

**KINGDOM OF BAHRAIN
MINISTRY OF EDUCATION
DIRECTORATE OF EXAMINATIONS / EXAMINATION SECTION**

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RESIT SEMESTER EXAM 2022/2023

MODEL ANSWERS

COURSE NAME: ACCOUNTING (1)
COURSE CODE: 111 محا

TRACK: التجاري وتوحيد المسارات
TIME: 2 Hours

QUESTION ONE:

A- Selected transactions for Salah's Company are listed below.

18×0.5

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Transactions	Assets	Liabilities	Owner's equity
1. Invested building in the business.	+ /		+ /
2. Purchased equipment BD800, paid BD300 for cash and balance on credit.	+ &- //	+ /	
3. Performed services to customer on account.	+ /		+ /
4. Paid cash for rent expenses.	- /		- /
5. Received cash from debtor on transaction 3.	+ &- //		

Required:

From the above transactions, describe the effect increase (+) or decrease (-) on assets, liabilities and owner's equity.

B- Classify each of the following accounts using (C.A) for Current Assets, (F.A) for Fixed Assets, (C.L) for Current Liabilities, (LTL) for Long Term Liabilities and (O.E) for Owner's Equity.

NO	Accounts	Classification
1	Inventory	C.A/
2	Unearned Services Revenue	C.L/
3	Notes Payable (due in 3 years)	LTL/
4	Prepaid Insurance	C.A/
5	Commission Income	O.E/
6	Withdrawal	O.E/
7	Machines	F.A/

تعليمات عامة للتصحيح:
1- يراعى الخطأ المترتب.
2- تعطى درجة الشرطة على البيان والرقم معاً، ونصف درجة الشرطة على البيان فقط اذا كان صحيحاً.

الإدارة العامة للتعليم
بمملكة البحرين

QUESTION TWO:

Complete the following journal entries of Abdulla Company for the month of April 2023. (Using the explanation).

16×1

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Date	Account Title and Explanation	PR	Debit	Credit
April 1	Cash /		20,000	
	Supplies /		10,000	
	Capital /			30,000
	Invested cash BD20,000 and supplies BD10,000 in the business.			
April 3	Cash /		3,100	
	Account Receivable //		5,000	
	Services Revenues /			8,100
	Performed services to customer Mohammed BD8,100 , received cash BD3,100 and balance on credit.			
April 6	Supplies /		4,200	
	Account Payable /			4,200
	Purchased supplies on credit for BD4,200.			
April 9	Electricity Expenses /		700	
	Cash /			700
	Paid office electricity cash for BD700.			
April 12	Account Payable /		2,200	
	Cash /			2,200
	Paid cash BD2,200 to creditor on transaction April 6 .			
April 17	No Entry /			
	Hired an employee by monthly salary BD600			
April 20	Cash /		3,000	
	Account Receivable /			3,000
	Received cash BD3,000 from debtor Mohammed.			

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لا إله إلا الله محمد رسول الله

QUESTION THREE:

Mohamed's owner of Stars Company and the following is the trial balances of Stars Company at 31st December 2022:

28×0.5

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Stars Company
Trial Balance
As at 31st December, 2022

Account Title	Debit	Credit
Cash	12,000	
Accounts Receivable	4,900	
Supplies	3,100	
Motor Vehicle	45,000	
Equipment	8,400	
Furniture	6,600	
Accounts Payable		3,300
Unearned Services Revenues		2,700
Bonds Payable		14,000
Mohamed's Capital		55,000
Mohamed's Drawings	1,600	
Service Revenues		17,600
Fees Earned		7,400
Wages Expense	12,400	
Maintenance Expense	3,500	
Rent Expense	2,500	
Total	100,000	100,000

Required:

- 1- Prepare the Income Statement for the year ended 31st December 2022.
- 2- Prepare the Balance Sheet as at 31st December 2022.

