

Principles Accounting in English1

bank of questions

Question : (1)

1. Ray Neal decides to open a computer programming service which he names Soft byte. On September 1, 2010, he invests \$15,000 cash in the business.
2. Soft byte purchases computer equipment for \$7,000 cash.
3. Soft byte purchases for \$1,600 from Acme Supply Company computer paper and other supplies expected to last several months. Acme agrees to allow Soft byte to pay this bill in October.
4. Soft byte receives \$1,200 cash from customers for programming services it has provided.
5. Soft byte receives a bill for \$250 from the *Daily News* for advertising but postpones payment until a later date.
6. Soft byte provides \$3,500 of programming services for customers. The company receives cash of \$1,500 from customers, and it bills the balance of \$2,000 on account.
7. Softbyte pays the following Expenses in cash for September: store rent \$600, salaries of employees \$900, and utilities \$200.
8. Soft byte pays its \$250 *Daily News* bill in cash [in Transaction (5)].
9. Soft byte receives \$600 in cash from customers who had been billed for services [in Transaction (6)].
10. Ray Neal withdraws \$1,300 in cash from the business for his personal use.

Instructions

Prepare a tabular analysis of the transactions & Prepare four financial Statements.

Question: (2)

Ahmad's Repair Shop was started on May 1 by Ahmad. A summary of May transactions is presented below.

1. Invested \$10,000 cash to start the repair shop.
2. Purchased equipment for \$5,000 cash.
3. Paid \$400 cash for May office rent.
4. Paid \$500 cash for supplies.
5. Incurred \$250 of advertising costs in the Beacon News on account.
6. Received \$5,100 in cash from customers for repair service.
7. Withdrew \$1,000 cash for personal use.
8. Paid part-time employee salaries \$2,000.
9. Paid utility bills \$140.
10. Provided repair service on account to customers \$750.

11. Collected cash of \$120 for services billed in transaction (10).

Instructions

- (a) Prepare a tabular analysis of the transactions, using the following column headings: Cash, Accounts Receivable, Supplies, Equipment, Accounts Payable, Ahmad, Capital, Ahmad, Drawings; Revenues, and Expenses.
- (b) From an analysis of the owner's equity columns, compute the net income or net loss for May.

Question: (3)

Aram opened a veterinary business in Erbil, on August 1. On August 31, the balance sheet showed Cash \$9,000, Accounts Receivable \$1,700, Supplies \$600, Office Equipment \$6,000, Accounts Payable \$3,600, and Aram, Capital \$13,700. During September the following transactions occurred.

1. Paid \$2,900 cash on accounts payable.
2. Collected \$1,300 of accounts receivable.
3. Purchased additional office equipment for \$2,100, paying \$800 in cash and the balance on account.
4. Earned revenue of \$8,000, of which \$2,500 is paid in cash and the balance is due in October.
5. Withdrew \$1,000 cash for personal use.
6. Paid salaries \$1,700, rent for September \$900, and advertising expense \$300.
7. Incurred utilities expense for month on account \$170.
8. Received \$10,000 from Capital Bank—money borrowed on a note payable.

Instructions

- (a) Prepare a tabular analysis of the September transactions beginning with August 31 balances. The column headings should be as follows: Cash + Accounts Receivable + Supplies + Office Equipment = Notes Payable + Accounts Payable + Aram, Capital – Aram, Drawings + Revenues - Expenses.
- (b) Prepare an income statement for September, an owner's equity statement for September, and a balance sheet at September 30.

Question: (4)

Koyan started his own delivery service, Koyan Deliveries, on June 1, 2010. The following transactions occurred during the month of June.

June 1 Koyan invested \$10,000 cash in the business.

2 Purchased a used van for deliveries for \$12,000. Mark paid \$2,000 cash and signed a note payable for the remaining balance.

3 Paid \$500 for office rent for the month.

5 Performed \$4,400 of services on account.

9 Withdrew \$200 cash for personal use.

12 Purchased supplies for \$150 on account.

15 Received a cash payment of \$1,250 for services provided on June 5.

17 Purchased gasoline for \$100 on account.

20 Received a cash payment of \$1,500 for services provided.

23 Made a cash payment of \$500 on the note payable.

26 Paid \$250 for utilities.

29 Paid for the gasoline purchased on account on June 17.

30 Paid \$1,000 for employee salaries.

Instructions

(a) Show the effects of the previous transactions on the accounting equation.

(b) Prepare an income statement for the month of June.

(c) Prepare a balance sheet at June 30, 2010

Question: (5)

Bob Sample opened the Campus Laundromat on September 1, 2010. During the first month of operations the following transactions occurred.

Sept. 1 Bob invested \$20,000 cash in the business.

