

Chapter 1

* English Accounting *

قائمة الميزانية (Balance sheet) (الميزانية)

Assets	الأصول	Liabilities and owner's equity	المسؤوليات وحقوق المالكين
Current Assets :	الأصول المتداولة	Short term Liabilities	مصارف قصيرة الأجل
Cash		Account payable	زيم دائنة
Bank		Bill payable	امارات دفع
goods (stock)	بضاعة آف فورية (المخزون)	Short loan	قرض قصير الأجل
Account Recivable	زيم مدينة	Long term liabilities :	
Bill Receivable	امارات قبض	Loan	قرض
Fixed Assets :	الأصول الثابتة	Bonds	سندات
Land	ارض	owner's equity :	حقوق الملكية
Building	مبنى	Capital	رأس المال
Furniture	اثاث		
equipment	معدات		
Machins	آلات		
Cars	سيارات		

Total Assets = إجمالي الأصول Total: Liabilities and owner's equity

إجمالي المسؤوليات وحقوق الملكية

* The main purpose of accounting is /: **ascertain Profit and loss during specific period.**

الهدف الاساسي للمحاسبة /: تحديد الربح والخسارة لفترة زمنية معينة

* Art of recording, classifying and summarising in significant manner /: **Accounting.**

فن التسجيل والتصنيف وإظهار النتائج بطريقة ذات مغزاة /: المحاسبة

* The users of Accounting Information:-

- | | |
|-----------------|------------|
| 1. Shareholders | المساهمين |
| 2. Investors | المستثمرين |
| 3. Creditors | الدائنين |
| 4. Government | الحكومة |
| 5. Labour | العامل |
| 6. Researchers | الباحثون |

Q: one of the following is not of users Accounting information:-

- | | |
|---------------|---------------|
| A. government | B. Labour |
| C. Debitor's | D. Creditor's |

* are interested to know the result of operation of the company through the annual and financial position called /: **Share holders**.

* are interested in buying the shares in a company and advancing money called /: **Investors**.

* are naturally interested in a financial statement to know how safe the investment called /: **Investors**.

* A number of suppliers make supplies on credit called /: **Creditors**.

* They would like to be ^{quite} ~~sat~~ satisfied that they will be paid in time called /: **Creditors**.

* are using financial statement for compiling statistic concerning business called /: **government**.

* They would like to be ~~sat~~ satisfied that the bonus ~~begin~~ being paid to them is correct called /: **Labour**.

* Workers are entitled for payment of bonus which depends on the size of profit earned called /: **Labour**.

* Knowledge helps them in asking for their upward revision of their wages called /: **Labour**.

* great interest to scholars undertaking research in accounting theory as well as business affairs and practices called /: **Researchers**.

* The process of analysing, classifying and recording transaction in a systematic manner called /: **Book keeping**.

* Features of Book keeping :-

1. it is an art of recording transaction.
2. There must be a documentary support of each and every transaction.
3. The system of recording should be universal.
4. The recording is made of monetary transaction only.

Object of Book keeping.

Primary object

Sub-object

Other-object

* Primary-object :-

1. To know profit-loss.
2. To know financial position.
3. To have a systematic record.

* Sub-object:

1. To know creditor's.
2. To know Debtors.
3. To know Capital investments.
4. To understand cash and stock.

* Other Object:-

1. To review the progress.
2. To prevent errors and frauds.
3. To keep check on property.
4. To provide valuable information.

* * Classification of Accounting :-

1. Financial Accounting.
2. ~~Cost~~ Cost Accounting.
3. Management Accounting.
4. Government accounting.
5. Tax accounting.

* Distinguish between Book keeping and Accountancy :-



↳ Book keeping :-

1. Book keeping is an art of Recording.
2. Concerned with recording and maintaining books.
3. responsible for recording transaction.
4. The work of book keepers is clerical in nature.

↳ Accountancy :-

1. Concern with the design of system records and the interpretation result.
2. Concerned with preparation of accounts to find out profit and loss.
3. Accountants prepare from given books.
4. Accountants direct and review the work of book-keepers and must have a higher level of knowledge.

المفاهيم المحاسبية
Accounting Concepts.

