

Kafrelsheikh University
Faculty of Commerce
First-term Exam 2014/2015
Date: 30/012/2014.



Subject: Accounting Principles (1)
Grade : One
Marks Exam : 85 Marks
Time Allowed: Three Hours

Answer the following questions:

Question One: (15 Marks)

For each of the following statement, indicate whether it is True or false. Put your answer in a table of two columns, the first for the statement number and the second for the right sign (✓) or the wrong sign (x)

1. Adjusting entries are made *after* the preparation of financial statements.
2. The matching principle requires that expenses get recorded in the same accounting period as the revenues that are earned as a result of the expenses, not when cash is paid.
3. The accrual basis of accounting is an accounting system in which revenues are reported as earned when cash is received.
4. Revenue accounts should begin each accounting period with zero balances.
5. Current assets and current liabilities are expected to be used up or come due within one year or the company's operating cycle whichever is longer.
6. Intangible assets are long-term resources that benefit business operations that usually lack physical form and have uncertain benefits.
7. The withdrawals account is normally closed by debiting it.
8. Current assets are resources that can be realized in cash, but are not expected to be converted into cash within one year or the operating cycle, whichever is longer.
9. The relationship between current assets and current liabilities is important in evaluating a company's liquidity.
10. Intangible assets are not listed on the balance sheet because they do not have physical substance.

Question Two : (25 Marks)

Flora Accounting Services completed these transactions in February:

- a. Invested \$ 30,000 cash, and \$ 10,000 of Computer equipment.
- b. Purchased office supplies on account, \$300.
- c. Completed work for a client on credit, \$500.
- d. Paid cash for the office supplies purchased in (b).
- e. Completed work for a client and received \$800 cash.
- f. Received \$500 cash for the work described in (c).
- g. Received \$1,000 from a client for accounting services to be performed in March.

Required:

- 1- Prepare journal entries to record the above truncations.
- 2- Prepare the ledger accounts and trail balance as of the end of February.

Question Three : (20 Marks)

The adjusted trial balance of Sara's Web Services follows:

SARA'S WEB SERVICES		
Adjusted Trial Balance		
December 31		
Cash	\$ 1,170	
Supplies	1,930	
Prepaid insurance	600	
Computer equipment	20,600	
Accumulated depreciation-Computer equipment		\$ 5,400
Accounts payable		325
Sara Pollis, Capital		13,925
Sara Pollis, Withdrawals.....	4,800	
Services revenue.....		21,720
Salaries expense	6,920	
Depreciation expense.....	2,000	
Rent expense	1,200	
Supplies expense	800	
Utilities expense	950	
Insurance expense.....	400	
Totals.....	<u>\$41,370</u>	<u>\$41,370</u>

Required:

- (a) Prepare the closing entries for Sara's Web Services.
- (b) What is the balance of Sara's capital account after the closing entries are posted?

Question Four : (25 Marks)

The adjusted trial balance of E. Pace, Consultant is entered on the partial work sheet below. Complete the work sheet using the following information:

- (a) Salaries earned by employees that are unpaid and unrecorded, \$500.
 (b) An inventory of supplies showed \$800 of unused supplies still on hand.
 (c) Depreciation on equipment, \$1,300.

E. Pace, Consulting
 Work Sheet
 For the year ended December 31

Account	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet and Statement of Owner's Equity	
	Debit	Credit	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Cash.....	\$14,000									
Supplies	1,000									
Equipment	11,000									
Accum. Depr. – Equip.		\$ 2,000								
Accounts payable		500								
Salaries payable ..										
E. Pace, capital ...		6,500								
E. Pace, withdrawals	1,500									
Fees earned		30,000								
Salary expense	7,500									
Rent expense.....	4,000									
Supplies expense.										
Depreciation expense	_____	_____								
Totals.....	<u>\$39,000</u>	<u>\$39,000</u>								

Best Wishes
Prof. Dr. Reda Saleh



Answer the following questions

Question One

For each statement of the following, indicate whether it is Right or Wrong. Your answer may be in a table like the following(No. 1 is done for you):

