

**Statistics Part(4 sheets)**

**PART I:** Use the definitions in group A to match each term in group B: 15 grades

B	A
The SPSS window that shows the session output	Contents Pane
On left side of the Viewer; contains labels describing the output	Qualitative data
File extension for a chart template	Mode
A tabular or graphical presentation of data that shows each category for the variable and the frequency of the category's occurrence in the data set.	Viewer
On right side of Viewer; lists all of the results of the analysis	Metrics
Values that represent mutually exclusive categories with no quantitative meaning (for example, gender or race).	.set extension
The value that appears most frequently—a measure of central tendency	Outline Pane
Quantitative variables measured on the same response scale.	Frequency distribution
A distribution where more than two categories occur most frequently.	z-scores
A technique used on variables that are in the opposite direction of the dimension that one is interested in assessing	Reverse-scaling
Can be used to create an overall scale from variables with different metrics.	Multimodal distribution
Measures the degree to which a variable's scores fall at one end or the other end of the variable's scale.	Kurtosis
SPSS' term for a constant to which the t-test compares a test variable.	ANOVA
Procedure to assess the relationship of one or more factors with a dependent variable	Skewness
Reflects the thickness of the tail regions (relative frequency of scores in both extremes) of a distribution	Test value



**PART II: Complete the following statements:****15 grades**

❖ The following tables display SPSS output

**Cross-tabulation**

Count		gender Sex of insured		Total
		Male	Female	
accident Number of	0	46	76	122
accidents past 5 years	1	69	70	139
	2	54	53	107
	3	38	25	63
	4	23	16	39
	5	11	8	19
	6	7	2	9
	7	2	0	2
Total		250	250	500

1. Number of case is .....
2. Number of male who have 3 or more accidents in the past 5 years is ....
3. .... persons had less than 3 accidents in past 5 years
4. The proportion of female who had no accident is .....
5. The mode of number of accident in the past 5 years is .....

age of insured		Male		Female	
		Statistic	Std. Error	Statistic	Std. Error
Mean		41.62	0.591	41.79	0.582
95% Confidence Interval for Mean	Lower Bound	40.45		40.64	
	Upper Bound	42.78		42.93	
Variance		87.338		84.706	
Std. Deviation		9.345		9.204	
Skewness		0.227	0.154	0.143	0.154
Kurtosis		-0.561	0.307	-0.597	0.307

6. The mean age of male is ....., while it is..... For female
7. The upper confidence limit for female is ..... while it is .... For male
8. Z-test value for the difference between the two means is .....
9. Is there a difference between the mean age for both gender?



❖ Conceder the following Stem and Leaf plots obtained from SPSS

Age of insured Stem-and-Leaf Plot for  
Gender= Male

Frequency	Stem	Leaf
5	2	23344
17	2	55566677778888999
39	3	0000001111111111222223333334444444444
55	3	555556666666666677777777777888888888888888888999999999
42	4	000000111111111122222222222333333444444444
41	4	55555556666666667777777777788899999999999
25	5	00011122222333334444444
21	5	55556667777788889999
4	6	0024
1	6	8

Stem width: 5  
Each leaf: 1 case(s)

Age of insured Stem-and-Leaf Plot for  
Gender= Female

Frequency	Stem	Leaf
4	2	2344
20	2	55566666677888999999
35	3	000000111111222223333334444444444
50	3	5555566666666677777777777888888888999999999999
47	4	0000001111111111222222222233333333333444444444
40	4	5555555555566666777777788888888899999
27	5	0000001111112222233344444
21	5	55666666667777788899
6	6	001244

Stem width: 5  
Each leaf: 1 case(s)

10. Construct cross-table gender and age( using class width to be 10 for age)

❖ The following table display a part of SPSS output

Statistics				
		image	brand	Freq
N	Valid	4662	4662	4662
	Missing	5	5	5
Mean		11.03	3.36	68.05
Std. Deviation		6.918	1.738	39.051
Variance		47.863	3.020	1524.979
Percentiles	25	5.00	2.00	32.00
	50	11.00	3.00	72.00
	75	17.00	5.00	99.00

11. The number variables is ....  
12. The number of missing points is ....  
13. The median Image is .....  
14. The mean of brand is .....  
15. The Inter quartile range of freq is .....



**PART III: Circle the correct answer:**

**12 grades**

1. Which of the following is not an example of a variable?  
a. gender      b. Age      c. Person 2      D. income
2. Which of the following is an example of a case?  
a. Person 1      b. Female      C. Sex      b. Age
3. The ..... Menu is used to display, arrange, merge, and sort variables  
a. File      b. Edit      c. Data      d. Analyze
4. The ..... Menu is used to copy, delete, cut, and Paste selected part of the dataset  
a. File      b. Edit      c. Data      d. Analyze
5. The output files created using SPSS is saved with default extension  
a. \*.sav      b. \*.spo      c. \*.xls      d. \*.doc
6. The length of the variable name in SPSS must not exceed..... characters  
a. 12      b. 8      c. 10      d. 4
7. Which of the following is an example of a value?  
a. Movie preference      b. Female  
c. Age      d. Household Income
8. In SPSS, cases are presented in:  
a. A dialog box      b. Columns  
c. One cell      d. Rows
9. If your dialog box hides part of the screen that you need to use when you are finding a variable, case, or value, how do you move it?  
a. You can't.  
b. Click and drag it out of the way.  
c. Right-click on it, select all and paste it elsewhere.  
d. Use the X to close it, then re-open after you've read what you need to on the screen.
10. Which of the following is not a source of data for SPSS  
a. MS- Excel.      b. MS- Access      c. Windows      d. MS-Word
11. True or False? Once the split is completed, SPSS will create two physically separate files that are independent of one another.  
a. True      b. False
12. If researcher 1 and researcher 2 are located at two different sites collecting answers to the same survey on their portable computers, how would they combine their information in SPSS?  
a. Click Data, then Split File  
b. Hire someone to re-enter data from researcher 2's files to researcher 1's files  
c. Click Data, then Merge Files, than Add Cases  
d. Click Data, then Merge Files, then Add Variables



Answer the following questions. The allocation of marks among sub-questions is indicated in the margins of each question.

