



Axis of financial accounting and accounting theory :

Q1.

Presented below are the assumptions, principles, and constraints

1. Economic entity assumption.
2. Going concern assumption.
3. Monetary unit assumption.
4. Periodicity assumption.
5. Historical cost principle.
6. Matching principle.
7. Full disclosure principle.
8. Cost-benefit relationship.
9. Materiality.
10. Industry practices.
11. Conservatism.

Required:

___ Identify by number the accounting assumption, principle, or constraint that describes each situation below. Do not use a letter more than once.

- (a) Allocates expenses to revenues in the proper period.
- (b) Indicates that market value changes subsequent to purchase are not recorded in the accounts. (Do not use revenue recognition principle.)
- (c) Ensures that all relevant financial information is reported.
- (d) Rationale why plant assets are not reported at liquidation value. (Do not use historical cost principle.)
- (e) Anticipates all losses, but reports no gains.
- (f) Indicates that personal and business record keeping should be separately maintained.
- (g) Separates financial information into time periods for reporting purposes.
- (h) Permits the use of market value valuation in certain specific situations.
- (i) Requires that information significant enough to affect the decision of reasonably informed users should be disclosed. (Do not use full disclosure principle.)
- (j) Assumes that the dollar is the "measuring stick" used to report on financial performance.

Q2.

A: What are the meaning of the following ;

- 1- Differential disclosure
- 2- Subsequent event
- 3- Corporate governance Capitalization
- 4- Off – balance sheet resources
- 5- Materiality

B. What are the 4 elements affecting in depreciation

Q3.

On January 1, 2008, a machine purchased for \$90,000. The machine has an estimated salvage value of \$6,000 and an estimated use of 5 years. The machine can operate for 100,000 hours before it needs to be replaced. The company its books on December 31 and operates the machine as follows:
2008,20,000 hrs; 2009, 25,000 hrs; , 15,000 hrs; 2011, 30,000 hrs; 2012, 10,000 hrs.

Required:

Compute the annual depreciation charges over the machine's life assuming a December 31 year-end for each of the following depreciation methods.

- (1) Straight-line method.
- (2) 2- Activity method.
- (3) 3- Sum-of-the-years'-digits method.

Axis of Cost and Management Accounting :

Q4.

For each of the following cases, find the missing amounts:

	Sales in Units	Sales in Dollars	Variable Expenses	Contribution Margin per Unit	Fixed costs	Net Income
Case 1	5,000	\$90,000	\$40,000	A	\$15,000	B
Case 2	3,000	C	4,000	3	D	2,000
Case 3	10,000	50,000	E	F	20,000	5,000

Q5.

Indicate whether each statement is true (T) or false (F):

- 1- At the breakeven point, total fixed costs always equals contribution margin.
- 2- An increase in the income tax rate increases the breakeven point.
- 3- Variances, the differences between actual results and budgeted amounts, should initially be used to fix the blame on the managers who are responsible for the variances.
- 4- The more detailed information used in activity-based budgeting gives managers additional insight into ways to better manage future costs.
- 5- In a standard-costing system, unfavorable variances should be recorded as credit in journal entries.

Q6.

Al- Huda Company provides the following information:

1- Costs Incurred for 2012:-

<u>Identified With Specific Jobs</u>	<u>Materials</u>	<u>Labor</u>	<u>Other</u>	<u>Total</u>
Job No.76	\$ 1,000	\$ 7,000		\$ 8,000
Job No.77	26,000	53,000		79,000
Job No.78	12,000	9,000		21,000
Job No.79	4,000	1,000		5,000
<u>Not Identified With Specific Jobs:-</u>				
Indirect materials and supplies	15,000			15,000
Indirect manufacturing labor		53,000		53,000
Employee fringe benefits			\$23,000	23,000
Depreciation			12,000	12,000
Supervision		20,000		20,000
Total	\$58,000	\$143,000	\$35,000	\$236,000

2- Budgeted Overhead for 2012:-

Budgeted Variable overhead:

Indirect materials and supplies	\$ 16,000
Indirect manufacturing labor	56,000
Employee fringe benefits	24,000

Budgeted Fixed overhead:

Depreciation	12,000
Supervision	20,000

Total **\$128,000**

3- Budgeted direct manufacturing labor costs(cost allocation base) \$80,000

4- Work in Process at Beginning of 2012:-

<u>Job No.</u>	<u>Direct Materials</u>	<u>Direct Labor</u>	<u>Overhead</u>	<u>Total</u>
76	\$17,500	\$22,000	\$33,000	\$72,500

5- Assume Job 76 was the only job completed during 2012. It was sold upon completion.