* Accounting principle :-  
المبادئ المحاسبية
Accounting Convention.

↳ Accounting Concepts:-

- 1- Entity Concept: الوحدة المحاسبية
- 2- Dual Aspect concept: القيد المزدوج (مضيق المزدوج)
- 3- Going Concern concept: الاستمرارية
- 4- Accounting period Concept: الفترة المحاسبية
- 5- Money measurement Concept: مقياس القياس
- 6- Cost Concept: التكلفة التاريخية
- 7- verifiable objective Evidence concept: الموضوعية

* The business and proprietor are considered as separate person for accounting purposes /; Entity Concept.

* All business transaction are recording as having the debit aspect and credit aspect//; Dual aspect concept

* it is assumed that business concern will have ~~an~~ indefinite life called /; Going Concern Concept

* know whether his business has earned profit or incurred loss, Twelve months period is normally adopted called: **Period Concept**.

* every transaction entered into by the business will be expressed in term of money /: **Money measurement Concept**

* an assets is recording as the price paid for its purchased // **Cost Concept**.

* all accounting transaction would be evidenced and supported by relevant document /: **Verifiable objective Evidence Concept**.

*** Accounting Conventions:-

- 1- Convention of disclosure. مبدأ الإفصاح
- 2- " " Materiality. مبدأ الأهمية النسبية
- 3- " " Consistency. مبدأ الاتساق
- 4- " " Conservatism. مبدأ الحذر

* The Convention stipulates that the accounts should be prepared in such a manner that all material information should be disclosed /; **Disclosure**.

* unnecessary items are either left out combined with other items /; **Materiality**.

* accounting practices and methods should remain unchanged over a period of time /; **Consistency**.

* it is safe to anticipate losses than to anticipate profits /; **Conservatism**.

* the notion ~~of money~~ ^{that} the business is distinct and separate from the owners and from other firms called /; **Accounting entity**.

* use money as the unit of measurement for recording business transaction /; **Money Measurement**.

* That assumption that the enterprise will be ~~continue~~ ^{continue} in operation for the foreseeable future. called /; **going concern concept**.

* The assumption that the activities an enterprise
can be divided into shorter time periods
called /: **periodicity**.

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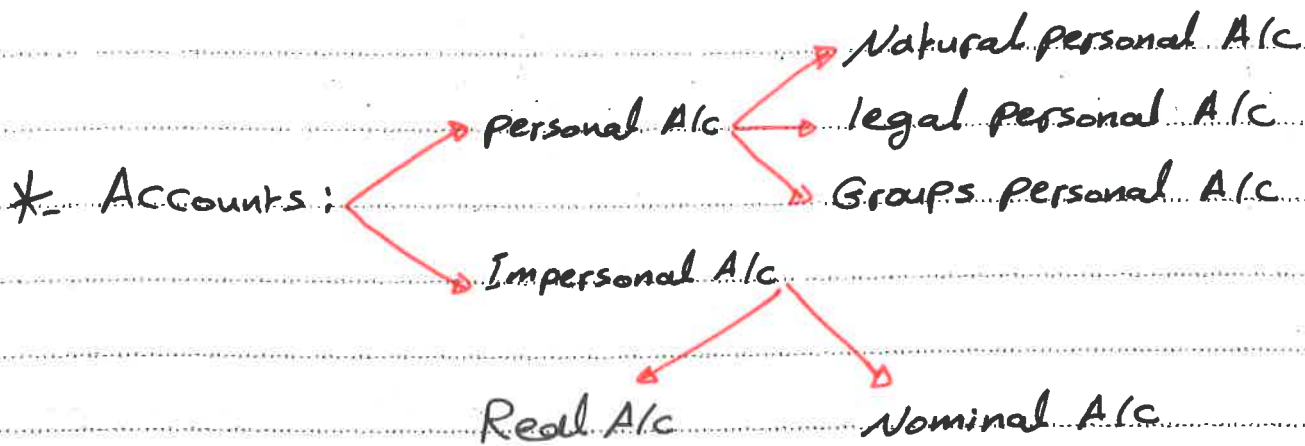
Chapter 2

* English Accounting *

* Most business transaction have two effect:
 Debit effect
 credit effect

* Accounts which receives the benefits /: Debit.