**1<sup>st</sup> Question: Fill in the gaps with the appropriate terms (25).**

1. ....exists when individual firms believe they face downward-sloping demand curves. The most important forms are monopolistic competition and oligopoly. (1)
2. ....are costs that change as output changes. For examples: labour costs, raw material costs, and costs of electricity and other utilities. (1)
3. Monopolistic competition is an industry structure in which.....number of .....firms sell products that are close, but not quite perfect, substitutes. (2)
4. The firm uses the.....condition to check if the price for which this output is sold covers average cost. (1)
5. Based on marginal condition, when  $MR$  (marginal revenue)  $>$   $MC$  (marginal cost), the monopolist should.....the output. (1)
6. Market power, a term that refers to a firm's ability to.....the price of a good without losing all its sales. (1)
7. A production process is said to have.....returns to scale if, when all inputs are changed by a given proportion, output changes by the same proportion. (1)
8. In monopoly, in the long run, the decision is to leave the industry if..... (1)
9. For economies of scale, because.....costs do not increase as output increases, the average total cost of production ( $ATC$ ) will.....sharply as output increases. (2)
10. ....is an industry with few producers, each recognizing their interdependence. (1)
11. At any output, price.....the monopolist's marginal revenue since the demand curve slopes..... (2)
12. What distinguishes.....competition from.....competition is that each firm faces a downward-sloping demand curve, while it is horizontal in perfect competition. (2)
13. Oligopolists are torn between the desire to....., in order to maximize joint profits, and the desire to compete, in order to raise market share and profits at the expense of rivals. (1)
14. In monopolistic competition, in the long run tangency equilibrium each firm's demand curve just touches its.....curve at the output level at which  $MC$  equals  $MR$ . (1)
15. The measure of monopoly power is the excess of.....over marginal cost. (1)

16. The most famous.....is OPEC, the organization of Petroleum Exporting Countries. Its members meet regularly to set price and output. (1)
17. The key to an.....industry is the need for each firm to consider how its own actions affect the decisions of its relatively few competitors. (1)
18. To Maximize profit, the monopolist must check whether, at positive output level where  $MR=MC$ , the price (average revenue) covers:  
     In the short run:.....  
     In the long run: ..... (2)
19. Marginal Cost is the change in a firm's.....from producing one more unit of a good or service. (1)
20. ....is the industry structure in which a small number of large firms supply the entire market. (1)

#### 2<sup>nd</sup> Question (25)

*Monopolistic competition describes an industry in which each firm can influence its market share to some extent by changing its price relative to its competitors:* indicate, graphically, a monopolistic competitor equilibrium (firm's supply decision).

#### 3<sup>rd</sup> Question (35)

*Perfectly competitive markets are the markets, in which, individual firms have no influence over the market prices of the products they sell:* indicate, graphically, both short - and long - runs supply decisions of a firm working in a perfectly competitive market.

**BEST WISHES**



Date: 9 / 6 / 2016

Time: 3 hours

Note: The Exam in 6 Pages

First Question:

Choose the correct answer for each of the following question:

30 Marks

1) Which of the following is considered audit evidence?

- A) Oral Statements Made By Management
- B) Written Communications
- C) Auditor Observation
- D) All Of Above

2) The criteria used by an external auditor to evaluate published financial statements are known as

- A) Generally Accepted Auditing Standards
- B) Generally Accepted Accounting Principles
- C) Generally Cost Accounting Standards
- D) All Of Above

3) Recording, classifying, and summarizing economic events in a logical manner for the purpose of providing financial information for decision making is commonly called:

- A) Finance.
- B) Auditing.
- C) Accounting.
- D) Economics.

4) In "auditing" financial accounting data, the primary concern is with:

- A) determining whether recorded information properly reflects the economic events that occurred during the accounting period.
- B) determining if fraud has occurred.
- C) determining if taxable income has been calculated correctly.
- D) analyzing the financial information to be sure that it complies with government requirements.

5) 1) \_\_\_\_\_ risk reflects the possibility that the information upon which the business decision was made was inaccurate.

- A) Client acceptance
- B) Information
- C) Business
- D) Control

6) ) An audit of historical financial statements is most often performed to determine whether the:

- A) organization is operating efficiently and effectively.
- B) entity is following specific procedures or rules set down by some higher authority.

- C) management team is fulfilling its fiduciary responsibilities to shareholders.
- D) none of these choices.

7) \_\_\_\_\_ causes information risk

- A) remoteness of information
- B) biases and motives of the provider
- C) voluminous data
- D) All of Above

8) Three common types of attestation services are:

- A) audits, reviews, and attestations regarding internal controls.
- B) audits, verifications, and attestations regarding internal controls.
- C) reviews, verifications, and attestations regarding internal controls.
- D) audits, reviews, and verifications

9) \_\_\_\_\_ evaluates the efficiency and effectiveness of any part of an organization's operating procedures and methods.

- A) Operational audit.
- B) Compliance audit.
- C) Financial statement audit.
- D) Production audit.

10) An audit to determine whether an entity is following specific procedures or rules set down by some higher authority is classified as a(n):

- A) audit of financial statements.
- B) compliance audit.
- C) operational audit.
- D) production audit.

11) The three requirements for becoming a CPA include all but which of the following?

- A) Uniform CPA examination requirement.
- B) Educational requirements.
- C) Character requirements.
- D) Experience requirement.