Stars Company
Income Statement
For the year ended 31st December 2022

Revenues:	BD	BD
Service Revenues /	17,600	
Fees Earned/	7,400	
Total Revenues/		25,000
- Expenses:		↓
Wages Expense /	12,400	(-)
Maintenance Expense/	3,500	↓
Rent Expense/	2,500	
Total Expenses/		18,400
Net Profit/		6,600

Stars Company
Balance Sheet
As at Dec, 31 2022

Current Assets			Current Liabilities		
Cash /	12,000		Account Payable/	3,300	
Accounts Receivable/	4,900		Unearned Services Revenues/	2,700	
Supplies /	3,100		Total Current Liabilities/		6,000
Total Current/ Assets	20,000		Long-Term liabilities		↓
Fixed (Plant) Assets		+	Bonds Payable/	14,000	+
Motor Vehicle/	45,000	↓	Total Long-Term liabilities		14,000
Equipment /	8,400	↓	Total Liabilities/		20,000
Furniture/	6,600	↓	Owner's Equity		
			Mohamed's Capital/	55,000	↓
Total Fixed Assets/	60,000		- Net Profit/	6,600	
			- Drawings/	(1,600)	
			Ending Capital//		60,000
Total Assets/	80,000		Total Liabilities and Equity/		80,000

الإسلام حسن العباد

QUESTION FOUR:

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Sara Computer Services' Trial Balance on September 30, 2022 shows the following balances for selected accounts:

	BD
Prepaid Insurance	6,000
Office Supplies	2,400
Wages Payable	10,000
Unearned Service Revenues	4,000
Accounts Receivable	1,800
Motor Van	48,000
Wages Expenses	1,800

An analysis reveals the following adjusting information:

- 1- Insurance expired for 3 months is BD1500.
- 2- Supplies used during the period was BD400.
- 3- 20% of unearned services revenues have been completed.
- 4- The annual depreciation for motor van is BD4800.
- 5- Accrued wages and not paid for the month of September was BD900.

Required:

Prepare the adjusting entries for **the month of September** and show your calculations where needed.

Date	Account Title and Explanation	PR	Debit	Credit
Sept. 30	Insurance Expenses (1500 ÷ 3) /		500	
	Prepaid Insurance /			500
Sept. 30	Supplies Expenses /		400	
	Supplies /			400
Sept. 30	Unearned Services Revenues (4,000 × 20%) /		800	
	Services Revenues /			800
Sept. 30	Depreciation Expenses – Motor Van (4800÷12)/		400	
	Accumulated Depreciation - Motor Van /			400
Sept. 30	Wages Expenses /		900	
	Wages Payable /			900

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QUESTION FIVE: You are required to complete the following worksheet.

MH Cleaning Services

Worksheet

For the month ended on December 31, 2022

44×0.25

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Account Title	Unadjusted Trial Balance		Adjustment		Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	25,000				25,000/				25,000/	
Prepaid Rent	3,600			1,600	2,000/				2,000/	
Account Receivable	4,400		2,600		7,000/				7,000/	
Motor Van	13,700				13,700/				13,700/	
Machines	16,300				16,300/				16,300/	
Salaries Payable		3,500		900		4,400/				4,400/
Notes Payable		4,800				4,800/				4,800/
Capital		51,500				51,500/				51,500/
Commission Income		5,200				5,200/		5,200/		
Service Revenues		10,000		2,600		12,600/		12,600/		
Salaries Expense	5,100		900		6,000/		6,000/			
Rent Expenses	4,900		1,600		6,500/		6,500/			
Utilities Expenses	2,000				2,000/		2,000/			
Totals	75,000	75,000	5,100/	5,100/	78,500/	78,500/	14,500/	17,800/	64,000/	60,700/
Net Profit //							3,300//			3,300//
Totals							17,800/	17,800/	64,000/	64,000/

END OF ANSWER

ابوبکر محمد حسن الاعوان