* Accounts which ~~receives~~ gives the benefits /: Credit.



Personal A/c

Natural personal

- Naser A/c
- Alaa Company
- Ibrahim A/c

اسماء شركات واشخاص
بالاسماء الحقيقية

Legal personal

- Jordan Co.
- Amman A/c
- SunCom

اسماء شركات بشرط
أن تكون لها الشخصية القانونية

Groups personal

- Debtor's A/c
- Creditor's A/c
- Income Received adv.
- Outstanding exp.
- اي صلات بالبنك
وميزان تحت صلات

(Impersonal اي صلات غير مرتبطة بشخص)

* Impersonal Accounts:  Real A/c
Nominal A/c

Real Accounts



Tangible Real A/c

- cash, buildings
- furniture, goods
- cars ... etc.

Intangible Real A/c

- Goodwill
- Trad marks
- Patent

* Accounts consists of assets and properties which can be seen, touched and felt called /: **Impersonal Tangible (Real) A/c**.

* Accounts can't be seen, touched, and felt but they are capable of measurement in terms of money called /: **Impersonal - Real - Intangible A/c**

* Nominal Accounts:

الحسابات الظاهرية

- expenses, incomes, losses, gains, profit

↳ These accounts called /: **Fictitious**

Q: which of the following is Nominal A/c :-

- A - Creditor's
- ☒ B - losses
- C - buildings
- D - Goodwill

Q: one of the following is Real Tangible accounts :-

- ☒ A - furniture
- B - patent
- C - Debitor's
- D - Alaa A/c

Q: Machinery and stock are :-

- A - personal / Real / Tangible A/c
- ☒ B - Impersonal / Real / Tangible A/c
- C - Impersonal / Nominal / Tangible A/c
- D - None of above.

Q: one of the following is correct of personal A/c.

- A - Tangible A/c
- B - Nominal A/c
- D - Real A/c
- ☒ C - Groups A/c

Q: The effects of paid 500 JD insurance is:

- A - increase assets and equity.
- B - increase equity and decrease assets.
- C - Decrease Assets and equity.**
- D - Decrease equity and increase assets.

* Ledger:

دفتر الأستاذ
نفس طرق المحاسبة العامة
في تحويل الحسابات من دفتر الأستاذ

Q: if the total DR equal 5000 JD and CR equal 2000 JD of Bank account. The account is:

DR	Bank A/c	CR
5000		2000
		<div style="border: 1px solid black; padding: 2px; display: inline-block;">3000</div> → DR A/c
<u>5000</u>		<u>5000</u>

* Books keeping individual Record of person, Properties, expenses, income, ... called /: **Ledger**

*- if the debit side total is harvier than the credit side total... the balance will be a /: ~~credit balance~~ Debit balance.

*- if the credit side total is harvier than the debit side total... the balance will be /: Credit balance

*- after balancing ledger Accounts we prepare /: Trail

*- it is a statment of debit and credit /: Trail balance

*- He is a person who receives the benefit and owns the money /: Debitor

*- He is a person who gives the benefit /: Creditor

*- Record transaction in books called /: Entry.

*- it is ~~concession~~ given for early payment or timely payment and will appear in books /: Cash discount

*- it is allowances againts the invoice price, and it will not shown in books /: Trade discount

* - entering the business transaction called /: **Journalisation**

* - The amount of Capital decrease called /: **loss**
↳ increase /: **profit**

* - The remaining amount after meeting all business expenses against Revenues called /: **net profit**

* - a person who isn't able to pay his past and present debts from his business called /: **Solvent** **عمره**

* - if a trader's liabilities is in excess of his assets called /: **insolvent** **عمره**

* - is a brief explanation which is added after each journal called /: **Narration** **توضیح**

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Chapter 4

* English Accounting *

* Basic elements of business enterprise

- Assets
- Liabilities
- owner's equity

~~* Assets~~ * Assets

- Fixed assets
- Current assets

* Assets, Liabilities, and owner's equity are /: Basic elements

* Revenue, expenses, net income and net loss are /: Economic resources.

* Are assets held by enterprise for use in the production or supply of goods and services and not intend to sale in ordinary course called /: Fixed Assets.

