

Course No:
 Course Title: Intermediate
 Accounting 2
 Date: /03/2019
 No. of Questions: (4)
 Time: 1hours
 Using Calculator (Yes)

University of Palestine



First Med Exam
 Second Semester
 2018/2019

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	()	Ordinary shares represent the residual corporate interest
3	()	High par values help companies avoid a contingent liability
4	()	Corporations purchase their outstanding shares to kake a market in the shares
5	()	All dividends reduce the total equity in the corporation.

Question Tow: (3.5 Marks)

A- Special characteristics of the corporate form

- 1
- 2.....
- 3.....

B- Direct costs incurred to sell shares, such as:

- 1
- 2.....
- 3.....
- 4

Question Three: (8Marks)

A-Ramon Corporation issued 600 shares of \$10 par value ordinary shares and 200 shares of \$80 par value preference shares for a lump sum of \$27000. The ordinary shares have a market value of \$30 per share, and the preference shares have a market value of \$135 per share.

Required

You are required to journalize transaction using Proportional Method

B –Don John, Co. transferred to shareholders some of its investments (held-for-trading) in securities costing \$1,250,000 by declaring a property dividend on December 28, 2017, to be distributed on January 30, 2017, to shareholders of record on January 15, 2017. At the date of declaration the securities have a fair value of \$2,000,000

Required

You are required to journalize transactions

C-At January 2015, Piti Company issued 100,000 shares of \$2 par value ordinary shares at a price of \$10 per share. In addition, it has retained earnings of \$300,000. At January 20, 2016, the company acquires 10,000 of its shares at \$12 per share. At March, 10, 2017, the company sells 1,000 shares at \$15 per share.

Required

You are required to

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

Question Four: (6Marks)

At January 2014, McMillan. Co. issues 4,000 convertible bonds. The bonds have a four-year term with a stated rate of interest of 6 %, 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 400 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, 2016 (Present value of one dollar after 4 years = 0.70843 and the present value of one dollar payment for four years is = 3.23972)

Required

You are required to journalize transactions

***** GOOD LUCK*****