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MODEL ANSWERS

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

**RESET EXAM 2021/2022**

COURSE NAME: ACCOUNTING (3)

TRACK: توحيد المسارات

COURSE CODE: 213 ما

TIME: 1.5 Hours

**QUESTION ONE:**

The following adjusted trial balance for Hamad Cleaning Services shows the following account balances on Dec 31, 2021:

**Hamad Cleaning Services  
Adjusted Trial Balance  
Dec 31, 2021**

18×0.5

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Account Title	Debit (BD)	Credit (BD)
Cash	20,000	
Accounts Receivable	10,000	
Building	90,000	
Land	60,000	
Accounts Payable		25,000
Hamad , Capital		153,000
Hamad ,Drawings	3,000	
Service Revenue		26,000
Wages Expense	14,000	
Advertising Expense	7,000	
<b>Totals</b>	<b>204,000</b>	<b>204,000</b>

**Required:**

- 1- Prepare the necessary **closing entries** on Dec 31, 2021.
- 2- Prepare a **post-closing trial balance** at Dec 31, 2021.

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**Solution:****GENERAL JOURNAL  
1- CLOSING ENTRIES**

Date	Explanation	PR	Debit (BD)	Credit (BD)
Dec.31	Services Revenues /		26000	
	Income Summary /			26000
Dec.31	Income Summary/		21000	
	Wages Expense/			14000
	Advertising Expense/			7000
Dec.31	Income Summary/		5000	
	Mahmoud, Capital /			5000
Dec.31	<b>Hamad, Capital/</b>		3000	
	<b>Hamad, Drawings/</b>			3000

Hamad Cleaning Services  
**2- Post - Closing Trail Balance**  
 Dec 31, 2021

Account Title	Debit (BD)	Credit (BD)
Cash/	20,000	
Accounts Receivable/	10,000	
Building/	90,000	
Land/	60,000	
Accounts Payable/		25,000
Hamad , Capital//		155,000
<b>Totals</b>	<b>180,000/</b>	<b>180,000/</b>

**QUESTION TWO:**

Noor Company uses a **perpetual inventory system**. It entered into the following information for the month of May 2021.

48×0.25

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Date	Explanation	Units	Unit Cost (BD)	Unit Sold (BD)
May 01	Beginning Inventory	200	6	
May 07	Purchases	500	7	
May 12	Sales	300		15
May 21	Purchases	400	8	
May 28	Sales	600		15

**Required:**

Compute cost of goods sold and cost of ending Inventory using FIFO Method.

**Solution:**

Date	Goods Purchased	Cost of Goods Sold	Inventory Balance
May 01			200/ ×6 /= BD1200//
May 07	500/×7/= BD3500//		500/ ×7/ = BD3500//
May 12		200 /×6 /= BD1200//	
		100/×7/ = BD700//	
			400/×7/= BD2800//
May 21	400/×8/= BD3200//		400/×8/= BD3200//
June 27		400/×7/= BD2800//	
		200/×8= BD1600//	
<b>Total</b>		<b>900      6,300////</b>	<b>200/×8/= BD1600//</b>

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**QUESTION THREE:**

The following information for Asia Est. is shown on December 31, 2021:

14×0.5

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- On December 31, cash per bank statement was BD8160; cash per the cash account was BD8480.
- Service charges for December were BD156.
- BD280 check drawn by Khalid marked NSF.
- Cash receipts of BD1500 on December 31, 2021 were not deposited until January 2022.
- Outstanding checks: No.123 for BD500 – No.134 for BD516– No.141 for BD600.

**Required:**

- 1- Prepare the Bank Reconciliation
- 2- Prepare Journal entries necessary to reconcile the cash account balances.

**Solution:**

Asia Est  
**Bank Reconciliation**  
December 31, 2021

<b>Bank Statement / Balance</b>		8160	<b>Book Balance/</b>		8480
<b>Add:</b> Deposits in transit/		1500	<b>Add:</b>		
		<b>9660</b>			
<b>Less:</b> Outstanding checks			<b>Less:</b>		
No#123/	500		Bank services charge/	156	
No#134/	516		NSF Checks /	280	
No#141/	600				
		<b>1616</b>			<b>436</b>
<b>Adjusted Bank Statement Balance/</b>		<b>8044</b>	<b>Adjusted Book Balance/</b>		<b>8044</b>

**2- General Journal**

Date	Explanation	Debit (BD)	Credit (BD)
Nov. 30	Miscellaneous Expense /	156	
	Account Receivable/	280	

	Cash//		436
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**QUESTION FOUR:**

Using the following accounts analysis columns for the Petty Cash system: (1) Postage (2) Carriage (3) Stationery.

- March 4 Established petty cash fund by writing a check for BD60
- 4 Paid for postage stamps 9.000
- 5 Paid for stationery 5.000
- 5 Paid for carriage 16.000
- 6 Paid for postage stamps 8.000
- 8 Paid for stationery 12.000
- 9 Received from the chief cashier to replenish the petty cash fund BD50
- 10 Increased the amount of the petty cash fund to BD80 by writing check for BD20.

8×1

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**Required:**

Prepare the necessary journal entries for the petty cash transactions.

**Solution:****General Journal**

Date	Explanation	Debit	Credit
March 4	Petty Cash /	60	
	Cash/		60
March 9	Postage (9+8)/	17	
	Carriage (16)/	16	
	Stationery (5+12) /	17	
	Cash/		50
March 10	Petty Cash/	20	
	Cash/		20

**QUESTION FIVE:**

Abdulla Est. using the vertical analysis for the following balance sheet items.

16×0.25

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Abdulla Est.  
Balance Sheet  
December 31, 2021

ACCOUNT	AMOUNT (BD)
Current Assets	60,000
Fixed Assets	140,000
<b>Total Assets</b>	<b>200,000</b>
Current Liabilities	80,000
Stockholders' Equity	120,000
<b>Total Liabilities and Stockholders' Equity</b>	<b>200,000</b>

**Required:**

Compute the percentage of balance sheet for Abdulla Est. using the Vertical Analysis:

Abdulla Est  
Balance sheet  
December 31, 2020

Account	Amount (BD)	Percentage %
Current Assets	60,000	= $60000/200000 \times 100 = 30\%$ ///
Plant Assets	140,000	= $140000/200000 \times 100 = 70\%$ ///
<b>Total Assets</b>	<b>200,000</b>	= $200000/200000 \times 100 = 100\%$
Current liabilities	80,000	= $80000/200000 \times 100 = 40\%$ ///
Stockholder's Equity	120,000	= $120000/200000 \times 100 = 60\%$ ///

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<b>Total Liabilities and Equity</b>	<b>200,000</b>	<b>=200000/200000 x 100 = 100%</b>
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**END OF ANSWER EXAM**

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