12) ) The organization that is responsible for providing oversight for auditors of public companies is called the \_\_\_\_\_.

- A) Auditing Standards Board.
- B) American Institute of Certified Public Accountants.
- C) Public Oversight Board.
- D) Public Company Accounting Oversight Board.

13) Which of the following are audit standards used in professional practice by audit firms?

- A) International Standards on Auditing
- B) U.S. Generally Accepted Auditing Standards
- C) PCAOB Auditing Standards
- D) All of Above

14) Which one of the following is not one of the three General Standards?

- A) Proper planning and supervision.
- B) Independence of mental attitude.

23) \_\_\_\_\_ A business is unable to meet its obligations or investor expectations due to economic or business conditions

- A) business
- B) audit
- C) ethics
- D) process

24) \_\_\_\_\_ risk means that the auditor fails to find a material misstatement and issues an unqualified opinion.

- A) business
- B) audit
- C) ethics
- D) process

25) \_\_\_\_\_ the absence of reasonable care that can be expected of a person in a set of circumstances

- A) Ordinary negligence
- B) Gross negligence
- C) Constructive fraud
- D) Fraud

26) \_\_\_\_\_ occurs when a misstatement is made and there is both the knowledge of its falsity and the intent to deceive

- A) Ordinary negligence
- B) Gross negligence
- C) Constructive fraud
- D) Fraud

27) Which of the following most accurately describes constructive fraud?

- A) Absence of reasonable care
- B) Lack of slight care
- C) Knowledge and intent to deceive
- D) Extreme or unusual negligence without the intent to deceive

28) Audit contracts (engagement letters):

- A) may be either oral or written.
- B) must be written.
- C) must be written and notarized.
- D) must be written if the client is regulated by the Securities and Exchange Commission

29) In connection with the audit of financial statements, an independent auditor could be responsible for failure to detect a material fraud if:

- A) statistical sampling techniques were not used on the audit engagement.
- B) the auditor planned the audit in a negligent manner.
- C) accountants performing important parts of the work failed to discover a close relationship between the treasurer and the cashier.
- D) the fraud was perpetrated by one employee who circumvented the existing internal controls.

- C) Adequate training and proficiency.
- D) Due professional care.

15) Which one of the following is not a Field Work Standard?

- A) Adequate planning and supervision.
- B) Due professional care.
- C) Understand the entity and its environment including internal control.
- D) Sufficient appropriate audit evidence.

16) The generally accepted auditing standard that requires "Adequate technical training and proficiency" is normally interpreted as requiring the auditor to have:

- A) formal education in auditing and accounting.
- B) worked for an entity similar to the entity being audited.
- C) independence in mental attitude.
- D) a graduate degree in a business field

17) Sufficient appropriate evidence one of

- A) Reporting Standards
- B) Field work Standards
- C) General standards
- D) All of above

18) Auditing standards require that the audit report must be titled and that the title must:

- A) include the word "independent."
- B) indicate if the auditor is a CPA.
- C) indicate if the auditor is a proprietorship, partnership, or incorporated.
- D) indicate the type of audit opinion issued.

19) The standard audit report refers to GAAS in which paragraphs?

- A) Scope paragraph
- B) Introduction paragraph
- C) Scope and Opinion paragraph
- D) Opinion paragraph

20) The standard audit report refers to GAAP in which paragraphs?

- A) Scope paragraph
- B) Introduction paragraph
- C) Scope and Opinion paragraph
- D) Opinion paragraph

21) \_\_\_\_\_ failure occurs when an auditor issues an erroneous opinion because it failed to comply with requirements of auditing standards.

- A) business
- B) audit
- C) ethics
- D) process

22) Auditors who fail to exercise due care in their performance of professional services may be liable for:

- A) reduce liability.
- B) breach of contract.
- C) excess liability.
- D) criminal charges.

10. Approximately 20% of the audit of KJSD Farms, Inc. was performed by a different CPA firm, selected by you. You have reviewed their audit files and believe they did an excellent job on their portion of the audit, therefore, you are will take complete responsibility for their work.

**Required**

In a table like the following, for each situation

(a) CONDITION	(b) MATERIALITY LEVEL	(c) TYPE OF REPORT	(d) COMMENTS
1.			

- Identify which of the conditions requiring a modification of or a deviation from an unqualified standard report is applicable.
- State the level of materiality as immaterial, material, or highly material. If you cannot decide the level of materiality, state the additional information needed to make a decision.
- Given your answers in parts a and b, state the type of audit report that should be issued. If you have not decided on one level of materiality in part b, state the appropriate report for each alternative materiality level.

**Question Three :**

15 marks

The following are examples of audit procedures:

- Review the accounts receivable with the credit manager to evaluate their collectability.
- Compare a duplicate sales invoice with the sales journal for customer name and amount.
- Add the sales journal entries to determine whether they were correctly totaled.
- Count inventory items and record the amount in the audit files.
- Obtain a letter from the client's attorney addressed to the CPA firm stating that the attorney is not aware of any existing lawsuits.
- Extend the cost of inventory times the quantity on an inventory listing to test whether it is accurate.
- Obtain a letter from an insurance company to the CPA firm stating the amount of the fire insurance coverage on buildings and equipment.
- Examine an insurance policy stating the amount of the fire insurance coverage on buildings and equipment.
- Calculate the ratio of cost of goods sold to sales as a test of overall reasonableness of gross margin relative to the preceding year.
- Obtain information about internal control by requesting the client to fill out a questionnaire.
- Watch employees count inventory to determine whether company procedures are being followed.
- Examine a piece of equipment to make sure that a major acquisition was actually received and is in operation.
- Calculate the ratio of sales commission expense to sales as a test of sales commissions.
- Examine corporate minutes to determine the authorization of the issue of bonds.

