

Course No: ACC4317
 Course Title: Auditing(2)
 Date: 27/07/2013
 No. of Questions: (2)
 Time: 1hours
 Using Calculator (No)

University of Palestine



Midterm Exam
 2012/2013
 Total Grade:

Instructor Name: prof.Dr.Youses Jarbou
 Student No.: _____
 Student Name: _____
 College Name: _____
 Dep. / Specialist: _____
 Using Dictionary (No)

Question NO.1: (10marks)

Mention in brief about the following subjects:

1. Contingent liabilities.
2. Subsequent events.
3. Horizontal analysis.
4. Vertical analysis.

Question No.2: (20marks)

The undermentioned is the Balance sheet of chemical Industrial corporation for the year ending at 31.12.1996

Assets	Balance sheet at 31.12.1996		liabilities
Lands	100.000	Capital	500.000
Buildings	150.000	Net profit	75.500
Machines	300.000	Loan (long-Age period)	80.000
Ending Inventory At sale price	120.000	Creditors payable	60.000
Securities(short Age)	24.500	Bills payable	50.000
Debitors	84.000	Accumulated Dept,of Machines	70.000
Bills Receivable under Collection	30.000	Accumulated Bad Debts	4.000
Cash	30.000	Due salaries	5.000
Expenses paid in Advance	6.0000		
Total Assets	844.500	Total liabilities	844.500

Notes:

1. The value of beginning inventory at 1.1.1996 is (80.000)Dinar at cost price.
2. Selling price is defined by adding(20%)to the cost price.
3. The gross profit of the year 1996 is(90.000) Dinar.
4. Collection commission of the bank is (5%)and the intermediate due date of bills receivable under collection is(4)months.
5. Purchases represent from cost of goods sold
 Because to you are the external auditor of this corporation you are required to:
 1. Reorganize the profit and losses Alc.
 2. Reorganize the Balance sheet according to generally accepted accounting principle and on the light of information provided.
 3. Using the adjusted Balance sheet in extracting the financial ratios:
 - a. Gross Margin Profit
 - b. Net Margin profit
 - c. Current Ratio
 - d. Quick Ratio
 - e. Total Debits to Total Assets

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- f. Fixed Assets Turnover
- g. Total Assets Turnover
- h. Debtors Turnover
- i. Inventory Turnover
- j. Creditors and Bills payable Turnover

End Questions
Good luck