

<p>KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS COLLEGE OF INDUSTRIAL MANAGEMENT Department of Accounting & Management Information Systems</p>

ACCT 201(Principles of Accounting I)
Instructor: Dr. Abdullah Al-Harbi
Major Examinations
Time Allowed: Two Hours and Thirty Minutes
Total Marks: 100

Student Name	ID#	Section
---------------------	------------	----------------

INSTRUCTIONS

- 1. This examination is closed book. Normal writing implements and calculators are permitted.**
- 2. The examination paper has two parts and four pages, including the cover page. Answer Part A on the answer sheet provided. Answer Part B directly on the examination paper.**
- 3. No questions are allowed during the examination.**
- 4. “Cheating on course work or exams of any kind will result in an F grade for the course and the matter will be reported to the Academic Committee of the University through the department chairman”**

Questions	Maximum Marks	Marks Obtained
Question 1	10	
Question 2	50	
Question 3	40	
Total Marks	100	
25% of Total Marks	25	

Question 1 (10 Marks)

Nancy Cole and Associates is a financial planning service. The account balances at December 31, 2002 are shown by the following alphabetical list:

Accounts Payable	\$ 10,000
Accounts Receivable	19,000
Automobiles	27,500
Building	120,000
Cash	20,500
Computer	22,000
Computer Software	4,200
Land	42,000
Nancy Cole, Capital	184,700
Notes Payable	95,000
Notes Receivable	8,100
Office Furniture	23,400
Office Supplies	800
Technical Library	2,200

Instructions:

Prepare a trial balance with the accounts arranged in financial statement order.

Question 2 (50 Marks)

The work sheet for Young Rental Company appears below. Using the adjustment data below, complete the work sheet. Add any accounts that are necessary.

Adjustment data:

- (a) Prepaid rent expired during August, \$2.
- (b) Depreciation expense on office equipment for the month of August, \$10.
- (c) Supplies on hand on August 31 amounted to \$6.
- (d) Salaries expense incurred at August 31 but not yet paid amounted to \$15.

YOUNG RENTAL COMPANY
Work Sheet
For the Month Ended August 31, 2002

Account Titles	Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	30									
Accounts Receivable	12									
Prepaid Rent	8									
Supplies	10									
Office Equipment	50									
Accum. Depreciation - Equipment		10								
Accounts Payable		20								
Young, Capital		30								
Young, Drawing	2									
Rent Revenue		82								
Depreciation Expense	6									
Rent Expense	4									
Salaries Expense	<u>20</u>									
Totals	<u>142</u>	<u>142</u>								
Totals			=====	=====	=====	=====	=====	=====	=====	=====
Net Income							=====	=====	=====	=====
Totals							=====	=====	=====	=====

Question 3 (40 Marks)

The adjusted trial balance of Payne Financial Planners appears below and using the information from the adjusted trial balance, you are to prepare for the month ending December 31:

1. Income statement.
2. Owner's equity statement.
3. A classified balance sheet.

PAYNE FINANCIAL PLANNERS
Adjusted Trial Balance
December 31, 2002

	<u>Debit</u>	<u>Credit</u>
Cash	\$ 5,300	
Accounts Receivable	2,200	
Office Supplies	1,800	
Office Equipment	15,000	
Accumulated Depreciation—Office Equipment		\$ 4,000
Accounts Payable		4,200
Unearned Revenue		5,000
Olsen, Capital		14,400
Olsen, Drawing	2,500	
Service Revenue		4,300
Office Supplies Expense	600	
Depreciation Expense	2,500	
Rent Expense	2,000	
	<u>\$31,900</u>	<u>\$31,900</u>