**Required**

Classify each of the preceding items according to types of audit evidence

Best Wishes

6/6

Dr. Ayman Sabry

- 30) A CPA firm normally uses one or a combination of four defenses when there are legal claims by clients. Which one of the following is generally not a defense?

- Lack of duty
- Non-negligent performance
- Contributory negligence
- Foreseeable users

**Question Two :**

40 Marks

For the following independent situations, assume that you are the audit partner on the engagement:

- During your audit of Geza, Inc., you conclude that there is a possibility that Accounts receivables is materially overstated. The client refuses to allow you to expand the scope of your audit sufficiently to verify whether the balance is actually misstated.
- You complete the audit of Cairo Department Store, and in your opinion, the financial statements are fairly presented. On the last day of the audit, you discover that one of your supervisors assigned to the audit has a immaterial investment in Cairo.
- Cairo Company has a fleet of several delivery trucks. In the past, Auto Delivery had followed the policy of purchasing all equipment. In the current year, they decided to lease the trucks. The method of accounting for the trucks is therefore changed to lease capitalization. This change in policy doesn't disclosed in footnotes.
- You are auditing Deep Clean Services for the first time. Deep Clean has been in business for several years but over the last two years has struggled to stay afloat given the economic conditions. Based on your audit work, you have substantial doubt that Deep Clean will be in business by the end of its next fiscal year.
- One of your audit clients has a material investment in a privately-held biosciences company. Your audit firm engaged a business valuation specialist to assist in evaluating the client's estimation of the investment's fair value. You conclude that the valuation specialist's work provides sufficient appropriate audit evidence.
- Four weeks after the year-end date, a major customer of VIVA Co. declared bankruptcy. Because the customer had confirmed the balance due to Prince at the balance sheet date, management refuses to charge off the account or otherwise disclose the information. The receivable represents approximately 10% of accounts receivable and 20% of net earnings before taxes.
- Your client, Mohand Automotive, has changed from straight-line to sum-of-the-years' digits depreciation. The effect on this year's income is immaterial, but the effect in future years is likely to be material. The facts are not disclosed in footnotes.
- Toronto Technology Corporation has prepared financial statements but has decided to exclude the statement of cash flows. Management explains to you that the users of their financial statements find this statement confusing and prefer not to have it included.
- The controller of Brentwood Industries, Inc. will not allow you to confirm the creditors balance from two of its major creditors. The amounts of the creditors are material in relation to Brentwood Industries' financial statements. You are unable to satisfy yourself as to the receivable balances by alternative procedures.

5/6

- A) Lookup wizard  
C) Text

50) When create table by table templates you can't edit

- A) Field name  
C) Filed size

51) If the relationship line is  so this relationship type is

- A) One to Many  
C) Many to Many

52) To create automatic Forms the first step is

- A) Choose form icon  
C) Choose records

53) when create automatic Form we can't choose

- A) Fields  
C) Form style

54) when create Form using Form Wizard we can choose

- A) Fields  
C) From style

55) If we want to arrange methods of create form by the flexibility they will be

- A) Auto forms- Design- wizard  
C) Wizard- Design- Auto form

56) To insert the equation (total = quantity \* cost) in a form it will write as follow

- A) (total)=(quantity)\*(cost)  
C) [total]=[quantity]\*[cost]

57) Before create database you should first

- A) Create Form  
C) Create queries

2/4



Date: 12 /6 / 2016  
part II : computerized Accounting (4 pages)  
Question One: 23 Marks

In your answer sheet Choose the correct answer for each of the following statements:

43) Database consists of

- A) Tables  
C) Columns

44) ..... a set of a logical data elements associated with each other by a mathematical or logical relationships.

- A) Database  
C) Data

45) ..... is a set of ready-made programs written in Visual Basic Language

- A) Macros  
C) Forms

46) ..... is a filed has a unique data

- A) Form  
C) Record

47) you can't create table by

- A) Table Templates  
C) A And B

48) Calculation can't be insert in

- A) Tables  
C) A and B

49) To insert a picture in a table, data type of this field is

1/4

Second question :

20 Marks

Indicate which of the following statements is true or false and correct the false one

(Note : if you correct the false one by reverse the statement don't give you the right to take marks)

- 1) Information is a set of characters, words, numbers, symbols or images relating to a particular topic.
- 2) Query is a set of ready-made programs written in Visual Basic Language.
- 3) If one record in table (1) has a relationship with more than one record in table (2), then the relation type between those tables is many to many.
- 4) Text data type allows to enter Characters only.
- 5) To insert data from table (1) to table (2) data type will be OLE object.
- 6) we can insert a mathematical equation in a table.
- 7) The first step in creating auto form is choose fields.
- 8) DBMS means Data Base Manufacturing Systems
- 9) Queries used for save and edit data in the tables
- 10) Microsoft Excel one of database programs
- 11) In Hierarchical database each child record has more than one parent record.
- 12) To add new account in Peachtree choose file -> chart of accounts -> new
- 13) To add new inventory item in Peachtree choose Business status -> inventory
- 14) To edit customer data in Peachtree choose Vendors and Purchases -> vendors -> new customer
- 15) To display balance sheet in Peachtree choose customer -> balance sheet
- 16) Before using Peachtree we should setup the program by choose Maintain- Global
- 17) when creating auto form we can't choose tables.
- 18) In the query we can asked about one item by writ its name in show.
- 19) Each page in form is a column in the table
- 20) the first step to create database is create tables.

