

Course No: ACNA 3216
 Course Title: Accounting in English
 Date: 16/03/2017
 No. of Questions: (3)
 Time: 1 hours
 Using Calculator (Yes)

University of Palestine



1st Midterm Exam
 2nd Semester 2016/2017
 Total Grade: 15

Instructor Name: Mr. Mohammed
 Shaat & Mr. Yousef El-Mudallal
 Student No.: _____
 Student Name: _____
 College Name: Business & Finance
 Dep. / Specialist: Accounting
 Using Dictionary (No)

Question One:

(3 Marks)

1	()	Cost Principle (Historical) dictates that companies record assets at their cost.
2	()	The accounting process are sequenced as identification & communication only.
3	()	If Credits are greater than Debits, the account will have a debit balance.
4	()	Accountants record both internal and external transactions.
5	()	Ledger is a collection of the entire group of accounts maintained by a company.
6	()	Posting normally occurs before journalizing.

Question Two:

(5 Marks)

- business organized as a separate legal entity under state law having ownership divided into shares is a
 - proprietorship.
 - partnership.
 - corporation.
 - sole proprietorship.
- During 2012, Nike Company's assets decreased \$50,000 and its liabilities decreased \$90,000. Its owner's equity therefore:
 - increased \$140,000.
 - decreased \$140,000.
 - decreased \$40,000.
 - increased \$40,000.
- As of December 31, 2015, Marker Company has assets of \$20,000 and owner's equity of \$12,700. What are the liabilities for Marker Company?
 - \$6,300.
 - \$7,300.
 - \$7,000.
 - \$6,700.
- Net income will result during a time period when:
 - assets exceed liabilities.
 - assets exceed revenues.
 - revenues exceed expenses.
 - expenses exceed revenues.
- Accounts that normally have debit balances are:
 - assets, expenses, and revenues.
 - assets, expenses, and retained earnings.
 - assets, liabilities, and dividends.
 - assets, dividends, and expenses.

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>

(7 Marks)

1/1 Invested \$10,000 cash in business.
6/1 Purchased equipment for \$5,000 cash in business.
8/1 Purchased supplies on account for \$700.
21/1 Paid \$350 cash for advertising.
30/1 Withdrew 500 cash for personal use.

- Journalize the January transactions.
- Post the January transactions using the T form.

General Journal				
Date	Account Title	Ref.	Debit	Credit

General Ledger			
Cash		Amanda Capital	
Drawings		Equipment	