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| Philadelphia University | First Exam | الاسم: ................................................... |
| Accounting Department | 14/11/2013 | الرقم الجامعي: ......................................... |
| ACC 0311111 | Serial No. …………... | الشعبة: ................................................... |

**Answer all of the following questions:**

**Q1: Circle the appropriate symbol of the following multiple choice questions:**

**1. Inventories affect**

a. only the statement of financial position.

b. only the income statement.

c. both the statement of financial position and the income statement.

d. neither the statement of financial position nor the income statement.

**2. If goods in transit are shipped FOB destination**

a. the seller has legal title to the goods until they are delivered.

b. the buyer has legal title to the goods until they are delivered.

c. the transportation company has legal title to the goods while the goods are in transit.

d. no one has legal title to the goods until they are delivered.

**3. The accounting principle that requires that the cost flow assumption be consistent with the physical movement of goods is**

a. called the matching principle.

b. called the consistency principle.

c. nonexistent; that is, there is no accounting requirement.

d. called the physical flow assumption.

**4. Graham Company uses a periodic inventory system. Details for the inventory account for the month of January 2014 are as follows:**

Units Per unit price Total

Balance, 1/1/14 200 $5.00 $1,000

Purchase, 1/15/14 100 5.30 530

Purchase, 1/28/14 100 5.50 550

An end of the month (1/31/14) inventory showed that 120 units were on hand. If the company uses FIFO and sells the units for $10 each, what is the gross profit for the month?

a. $1,376

b. $1,424

c. $2,800

d. $3,000

**5. Blosser Company's goods in transit at December 31 include:**

sales made purchases made

(1) FOB destination (3) FOB destination

(2) FOB shipping point (4) FOB shipping point

Which items should be included in Blosser's inventory at December 31?

a. (2) and (3)

b. (1) and (4)

c. (1) and (3)

d. (2) and (4)

**6 . A company just starting in business purchased three inventory items at the following prices. First purchase $80; Second purchase $95; Third purchase $85. If the company sold two units for a total of $260 and used FIFO costing, the gross profit for the period would be**

a. $85.

b. $95.

c. $80.

d. $70.

**7. A credit balance in Cash Over and Short is reported as a(n)**

a. asset.

b. liability.

c. miscellaneous expense.

d. miscellaneous revenue.

**8 . A petty cash fund of $100 is replenished when the fund contains $4 in cash and receipts for $93. The entry to replenish the fund would**

a. credit Cash Over and Short for $3.

b. credit Miscellaneous Revenue for $3.

c. debit Cash Over and Short for $3.

d. debit Miscellaneous Expense for $3.

**9. In preparing its bank reconciliation for the month of April 2014, Franklin, Inc. has available the following information.**

Balance per bank statement, 4/30/14 $58,710

NSF check returned with 4/30/14 bank statement 625

Deposits in transit, 4/30/14 7,500

Outstanding checks, 4/30/14 7,800

Bank service charges for April 30

What should be the adjusted cash balance at April 30, 2014?

a. $59,055.

b. $58,410.

c. $57,735.

d. $57,705.

**10. Shandy Shutters has the following inventory information.**

**Nov. 1 Inventory 30 units @ €6.00**

**8 Purchase 120 units @ €6.45**

**17 Purchase 60 units @ €6.30**

**25 Purchase 90 units @ €6.60**

A physical count of merchandise inventory on November 30 reveals that there are 100 units on hand. Assume a periodic inventory system is used. Ending inventory under FIFO is

a. €657.

b. €1,268.

c. €632.

d. €1,294.

**Q2: Finch Company is preparing the annual financial statements dated December 31, 2014. Information about inventory stocked for regular sale follows:**

Quantity Unit Cost Net Realizable

Item on Hand When Acquired Value at year end

A 50 €20 €19

B 100 45 46

C 20 60 62

D 40 40 38

**Requirement** Compute the valuation for the December 31, 2014, inventory using the lower-of-cost-or-net realizable value basis.

Department of Accounting

ANSWER SHEET

ACC 0311111 First Exam, 14 \11\ 2013

**Student name :**

**Serial No : Instructor name :**

Multiple choice questions : Write the correct answer in the space provided.

Use capital letters only A,B,C , OR D

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| **QUESTION NO.** | **ANSWER** |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
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