End of exam

Best wishes ..... Dr. Ayman Sadeq

4/4

58) Database serves more than 50 users called

- A) Workgroup
- B) Enterprise
- C) Multi-user
- D) single user

The following questions about Peachtree

59) Pay Bill window consists of two parts

- A) top is a Check and down is a Bill
- B) top is a Bill and down is a Check
- C) top is a purchase order and down is a bill
- D) top is a Check and down is a purchase order

60) To record purchases return choose

- A) Vendors & purchases-- Credits and returns
- B) Customer& sales -- Credits and returns
- C) maintain  $\rightarrow$  Inventory
- D) List -- credits and returns

61) To record Sales return choose

- A) Vendors & purchases-- Credits and returns
- B) Customer& sales -- Credits and returns
- C) maintain  $\rightarrow$  Inventory
- D) List -- credits and returns

62) To edit customer choose

- A) Customers- new customer
- B) Customers -- view and edit customer
- C) Maintain- customers
- D) A and B

63) By using



- A) Add new vendor
- B) Display a list for vendors
- C) Edit vendor
- D) All of above

64) to display a list of customers

- A) Maintain- customer - list
- B) List- customer & sales - customer
- C) Edit vendor
- D) A and B

65) The main data of inventory items

- A) Item ID
- B) Item Name
- C) Price
- D) All of above

3/4

The University of Kaferelsheikh

Faculty of Commerce

Time Allowed: 3 hours

Date: 06/06/16



Course: Development Economics

Grade: 3 Final Exam

The allocation of marks is indicated in the margins of each question.

**Fill in the gaps with the appropriate terms (45).**

1. Like Smith and Ricardo, Marx believed that the profit rate would.....as capitalist economies developed. (1)
2. The fundamental Harrod-Domar relationship is..... (1)
3. Given the following information for an economy, saving rate is 20% and the capital-output ratios is 2, the growth rate of output is..... (3)
4. ....explains why the world has become sharply divided into rich and poor nations. (1)
5. ....was common for a period in the 1970s and 1980s as a way of referring to the developing countries (low-and middle-income class). (1)
6. ....society represents one of three sources on which countries can draw to enhance their people's welfare. The other two sources are .....and the ..... (3)
7. ....is the economy in which the labour force (and the population), and the capital stock are constant, then output will also be..... -there will be .....economic growth. (3)
8. ....refers to growth in per capita (head) income. (1)
9. ....is one that expresses optimism. In practice, it means relatively poor but carries an undertone of hope. This term covers both low-income and middle-income countries. (1)
10. According to Marx, as machinery will replace men, the labour force (consumers who create effective demand) can no longer purchase all of the goods being produced, causing a deficient.....and consequently, the system of capitalists will collapse, leading to a transition to..... (3)
11. An important element in Ricardo's view of the growth process is his Iron Law of....., formalizing the ".....theory" of wages which is the feature of all classical thinking on growth. (3)
12. Harrod-Domar model was designed to extend.....analysis into the growth area. (1)
13. The basic production function of the Smith's growth model is..... (1)
14. ....refers to organizations outside both the state and the profit-driven sector. (1)
15. According to Smith, a stationary economy may be disturbed by an external "....." such as a new invention. (1)
16. Ricardo saw .....limiting agricultural production. As agriculture expands, the marginal productivity of labour and the marginal productivity of capital are driven down. (1)

17. According to Smith, a sustained increase in population and the labour force is likely to exert.....pressure on the wage rate and increased capital accumulation leads to a corresponding.....pressure on the profit rate as well. (3)
18. ....refer to high-income countries excluding economies that were heavily dependent for their high income on the production and export of one or a few primary commodities or on government transfers, or on being the site of a major power's defence installations. (1)
19. The expansion process in Smith's growth model depends on three factors of production-.....and.....-and on technical progress. (3)
20. ....refers not only to organizations external to the government and the market but also to values, ethics, and conventions tending to maintain the beneficial working of society. (1)
21. The Harrod-Domar model predicted serious inherent.....for capitalist economies and much subsequent discussion of growth focused on this issue. (1)
22. ....can refer to a process or to a state: either the act of developing or else the state of having developed. (1)
23. ....suggests that a certain minimum level of consumption is necessary to sustain life, and that the real wage tends to be driven down towards this floor level. (2)
24. ....is used to cover all aspects counted as components of "development"; degree of equality in income distribution, educational enrolments, literacy rates, life-expectancy, infant and maternal mortality, nutrition standards, gender equality. (2)
25. Harrod and Domar found that most possible combinations of values of the savings rate, the level of investment, the.....-output ratio, and the growth rate of labour force would result in a tendency for the economy to be..... (2)
26. Like Smith, Ricardo expected the macro economy to end up in a.....state after a phase of growth. (1)
27. Marx saw the eventual demise of investment as resulting initially from the pressure of capital accumulation on the labour market, which would tend to.....wages. (1)
28. ....economics is interested in economic growth; equality; poverty; and economic behaviour of the lower-income countries. (1)

*Best Wishes*

**(ECONOMIC DEVELOPMENT) PART TWO**

**Q1: Choose the correct answer for all of the following questions.**

**Very Important Directions:** You must use the provided answer sheet to answer all questions by shading the square of the letter which represents your choice and

