

Course No: BGGC1107  
Course Title: Accounting Principles (I)  
Date: 08 / 11/ 2010  
No. of Questions: 3  
Time: 1.00 hour  
Using Calculator :(Yes)

University of Palestine



Midterm Exam  
First Semester  
2010/2011  
Total Grade: 20

Instructor Name:Mr.Tareq Y. Abu Al-Ajeen  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

• Answer all Questions

**First Question:** True or False

**No. of Branches (5)**  
*Answer (4) questions only*

( /02)

- 1- When a company earns revenues, owner's equity increases (.....)
- 2- Accrued revenues are revenues which have been received but not yet earned (.....)
- 3- Transferring journal entries to the ledger accounts is called journalizing (.....)
- 4- A company must make adjusting entries every time it prepares financial statements (.....)
- 5- A trial balance does not prove that all transactions have been recorded or that the ledger is correct (.....)

**Second Question:** Multiple-Choice

**No. of Branches (5)**  
*Answer (4) questions only*

( /04)

1. The Unearned Revenue account is a(n)
  - A. Asset.
  - B. Liability.
  - C. Revenue.
  - D. Expense.

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2. A trial balance:
  - A. Is a list of accounts with their balances at a given time.
  - B. Proves the mathematical accuracy of journalized transactions.
  - C. Will not balance if a correct journal entry is posted twice.
  - D. Proves that all transactions have been recorded.

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3. An account will have a debit balance if the
  - A. Number of debits exceeds the number of credits.
  - B. First transaction posted was a debit.
  - C. Total of the debit amounts exceeds the credits.
  - D. Last transaction posted was a debit.

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4. Expenses sometimes make their contribution to revenue in a different period than when the expense is paid. When wages are incurred in one period and paid in the next period, this often leads to which account appearing on the balance sheet at the end of the time period?
- A. Due from Employees
  - B. Due to Employer
  - C. Wages Payable
  - D. Wages Expense

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5. Expenses paid in cash and recorded as assets before they are used are called:
- A. Accrued expenses.
  - B. Interim expenses.
  - C. Prepaid expenses.
  - D. Unearned expenses.

Third Question	No. of Branches (2)	( /14)
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**Q3 B1:** ( /04)

Terry opens his Company on April 1. At April 30, the trial balance shows the following balances for selected accounts:

Notes Payable	\$ 20,000
Office Supplies	\$ 4,000

Analysis reveals the following additional data:

1. The note payable is dated April 1. It is a 7-month, 15 % note.
2. Supplies on hand total 2,500.

**Instruction :**

*1-Prepare the adjusting entries for the month of April. Show computations.*

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**Using Dictionary (No)**

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**The Answer :**

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**Q3 B2:**

(     /10)

**Selected transaction for Kaka company during its first month in business are presented below:**

- Sept. 08 Paid \$2,000 cash for a one-year insurance policy.
- 12 Received bill from the Happy News for advertising the opening of the company \$600.
- 14 Purchased equipment for \$12,000 paying \$5,000 in cash and the balance on account.
- 20 Withdrew \$500 cash for personal use.
- 22 Paid 50% cash on balance owed for equipment on September 14.
- 26 Paid \$300 cash from Happy News billed on September 12.
- 29 Received \$15,000 cash for services performed.

**Instruction :**

***1- Journalize the transaction.***

***2- Post the transaction using the T form.***

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**The Answer:**

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**Continue the Answer:**

	<b>End of Questions</b>	
	<b><i>Good Luck</i></b>	