Course No: ACC 4319 Course Title: International Accounting Date: 10/11/2013 No. of Questions: (2) Time: 1 hour Using Calculator (yes)	University of Palestine Final Exam 1st Semester 2013/2014 Total Grade: 20	Instructor Name: Dr. Khaled Eissa Student No.: ____________________ Student Name: ____________________ College Name: Business Administration Dep. / Specialist: Accounting Using Dictionary (No)

Question 1:

The Budvar Company sells parts to a foreign customer on December 1, 2012, with payment of 20,000 crowns to be received on March 1, 2013. Budvar enters into a forward contract on December 1, 2012, to sell 20,000 crowns on March 1, 2013. Budvar designates the forward contract as a fair value hedge of a foreign currency receivable. Relevant exchange rates for the crown on various dates are as follows:

Date	Spot Rate	Forward Rate (to March 1, 2013)
1/12/2012	$ 1.00	$ 1.04
31/12/2012	1.05	1.10
1/3/2013	1.12	

Required:

1. Prepare journal entries for these transactions in U.S. dollars.
2. What is the impact on 2012 net income?
3. What is the impact on 2013 net income?

Question 2:

Acme Corporation (a U.S. company located in Sarasota, Florida) has the following import/export transactions with vendors and customers in Saudi Arabia in 2013:

March 1	Bought inventory costing 100,000 SR on credit.
May 1	Sold 60 percent of the inventory for 90,000 SR on credit.
August 1	Collected 80,000 SR from customers.
September 1	Paid 60,000 SR to creditors.

Currency exchange rates for 1 SR for 2013 are as follows:

March 1	$0.25
May 1	0.26
August 1	0.27
September 1	0.28
December 31	0.29

For each of the following accounts, how much will Acme report on its 2013 financial statements?

a. Inventory. *b. Cost of Goods Sold.*
c. Sales. *d. Accounts Receivable.*
e. Accounts payable *f. Cash*

End of Questions

Good Luck