1. **Lorenz curves**
  - a. are more curved the greater is the degree of income inequality.
  - b. are less curved the greater is the degree of income inequality.
  - c. can never cross one another.
  - d. are used in calculating Gini coefficients.
  - e. both a and d are correct
2. **Assuming their Lorenz curves do not cross, if Country A's Gini coefficient is 0.72 and Country B's Gini coefficient is 0.38, we can conclude that**
  - a. income is distributed less equally in Country A as compared to Country B.
  - b. Country A is most likely a country with a history of socialism or communism.
  - c. population density is higher in Country A than in Country B.
  - d. population density is lower in Country A than in Country B.
  - e. income is distributed more equally in Country A as compared to Country B.
3. **The poverty gap**
  - a. measures how many people are below an agreed-upon poverty line, but tells us nothing about the depth of poverty.
  - b. measures the total amount of income necessary to raise everyone who is below the poverty line up to that poverty line.
  - c. gives a better indication of the depth of poverty than a simple headcount index.
  - d. measures the difference between a person's basic daily caloric requirements and the daily calories actually consumed.
  - e. b and c are both correct.
4. **The Human Poverty Index measures poverty in terms of which three 'deprivations'?**
  - a. economic provisioning, basic education, and life
  - b. economic provisioning, civil liberties, and political freedom
  - c. income inequality, life, and basic education
  - d. economic provisioning, life, and political freedom
  - e. basic education, economic provisioning, and civil liberties
5. **The closer the Lorenz Curve to the line of absolute equality,**
  - a. the higher is the degree of income inequality
  - b. the higher is the degree of income equality
  - c. the lower is the degree of income inequality
  - d. the lower is the degree of income equality
6. **According to the pattern of the demographic transition, a country's population growth rate generally**
  - a. starts out low, then increases.
  - b. starts out high, then decreases.
  - c. starts out high, then decreases before finally increasing once again.
  - d. starts out low, then increases, and finally falls once again.
7. **The Malthusian notion of a population perpetually forced to live at subsistence levels of income is commonly known as**
  - a. Malthusian naturalism
  - b. the Malthusian income trap.
  - c. Malthusian pessimism
  - d. the Malthusian population trap.
8. **According to the microeconomic household theory of fertility, children in poor societies are seen, at least in part, as economic investment goods because**
  - a. children act as parents' social security or old-age pension.
  - b. unlike ordinary investment goods, children do not depreciate.



**Question 1: Define the following:**

- a. Disposable income
- b. Wealth
- c. Nominal interest rate
- d. Autonomous consumption
- e. Multiplier
- f. Supply shock
- g. Stagflation
- h. The Paradox of Thrift

**Question 2:** The economy of Dreamstown has a consumption function of  $C = 15 + 0.7Y$ , investment equal to 8, government expenditure equal to 12, exports equal to 20, and an import function of  $M = 0.2Y$ .

1. What is the equation for the aggregate expenditure curve for this economy?
2. What is equilibrium real GDP for this economy?
3. What is consumption expenditure in equilibrium in this economy?
4. What is the multiplier for this economy?
5. If autonomous consumption increases by 10, what is the new equation of the aggregate expenditure function for this economy?
6. If autonomous consumption increases by 10, what is the new equilibrium real GDP for this economy?

**Question 3:****A. Illustrate the following using graphs**

1. The effect of an increase in tax rate on net domestic income.
2. The relation between interest rate and aggregate expenditure.
3. Long-Run Macroeconomic Equilibrium
4. An inflationary gap
5. Saving Function

B.

Y (billions of dollars)	C (billions of dollars)	I (billions of dollars)	G (billions of dollars)	X (billions of dollars)	M (billions of dollars)
1	1.00	0.5	0.7	0.45	1.15
2	1.65	0.5	0.7	0.45	0.30
3	2.30	0.5	0.7	0.45	0.45
4	2.95	0.5	0.7	0.45	0.60
5	3.60	0.5	0.7	0.45	0.75
6	4.25	0.5	0.7	0.45	0.90

Answer the following based the table above

1. Equilibrium expenditure is equal to.....
2. If aggregate planned expenditure exceeds real GDP then.....
3. If there is a decrease in autonomous expenditure, the new AE curve is.....
4. All else constant, a decrease in the income tax rate will result in.....

Question 4: use the table below to answer the following questions:

Y	T	YD	C	I	G	X	M	AE
0		0						430
800		720	600				100	
1000		900	700	40	50	200		

Determine: A- the equilibrium level of GDP.

B- the government multiplier.

## Section 2: Commercial Law

Answer The Following Questions:

- 1- What are the general substantive elements of the Company's Contract?
- 2- What are the conditions of the Share of Work in the Commercial Companies?

*With kindest regards*



### Part One

#### Question One: (10 Degrees for free + 15 Degrees for 20 Minutes +)

There are many different types of "Investments" like investments in securities such as (stocks, bonds, and stock options); investments in real properties such as (land and buildings); investments in tangible collectible assets such as (gold, artwork, and antiques) ... etc.

Write in brief – "7 lines for each one" -- about the differences between

- Common stocks
- Preferred stocks
- Bonds

#### Question Two: (15 Degrees for 30 Minutes)

The following table illustrates the returns (%) investors can gain without using the margin in their transactions, the table shows that the number of purchased shares is (100) at a price of (\$50) for each share, it also shows that when the price went up by \$30 investors have gain 60% without margin.

	Without Margin	With Margin of 60%
Number of \$50nshares purchased	100	.....?
Cost of investing	\$5,000	.....?
Less: Borrowed money	0	.....?
Equity in investment	<b>\$5,000</b>	.....?
When the price went up by \$30		
Value of stock	\$8,000	.....?
Less: Cost of investment	-5,000	.....?
Capital gain (Returns)	<b>\$3,000</b>	.....?
Returns as a percentage	<b>60%</b>	.....?

Under the same conditions of price increasing by \$30:

- 1- By completing the missing cells, would you please calculate the returns (%) investors can gain with a margin of 60%?
- 2- Calculate the amount of cash the investors can withdraw or reuse for a new transaction with the same margin?

