Course No: ACNE 2304
Course Title: Intermediate Accounting 2
Date: 15/03/2018
No. of Questions: (4)
Time: 1hour
Using Calculator (Yes)

University of Palestine

First MedExam
Second Semester
2017/2018

Instructor Name: ______________
Student No.: __________________
Student Name: ________________
College Name: Business & Finance
Dep. / Specialist: Accounting
Using Dictionary (No)

Answer all the following questions

Question One: (2.5 Marks)

Choose what are True and what are False from the following

1	( )	For the issuer sweetener is an revenues of the period
2	( )	To share proportionately in any new issues of shares of the same class called the preemptive right
3	( )	Low par values help companies avoid a contingent liability
4	( )	Costs of issuing Stock should not reduce the proceeds received from the sale of the shares
5	( )	All dividends reduce the total equity in the corporation.

Question Tow: (3.5 Marks)

A- Corporations purchase their outstanding shares to:

1 ……………………………………………………………………………………..

2………………………………………………………………………………………

3………………………………………………………………………………………

4………………………………………………………………………………………

5………………………………………………………………………………………

B- Warrants are ……………………………………………………………………….

……………………………………………………………………………………………..

Question Three: (8Marks)

A-Ramon Corporation issued 6000 shares of $10 par value ordinary shares and 100 shares of $50 par value preference shares for a lump sum of $27000. The ordinary shares have a market value of $20 per share, and the preference shares have a market value of $90 per share.

Required

You are required to journalize transaction using Proportional Method

B-At January 2014, Piti Company issued 100,000 shares of $2 par value ordinary shares at a price at $10 per share. In addition, it has retained earnings of $300,000.

At January 20, 2015, the company acquires 10,000 of its shares at $12 per share.

At March 2016, the company sells 1,000 shares at $15 per share

At March 2017, the company sells 2,000 shares at $10 per share

Required

You are required to

1- Journalize transactions
2- Show the effect of every transaction on the Company Equity

Question Four: (6Marks)

At January 3013, R.G. B. Co. issues 3,000 convertible bonds. The bonds have a four-year term with a stated rate of interest of 6 percent, and are issued at par with a face value of $1,000 per bond Interest is payable annually at December 31. Each bond is convertible into 450 ordinary shares with a par value of $1. The market rate of interest on similar non-convertible debt is 9 percent.Assuming that Ramos Group converts its bonds into ordinary shares on December 31, 2015 (Present value of one dollar after 4 years = 0.70843and the present value of one dollar payment for four years is = 3.23972)

Required

You are required to journalize transactions

Good Luck