

**KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION
DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION**

FIRST SEMESTER EXAM 2007/2008

COURSE NAME : ACCOUNTING (1)

TRACK : COMMERCIAL & UNIFIED

COURSE CODE : 111 ما

TIME : 2 Hours

QUESTION ONE: (16 Marks)

The following are transactions of Al-Bander Company, you are required to show the effect of each transaction on the Basic Accounting Equation:

- 1- Invested cash BD40 000 in the business.
- 2- Purchased Equipment on account, BD500.
- 3- Performed service on account to Mona Co., BD450.
- 4- Paid cash for Rent Expense, BD200.
- 5- Withdrew BD150 cash for personal used.

Trans. #	Assets			=	Liabilities	+	Owner's Equity	Remarks
	Cash	A/c's Receivable	Equipment					

QUESTION TWO: (32 Marks)

Complete the following journal entries of Awal Company for the month of April, then post to Cash Account – Accounts Receivable & Accounts Payable in the Ledger:

General Journal**Page No (1)**

Date	Explanation	PR	Debit	Credit
April 1	Cash Invested cash by the owner		14 000	14 000
2	Furniture Purchased furniture for cash.		500	.....
3	..... Service Revenue Performed service to Jalal on account.		200	200
4	Advertising Expense Paid cash for advertising expense.		.....	600
5	..... Accounts Payable Bought furniture on account.		.....	700
6	..... Accounts Receivable Received BD40 from customer of transaction dated April 3 rd .		40	40
7	..... ..... Performed service by cash.		100	100
8	..... Cash Paid 40% to the customer of transaction on April 5.		.....	.....

Cash Account

Date	Explanation	PR	Debit	Credit	Balance

Accounts Receivable

Date	Explanation	PR	Debit	Credit	Balance

Accounts Payable

Date	Explanation	PR	Debit	Credit	Balance

QUESTION THREE: (10 Marks)

The following Trial Balance of Ameenco Laundry Services does not balance, re-arrange the balances according to the debit and credit rules.

Ameenco Laundry Services

Trial Balance

As at 31st October, 2007

Account Title	Debit	Credit
Cash	8100	
Office Supplies		250
Cleaning Equipment		900
Accounts Payable		450
Ameen's Capital	7000	
Ameen's Drawings		200
Fees Income	2500	
Utilities Expense		450
Supplies Expense	50	
Total	17650	2250

Ameenco Laundry Services

Trial Balance

As at 31st October, 2007

Account Title	Debit	Credit

QUESTION FOUR: (17 Marks)

The following is the Trial Balances of Sameer Cleaning Service as at 31st December, 2005:

Trial Balance
As at 31st December, 2005

Account Title	Debit	Credit
Cash	15000	
Accounts Receivable	7000	
Office Supplies	2500	
Cleaning Equipment	9000	
Buildings	12000	
Accounts Payable		11000
Amal's Capital		22500
Amal's Drawings	3000	
Cleaning Revenue		41000
Supplies Expense	3000	
Utilities Expense	4000	
Wages Expense	19000	
Total	74500	25300

Required:

- 1- Prepare the Income Statement
- 2- Prepare the Statement of Owner's Equity.

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Revenue:		
Expenses:		

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QUESTION FIVE: (10 Marks)

Choose the correct answer:

1- All of the following accounts are assets except:

- (a) Truck
- (b) Equipment
- (c) Notes Receivable
- (d) Notes Payable

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2- Credit of commission revenue, means:

- (a) Increase in expenses
- (b) Decrease in revenue
- (c) Increase in revenue
- (d) Decrease in expenses

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3- If Liabilities = BD13800, Assets = BD63000, then Owner's Equity =

- (a) BD76800
- (b) BD49200
- (c) BD94200
- (d) BD22200

4- Equipment is classified as:

- (a) Assets
- (b) Liabilities
- (c) Owner's Equity
- (d) Expenses

5- Bought assets for credit is recorded as:

- (a) Debit Accounts Payable and Credit Assets
- (b) Debit Assets and Credit Cash
- (c) Debit Cash and Credit Assets
- (d) Debit Assets and Credit Accounts Payable

QUESTION SIX: (15 Marks)

Complete the following Work Sheet of Yousif Travel Agency for the period ended 31st December, 2006:

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Work Sheet

Account Title	Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash	19500					
Accounts Receivable	4500					
Equipment	4000					
Accounts Payable		3700				
Capital		17800				
Drawings	1250					
Commission Income		12000				
Advertising Expense	900					
Salaries Expense	1850					
Miscellaneous Exp.	1500					
Total	33500	33500				

END OF EXAM