Partners Nour, Rasha, and Sandy have capital account balances of $90,000 each. The income and loss ratio is 5:2:3, respectively. In the process of liquidating the partnership, noncash assets with a book value of $75,000 are sold for $30,000. The balance of Rasha's Capital account after the sale is

- a. $99,000.
- b. $67,500.
- c. $76,500.
- d. $81,000.

Question **6**

Correct

Mark 5.00 out of 5.00

Flag question

Match the followings, **do not use the option more than once**:

When a partner enters a partnership by investing assets, and gets a share less than his investment, this means that	a Bonus is given to the old partners
When a partner leaves a partnership by withdrawing assets, and gets an amount less than his capital balance, this means that	a Bonus is given to the remaining partners.
Amortization is used for	Intangible assets
A 4 year note payable is a	Long term liability
Unearned revenue is	a Current liability
Land improvements is part of	Plant assets
In general, partners have	Unlimited liability
When a partner leaves a partnership by withdrawing assets, and gets an amount more than his capital balance, this means that	a Bonus is given to the departing partner
Depletion is used for	Natural resources

Question 7

Correct

Mark 1.00 out of 1.00

Flag question

Obligations to be paid within one year or the company's operating cycle, whichever is longer, are:

- a. Current assets.
- b. Earned revenues.
- c. Current liabilities.
- d. Operating cycle liabilities.

Question 8

Correct

Mark 1.00 out of 1.00

Flag question

Wickland Company installs a manufacturing machine in its production facility at the beginning of the year at a cost of $87,000. The machine's useful life is estimated to be 5 years, or 400,000 units of product, with a $7,000 salvage value. During its second year, the machine produces 84,500 units of product. Determine the machines' second year depreciation under the straight-line method.

- a. $16,000.
- b. $17,400.
- c. $16,900.
- d. $18,379.

Question 3

Correct

Mark 1.00 out of 1.00

Flag question

A contingent liability is:

- a. Always of a specific amount.
- b. An obligation arising from the purchase of goods or services on credit.
- c. An obligation not requiring future payment.
- d. A potential obligation that depends on a future event arising from a past transaction or event. ✔

Question 4

Correct

Mark 1.00 out of 1.00

Flag question

A partnership liquidation occurs when

- a. the assets are sold, liabilities paid, and business operations terminated ✔
- b. the ownership interest of one partner is sold to a new partner
- c. a new partner is admitted
- d. a partner dies

Question 5

Correct

Mark 1.00 out

LARA Company secured a bank loan of $ 90,000, on 1/4/2020. In return, it signed a 10 month, 6%, note payable. LARA Co. closes its accounts annually, on December 31 of every year. The loan and total interest are to be paid to the bank at the end of the

Question 14

Correct

Mark 1.00 out of 1.00

Flag question

Gaston owns equipment that cost $90,500 with accumulated depreciation of $61,000. Gaston sells the equipment for $26,000. Which of the following would not be part of the journal entry to record the disposal of the equipment?

- a. Debit Accumulated Depreciation $61,000.
- b. Debit Loss on Disposal of Equipment $3,500.
- c. Credit Gain on Disposal of Equipment $3,500. ✔
- d. Credit Equipment $90,500.

Question 15

Correct

Mark 1.00 out of 1.00

Flag question

SIMCO Company purchases a machine on 1/1/2020, at a cost of $27,000. The machine is depreciated using the straight-line method. The machine's useful life is estimated to be 5 years with a $3,000 salvage value. On 1/1/2022, management decides to change the useful life to 7 years, instead of 5 years, and keep salvage value the same.

Required: Calculate the revised depreciation expense on the machine for the year 2022?

(write your answer as a number. Do not use any commas or signs. الرجاء كتابة الجواب كرقم فقط، بدون اشارات او فواصل)

Answer: 2880 ✔

Fadi, Ahmed, and Rami are partners with beginning-of-year capital balances of $400,000, $320,000, and $160,000, respectively. The partners agreed to share income and loss as follows: Salary of $30,000 to Fadi, $50,000 to Ahmed, and $36,000 to Rami, an interest allowance of 8% on beginning-of-year capital balances, and any remaining balance is to be divided equally. Partnership net income for the year is $190,000.

Required: Calculate the share of Rami in this year's net income.

(write your answer as a number. Do not use any commas or signs. الرجاء كتابة الجواب كرقم فقط، بدون اشارات او فواصل)

Answer: 50000

A partnership liquidation occurs when

- a. the assets are sold, liabilities paid, and business operations terminated
- b. the ownership interest of one partner is sold to a new partner
- c. a new partner is admitted
- d. a partner dies

LARA Company secured a bank loan of $ 90,000, on 1/4/2020. In return, it signed a 10 month, 6%, note payable. LARA Co. closes its accounts annually, on December 31 of every year. The loan and total interest are to be paid to the bank at the end of the loan term.