No.	Sign	Why in case of X only
1	√	

- 1.Accounting is one way important information about businesses is reported to decision makers.
- 2.The primary objective of financial accounting is to provide general purpose financial statements to help external users analyze and interpret an organization's activities.
- 3.External users include lenders, shareholders, customers, and regulators.
- 4.The Financial Accounting Standards Board (FASB) is the private group that sets both broad and specific accounting principles.
- 5.Generally accepted accounting principles are the basic assumptions, concepts, and guidelines for preparing financial statements.
- 6.Merchandise inventory consists of products that a company acquires to resell to customers.
- 7.A service company earns net income by buying and selling merchandise.
- 8.Cost of goods sold is also called cost of sales.
- 9.A perpetual inventory system continually updates accounting records for inventory transactions.
- 10.Credit terms include the specifics of the amounts and timing of payments from a buyer to a seller.
- 11.Purchase returns refer to merchandise a buyer acquires but then returns to the seller.
- 12.The terms 2/10, n/30 imply that the seller offers the purchaser a 2% cash discount if the amount is paid within 10 days of the invoice date. Otherwise, the full amount is due in 30 days.
- 13.Under the allowance method of accounting for uncollectible accounts receivable, no attempt is made to predict bad debts expense.
14. Internal users of accounting information include lenders, shareholders, brokers and managers.
- 15.In the partnership form of business, the owners of a business are called stockholders.
- 16.A sole proprietorship is one or more individuals selling products or services for profit.
- 17.The balance sheet shows whether or not the firm achieved its primary objective of earning a profit.
- 18.A sole proprietorship is a business owned by one or more persons.
- 19.A wholesaler is an intermediary that buys products from manufacturers or other wholesalers and sells them to consumers.

20. A retailer is an intermediary that buys products from manufacturers and sells them to wholesalers.
21. A perpetual inventory system requires updating of the inventory account only at the beginning of an accounting period.
22. Trade discounts are recorded in a Trade Discounts account in the accounting system.
23. Purchase allowances refer to merchandise a buyer acquires but then returns to the seller.
24. If goods are shipped FOB shipping point, the seller does not record revenue from the sale until the goods arrive at their destination because the transaction is not complete until that point.
25. FOB shipping point (or FOB factory) implies that ownership of goods transfers to the buyer at the buyer's place of business.

Question Two

In a table of a good format, indicate the full name and meaning of each abbreviation of the following:

AAA, FASB, SEC, GAAP, AICPA, FOB destination, FOB shipping point, (2/10, n/30), and CPA.

Question Three:

- A. The following income statement is prepared in a specific format, what is it? May you re-prepare it in another format? And Tell me what is the name of the new format you will use? Compare among these formats.

DAN DEINES COMPANY	
INCOME STATEMENT	
FOR THE YEAR ENDED DECEMBER 31, 2007	
<u>Revenues</u>	
Net sales	\$2,972,413
Dividend revenue	98,500
Rental revenue	<u>72,910</u>
Total revenues	<u>3,143,823</u>
<u>Expenses</u>	
Cost of goods sold	1,982,541
Selling expenses	453,028
Administrative expenses	350,771
Interest expense	126,060
Income tax expense	<u>66,934</u>
Total expenses	<u>2,979,334</u>
Net income	<u>\$ 164,489</u>
Earnings per common share	<u>\$1.74</u>

B. Prepare a December 31 balance sheet in proper form for Surety Insurance from the following items and amounts:

Commissions earned	\$40,000
Accounts payable	3,500
Accounts receivable	5,000
M. Bruno, Capital	103,500
Office equipment	10,000
Advertising expense	3,200
Cash	7,500
Land	35,000
Note payable	50,000
Office supplies	500
Salaries expense	12,000
Salaries payable	1,000
Building	100,000

Question Four

A. what is the credit card and why do seller, buyer, and banks use it.

B. Prepare the Journal entries for the company's following transactions for June.

June 2 Sold merchandise on account, \$14,000

June 8 Sold \$15,000 worth of accounts receivable to First Bank. First Bank charged a 3% factoring fee.

June 20 Borrowed \$30,000 cash from First Bank, pledging \$31,500 worth of accounts receivable as collateral for the loan.