### Part Two

The following are the financial statements for two different companies for the fiscal year 2016:

Balance Sheets			
Company	A	B	
<b>Assets</b>			
Cash	100,000	50,000	
Marketable securities	200,000	100,000	
Accounts receivable	100,000	50,000	
Inventories	800,000	400,000	
<b>Total current assets</b>	<b>1,200,000</b>	<b>600,000</b>	
Land and buildings	500,000	250,000	
Machinery and equipment	100,000	50,000	
Furniture	100,000	50,000	

Vehicles	100,000	50,000
<b>Total gross fixed assets</b>	<b>800,000</b>	<b>400,000</b>
Less: Accumulated depreciation	50,000	25,000
<b>Net fixed assets</b>	<b>750,000</b>	<b>375,000</b>
<b>Total assets</b>	<b>2,000,000</b>	<b>1,000,000</b>
<b>Liabilities and Stockholders' Equities</b>		
Accounts payable	100,000	50,000
Notes payable	100,000	50,000
Accruals	100,000	50,000
Short-term debt (7%)	200,000	100,000
<b>Total current Liabilities</b>	<b>500,000</b>	<b>250,000</b>
Long-term debt (bonds) (9%)	700,000	250,000
<b>Total Liabilities</b>	<b>1,200,000</b>	<b>500,000</b>
Preferred stocks (10%)	300,000	200,000
Common stocks	400,000	200,000
Retained earnings	100,000	100,000
<b>Total stockholders' equities</b>	<b>800,000</b>	<b>500,000</b>
<b>Total Liabilities and stockholders' equities</b>	<b>2,000,000</b>	<b>1,000,000</b>

Income Statements		
	A	B
<b>Sales revenue</b>	<b>1,000,000</b>	<b>500,000</b>
Less: Cost of goods sold	300,000	150,000
<b>Gross profits</b>	<b>700,000</b>	<b>350,000</b>
<b>Less: Operating expenses</b>		
Selling expense	50,000	25,000
General and administrative expense	100,000	50,000
Depreciation expense	50,000	50,000
Total operating expenses	(200,000)	(100,000)
<b>Operating profits</b>	<b>500,000</b>	<b>250,000</b>
Less: Interest expense	59,000	29,500
<b>Net profits before taxes</b>	<b>441,000</b>	<b>220,500</b>
Less: Taxes (40%)	176,400	88,200
<b>Net profits after taxes</b>	<b>264,600</b>	<b>132,300</b>
Less: Preferred stock dividends	40,000	20,000
<b>Earnings available for common stockholders</b>	<b>224,600</b>	<b>112,300</b>

**Question Three: (20 Degrees for 30 Minutes)**

Considering that your forecasts tell that the "Annual rate of growth in sales for the two companies for the fiscal year 2017 is 20% as it is already shown in the following table:

	Latest Actual Figures (Fiscal 2016) for A	Forecasted Figures for 2017	Latest Actual Figures (Fiscal 2016) for B	Forecasted Figures for 2017
<b>Annual rate of growth in sales</b>		<b>20%</b>		<b>20%</b>
Net sales	\$1,000,000	.....?	\$500,000	.....?
(×) Net profit margin	.....?	.....?	.....?	.....?
(=) Net after tax earnings	.....?	.....?	.....?	.....?
(÷) Number of common shares outstanding	100,000	100,000	50,000	50,000
(=) Earnings per share	.....?	.....?	.....?	.....?
(×) Payout ratio	6%	6%	6%	6%
(=) Dividends per share	.....?	.....?	.....?	.....?

Earnings per share	.....?	.....?	.....?	.....?
(×) P/E ratio	20.0	20.0	20.0	20.0
(=) Share price at year end	.....?	.....?	.....?	.....?

Considering that "Net profit margin" for the year 2017 will be the same as these of the year 2016; depending on the data of the previous statements and table:

- Would you please forecast the "Share price for the year ended in 2017", by completing the missing data?

**Question Four: (25 Degrees for 60 Minutes)**

Assuming that company "A" is working in "**building and reconstructing**" sector, against company "B", which is working in the area of "**food products**"; in the same time, analyzing the economic factors suggests that the market will be "**bullish**", but the country have a chronic problems with the debt management, meanwhile, factors of the industry analysis tells that they both (A and B) have reached the stability level in their growth cycle.

- 1- Depending on the companies' performance analysis by using the previous financial statements:  
- Calculate the average rate of return for a portfolio constructed equally (50% for each of A and B companies)? **(5 degrees)**
- 2- Considering the results of economic and industry analysis, if the proper weights for the portfolio were 60% : 40%, in which company you will invest the 60% of your resources? And why? **(10 degrees)**
- 3- If the following data presents the expected return for companies A and B shares for the next 3 years, calculate the total risk for a portfolio constructed upon weights of (30% to 70%) of companies (A and B) respectively? **(10 degrees)**

Year (t)	Expected Return	
	Company A (%)	Company B (%)
2017	11	14
2018	13	12
2019	12	10

Best Greetings from all of my Heart

DR. Mohamed Elmesseary.

د. محمد عبد السلام

2017/7/7

**Answer the following questions:**

**Question One:**

**Define the following concepts:**

1. International Company.
2. Culture.
3. Ethnocentricity.
4. Power Distance.
5. Privatization.
6. Government Instability.
7. Subsidies.
8. Dumping.
9. Competitive Advantages.
10. Strategic Planning.

**Question Two:**

**Comment on the following statements:**

1. There major kinds of drivers, which are leading international firms to the globalization of their operations.
2. It is essential to think about how international culture differences can affect the functional areas of all business.
3. Governments go towards nationalize firms for number of reasons.
4. The political events of recent years have caused international managers to concentrate much more in country risk assessment.
5. International companies are usually follow stages for global strategic planning process.

**Best of Luck**

Kafrelsheikh University  
Faculty Of Commerce  
Second-term exam  
Monday 23 – 5 – 2016



Tax Accounting  
Grade: Three  
85 Marks  
Time Allowed: 3 hours

Answer all of the following questions.