2 The company paid \$1,000 cash for store rent for September.

3 Purchased washers and dryers for \$25,000, paying \$10,000 in cash and signing a \$15,000, 6-month, 12% note payable.

4 Paid \$1,200 for a one-year accident insurance policy.

10 Received a bill from the Daily News for advertising the opening of the laundromat \$200.

20 Bob withdrew \$700 cash for personal use.

30 The company determined that cash receipts for laundry services for the month were \$6,200.

The chart of accounts for the company is the same as that for Pioneer Advertising Agency plus the following: No. 154 Laundry Equipment, No. 610 Advertising Expense, No. 301 Bob Sample, Capital; and No. 306 Bob Sample, Drawing.

Instructions (a) Journalize the September transactions. (b) Open ledger accounts and post the September transactions.

Question: (6)

Presented below is information related to Hanshew Real Estate Agency.
 Oct. 1 Pete Hanshew begins business as a real estate agent with a cash investment of \$15,000. 2 Hires an administrative assistant.
 3 Purchases office furniture for \$1,900, on account.
 6 Sells a house and lot for B. Kidman; bills B. Kidman \$3,200 for realty services provided.
 27 Pays \$700 on the balance related to the transaction of October 3.
 30 Pays the administrative assistant \$2,500 in salary for October.

Instructions:

- (a) Journalize the transactions.**
- (b) Post to the ledger accounts.**

Question: (7)

The T accounts below summarize the ledger of Simon Landscaping Company at the end of the first month of operations.

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Instructions

Prepare the complete general journal (including explanations) from which the postings to Cash were made.

Question: (8)

Frontier Park was started on April 1 by C. J. Mendez. The following selected events and transactions occurred during April.

- Apr. 1 Mendez invested \$40,000 cash in the business.
- 4 Purchased land costing \$30,000 for cash.
- 8 Incurred advertising expense of \$1,800 on account.
- 11 Paid salaries to employees \$1,500.
- 12 Hired Park manager at a salary of \$4,000 per month, effective May 1.
- 13 Paid \$1,500 cash for a one-year insurance policy.
- 17 Withdrew \$1,000 cash for personal use.
- 20 Received \$5,700 in cash for admission fees.
- 25 Sold 100 coupon books for \$25 each. Each book contains 10 coupons that entitle the holder to one admission to the park.
- 30 Received \$8,900 in cash admission fees.
- 30 Paid \$900 on balance owed for advertising incurred on April 8.

Mendez uses the following accounts: Cash, Prepaid Insurance, Land, Accounts Payable, Unearned Admission Revenue, C. J. Mendez, Capital; C. J. Mendez, Drawing; Admission Revenue, Advertising Expense, and Salaries Expense.

Instructions:

- (a) Journalize the transactions.**
- (b) Post to the ledger accounts.**

Question: (9)

- 11. Ray Neal decides to open a computer programming service which he names soft byte. On September 1, 2010, he invests \$15,000 cash in the business.
- 12. Soft byte purchases computer equipment for \$7,000 cash.
- 13. Soft byte purchases for \$1,600 from Acme Supply Company computer paper and other supplies expected to last several months. Acme agrees to allow soft byte to pay this bill in October.
- 14. Soft byte receives \$1,200 cash from customers for programming services it has provided.
- 15. Soft byte receives a bill for \$250 from the *Daily News* for advertising but postpones payment until a later date.
- 16. Soft byte provides \$3,500 of programming services for customers. The company receives cash of \$1,500 from customers, and it bills the balance of \$2,000 on account.

17. Soft byte pays the following Expenses in cash for September: store rent \$600, salaries of employees \$900, and utilities \$200.
18. Soft byte pays its \$250 *Daily News* bill in cash [in Transaction (5)].
19. Soft byte receives \$600 in cash from customers who had been billed for services [in Transaction (6)].
20. Ray Neal withdraws \$1,300 in cash from the business for his personal use.

Instructions:

- (a) **Journalize the transactions.**
- (b) **Post to the ledger accounts.**

Question: (10)

This information relates to Aram Co.

1. On April 5 purchased merchandise from Azad Company for \$20,000, terms 2/10, net/30, FOB shipping point.
2. On April 6 paid freight costs of \$900 on merchandise purchased from Azad Company.
3. On April 7 purchased equipment on account for \$26,000.
4. On April 8 returned some of April 5 merchandise, which cost \$2,800, to Azad Company.
5. On April 15 paid the amount due to Azad Company in full.

Instructions

- (a) **Prepare the journal entries to record these transactions on the books of Aram Co.**
- (b) **Assume that Aram Co. paid the balance due to Azad Company on May 4 instead of April 15. Prepare the journal entry to record this payment.**

Question: (11)

Presented below is information related to Ali Co.

