

Assignment for General Accountant position

Question 1:

A) A company pays 60,000 SAR in advance for the health insurance company at the 31th of July 2017 for the upcoming year. The journal entry is:

Dr.

Cr.

B) At the end of each period (Monthly basis), the company amortizes the prepaid expenses account with the following journal entry :

Dr.

Cr.

C) The prepaid expense account balance at the end of the year 2017 is

Question 2:

The payroll sheet for the company XYZ as the following:

Employee Name	No. of Days	Basic Salary	Worth Salary	Accommodation Allowance	Overtime	Other Income	Total Income	Social Security	Loans and Deductions	Total Deductions	Net Salary
Ahmed	30	5,000.00	5,000.00	1500	0	2000	8,500.00	800	1500	2300	6,200.00
Yazan	30	4,000.00	4,000.00	500	800	1000	6,300.00	600	0	600	5,700.00
Abdullah	20	6,000.00	4,000.00	500	0	0	4,500.00	160	0	160	4,340.00
Total		15,000.00	13,000.00	2500	800	3000	19300	1560	1500	3060	16240

Knowing that the other income for Ahmed and Yazan representing their sales commissions, Please prepare the Journal Entry ..

Dr.

Cr

Question 3:

H.H Company estimates that 2,000 SAR of its accounts receivable may be uncollectible.
Prepare a journal entry to record this transaction.

Dr.

Cr.

Question 4:

XYZ Company received the below invoice from ABC company for purchasing licenses, and XYZ company have to pay both purchase value and VAT input :

Sales Invoice			
ABC Company		Inv.0123	
Date : 01/01/2018		VAT#123	
To : XYZ Company		4	
Quantity	Description	Unit Price	Total
2	Software Licenses	500	1000
Sub Total			1000
Discount			0
VAT 5%			50
TOTAL			\$ 1050

A) The journal Entry for the purchasing transaction is:

Dr.

Cr.

B) If you know that the previous invoice is the only VAT invoice received at Jan 2018, and the company sold products during Jan 2018 with a total amount of \$5000 (5% VAT Applied on the invoices), The Net VAT (Payable) to Government at that time is

Question 5:

What is the normal balance for the following accounts:

Account Classification	Normal Balance
Expense	
Assets	
Liabilities	
Gains	
Revenues	
Liabilities	
Losses	

Question 6:

A cloud communication company sells 10,000 SMS for 100 SAR, knowing that the client paid the amount through a bank transfer.

A) What is the Journal entry must be recorded for the mentioned transaction?

Dr.

Cr.

B) What is the revenue must be recorded when the client consumes 2,000 SMS from his balance?

C) If the cost of the 10,000 SMS is 90 SAR, how much cost must be recorded for this transaction under the matching principle?

Question 7:

Which of the following will not appear in the balance sheet statement?

A) Accounts Payable Services

B) Cash and Cash Equivalents

C) Other Income

D) Accounts Receivables

Question 8:

ABC Company sells an asset that had originally cost it 40,000 SAR for 25,000 SAR in cash. The company had compiled 10,000 SAR of accumulated depreciation on the Asset, The entry is:

Dr.

Cr.

Question 9:

Suppose your bank statement showed a debit balance of 85,200 SAR on January 31, 2018.
Balance on the bank statement as of the same date was 81,085 SAR as per the below:

Bank Statement					
<u>Date</u>	<u>Description</u>	<u>Remarks</u>	<u>Credit</u>	<u>Debit</u>	<u>Balance</u>
1/1/2018	Beginning Balance				150,000.00
5/1/2018	Saddad Payment	GOSI payment		500.00	149,500.00
7/1/2018	Internal transfer	Internal transfer		1,950.00	147,550.00
7/1/2018	Cash Deposit	Sales order #123	10,000.00		157,550.00
8/1/2018	SOA Charges	Bank Charges		15.00	157,535.00
11/1/2018	Cheque withdrawal	Consultancy fees		20,000.00	137,535.00
12/1/2018	Transfer received	Sales order #456	2,100.00		139,635.00
15/1/2018	Saddad Payment	Mobile bills of Dec 2017		1,800.00	137,835.00
18/1/2018	Payment Order	Petty cash reimbursement		3,000.00	134,835.00
22/1/2018	Internal transfer	Internal transfer		11,750.00	123,085.00
25/1/2018	Transfer order	Salaries		60,000.00	63,085.00
30/1/2018	Cheque Deposit	Sales order #789	18,000.00		81,085.00

Company Statement					
<u>Date</u>	<u>Description</u>	<u>Remarks</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>

1/1/2018	Beginning Balance				150,000.00
5/1/2018	Saddad Payment	GOSI payment		500.00	149,500.00
7/1/2018	Cash Deposit	Sales order #123	10,000.00		159,500.00
7/1/2018	Internal transfer	Internal transfer		1,950.00	157,550.00
11/1/2018	Cheque withdrawal	Consultancy fees		20,000.00	137,550.00
12/1/2018	Transfer received	Sales order #456	1,200.00		138,750.00
15/1/2018	Saddad Payment	Mobile bills of Dec 2017		1,800.00	136,950.00
18/1/2018	Payment Order	Petty cash reimbursement		3,000.00	133,950.00
22/1/2018	Internal transfer	Internal transfer		11,750.00	122,200.00
25/1/2018	Transfer order	Salaries		55,000.00	67,200.00
30/1/2018	Cheque Deposit	Sales order #789	18,000.00		85,200.00

A) Please prepare a bank reconciliation statement as of January 31, 2018.

B) What is the required journal entries needed to settle the differences?

Question 10:

The below trial balance is a list and total of all the debit and credit accounts for ABC Company as of 31/01/2018 :

Account Description	Debit Amt	Credit Amt
Cash and Cash equivalent	100,000.00	
Accounts Receivable Corporate	30,000.00	
Prepaid Expenses	5,500.00	
Fixed Assets	35,000.00	
Accounts Payables		40,000.00
Accrued Expenses		6,500.00
Sales Tax - VAT		1,615.00
Fixed Assets Accumulated Depreciation		18,000.00
Common Stock		97,635.00
Sales		32,300.00
Other Income		3,750.00
Salaries & Wages	10,000.00	
Medical Insurance	2,000.00	
Bonus	1,500.00	
Marketing & Promotional Exp	2,500.00	
Technical Services Expenses	4,000.00	
Rent Expense	5,000.00	
Depreciation Fixed Assets	3,800.00	
Bank Commissions & Charges	500.00	
Total	199,800.00	199,800.00

- The Net Profit/Loss for ABC Company as of 31/01/2018 is :

Good Luck