

Q 1\\: The ledger of Chopin Rental Agency on march 31, of the cuerrent year includes the following selected accounts before adjusting entries have been prepared :

| | <u>Debit</u> | <u>credit</u> |
|------------------------------------|--------------|---------------|
| Prepaid Insurance | \$ 3600 | |
| Equipment | 25000 | |
| Accumulated Depreciation-Equipment | | \$ 8400 |
| Supplies | 2800 | |
| Notes payable | | 20000 |
| Unearned Rent Revenue | | 6300 |
| Interest Expense | 000 | |
| Salaries and wages Expense | 14000 | |

An analysis of the Accounts shows the following :

- 1-The Equipment deprecate \$250 per month.**
- 2-One third of the unearned rent was earned during the quarter.**
- 3-Interest of \$500 is accrued on the Notes payable.**
- 4-Supplies on hand total \$650.**
- 5-Insurance expires at the rate of \$300 per month.**

Required: Prepare the adjusting entries at March 31, assuming that adjusting entries are made quarterly.

Q 2\\: The financial records of Dunber Inc. were destroyed by fire at the end of 2017. Fortunately, the controller had kept the following Stastical data related to the income statement:

- 1-The beginning merchandise inventory was \$92000 and decreased 20% during the current year.**
- 2-Sales discount amount to \$17000**

3-30000 ordinary shares were outstanding for the entire year.

4-interest expense were \$20000.

5-the value tax rate is 30%.

6- Cost of goods sold amount to \$500000.

7-Administrative expense are 18% of cost of goods sold but only 8% of gross sales.

8-Four-fifty of operating expenses related to sales activities.

Required: From the forgetting information, prepare a multiple-steps income statement for the year 2017.

Good luck

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