

**KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION
INTERNAL EXAMS SECTION
SECONDRY EDUCATION / TECHNICAL & VOCATIONAL EDUCATION**

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RESIT SEMESTER EXAM-3 2023-2024

**MODEL
ANSWERS**

COURSE NAME: ACCOUNTING – 2
COURSE CODE: 804/212 مـا

TRACK: توحيد المسارات / التعليم الفني والمهني
TIME: 2 Hours

QUESTION ONE:

The following transactions occurred for Ahmed Company during May 2023:

May 2 : Purchased goods on account BD1,500 from ATC Est.

May 4 : Sold goods to customer Safa for BD13,000 terms 2/10, n/30. The cost of goods sold was BD12,000.

May 6 : Returned goods BD500 to ATC Est.

May 8: Bought goods BD3,000 from Yasser Est, cash.

May 9: Received full due from customer Safa for cash.

1×14

14

تعليمات التصحيح:

- 1- يراعى الخطأ المترتب.
- 2- تعطى درجة الشرطه على البيان والرقم معاً، ونصف درجة الشرطه على البيان فقط اذا كان صحيح.

Required:

Journalize the May transactions using a perpetual inventory system.

GENERAL JOURNAL

Date	Account Title and Explanation	PR	Debit	Credit
May 2	Merchandise Inventory/		1,500	
	A/C Payable/			1,500
May 4	Account Receivable – Safa /		13,000	
	Sales /			13,000
	Cost of Goods Sold/		12,000	
	Merchandise Inventory/			12,000
May 6	A/C Payable/		500	
	Merchandise Inventory/			500
May 8	Merchandise Inventory/		3000	
	Cash /			3000
May 9	Cash /		12,740	
	Sales Discount (13000 × 2%)//		260	
	Account Receivable - Saleh /			13,000

الإمام حسن البنا

QUESTION TWO

The following balances on December 31, 2022 for The ABC company:

Credit sales	BD 500,000
Account receivable	BD 130,000

9×1

9

Required:

Prepare the journal entries for the following transactions:

December 31, 2022 Estimate allowance for doubtful debts is to be 7% of Credit Sales.

March 15, 2023 Wrote off Hussain account receivable of BD2,800 as uncollectible.

May 22, 2023 ABC Company receive the amount due from Hussain. which wrote off.

GENERAL JOURNAL

Date	Explanation	PR	DR	CR
Dec 31 ,2022	Bad Debts Expense (500000 × 7%) //		35,000	
	Allowance for doubtful Accounts/			35,000
March 15,2023	Allowance for doubtful accounts /		2,800	
	A/c Receivable – Hussain /			2,800
May 22 ,2023	A/c Receivable – Hussain. /		2,800	
	Allowance for doubtful accounts/			2,800
	Cash /		2,800	
	A/c Receivable – Hussain. /			2,800

الدكتور هاشم حسن العاني

QUESTION THREE:

18×1

On January 1 2020, Noor Company purchased Car relevant information is given below:

18

Car Cost BD 12,000
Salvage value BD 500
useful life 4 years

The company uses the **Double Declining Balance Method** to compute the depreciation.

Required:

Complete the following table to find the depreciation expense, Accumulated depreciation and net book value for 4 years.

Solution

$$\text{Depreciation Rate} = \frac{100}{\text{useful life}} \times 2 = \frac{100}{4} \times 2 = 50\%$$

Annual Period	Depreciation for the Period			End of Period	
	Beginning Book Value	Depreciation Rate	Depreciation Expense	Accumulated Depreciation	Book Value
1/1/2020	-	-	-	-	12,000
31/12/2020	12,000/	50%/	6000/	6000/	6000/
31/12/2021	6000/	50%	3000/	9000/	3000/
31/12/2022	3000/	50%	1500/	10500/	1500/
31/12/2023	1500/	50%	(1500-500)=1000/	11500/	500/

Use this area for any Calculations:

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QUESTION FOUR:

Complete the missing blanks in the following income statement of Adel Company as at 31st Dec 2023:

15×1

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Adel Company
Income Statement
For the period ended 31st Dec 2023

<u>Revenue from sales:</u>			
Sales/		90,000/	
Sales Return and Allowance		1,000	
Net sales			89,000
<u>Cost of Goods Sold:</u>			
Beginning Inventory/		500/	
Purchase	40,000		
Purchase Returns or (discount)/	5,000/		
Net Purchases	35,000		
Freight In	500		
Cost of Purchases/		35,500/	
Cost of Goods Available for sale		36,000	
Ending Inventory		(6,000)/	
Cost of Goods Sold			30,000
Gross Profit/			59000/
<u>Operation Expenses:</u>			
Rent Expense			1,000
Net Income before Tax			58,000/
Income tax 10%			5800/
Net Income/			52200/

QUESTION FIVE:

On December 31,2022 Bayan Company sell a cargo van for BD 12,000 cash. The original cost of cargo van is BD 18,000 .It had accumulated depreciation of BD 5000 to that date.

4×1

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Required :

Record the journal entry to record the sale of the cargo van on 31 December 2022.

Date	Explanation	Debit	Credit
December 31, 2022	Cash /	12,000	
	Accumulated depreciation /	5,000	
	Loss on disposal /	1000	
	Cargo Van /		18,000

END OF ANSWER

الدكتور محمد حسن الوائلي