

Course Title: Accounting Principles 1
 Date:10/03/2019
 No. of Questions: (2)
 Time:1 hour
 Using Calculator (Yes)

University of Palestine



1st Midterm Exam.
 2nd Semester 2019
 Total Grade: 15

Instructor Name: Yousef El-Mudallal
 Student Name: _____
 College Name: _____
 Dep. / Specialist: _____
 Using Dictionary (No)

Answer the following questions:

Q.1: Choose the correct answer

6 marks

1. Which sequence correctly summarizes the accounting process?

- a. Journalize transactions, post to the accounts, prepare a trial balance
- b. Journalize transactions, prepare a trial balance, post to the accounts
- c. Post to the accounts, journalize transactions, prepare a trial balance
- d. Prepare a trial balance, journalize transactions, post to the accounts

2. Which of the following characteristics best describes a corporation?

a. Mutual agency	b. A board of investors
c. Limited liability of stockholders	d. Not for profit

3. Before posting a payment of \$5,000, the Accounts Payable of Senator Company had a normal balance of \$16,000. The balance after posting this transaction was:

a. \$21,000.	b. \$5,000
c. \$11,000.	d. Cannot be determined.

4. In the first month of operations, the total of the debit entries to the cash account amounted to \$900 and the total of the credit entries to the cash account amounted to \$500. The cash account has a(n)

a. \$500 credit balance.	b. \$800 debit balance.
c. \$400 debit balance.	d. \$400 credit balance.

5. Which account types normally have a credit balance?

a. Revenues	b. Liabilities
c. Expenses	d. Both a and b

6. Accounts Payable had a normal beginning balance of \$1,600. During the period, there were debit postings of \$300 and credit postings of \$900. What was the ending balance?

a. \$1,000 credit	b. \$2,200 debit
c. \$2,200 credit	d. \$1,000 debit

Q.2: Answer the following questions

9 marks

1. Transactions for Ed Petry Company for October are presented below: -

- 1. October.1 Invested an additional \$40,000 cash in the business.
- 2. October.2 Purchased land costing \$28,000 for cash.
- 3. October.6 Purchased equipment costing \$12,000 for \$3,000 cash and the remainder will be paid after 2 months.
- 4. October.8 Purchased supplies on account for \$800.
- 5. October.15 Paid \$1,000 for a one-year insurance policy.
- 6. October.18 Received \$3,000 cash for services performed.
- 7. October.22 Received \$4,000 for services previously performed on account.
- 8. October.26 Paid wages to employees for \$2,500.
- 9. October.30 Petry withdrew \$1,000 cash from the business.

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Required:

- a) Prepare journal entries for each transaction
- b) The beginning balance of cash is \$10,000, Enter this balance in the Cash Account in ledger and post the related journal entries to cash account.

Good Luck