|  |  |  |
| --- | --- | --- |
| Philadelphia University | First Exam  | الاسم: ................................................... |
| Accounting Department | 18/11/2013 | الرقم الجامعي: ......................................... |
| ACC 0311110 | Serial No. …………... | الشعبة: ................................................... |

**Answer all of the following questions:**

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

 **1.**  **Financial accounting provides economic and financial information for all of the following *except***

a. creditors.

b. investors.

c. managers.

d. other external users.

 **2. Which of the following is an internal user of accounting information?**

a. Labor unions

b. Finance directors

c. creditors

d. Taxing authorities

 **3. The accounting process includes each of the following except**

a. communication.

b. convergence.

c. identification.

d. recording.

 **4. Accountants refer to an economic event as a**

a. purchase.

b. sale.

c. transaction.

d. change in ownership.

 **5. The accounting equation for Petra Enterprises is as follows:**

 **Assets Liabilities Owner’s Equity**

**$120,000 = $60,000 + $60,000**

**If Petra purchases office equipment on account for $12,000, the accounting equation will change to**

 Assets Liabilties Owner’s Equity

a. $120,000 = $60,000 + $60,000

b. $132,000 = $60,000 + $72,000

c. $132,000 = $66,000 + $66,000

d. $132,000 = $72,000 + $60,000

 **6. A basic assumption of accounting that requires activities of an entity be kept separate from the activities of its owner is referred to as the**

 a. stand alone concept.

 b. monetary unit assumption.

 c. corporate form of ownership.

 d. economic entity assumption.

**7.**  **The accounting process is correctly sequenced as**

a. identification, communication, recording.

b. recording, communication, identification.

c. identification, recording, communication.

 d. communication, recording, identification.

**8. Communication of economic events is the part of the accounting process that involves**

a. identifying economic events.

b. quantifying transactions into dollars and cents.

c. preparing accounting reports.

d. recording and classifying information.

**9. A business organized as a corporation**

a. is not a separate legal entity in most countries.

b. requires that shareholders be personally liable for the debts of the business.

c. is owned by its shareholders.

d. terminates when one of its original shareholders dies.

**10.**  **The historical cost principle requires that companies record assets at their**

a. appraisal value.

b. cost.

c. market price.

d. list price.

**Q2: Legal Services Company was incorporated on October 1,2014 , the Following transactions occurred During October :**

**Oct 1** Shareholders Invested $80,000 in cash in exchange for ordinary shares of Legal Services Company.

**Oct 3** Purchased land costing $28,000 for cash.

**Oct 4** Purchased equipment costing $12,000 for $3,000 cash and the remainder on credit.

**Oct 5** Paid $1,000 for a one-year insurance policy.

**Oct 6** provides $6,000 of legal services for customers.the company receives cash of $ 2,000 from customers , and it bills the balance of $4,000 on account .

**Oct 28**  Paid salaries to employees for $2,500.

**Oct 30**  Paid rent office for $3,000.

**Instruction:**

**Journalize October transactions.**

**General Journal**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Account Title** | **Debit (Dr)** | **Credit (Cr)** |
| **Oct 1** |  |  |  |
| **Oct 3** |  |  |  |
| **Oct 4** |  |  |  |
| **Oct 5** |  |  |  |
| **Oct 6** |  |  |  |
| **Oct 28** |  |  |  |
| **Oct 30** |  |  |  |

Department of Accounting

ANSWER SHEET

ACC 0311110 First Exam, 18 \11\ 2013

**Student name : Section No:**

**Serial No : Instructor name :**

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

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

|  |  |
| --- | --- |
| **QUESTION NO.** | **ANSWER** |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| 7 |  |
| 8 |  |
| 9 |  |
| 10 |  |