

Note: Answer 4 question only

Q1//:Nugget Mining Company's book show a cash balance at the local bank on November 30,2018 of \$ 20502.The bank statement covering the month of November shows an ending balance of \$ 22190, an examination of Nugget "accounting records and November bank statement identified the following reconciling items:

1-Adeposit of \$3680 that Nugget mailed November 30,does not appear on the bank statement.

2-Checks written in November but not charged to the November bank statement are:

Check No. 7327. \$ 150. Check No. 7348 \$ 4820. Check No.7349. \$ 31.

3-Nugget has not yet recorded the \$600 of interest collected by the bank November 20 on Sequia company 'bonds held by the bank of Nugget.

4-Bank service charges of \$18 are not yet recorded on Nugget 'books.

5-The bank returned one of Nugget 'customer's check for \$220 with the bank statement marked "NSF" the bank deducted \$220 from Nugget 'account.

6-Nugget discovered that it incorrectly check No. 7322,written in November for \$131 in payment of an account payable as \$311.

7-A check for Nugent oil company in a amount of \$175 that the bank incorrectly charged to Nugget accompanied the statement.

Required:(a) Prepare the bank reconciliation statement at 30.Nov.2018.

(b)Record entries.

12.5 Mark.

Q2//: Sumer company uses the periodic inventory system to account for inventories. Information related to Sumer Company's inventory at October 31 is given below:

October	1	Beginning inventory	400 units @\$10.00=	\$4,000
	8	Purchase	800 units @10.40=	8,320
	16	purchase	600 units @10.80=	6,480
	24	purchase	<u>200 units @11.60=</u>	<u>2,320</u>
		Total units and cost	<u>2000 units</u>	<u>\$21,120</u>

Required: (1) Show computation to value the ending inventory using the FIFO method if 600 units remain on hand at October 31.

(2) Show computation to value the ending inventory using the weighted-average method if 600 units remain on hand at October 31.

(3) Show computation to value the ending inventory using the LIFO method if 600 units remain on hand at October 31.

12.5 Mark

Q3//Max company sold two machines in 2016. The following information pertains to the two machines:

Machine Cost purchase date useful life Salvage value Depreciation Method date sold sales piece

1 \$86000 1/7/2012 5 years \$6000 Straight-line 1/7/2016 \$20000

2 \$5,000 1/7/2015 5 \$5000 Double-declining 31/12/2016 \$32000

years Required: (a) Compute the depreciation on each machine to the date of disposal.

(b) Prepare the journal entries in 2016 to record depreciation and the sale of each Machine.

12.5 Mark.

Q 4//:Presented below are two independent situations

Situation (1) Hacher cosmetics 10% of the 200,000 shares of Ramiz fashion at a total cost of \$14 per share. On March 18,2015. On June 30 Ramiz declared and paid a \$75,000 cash dividends . On December 31,2015 Ramiz reported net income \$122,000 for the year. At December 31, the market price of Ramiz \$15 per share. The investment is classified as trading.

Situation (2) hamed,Inc. obtained influence over Nader corporation by buying 25% of Nader's 30,000 outstanding share at a total cost of \$9 per share. On January 1,2015. On June 15, Nader declared and paid a cash dividends of \$36,000. On December 31, Nader reported a net income of \$85,000 for the year.

Required: Prepare all necessary journal entries in 2015 for both situations.

12.5 Mark

Q 5//: The following information is available for Hardy corporation for the year ended 31,2018

Collection of principle on long-term loan to a suppliers	\$ 35,000
Acquisition of equipment for cash	10,000
Proceeds from the sale of long-term investment at book value	27,000
Issuance of common stock for cash	20,000
Depreciation expense	25,000
Redemption of bonds payable at carrying(book) value	24,000
Payment of cash dividends	9,000
Net income	30,000
Purchase of land by issuing bonds payable	40,000

In addition , the following information is available from the comparative balance sheet for the Hardy at the end of 2017 and 2018

	<u>2017</u>	<u>2018</u>
Cash	\$ 102,000	\$ 14,000
Accounts receivable(net)	<u>20,000</u>	<u>15,000</u>
Total current assets	<u>\$ 139,000</u>	<u>\$ 42,000</u>
Accounts payable	\$ 25,000	\$ 19,000
Salaries payable	<u>4,000</u>	<u>7,000</u>
Total current liabilities	<u>\$ 29,000</u>	<u>\$ 26,000</u>

Required: Prepare Hardy's statement of cash flow for the year ended December 31,2018 using the indirect method.

12.5 Mark

Good luck

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