⇒ Fixed Assets :

Building
Furniture
Stationary
equipments

Land
Cars
Machin
vehicles مركبات

* Assets $\begin{cases} \rightarrow \text{Tangible (الملموسة)} \\ \rightarrow \text{intangible (غير الملموسة)} \end{cases}$

* also referred to as long lived assets or long term assets and divided to tangible and ~~intangible~~ / Fixed

* Note :

The cost of Assets comprises its : purchases price , import duties , taxes on purchases and any directly cost .

* example : Suppose Alom Com. purchased Machin on 26-sept
list price 200.000 JD , trade discount 1000 JD , Transit insurance 12000 JD . freight 20000 JD . installation charges 5000 JD .
Machin Cost is : - $237000 - (1000) = 236000$
 $200000 + 12000 + 20000 + 5000 = \cancel{237000} \text{ JD}$

Ex : list price 100.000 JD , Transit insurance 5000 JD , freight 2000 JD , trade discount 1000 JD , Cash discount 5000 JD
Commission 3000 JD , ~~fire~~ fire insurance 1200 JD .

$100000 + 5000 + 2000 + 5000 + 3000 - \text{Trad discount } 1000$
 $= 114000 \text{ JD}$

* Current Assets :

- Cash
- Bank
- goods
- Inventories
- Account Receivable (Debitor's)
- Marketable Securities
- bill Receivables

* Cash and other assets that are expected to be converted into cash or ^{استهلك} consumed in the production of goods or rendering of services called /: **Current Assets**.

* **Note :-** ~~All~~ Assets $\begin{matrix} \nearrow \text{currents} \\ \searrow \text{fixed} \end{matrix}$ } Debit

* When the real cash amount is less than the cash balance in the books called /: **Cash shortage**.

* if the real cash amount is more than cash balance in the books called /: **Cash overage**.

Cash shortage \longrightarrow Debit
Cash overage \longrightarrow Credit

Q: if the actual cash received from sales is less than the amount indicated by cash sales register, the credit side entry is;

A - Cash shortage
C - Cash overage

B - Cash
D - Sales

EX: Suppose on 5 Jan 2015, the sales books showed that the cash sales amounted 3000 JD, the really cash received from sales 29980

لدينا في هذا المثال ان المبيعات الفعلية (التي هي)
كانت اقل مما تم تسجيله في المبيعات
ذلك يعني نقص في المبيعات

او في نهاية اليوم

Cash shortage 20	Cash 29980
To Cash	Cash overage and shortage 20
	To sales 3000

EX: Suppose on 5 Jan - 2015 the sales books showed the cash sales 3000 JD. but the real cash received from sales 3020.

قيد آخر السنة	القيد
Cash	cash 3020
To Cash shortage	To
	sales 3000
	Cash shortage and overage

Q: if the real cash is 2500 JD, but in cash books amount 3000 JD, The debit side is:

A. Cash 500 JD

B. Cash 2500 JD

C. Cash shortage 500 JD

D. Cash overage 500 JD

Q: if the cash shortage 500 JD, then cash payment of 500 JD for rent expenses aren't recorded, the entry is:

Rent expenses 500 JD

To Cash shortage 500 JD.

↳ if the cash shortage didn't find the reasons we make entry on ... 31/12

(أليس، لا، أليس؟)

Profit and loss —

To Cash shortage —

OR —

Cash overage —

To profit and loss —

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⑤

* are the sum of all sales for cash and on credit during a given accounting period called /: **Gross profit**

* gross proceeds from sales less discount and sales return called /: **net sales**

EX: if gross sales equal 30000 JD, and sales discount 5000 JD and the sales return and allowances 2000 JD. The net sales:

$$\begin{aligned}\text{Net sales} &= \text{gross sales} - \text{sales return} - \text{discount} \\ &= 30000 - 5000 - 2000 \rightarrow \\ &= 23000 \text{ JD}\end{aligned}$$

* is a percentage reduction granted to a customer from the specified list price or catalogue price /: **Trade Discount**.

* it specifies the terms of payment on the invoice credit terms include discounts for early payment /: **Cash Discount**, (sales Discount).

* it isn't recorded in the accounts by either the buyer or the sales /: **Trade discount**.

