

Course No: BUS 1302
 Course Title: Accounting Principles 1
 Date: 17/11 / 2013
 No. of Questions: 4
 Time: 60 Minutes
 Using Calculator (yes)

University of Palestine



Midterm Exam
 1st 2013/2014
 Total Grade: 20

Instructor Name: Ahmad Al-Saqqa
 Student No.: _____
 Student Name: _____
 College Name: _____
 Dep. / Specialist: _____
 Using Dictionary, Mobile (No)

Answer all questions

First Question True or false	No. of Branches (10)	(05/20)
1- The hiring of a new company president is an economic event recorded by the financial information system. (.....) 2- Management of a business enterprise is the major internal user of information. (.....) 3- The economic entity assumption requires that the activities of an entity be kept separate and distinct from the activities of its owner and all other economic entities. (.....) 4- Accountants record both internal and external transactions. (.....) 5- Bookkeeping and accounting are one and the same because the bookkeeping function includes the accounting process. (.....) 6- The monetary unit assumption states that transactions that can be measured in terms of money should be recorded in the accounting records. (.....) 7- The purchase of store equipment for cash reduces the owner's equity by an equal amount. (.....) 8- The process of recording transactions has become more efficient because computers are used in processing business events. (.....) 9- The accounting process are sequenced as identification, communication, recording. (.....) 10- Liabilities of a company would not include notes payable. (.....)		
Second Question: Multiple Choice	No. of Branches (5)	(05/20)
1- Communication of economic events is the part of the accounting process that involves a. identifying economic events. b. quantifying transactions into dollars and cents. c. preparing accounting reports. d. recording and classifying information.		
2- Which of the following events is not a business transaction? a. Investment of cash by the owner b. Hired employees c. Incurred utility expenses for the month d. Earned revenue for services provided		



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3- As of December 31, 2008, Anders Company has assets of \$35,000 and owner's equity of \$20,000.

What are the liabilities for Anders Company as of December 31, 2008?

- a. \$15,000
- b. \$10,000
- c. \$25,000
- d. \$20,000

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4- When an owner withdraws cash or other assets from a business for personal use, these withdrawals are termed

- a. depletions.
- b. consumptions.
- c. drawings.
- d. a credit line.

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5- Capital is

- a. an owner's permanent investment in the business.
- b. equal to liabilities minus owner's equity.
- c. equal to assets minus owner's equity.
- d. equal to liabilities plus drawings.

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Third Question: Brief Question	No. of Branches (1)	(03/20)
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Classify each of these items as an asset (A), liability (L), or owner's equity (OE).

- 1. Accounts receivable
- 2. Accounts payable
- 3. Bonds, Capital
- 4. Office supplies
- 5. Utilities expense
- 6. Cash

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Fourth Question:	No. of Branches (1)	(07/20)
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Selected transaction for Gaza company during its first month in business are presented below:

Sept.

- 1 Invested \$10,000 cash in the business
- 5 Purchased equipment for \$12,000 paying \$5,000 in cash and the balance on account.
- 10 Hired a secretary at a salary of \$ 800 per month.
- 18 Pays office rent for October in cash, \$ 1000.
- 30 Withdrew 500 cash for personal use .

Instruction:

- 1- Journalize the transaction.
- 2- Post the transaction using the T form

General Journal

Date	Account Title	Ref.	Debit	Credit

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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General Ledger

End of Questions
Good Luck