

Note: Answer 4 questions only

Q1\\:Aregon Company has just received the August 31,2016,bank statement which is summarized below:

Country national Bank	Payment	Receipt	Balance
Balance August 1			\$9,369
Deposit during August		\$32,200	41,569
Note collected including \$40 interest		1,040	42,609
Checks cleared during August	\$ 34,500		8,109
Bank service charge	20		8,089
Balance ,August 31			8,089

The general ledger cash account contained the following entries for the month of August

Cash	
Balance ,August,1    10,050  Receipt during August   35,000	Payment in August 35,403

Deposit in transit at August 31, are \$3,800 and checks outstanding at August 31, total \$1,550, cash on hand at August 31,\$310(add to balance per bank). The accountant entered one check at \$146.50 which was written for \$164.50 for suppliers (expense) , it cleared the bank during the month of August.

Required: (a) Prepare a bank reconciliation dated August 31,2016.

(b) Prepare entries necessary to make the books correct and complete.

(c ) What amount of cash should be reported in the August 31,statement of financial position.

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Q 2//: Janaw"s record of transactions for the month of April was as flow:

Date	Purchases	Sales
April 1	600@6.00	April 3. <u>500@10.00</u>
4	1500@6.08	9.    1300@10.00
8	800@6.40	11. <u>600@11.00</u>
13	1200@6.50	23. <u>1200@11.00</u>
21	700@6.60	27.    900@12.00
29	500@6.70	
<b>Total</b>	<b>5300</b>	<b>4500</b>

Required: (a) Assuming that periodic inventory records, are kept. Compute the cost of goods and ending inventory using" FIFO" and "Average cost".

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Q 3\\:Marow company has Equipment that is comprised of five components (amount in thousands)

Components	Cost	Estimated salvage	Estimated life
A	\$40,500	\$5,500	10
B	33,600	4,800	9
C	36,000	3,600	8
D	19,000	1,500	7
E	23,500	2,500	6

Required:(a) Prepare the adjusting entry necessary at the end of the year to record depreciation for the year, Assume that Marow Company uses Straight-line depreciation.

(b)Prepare the entry to record the replacement of component (B) for cash \$40,000 it was used for 6 years.

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Q 4// At December 31, 2018 the Trading investment portfolio of Wesam Inc. is as flow:

Investment	Cost	Fair value	Unrealized gain(loss)
A	\$ 17,500	\$ 15,000	(\$2,500)
B	12,500	14,000	1,500
C	23,000	25,500	2,500
Total	\$ 53,000	\$ 54,500	1500
Previous fair value adjustment balance-Dr.			200
Fair value adjustment- Dr.			\$1,300

On January 20, 2019 wesam Inc. sold investment (A) for \$15,300 sale proceeds are net of brokerage fees.

Required: (a) Prepare the adjusting entry at December 31, 2018 to report the portfolio at fair value.

(b) Show the statement of financial position presentation of the investment – related accounts at December 31, 2018

(c)Prepare the Journal entries for the 2019 sale of investment (A).

(d) Repeat requirement (a), assuming the portfolio of investment is available for sale.

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**Q 5//: A comparative statement of financial position for Al Sun corporation presented below:**

<u>Assets</u>	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Land	\$71,000	\$ 110,000
Equipment	270,000	200,000
Accumulated depreciation-Equipment	(69,000)	(42,000)
Inventory	180,000	189,000
Accounts Receivable	82,000	66,000
Cash	<u>83,000</u>	<u>22,000</u>
<b>Total</b>	<b><u>\$597,000</u></b>	<b><u>\$545,000</u></b>
<b>Equity and liabilities</b>		
Share capital-ordinary (\$1 par )	\$ 214,000	\$ 164,000
Retained earnings	199,000	134,000
Bonds payable	150,000	200,000
Accounts payable	<u>34,000</u>	<u>47,000</u>
<b>Total</b>	<b><u>\$ 597,000</u></b>	<b><u>\$ 545,000</u></b>

**Additional information:**

1-net income for 2015 were \$ 105,000.

2-Cash dividends of \$ 40,000 were declared and paid.

3-Bonds payable amounting to \$50,000 were retired through issuance of ordinary shares.

**Required: Prepare a statement of cash flow for 2015 for Al Sun Corporation using indirect method.**

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**Good luck**

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