* The debit side when record sales return is /:-
Sales return and allowances.

* When the Companies return goods for supplier the credit side (entry) is /:- purchases return.

Sales Return:

Sales return and allowances —	/	Sales return —
To Cash —		To Debitor's

Purchases returns:

Cash —	/	Creditor's —
To purchases return		To purchases return.

Note:

Cost of goods sold = ~~net sales~~
+ (beginning inventory)
+ (net purchases)
- ending inventory.

* it given to a Customer inducing him to purchase more and more goods called /:- Quantity discount.

→ it's simply a reduction of the price on a purchases of a large quantity of goods /! **Quantity Discount**

EX: on 26-sep-2015 Alaa Co. purchased goods worth 3000 JD on credit (2/10 n 30).

26-sept- entry: Purchases 3000 JD
Creditor's 3000 JD

if Alaa paid on 30-sep ----

Accounts payable (Creditor's) 3000
To Cash 2940
purchases discounts 60

on 1/12/2015

ex: Sales on account 5000 JD, (10/20 N 30) ----

on 9/12/2015 .. paid. ----

Seller books

1/12 Debitor's 5000
To sales 5000

9/12 Cash 4500
Sales discount 500
To Debitor's 5000

buyer books

purchases 5000 JD
To creditor's 5000

Creditor's 5000
To cash 4500
purchases discount 500

* ~~Gross~~ ^{net} sales = gross sales - sales return - sales discount

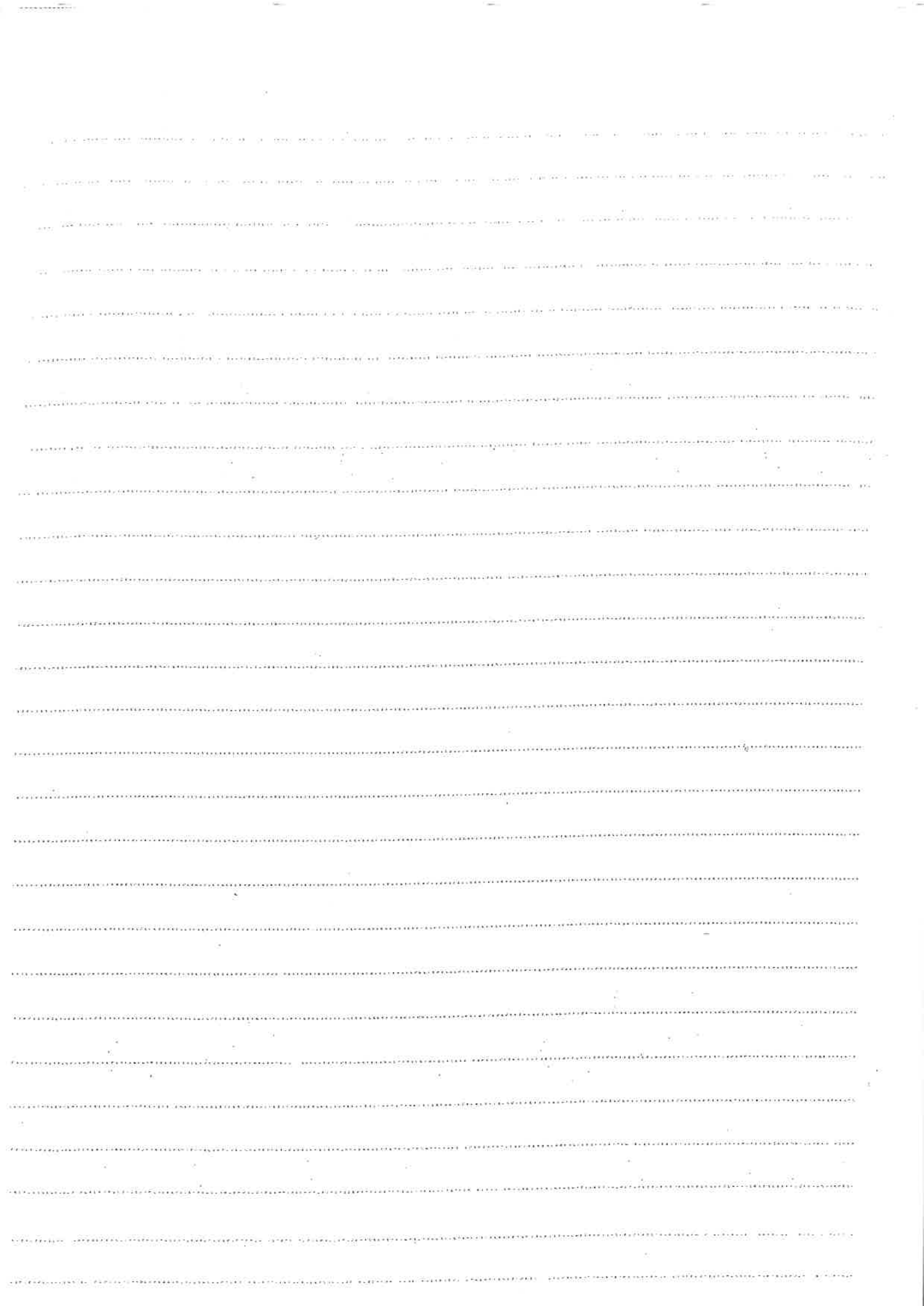
* Net purchases = gross purchases - purchases return - purchases discount