Question Five

A. Give short definition and some examples of plant assets, natural resources and intangible assets.

B. Compare among depreciation, Depletion, and Amortization.

C. Calculate the amount recorded as the cost of a new machine given the following payments related to its purchase: gross purchase price, \$700,000; sales tax, \$49,000; purchase discount taken, \$21,000; freight cost—terms FOB shipping point, \$3,500; normal assembly costs, \$3,000; cost of necessary foundation for machine, \$2,500; cost of parts used in maintaining the machine, \$4,200.

D. A company purchases a machine for \$96,000 on January I, 2005. Its useful life is five years or 100,000 units of product, and its salvage value is \$8,000. During 2005, 10,000 units of product are produced. Compute the book value of this machine on December 31, 2005, assuming (a) straight-line depreciation and (b) units-of-production depreciation.

- E. A company pays \$650,000 for an ore deposit. The deposit is estimated to have 325,000 tons of ore that will be mined over the next 10 years. During the first year, it mined, processed, and sold 91,000 tons. What is that year's depletion expense?

Question Six

- A. state the building blocks of the financial analysis.
- B. State the comparison standards.
- C. Give short definition to: liquidity, solvency, profitability.
- D. From the following data, evaluate the liquidity and profitability of this company.

(\$ Thousands)	2002	2003
Current Assets	\$ 101,769	\$ 141,128
Current Liabilities	52,533	59,687
Working Capital	\$ 49,236	\$ 81,441
Non-current assets	\$ 500,000	\$ 550,000
Net Income	66000	77000
Owner Equity	330,000	440,000

End of the exam with my best wishes&
Dr. Aly Mogahed

Kafr El-Sheikh University

Faculty of Commerce

Cost Accounting



English section

Grade Two: Final Exam

Tuesday 30-12-2014

Time allowed three hours

Answer the following questions

Question One

- A. define cost accounting and state its objectives and importance.
- B. Miller Corporation manufactures industrial springs and coils that are sold to other companies for assembling into machinery .the following costs were incurred during the month of August 2006.
1. Raw materials purchased: \$182,640
 2. Raw materials used: direct materials, \$120,290; indirect materials, \$24,630
 3. Factory Wages earned: \$92,740
 4. Factory wages allocated: direct labor, \$77,820; indirect labor, \$14,920
 5. Voucher recorded for manufacturing overhead costs incurred: \$22,800
 6. Depreciation on factory building: \$30,490
 7. Depreciation on factory equipment: \$7,480
 8. Manufacturing overhead costs applied to jobs worked on: \$79,423
 9. Finished goods transferred to warehouse: \$281,460
 10. Finished goods sold and shipped to customers: \$198,150(cost)
 11. Finished goods sold and billed to customers: \$297,225(selling price).

Instructions: Prepare the general journal entries dated August 31, 2006.

Question Two

- A. Explain how cost accountant make control over cost of raw material.
- B. The data for the year ended June 30, 2007, that follow relate to the Gardner Manufacturing Corporation.

Raw materials, July 1, 2006	60,000
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Raw materials, June 30, 2007	52,000
WIP Inventory, July 1, 2006	24,600
WIP Inventory, June 30, 2007	26,000
Materials purchases	203,600
Direct labor	118,200
Indirect labor	11,080
Payroll Taxes Expense – Factory	9,800
Utilities	16,400
Repairs and Maintenance	4,200
Indirect Materials and Supplies	15,480
Depreciation – Factory Equipment	5,100
Insurance	2,460
Rent- Factory Building	57,000

Instructions: Prepare the statement of cost of goods manufactured for the year ended June 30, 2007.

Question Three

A. The data given below relate to Material 408, 6- inch cloth zippers used by the Elite Leather goods company.

Beginning Balance	480 at \$4.80 each
Purchase order 301	600 at \$4.90 each
Requisition 469	175
Requisition 493	225
Requisition 504	280
Purchase Order 960	400 at \$4.95 each
Requisition 529	310
Returned Material Report 24 (from Requisition 504)	20

Instructions:

1. Calculate the ending inventory balance and cost using FIFO.
2. Calculate the ending inventory balance and cost using LIFO.
3. Calculate the ending inventory balance and cost using the moving average method.

4. compare among the three methods of evaluation in general and with regard to their bias to income statement and / or balance sheet.

B. The data given below relates to the raw materials inventory of the Edgewood lighting company. Determine the value of the inventory if the lower of cost or market method is applied to the individual inventory items. Make the necessary Journal entries for allowance if needed.

