

Questions Bank for Principle of Accounting – First Stage-2024

CH1

Q 1// What are the 5 basic accounting principles?

- Revenue Recognition Principle. This highlights the period of time when revenues are recognized through the income statement of your company. ...
- Cost Principle. ...
- Matching Principle. ...
- Objectivity Principle. ...
- Full Disclosure Principle.

Q2 // What are principles of accounting?

Q3// How do accounting principles work?

Q4// What are the Principles of Accounting?

CH2

Q1//A) At Jan. 5th (Azad) bought goods on credit from (Ali) worth \$4500 by terms of payment 2 / 10, 1 / 20, N / 30.

If you have these cases:

At Jan. 12th Azad pay half of the credit by cash.

At Jan. 20th Azad pay \$1000 to Ali as a part of the credit by check.

At Feb. 5th Azad settled the balance of Ali account by cash.

(20 Marks)

Required//

Journalize this transaction to both the buyer and seller records.

.....
Q1//B) (Ahmed store) sold goods worth \$2000 by check to (Ali) with trade discount 10 % and 5 %.

Required // Journalize this transaction to both the buyer and seller records.

Q2// A) The following accounts and account balances are available for (Asaad Co.) as on 31st December 2007: (the entire amount with \$)

Cash 1680 – Cash in bank 2860 – Debtors 5700 – Creditors 2300 – Notes receivable 3200 – Notes payable 1800 – Sales 7000 – Purchases 6330 – Sales returned 400 – Purchases returned 300 – Machinery 8000 – Buildings & lands 7000 – Goodwill 5000 – Rent income 250 – Salary 1200 – Wages 880 – Interest 130 – Drawing 2400 – Capital 32870.

Required// Prepare the Trial balance **(20 Marks)**

Q2// B)

Required// Using the chart to explain the Adjusting Entries.

CH3

Q3// A) If a **car** costing \$4500 was sold on Apr. 1st 2007 by \$700 cash.

The balance of accumulated depreciation – car on Apr. 1st 2007 is \$3250

Required// Journalize the above transactions

Q3// B) Purchased goods worth \$640 by cash, but the accountant records the entry with 460 \$.

- Wrong entry:

By goods 460

To Cash 460

Purchased stationary worth \$540 by cash, but the accountant records the entry with \$450.

- Wrong entry:

By Stationary 450

To Cash 450

Purchased tools from (Soran Co.) worth \$650 by credit, and the accountant records the following entry:

By Tools 560

(20 Marks)

To (Serwan Co.) 560

Required// Correct the above wrong entries by both short and long methods

Example 1:

On 2/1/ 2022, the Trader Luqman started his business with a capital of 20,000,000 dinars, which he deposited in the store's cashier.

On 3/1, he purchased furniture for his shop in the amount of 500,000 dinars from Hiwa stores and paid the amount in cash.

On 4/1, he purchased goods from the Eastern Trading Company for 500,000 dinars and paid the amount in cash.

On 7/1, he purchased goods in the amount of 1,250,000 dinars on account from Sazan stores.

On 10/1, goods were delivered to the Trader Ahmed in the amount of 850,000 dinars, and he received the amount in cash.

On 12/1, the goods were on the account of the Trader Hamdi Amin for the amount of 600,000 dinars.

On 13/1, he paid Sazan stores an amount of 450,000 dinars, paying part of his account in cash.

On 15/1, he received from the Trader Hamdi Amin an amount of 300,000 dinars in cash.

On 20/1, he purchased goods from the Al-Sabah store in the amount of 1,500,000 dinars and paid 800,000 dinars in cash and the rest on account.

On 25/1, he sold goods to the Trader Anwar for an amount of 1,000,000 dinars, and received an amount of 500,000 dinars in cash and the rest on account.

On 26/1, he withdrew an amount of 200,000 dinars from the store's fund to cover his personal expenses

On 27/1, he paid the rent of a shop for a month in the amount of 100,000 dinars in cash.

On 28/1, advertising expenses amounting to 30,000 dinars were paid in cash

On 31/1, the salaries of the store employees were paid in the amount of 350,000 dinars in cash

Required // Record the journal entries in the daily records of Trader Luqman