* ~~gross~~

* Cost of goods sold = ~~net sales~~ = beginning inventory + net purchases - ending inventory

* gross profit = Net sales - Cost of goods sold

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chapter 6

* English Accounting *

* any payments made on improving or extending assets and make increasing assets book /: **Capital expenditure**

* The benefit from such expenditure lasts for more than one year called /: **Capital expenditure**.

* is charged and written off to target account or profit and loss account at the end of the financial year /: **Revenue expenditure**.

* Administrative expenses, Discount, general expenses Salaries, Commission, interest, wages & salaries of /: **Revenues expenditures**

* incurred for acquisition of an assets (fixed assets) in the business for the purpose of earning profit called /: **Capital expenditure**

* any expenditure incurred in connection with bring old assets for its working condition /: **Capital expenditure**



علاء حبيب الله

الخبرات المحاسبية والتدريب

AH For Accounting & Training Services

* any expenditure incurred for the benefit of continuing nature /: **Capital expenditure**

* expenses connection day to day running

* which bring benefit which expire within period of one year.

* expenses for maintaining fixed assets working

* expenses for merchandise which is meant resale called /: **Revenue expenditure**

* Regularly spent to run the business /: **Revenues expenditure**

* The benefit from revenues expenses last for only one year /: **Revenues expenditure**



علاء حبيب الله
للخدمات المحاسبية والتدريب
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*- Examples /:

Kind out from the following information which items should be charged to capital and which to revenue /:

- 1- 500 JD spent dismantling, Removing, and installation ^{نقل} for fixed assets to new site /: ()
- 2- 500 JD paid for wages to remove materials to new site /: ()
- 3- Old machine whose book value was 3000 JD was found to be obsolete ^{قديمة} and sold for 2400, new machine was installed in its place at cost 4800 /: ()
- 4- 500 JD paid for repairs Assets /: ()

Chapter 7

* English Accounting *

* type of bank account is useful for business people they can deposit as a number of times as well as they can withdraw normally called /: **Current A/C**.

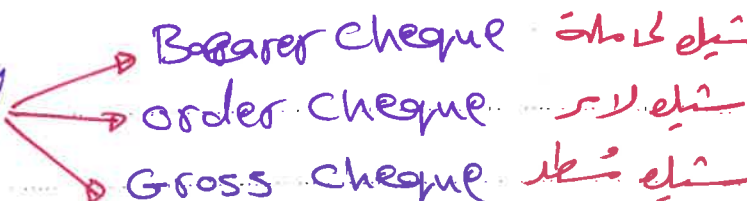
* type of bank accounts can you deposit any number of cash but you can't withdraw over than twice or three a week /: **Saved A/C**

* type of bank account is not running accounting and invested for specific period, high rate interest, and the money deposit can't withdraw /: **Fixed Deposit A/C**

* The account holder cheque who issues the cheque know or called /: **drawer** (أشرك)

* The person to whom amounts of ~~only to himself~~ payable called /: **payee** (مستفيد)

* The bank of ~~bank~~ whom to cheque is drawn called /: **drawee** (مصرف)

* Cheque is classified 
 Bearer cheque
 order cheque
 Gross cheque

* The person who possess it, the bank makes immediate cash payment to who hold cheque /: Bearer cheque

* Cheques types is more dangerous because in case it is lost the possessor /: Bearer cheque.

