

LECTURERS: Dr. ZEYAD MUNAWER SAMIA SHAMMAS

SECOND SEM. 2013/2014 SECOND HOUR EXAM

ACCT335

Student Name: Rela Saleh

Student #: 17 1543 Section Time: 1730

Multiple Choices

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5	3.	
6	d	
7	. C	
8	€.	
9	d	
10	Q	
11	, %	
12	X	
13	40	
14	Jok .	
15	X	
	-	



RequiredUse the following table to fill-in your answers.

Transaction	Amount	Reporting	Effect
1.Cash dividends paid	D170	F	<u>CO</u>
2.Depreciation expense	3.0	0_	-20
6.Cash proceeds from sale of long term investment	80	5000	(C)
4.Issuance of capital stock for cash	200	¥ /	
5.Retirement of bonds payable	290	, E	~ (
6.Purchase of plant assets for cash	200	T.	₹ 6
7. Non Cash issuance of common stock in exchange for		1 1	NIC
Plant assets		1/2	, , ,

Reporting Choices	Effect
O. Operating	CI. Cash Inflows
I. Investing	CO. Cash Outflows
F. Financing	NC. Non Cash item
S. Supplementary Information	·
N. Not reported on PAL-Vest 's statement of cash flows	
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- 10. Sharek Inc assigns \$1,500,000 of its accounts receivables as collateral for a \$1 million loan with a bank. The bank assesses a 3% finance fee on loan and charges interest on the note at 6%. What would be the journal entry to record this transaction?
 - Debit Cash for \$970,000, debit Finance Charge for \$30,000, and credit Notes payable for \$1,000,000.
 - b. Debit Cash for \$970,000, debit Finance Charge for \$30,000, and credit Accounts Receivable for \$1,000,000.
 - c. Debit Cash for \$970,000, debit Finance Charge for \$30,000, debit Due from Bank for \$500,000, and credit Accounts Receivable for \$1,500,000.
 - d. Debit Cash for \$910,000, debit Finance Charge for \$90,000, and credit Notes Payable for \$1,000,000.
- 1). PAL-Safe has recently acquired notes receivable and decides on December 31, 2012, to use the fair value option for these receivables. The notes receivable have a fair value of \$750,000 and a carrying amount of \$645,000. At December 31, 2012, PAL-Safe makes an adjusting entry Debit/Credit to:
 - a. Dr. Notes Receivable 150,000.
 - (b). Cr. Unrealized Holding Gain or Loss, Equity 105,000.
 - c. Cr. Unrealized Holding Gain or Loss Income 105,000
 - d. Cr. Notes Receivable 105000.

Marrawi Company requires a new manufacturing facility in Nablus. Management found four locations; all of which would provide needed capacity, the only difference is the price. Location A may be purchased for \$500,000. Location B may be acquired with a down payment of \$100,000 and annual payments at the end of each of the next twenty years of \$50,000. Location C requires \$40,000 payments at the beginning of each of the next twenty-five years. Location D requires \$45,000 payments at the end of each of twenty-five years starting after 5 years. Assuming Marrawi's borrowing costs are 8% per annum, which option is the least costly to Marrawi Company?

Information on present value factors is as follows:

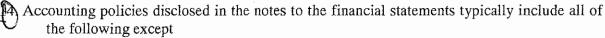
Present value of 1 at 8% for 4 periods	0.74
Present value of an ordinary annuity of 1 at 8% for 20 periods	9.82
Present value of an ordinary annuity of 1 at 8% for 25 periods	10.67

- a. Location D.
- b. Location C.
- c. Location A.
- Location B.

Al-Pinar Co. disclosed in the notes to its financial statements that a significant number of its secured

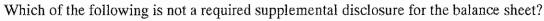
trade account receivables are with companies that operate in the same industry. This disclosure is to inform financial statement users of the existence of:

- a. Concentration of market risk.
- b. Concentration of credit risk.
- @/Risk of measurement uncertainty.
- d. Off-balance sheet risk of accounting loss.



- a. significant inventory purchasing policies
 b. the depreciation methods used
 c. significant estimates made

- d. the cost flow assumption used



- a. Contingencies
- b. Contractual situations
- Accounting policies
- Financial forecasts