quanti	ty sale dis	count 2100
	A/P		57900		sale	60000

11- If the company declared dividends ,the entry will record as below:

a- cash	b- cash	c- dividends	d- No entry
dividends	retained earnin	gs cash	
12- Trail balance contai	n		
a- expenses and reve	enue	b- assets and	l liabilities

Q 2//: The 12 transactions given below were completed by TNT cleaning services company during the year 2016:

d- all accounts

a- The organization paid cash and in turn received 10000 shares of stock.

b- TNT cleaning borrowed cash from the local bank.

c- owner's equity account

c- TNT cleaning purchased a company van, paid three-fourths in cash with the balance due in six months.

d- Revenue earned, collected cash in full.

- e- Expenses incurred, paid cash in full.
- f- Revenue earned, on credit.
- g- Expenses incurred on credit.
- h- Declared and paid a cash dividends to stockholders.
- i- Collected half of the amount on credit in (f).
- j- Paid all of the credit amount in (g)

k- A spare tire was stolen from the company van, not incurred.

I- Sold the van at the end of the year for more the company paid.

Required: For each transaction given above, enter in the table below the abbreviations Dr(for debit) and Cr(for credit) to reflect the increases and decreases in the balance sheet and income statement accounts listed.

		Transactions										
	а	b	С	d	е	f	g	h	i	j	k	I
Assets												
Liabilities												
Capital												
Dividends declared												
Revenue												
Gains												
Expenses												
Losses												

Q 3//: The March 31, 2016 bank statement for state company and the March ledger accounts for cash are summarized below:

	Checks	Deposits	Balance
Balance March 1, 2016			\$10650
Deposits during March		\$29000	39650
Notes collected for depos	itor		
(including \$100 interest)		980	40630
Checks cleared during Ma	rch \$32200		8430
Bank services charge	25	i	8405
Balance, March 31, 2016			8405
	Cash A/	с	
March 1 balance 1	L0100	Mar. checks written	32500
Mar. deposits	31000		

A comparison of March deposits recorded on the company's book with deposits on the bank statement showed deposits in transit of \$2000. Outstanding checks at the end of March were determined to be \$850.

Required: 1- Prepare a bank reconciliation for March.

2- Give any journal entries that should made by the company .

Q 4//: Al watania insurance agency prepares monthly financial statement. present below is an income statement for month of June that is correct on the basis of information considered.

Al Watania insurance agency

income statement for the month ended June 30, 2017

Premium commission revenue		\$35000
Expenses:		
Salary expense	\$6000	
Advertising expense	800	
Rent expense	4200	
Depreciation expense	2800	

Revenue

Total expenses	 <u>\$13800</u>
Net income	\$21200

Additional data : When the income statement was prepared. The company accountant neglected into consideration the following information:

1- A utility bill for \$2000 was received on the last day of the month for electric and gas service for the month of June.

2- A company insurance salesman sold a life insurance policy to a client for a premium of \$28000. The agency billed the client for the policy and is entitled to a commission of 20%.

3- supplies on hand at the beginning of the month were \$3000. The agency purchased additional supplies during the month for \$2500 in cash and \$2200 of supplies were on hand at June 30.

4- The agency purchases a new car at the beginning of the month for \$16800 cash. The car will depreciate \$4200 per year.

5- salaries owed to employees at the end of the month total \$5300. The salaries will be paid on July 5.

Required:(1) prepare an adjusting entries.

(2) prepare a correct income statement.

Q 5//: The following balances were taken from the books of Maria Conchita Alonzo co. on Dec. 2017:

Interest revenue	\$86000	Accumulated depreciation- equipment	\$40000
cash	51000	Accumulated –depreciation-building	28000
Sales	1380000	Notes receivable	155000
Accounts receivable	150000	Selling expenses	194000
Prepaid insurance	20000	Accounts payable	170000
Sales return allowance	150000	Bonds payable	100000
Allowance for doubtful	7000	Administrative and general expense	97000
account			
Sales discount	45000	Accrued liabilities	32000
land	100000	Interest expense	60000
equipment	200000	Notes payable	100000
building	140000	Loss on earthquake damage	150000
Cost of goods sold	621000	Common stock	500000
ending inventory	50000	Retained earnings	21000

Assume the tax rate 34%.

Required: prepare a multiple – steps income statement

Good luck

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