* Type of cheque bank makes the payment to the person whose name appears on cheque /: Order cheque

* Type of cheque have lines on face of cheque at the hand ~~end~~ of top corner called /: gross cheque

* When the bank refused to make payment on the cheque the cheque called /: Dishonour cheque.

* When holder (owner) cheque signs on the back of cheque with view to transfer the ownership called /: Endorsment cheque.

* Parties of bill of exchange : — اطراف صیغه، اس

— Drawer — payee or beneficiary

— Drawee مستفيد، — Endorser

— Endorsee مستفيد

* person who draws the bill of exchange, he is the one who ought to receive money on the bill /; Drawer (الصادر)

* person who is liable to pay amount of bill /; Drawee

* is the holder in due course who finally receives the bill amount /; Payee (المستفيد)

* a person who transfers the title of the bill from his own name to other creditor /; Endorser (المستفيد)

* a person whose favour the title of the bill is transferred. He becomes the ultimate payee of the bill /; Endorsee

* - it is a date on which the bill ^{becomes} due for
Payment Call /: **Maturity date**.

* - when the drawer or acceptor of the bill Refuse
to make payment Called /: **Dishonour of a bill**.

Chapter 9

* English Accounting *

* it is list of debit and credit balance, and prepared after ledger, it provides a ^{مختصر} condensed picture of each account /: **Trail balance.**

* closing balances of ledger accounts showed in /: **Trail balance.**

* it is basis for preparing profit or loss account and Balance sheet /: **Trail balance.**

* helps to detection of errors at an early stage /: **Trail**

Errors disclosed

→ ~~errors~~ agreement of trail balance. ^{اظهار الاتفاق}

* Errors:

→ errors ^{اظهار} ~~not~~ disclosed by the trail balance. ^{بالتوازن}

Errors relating to agreement of trail balance: ^{not disclosed}

1. Complete omission ^{عدم تسجيل ما في الحقة}

2. errors of omission ^{اظهار النقص}

3. Recording of wrong amount on both side ^{اظهار التناقض}

4. Posting to wrong heads of accounts ^{اظهار التباس}

5. Compensating errors ^{اظهار التعويض}

* Supposing: goods worth 570 JD are purchased from Omer trading company, but the Journal book as well as the ledger was written as 750 JD.

This error called /: **Recording of wrong amounts.**

* when one mistake nullifies the wrong effect of ~~the~~ ^{القيد} another called /: **Compensating errors.**

** **Errors disclosed by trail balance :-** ^{البيان} ^{الخطأ}

- 1- Partial omission ^{إغفال جزئي}
- 2- Posting of the wrong amount
- 3- " " " " " " " " side of account
- 4- wrong totaling or balancing

* **General classification:**

- 1- errors of ~~data~~ duplication
- 2- errors of Principle

Errors disclosed by Trail balance

1. wrong totaling
2. Omission to post an amount
3. omission of transfer a balance.
4. Posting of wrong amount
5. wrong balancing of ledger
6. Posting on the wrong side
7. transferring a balance to the wrong side of trail balance.

Errors not disclosed by Trail balance

1. errors of principle
2. errors of omission
3. errors of commission
4. compensating errors
5. errors of posting to a wrong account but on the correct side.

↳ Net Sales = Total Sales - sales return - sales discount

↳ Net purchases = Total purchases - purchases return - purchases disc.

~~↳ Cost of goods sold = Net sales~~
~~beginning Inventory (—)~~
~~Net purchases (—)~~
~~ending Inventory —~~

↳ Cost of goods sold =
beginning Inventory + Net purchases - ending inventory

↳ Gross Profit = Net sales - Cost of goods sold.