Required:-

- Compute underallocated or overallocated overhead for Department for 2012.
- Compute the cost of work-in-process inventory at the end of 2012.
- Ignoring your answer in part (a), assume overhead is underallocated by \$14,000 in Department. If underallocated overhead is prorated to Cost of Goods Sold and applicable inventories based on 2012's amount of allocated overhead (before proration) in the ending balances of these accounts, compute the amount of underallocated overhead that should be debited to Work-in-Process Control at year-end.

Axis of Accounting Information system & Accounting systems :

Q7.

بتاريخ 2012/3/31 تمت العمليات الآتية في مصرف الرافدين فرع البصرة: -

- أ. بلغ مجموع المبالغ النقدية المودعة في الحسابات الجارية الدائنة قطاع خاص أفراد 60,000,000 ستون مليون دينار والحسابات الجارية المدينة قطاع خاص أفراد 25,000,000 خمسة وعشرون مليون دينار.
- ب. بلغ مجموع الصكوك المودعة في الحسابات الجارية الدائنة قطاع خاص /شركات والمحسوبة على حسابات جارية دائنة قطاع خاص / أفراد لعملاء الفرع نفسه 40,000,000 اربعون مليون دينار.
- ج. بلغ مجموع الصكوك المودعة في الحسابات الجارية المدينة قطاع خاص /أفراد والمحسوبة على حسابات جارية مدينة قطاع خاص /أفراد لعملاء الفرع نفسه 11,000,000 احدى عشر مليون دينار.
- د. بلغ مجموع المبالغ المسحوبة نقداً من الحسابات الجارية الدائنة قطاع خاص أفراد 40,000,000 اربعون مليون دينار.
- هـ. بلغ مجموع المبالغ المسحوبة نقداً من الحسابات الجارية المدينة قطاع خاص شركات 20,000,000 عشرون مليون دينار.
- و. بلغت الفوائد المحتسبة على الحسابات الجارية المدينة قطاع خاص أفراد 3,500,000 دينار.
- المطلوب: إجراء القيود المحاسبية للعمليات المذكورة أعلاه.

Q8.

Choose the right answer?

1. Which of the following is a most likely to be a general ledger control account?
a. prepaid rent b- petty cash c- account receivable d- retained earnings
2. Which of the following is a most useful for projecting the need for short- term borrowing?
a. Income statement b- cash budget c- balance sheet d. performance report.
3. The value of information is :
a. Cost b- Benefit c- cost minus benefit d- benefit minus cost
4. In which circle *dose accompany ship goods to customers?*
a. Production circle b- revenue circle c- financial circle d- expenditure circle
5. *Data sources and destinations are represented in a data flow diagram as :*
a- circle b- a square c- a curved arrow d- two parallel lines

Q9.

Explain?

A - The value Chain and The value of information?

B- How AIS can add value to an organization.

Axis of Auditing & internal control :

Q10.

Chose the correct answer from the following:

1. The basic element of external auditing is:
a. Records and financial statement.
b. Something to audit, audit tools, how do auditing.
c. Systematic accounting, complete auditing cycle, and systematic administrative
d. None of the above.

2. Auditing focus on the one of the following:
 - a. Study and analyzing problem and resulting.
 - b. Inspection, investigation, evaluation and reporting.
 - c. Recording collection, encoding and resulting.
 - d. Cash control, inventory of material control.
3. One of the following is the meaning of error:
 - a. Materiality error and don't disclose in accounting record and abnormal allocation of assets.
 - b. Financial error that unconfirmation with what must to be.
 - c. Error done without any sense.
 - d. Error in meaning in auditing report.
4. Audit that done with critical systemic inspection to give unbiased professional opinion is:
 - a. Administrative auditing and objective audit.
 - b. Legalities auditing to ensure the application of laws and systems.
 - c. Financial auditing that contain examination, investigation and reporting.
 - d. Social auditing about the extent of companies share in social welfare.
5. An auditor may achieve audit objectives related to particular assertions by:
 - a. Performing analytical procedures.
 - b. Adhering to a system of quality control.
 - c. Preparing auditor working papers.
 - d. Increasing the level of detection risk.

Q11:	عرف كل من التدقيق الداخلي والخارجي، ثم بين الفرق بينهما من حيث الهدف، القائم بعملية التدقيق، نطاق وحدود التدقيق، التوقيت، الجهات المستفيدة.
Q12:	ماهي مصادر أدلة الاثبات؟ اشرحها.