

Course No: ACNE 4226
Course Title: Private and social Accounting
Date: 15 /03/ 2018
No. of Questions: 3
Time: 1 hour
Using Calculator :(Yes)

(B)
University of Palestine

First Midterm Exam
Second Semester
2017/2018
Total Grade: 15

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 (8)

(/ 4) (6-8 Minutes)

- 1- A conditional pledge is not recognized at the time the pledge is made, but it will be recognized when substantially all of the conditions imposed by the donor are met (.....)
- 2-Voluntary health and welfare organizations classify fundraising costs as program services(.....)
- 3-Long-term investments of not-for-profit organizations should be reported at cost (.....)
- 4-SFAS No. 116 allowed organizations to either capitalize their collections or not capitalize them at all (.....)
- 5-The accounting and financial reporting for governmental, nonprofit entities is controlled by the Governmental Accounting Standards Board (GASB) (.....)
- 6- Board designated net assets is a subset of unrestricted net assets (.....)
- 7-Voluntary health and welfare organizations must report expenses classified by function and natural classification (.....)
- 8-When temporary restrictions have been met, temporarily restricted net assets are increased and unrestricted net assets are decreased by reporting the amount as a release of restriction in the statement of activities (.....)

Second Question: Multiple Choice

No. of Branches (7)

(/7) (14-18 Minutes)

1-The Board of Directors decides to set aside \$50,000 to consider purchasing additional land on the first day of the next fiscal year. What type of transfer is this ?

- a. Temporarily Restricted
- b. Permanently Restricted
- c. Unrestricted
- d. a or b

2-Under FASB not-for-profit accounting guidance, an unconditional transfer of cash or other assets to an entity, or a settlement or cancellation of its liabilities in a voluntary, nonreciprocal transfer, is called a(n)



- a. unconditional promise to give.
- b. contribution.
- c. conditional promise to give.
- d. residual equity transfer.

3-Which of the following is not a characteristic of a conditional promise to give?

- a. It depends on the occurrence of a specified future and uncertain event to bind the promisor.
- b. The gift may have to be returned to the donor if the condition is not met.
- c. It is recognized as contribution revenue when the conditions are substantially met.
- d. It depends on demand by the promisee for performance

Tom Foundation, a VHWO, included the following costs in its statement of functional expenses for the year ended December 31, 2015:

Fund raising	\$1,000,000
Administrative	600,000
Adoption	200,000

4- Tom’s functional expenses for 2015 supporting services included

- a. \$1,600,000.
- b. \$600,000.
- c. \$1,000,000.
- d. \$1,800,000 .

5- Tom’s functional expenses for 2015 program services included

- a. \$200,000.
- b. \$600,000.
- c. \$1,000,000.
- d. \$1,800,000 .

6- A gift-in-kind, for which there is no discretion on disposition, should be accounted for by a not-for-profit entity as

- a. a special purpose contribution.
- b. an exchange transaction.
- c. an agency transaction.
- d. a conditional promise to give.

7- Cindy Duncan is a social worker on the staff of National Service Center, a voluntary welfare organization. She earns \$42,000 annually for a normal workload of 2,000 hours.



During 2016 she contributed an additional 800 hours of her time to National at no extra charge. **How much should National record in 2016 as contributed service expense?**

- \$0
- \$1,680
- \$8,400
- \$16,800

Third Question

No. of Branches (6)

(/9) (15-20 Minutes)

The following information is available about the operations for the financial year 2016 for, not-for-profit organization, voluntary health and welfare organization (VHWO):

- Cash collected for unrestricted pledges totaled \$80,000.
- The organization sponsored an event to raise funds for the Special Cultural Project. The event yielded cash contributions of \$70,000. Direct costs of \$5,000 incurred for this event were paid in cash.
- The financial year 2016 allocation from the USAID amounted to \$100,000. Related fund-raising expenses to be borne by the VHWO totaled \$10,000.
- Salaries expense for the year totaled \$30,000, \$5,000 of this expense were unpaid; the balance had been paid in cash.
- Contributions received in 2015 totaled \$30,000 but specified by donors for unrestricted use in 2016.
- Unrestricted pledges of \$40,000 were received.

Required:

Make journal entries for the above transactions.

The Answer:

1-

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2-

3-

4-

5-

6-

End of Questions
Good Luck