

- 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.
- l- 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											
	a	b	c	d	e	f	g	h	i	j	k	l
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:

Bank statement

	Checks	Deposits	Balance
Balance March 1, 2016			\$10650
Deposits during March		\$29000	39650
Notes collected for depositor (including \$100 interest)		980	40630
Checks cleared during March	\$32200		8430
Bank services charge	25		8405
Balance, March 31, 2016			8405

Cash A/C

March 1 balance	10100	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 be 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

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

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 account	7000	Administrative and general expense	97000
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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