

Course No: BUS1302 Course Title: Principles of Accounting 1 Date: 17/09/2014 No. of Questions: Time: 2.00Hour	University of Palestine  Final Exam Summer Semester 2013/2014 Total Grade: (80)	Instructor Name: ----- Student No.: ----- Student Name:----- College Name:----- Dep. / Specialist:-----
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Answer all the following questions

Q1

(10 Marks)

- 1 () Accounting is an information system that aims to make decisions
- 2 () Assets are debit when increase and liabilities are credit when decrease
- 3 () Accounting equation must be balanced always
- 4 () Freight Expense is paid by the seller when the sales term is F.O.B. S.P
- 5 () Monetary assumption means that we must use the same currency in the purchases and sales transactions
- 6 () Creditors and costumers are considered as external users of accounting information
- 7 () Cost Principle indicates that assets and liabilities should be reported at the sales value
- 8 () Economic Entity Assumption requires that activities of the entity be kept separate and distinct from the activities of its owner and all other economic entities
- 9 () Proprietorship Owned by two or more persons
- 10 () Liabilities are Claims against assets

Q 2(23 marks) Company X have the following transactions at January 2014

- Jan. 1 Bought 1000 units, \$10 per unit (2%, 10) and paid \$200 Freight expense (F.O.B. S.P.)
- Jan 2. From J. 1 purchases, 100 units were turned back
- Jan. 5 Paid the net value of Jan.1 Purchases
- Jan. 7 Sold 900 units, \$ 18 per unit (2%, 10) and paid \$200 Freight expense (F.O.B. S.P.)
- Jan. 10 From Jan. 7 sales 100 units were turned back
- Jan. 12 Collected the net value of Jan. 7 sales
- Jan. 15 Bought 2000 units, \$10 per unit (3%, 10) and paid \$300 Freight expense (F.O.B. D.)
- Jan. 17 From J. 15 purchases, 200 units were turned back
- Jan. 20 Paid the net value of Jan.15 Purchases
- Jan. 22 Sold 1800 units, \$ 20 per unit (1%, 12)and paid \$250 Freight expense (F.O.B. D.)
- Jan. 25 From Jan. 22 sales 300 units were turned back
- Jan. 27 Collected the net value of Jan. 22 sales

Required

You are required to:

- 1- Journalize transactions according to the Perpetual system
- 2- Prepare the Ledger page of Sales, Sales Return and C.O.G.S
- 3- Calculate the Gross Profit of January 2014

Q 3

(23 marks)

The following is the Trial Balance of Company "X" at 21/12/2013

Account	Amount \$	
	Dr.	Cr.
Capital		50000
Cash	12000	
Equipment	25000	
Furniture	5000	
Sales		59000
Purchases	35000	
Opening Stock (Inventory)	10000	
Salaries	9000	
Utilities	4000	
Rent	1800	1000
Interest	1200	
Loan		7000
A/R	17000	
A/P		5000
Sales return	2000	
Total	112000	122000

Added information

- 1- Salaries are \$10000 per year
- 2- Utilities are \$500 per month
- 3- Dr. Rent of the year is \$1500
- 4- Cr. Rent of the year is \$2000
- 5- Yearly interest rate is 10% of the loan

Required

You are required to prepare the work Sheet for the year ended at 31/12/2013

Q 4 (24marks)

Company X use the sub journal and sub ledger system, the following are the transactions of the company at January 2013

- J. 1 Bought goods of \$5000 on credit from Company "A"
- J.2 Goods of 200 from J. 1 purchases was turned back
- J. 5 Paid 4000 to company "A"
- J. 7 Sold goods of \$7000 to company "Y" on credit
- J. 8 Goods of \$500 from J. 7 sales was turned back
- J. 10 Received \$5000 from company "Y"
- J. 11 sold goods of \$3000 to company "C" in cash
- J. 12 Bought goods of \$15000 on credit from Company "B"
- J.13 Goods of 1200 from J. 12 purchases was turned back

- J. 15 Paid 8000 to company "B"
- J. 17 Sold goods of \$17000 to company "T" on credit
- J. 18 Goods of \$1500 from J. 17 sales was turned back
- J. 20 Received \$12000 from company "Y"
- J. 22 paid salaries \$2000
- J. 30 Paid utilities \$1000

Required

You re requires to prepare:

- 1- A/R and A/P sub journals**
- 2- A/R and A/P sub ledgers**
- 3- General Journal**
- 4- A/R and A/p pages at the General Ledger**

***** Good Luck *****