1. On April 5, purchased merchandise from Ako Company for \$22,000, terms 2/10, net/30, FOB shipping point.
2. On April 6, paid freight costs of \$800 on merchandise purchased from Ako.
3. On April 7, purchased equipment on account from Erbil. Co. for \$26,000.
4. On April 8, returned merchandise, which cost \$4,000, to Ako Company.
5. On April 15, paid the amount due to Ako Company in full.

Instructions

- (a) **Prepare the journal entries to record these transactions on the books of Ali Co. using a periodic inventory system.**
- (b) **Assume that Ali Co. paid the balance due to Ako Company on May 4 instead of April 15. Prepare the journal entry to record this payment.**

Question: (12)

Information related to Hawre Co. is presented below.

1. On April 5, purchased merchandise from Renas Company for \$25,000 terms 2/10, net/30, FOB shipping point.
2. On April 6 paid freight costs of \$900 on merchandise purchased from Renas.
3. On April 7, purchased equipment on account for \$26,000.
4. On April 8, returned damaged merchandise to Renas Company and was granted a \$4,000 credit for returned merchandise.
5. On April 15 paid the amount due to Renas Company in full.

Instructions

- (a) Prepare the journal entries to record these transactions on the books of Hawre Co..
- (b) Assume that Hawre Co. paid the balance due to Renas Company on May 4 instead of April 15. Prepare the journal entry to record this payment.

Question: (13)

- At 1 / 4 / 2008 (Salim Co.) Started business with the following:
Cash 10000 \$ - Cash in bank 10000 \$ - Goods 5000 \$ - Capital?
- At 3 / 4 / Purchased goods worth 3500 \$ from (Salah Co.), (1000 \$ by cash – 1000 \$ by check – 1000 \$ by credit – 500 \$ by note that due after 2 months), and paid 250 \$ by cash as purchases expenses.
- At 5 / 4 / Sold goods worth 1500 \$ to (Noor Co.) by credit with terms 3 / 5, 2 / 10, 1 / 20, N / 30.
- At 7 / 4 / Settled the account of (Salah Co.) by check.
- At 15 / 4 / (Noor Co.) settled the account by cash.

Required:

Journalize the above transactions (By systematic method).

Question: (14)

- At 1 / 4 / 2008 (Ali Co.) started business with the following assets;
Cash 15000 \$ - Cash in Bank 20000 \$ - Furniture 5000 \$ - Inventory (Beginning) 15000 \$ - Capital?
- At 3 / 4 / Sold goods to (Hasan Co.) worth 6000 \$ on account with terms of payment - 2 / 10, 1 / 20, N / 30.
- At 5 / 4 / Purchased goods from (Yasser Co.) worth 4000 \$ by cash with trade discount 5 %, and paid purchases expenses 300 \$ by check.
- At 7 / 4 / We returned goods worth 250 \$ to (Yasser Co.) and received the amount by cash.

- At 11 / 4 / We received 3000 \$ from (Hasan Co.) by cash.

Required:

Journalize the above transactions.

Question: (15)

- At Sep. 1st 2008 (kamel) deposited 75000 \$ in a bank account in the name of the company.
- At Sep. 5th Purchased goods worth 15000 \$ from (Hana Co.). A part payment of 5000 \$ was made by check and the remaining amount on credit by terms 2 / 10 , 1 / 20 , N / 30.
- At Sep. 8th Purchased office equipment from (Zana Co.) worth 1000 \$ by check.
- At Sep. 10th Sold goods to (Ali Co.) worth 6000 \$ by cash.
- At Sep. 14th Settled 5000 \$ from (Hana Co.) account by check.
- At Sep. 23rd (Ali Co.) returned goods worth 250 \$ and settled the amount of this goods by cash.

Required:

Journalize the above transactions.

Question: (16)

Note payable 45000, Harper, capital 28500, Harper, drawing 1800, Service revenue 7600, Salary expense 3000, Rent expense 1500, Interest expense 400, Utilities expense 200, Cash 31200, Accounts receivable 4000, Supplies 300, Land 40000, Accounts payable 1300.

Instructions:

Prepare a trial balance

Question: (17)

Salary payable 900, Interest payable 100, Unearned service revenue 400, Notes payable 20000, supplies 600, Prepaid rent 2000, Furniture 18000, Building 48000, Accumulated depreciation—furniture 300, Accumulated depreciation—building 200, Cash 4800, Accounts receivable 2600, Accounts payable 18200, Bright capital 35000

Instructions:

Prepare a trial balance

Question: (18)

The following balances are taken from C. R. Byrd company

Service Revenue	10600
Advertising Supplies Expense	1500
Depreciation Expense	40
Insurance Expense	50
Salaries Expense	5,200
Rent Expense	900
Interest Expense	50
C. R. Byrd, Drawing	500

Instruction

Prepare closing entry