Required: the adjusting entry on December 31, 2020, will show a credit to interest payable for........

(write your answer as a number. Do not use any commas or signs. الرجاء كتابة الجواب كرقم فقط، بدون اشارات او فواصل)

Answer: 4050

Match the followings, **do not use the option more than once:**

A 4 year note payable is a | Long term liability

Unearned revenue is | a Current liability

Land improvements is part of | Plant assets

In general, partners have | Unlimited liability

When a partner leaves a partnership by withdrawing assets, and gets an amount more than his capital balance, this means that | a Bonus is given to the departing partner

Depletion is used for | Natural resources

When a partner enters a partnership by investing assets, and gets a share more than his investment, this means that | a Bonus is given to the new partner

Obligations to be paid within one year or the company's operating cycle, whichever is longer, are:

a. Current assets.

b. Earned revenues.

One advantage of operating as a partnership would include:

- a. Access to a larger amount of initial capital
- b. Greater power than a sole trader for decision making
- c. Limited liability for all partners
- d. Being able to raise capital through share issues

Once the estimated depreciation expense for an asset is calculated:

- a. Any changes are accumulated and recognized when the asset is sold.
- b. The estimate itself cannot be changed; however, new information should be disclosed in financial statement footnotes.
- c. It cannot be changed.
- d. It may be revised based on new information.

As part of the initial investment, a partner contributes equipment that had originally cost $110,000 and on which accumulated depreciation of $85,000 has been recorded. If similar equipment would cost $140,000 to replace and the partners agree on a valuation of $45,000 for the contributed equipment, what amount should be debited to the equipment account?

- a. $140,000
- b. $110,000
- c. $45,000
- d. $85,000

Accounts payable are:

- a. Amounts received in advance from customers for future services.
- b. Estimated liabilities.
- c. Amounts owed to suppliers for products and/or services purchased on credit.
- d. Not usually due on specific dates.

On May 22, Jarrett Company borrows $7,500 from Fairmont Financing, signing a 3 month, 8%, $7,500 note. What is the journal entry needed to record the transaction by Jarrett Company?

- a. Debit Cash $7,650; credit Notes Payable $7,650.
- b. Debit Cash $7,500; credit Accounts Payable $7,500.
- c. Debit Accounts Payable $7,500; credit Notes Payable $7,500.
- d. Debit Cash $7,500; credit Notes Payable $7,500.

over its estimated useful life.

- a. TRUE
- b. FALSE

The remaining cash of a partnership (**after** liabilities have been paid) upon liquidation is distributed among partners according to

- a. drawing balances
- b. contribution of assets
- c. the amounts of capital balances
- d. income sharing ratio

Answer: 50000

Furniture World is required by law to collect and remit sales taxes to the state. If Furniture World has $78,000 of cash sales that are subject to a 6% sales tax, what is the journal entry to record the cash sales?

- a. Debit Cash $78,000; credit Sales $78,000; and record the taxes when paid.
- b. Debit Sales Taxes Payable $4,680; debit Cash $73,220; credit Sales $78,000.
- c. Debit Cash $82,680; credit Sales $78,000; credit Sales Taxes Payable $4,680.
- d. Debit Cash $78,000; credit Sales $73,320; credit Sales Taxes Payable $4,680.

The units-of-production method of depreciation charges a varying amount of expense for each period of an asset's useful life depending on its usage.

- a. FALSE
- b. TRUE

On April 30, capital balances are Sara $300,000, Adam $250,000 and Gorge $250,000. The income ratios are 20%, 20% and 60%, respectively. Sara decides to retire from the partnership. The partnership pays Sara $350,000 cash from the company, for her partnership interest. After Sara's retirement, what is the balance of Adam's capital account?

- a. $240,000
- b. $237,500
- c. $325,000
- d. $250,000

A contingent liability is:

Gain or loss on the disposal of assets is determined by comparing the disposed asset's book value to its fair market value.

- a. FALSE
- b. TRUE

If a company has advance subscription sales totaling $45,000 for the upcoming year, when four quarterly journals will mailed to customers, the receipt of cash would be journalized as:

- a. Debit Unearned Revenue $45,000; credit Sales $45,000.
- b. Debit Sales $45,000, credit Unearned Revenue $45,000.
- c. Debit Cash $45,000; credit Unearned Revenue $45,000.
- d. Debit Cash $45,000, credit Accounts Payable $45,000.

As part of the initial investment, a partner contributes equipment that had originally cost $110,000 and on which accumulated depreciation of $85,000 has been recorded. If similar equipment would cost $140,000 to replace and the partners agree on a valuation of $45,000 for the contributed equipment, what amount should