Question One

- A. Discuss the elements of the Egyptian tax system and give short remarks and notes about each element from your point of view.
- B. Discuss the government needs for tax to achieve its duties in different types of economic systems. Give more attention to the case of Egypt in the light of the new tax law 91 of 2005.
- C. Compare among the tax on salaries and the like, tax on noncommercial professions, tax on real state wealth, and tax on commercial activities.

Question Two

- A. An employee gets the following every month:  
Basic salary L.E.1500( includes L.E. 200 special raises), Overtime 300, Nature of work allowance 400, Special raises not added to the salary 100, Representation Allowance 200.  
He pays L.E. 100 every month as a subscription in a special insurance fund and L.E. 100 every month for life insurance.

Required:

- 1. Calculate taxes due on the salary every month.
- 2. calculate the net amount received by the employee every month.
- B. Assume that the basic salary for an employee is L.E. 900 monthly. And he receives Variable wages of L,E. 200 monthly. What the social security subscription that should be deducted ?

Question Three

In the light of the new tax law 91 of 2005 in Egypt:

- 1. State some examples of the free and noncommercial professions subject to the tax on non-commercial professions.
- 2. State some examples of the professions and activities exempted from the tax of non-commercial professions.
- 3. Determine the taxable net income in the following case: An Egyptian architect has an office in Egypt. He did some designs in the United Arab Emirates. He doesn't maintain systematic accounting record. He is married with two children. His total revenues and expenses during the taxable year were as follows:  
Total revenues from his office L.E. 120,000 ; Total revenues from designs in UAE L.E. 60,000 ; Total expenses L.E. 80,000.

Question Four

- A. The Instructor of this course has a point of view about the law 91 of the year 2005 regarding the tax on real state wealth. Discuss this view and give your opinion about this issue.

- B. Discuss the conditions that are necessary for measuring the taxable revenues of real state wealth on actual basis as mentioned in article 40 of tax law 91 of the year 2005.
- C. Mr. Mohamed Aly owns agriculture lands in several locations in Egypt. The following is a summary of these properties for 2010:
1. 30 acres in Tahreer governorate. Dues on agriculture land paid 30 L.E. per acre. The market rental value is 3000 L.E. per acre.
  2. 40 acres in markaz Tanta rented to a local farmer for 4000 L.E. per acre. The paid dues on this land was 40 L.E. per acre.
  3. 20 acres in Wady El-Natroon-land under development. Market rental per Acre is 2000 L.E. and dues in this region is 20 L.E. per Acre.
  4. 100 acres in Kafr El-Sheikh . the assessed rental value is 700 L.E. per acre. While the market rental rate is 6000 L.E. per acre.

**Required:** determine the net revenue from the agriculture land that is subject to taxes.

**Question Five**

The following is the Income statement for a sole-proprietorship firm for the year ended Dec.31, 2005.

	L.E.	L.E.
Sales revenue		190,000
Less- cost of goods sold		113,300
Gross profit		76,700
Deduct operating expenses:		
-salaries and bonus expenses	20,000	
-depreciation expense	8,000	
-taxes expense	2,000	
-charity contribution expense	800	
-commission expense	1,000	
-Interest expense	16,000	
-Amortization expense	2,400	
-Advertising expense	3,600	
-Bad debt expense	400	
-Miscellaneous expenses	3,800	
-provisions and reserves	1,000	
Total operating expenses		59,000
Net operating income		17,700
Add- other revenues:		
-Gain on selling machinery	500	
-Interest revenue	600	
-Dividend revenue	1,200	
Total other revenue		2,300
Net Income		20,000

The tax audit reveals the following :

- 1- salaries and bonus include :
    - salary to the owner, L.E.1000.
    - Bonus to employees equal to 4-month salary, L.E.4,000.
  - 2- Depreciation expense includes :
    - additional depreciation of a new machine purchased during the year, 40% of the cost , L.E. 30,000.
    - additional depreciation of automobiles purchased during the year , 30% of the cost , 1,200.
  - 3-Tax expense includes:
    - property tax on the building owned by the firm and in which activities are exercised (at 10%), L.E.60.
    - custom duties on imported goods near the year end, L.E. 400.
    - taxes on the owner's income for the year 1999, L.E. 1,540.
  - 4-charitable contributions include:
    - donation to an Egyptian charitable society, L.E.500.
    - a gift to a worker's family who lost his life in an accident, L.E. 100.
    - donation to public service center in the faculty of commerce, Tanta university, L.E. 200.
  - 5-commission expense includes:
    - sales commission to employees in the selling department L.E. 600.
    - commission paid in full o unknown individuals, L.E. 400.
  - 6-interest expense includes:
    - interest on a loan at a rate of 15% (the recommended rate estimated by the central bank is 12%), L.E. 4,000.
    - interest on the capital contributed by the owner, L.E. 12,000.
  - 7-advertising expense represents the price paid for some gifts sent to the customers at the occasion of the New Year.
  - 8-provisions and reserves include:
    - provision for bad debts (the customers declared bankruptcy) L.E.400
    - Reserve for disputed taxes, L.E.600.
  - 9- The firm did not start the legal procedures against customers whose debts are written off during the year L.E. 400, because the amounts are very small, and the addresses of the customers are not known.
  - 10-interest revenue includes:
    - interest added to selling price of installment sales, L.E. 400.
    - discount earned for early payment to a supplier, L.E.200.
  - 11-the firm received a dividend of L.E.1200 on shares acquired by the firm's owner.
  - 12-misceelaneous expenses include car expense, L.E. 900. The car is used for the business and private affaires.
  - 13- The firm used FIFO basis to value inventory in previous years. Ending inventory for 2005 is valued using LIFO at L.E. 12,000 (it will equal L.E. 15,000 if FIFO is used).
- Required: Prepare the tax return submitted by the firm to the tax department (give explanation to each item). And compute the tax due.

End of the exam with My best regards  
Dr. Aly Mogahed