	Units	Costs	Market
Group I			
Material A	460	\$ 1.40	\$ 1.30
Material B	830	.85	.90
Group II			
Material C	1,290	1.20	1.45
Material D	580	.65	.55

Question Four

A. as a cost accountant, indicate how to control cost of labor.

B. From the following data , compute the regular earnings (for regular and overtime hours) , overtime premium earnings , and gross earnings of each employee at highland flooring ,for the week ended May 7,2006.all employees are paid at the regular hourly rate for the first 40 hours worked during the week. The rate for hours worked in excess of 40 is one and half times the regular rate. The rate for hours worked on Sunday is twice the regular rate. Classify each cost group into direct and indirect manufacturing costs.

Hours Worked								
EEmployee	Su	M	Tu	W	Th	F	Sa	Hourly rate
J. Wa	—	8	8	7	9	8	—	\$ 11.70
F. Miller	4	8	8	8	8	10	—	9.25
H. O'leary	—	8	8	10	8	8	4	7.90
W. Thompson	—	8	8	8	8	9	4	6.60

Question Five

A. Briefly, state the main steps of accounting on manufacturing overhead traditionally.

B. DLM Dress Manufacturers, Inc. is divided into service departments and producing departments. The Warehousing department , which carries out receiving , storing ,and shipping functions, and the Maintenance Department are service departments. The cutting ,Sewing ,and Finishing Departments are producing departments. The Maintenance Department serves the other departments in proportion to the area occupied by each department.

Department	Square Feet Occupied
Warehousing	10,500
Cutting	17,500
Sewing	14,000
Finishing	28,000

The costs of the Warehousing Department are allocated to the producing departments on the basis of the number of materials requisitions processed.

Department	Number of Materials Requisitions
Cutting	3,920
Sewing	5,880
Finishing	4,200

Instructions: Prepare a Worksheet for prorating estimated service department costs for the year 2006. The budgeted departmental overhead is as follows:

Department	Estimated Direct Departmental Overhead Costs
Maintenance	\$29,210
Warehousing	21,390
Cutting	35,870
Sewing	41,552
Finishing	26,760

C. The following additional data are provided:

Basis	Cutting	Sewing	Finishing
Direct Labor Costs Direct	\$85,000	\$90,000	\$110,000
Labor Hours	24,000Hours	30,000Hours	27,000Hours
Machine Hours	6,600Hours	9,000Hours	8,300Hours

Instructions:

- 1- Compute three overhead application rates for each of the three producing departments, using the data above. Show your computations in equation form. Carry your answers to three decimal places except for percents. Carry percents to six decimal places, and then round to five.
- 2- Which overhead application rate would you choose for each department? Why?

Best Regards and Wishes &

Kafrelsheikh University

Faculty of Commerce

HUMAN RESOURCE MANAGEMENT

FULL SEMESTER (January, 2015): Total marks (85 marks)

(Year Two/ English Section)

(Duration: 3 hours)

Part One: Give the meaning of the following terminologies; (Don't exceed three lines each) (follow the order) (35 Marks assigned to this part)

- | | | |
|--|--------------------------------|------------------------------|
| 1- Labor downsizing | 2- Employee replacement charts | 3- On-the-job training |
| 4- Women's career glass ceiling | 5- Nondirective interview | 6- Panel interview |
| 7- Tight labor market | 8- Employees staffing tables | 9- Career plateau |
| 10- Human resource self-service system | 11- Cooperative training | 12- Simulation training |
| 13- Employees offshoring | 14- Structured interview | 15- Employee graphology test |

Part Two: Briefly answer the following questions; (follow the order) (50 Marks assigned to this part)

- 1- What is the different between HRM and PM as two different approaches for managing people?
- 2- what are the major reasons of failure in dealing with changes and that can be attributed to HRM? And what are the features of organizations that have been successful in managing changes?
- 3- How the HRM can build a good human capital in organizations? And what are the tools that can enhance the effective usage of human capital within organisations?
- 4- What are the organization's options to deal with employees' shortage and surplus?
- 5- How can training affect the other HRM functions?
- 6- Illustrate the circular process of training and discuss its first phase.
- 7- What are the training methods for management development? Discuss the different considerations when using case study as one of these methods.

Best wishes,

Dr. Sameh Matar