* The process of transferring the entries from the journal to ledger called /: **posting**

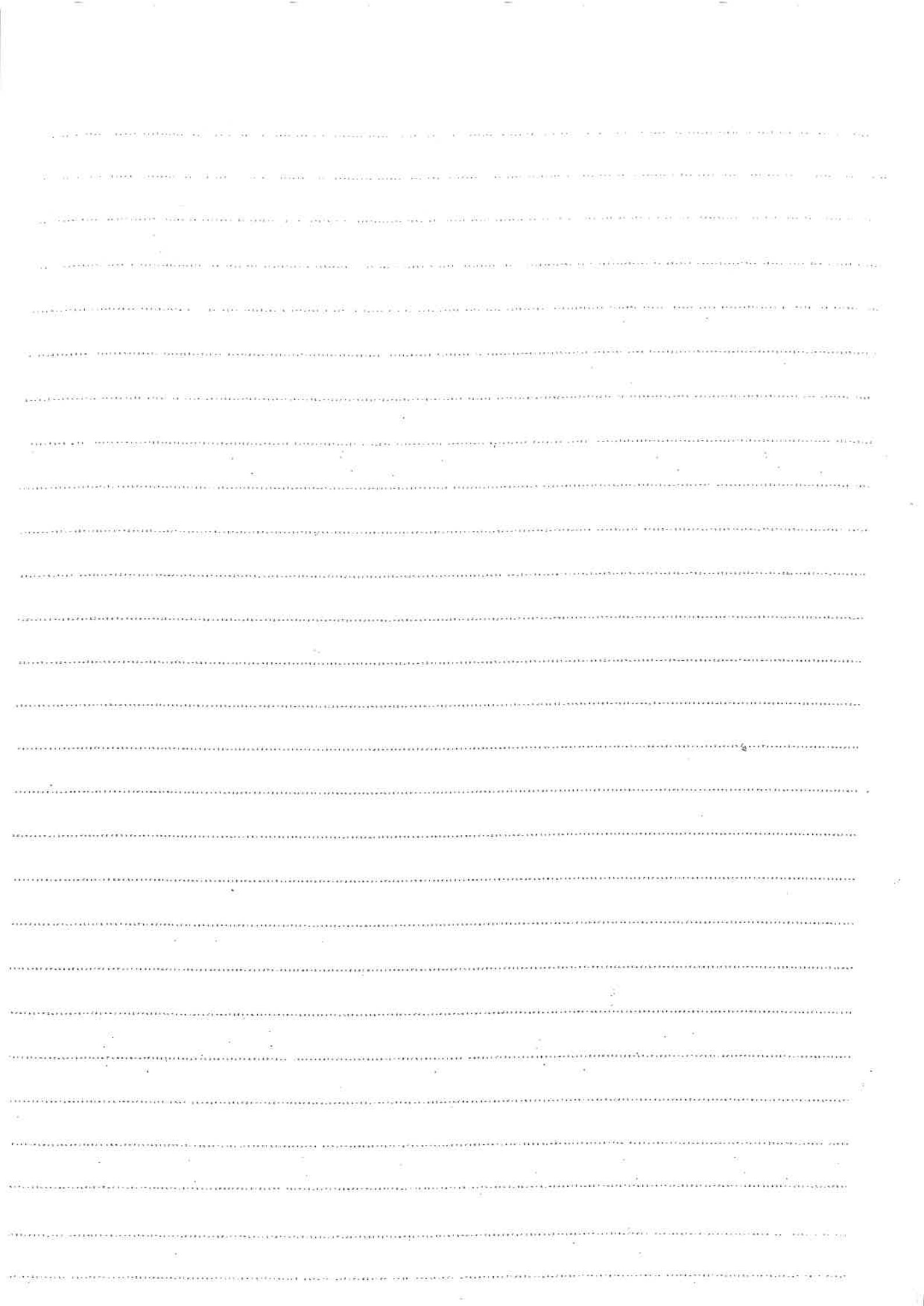
* the financial statement that reported liabilities and owner's equity called /: **Balance sheet**

* prepaid expenses appears on the end of the year in /: **Balance sheet (Assets)**

* outstanding expenses appear /: **Balance sheet (liabilities)**

* bill of exchange is /: **Commercial Paper**.

* if the net sales 50000 and the Gross profit is 20000, what is the cost of goods sold.



1) The assets held by an enterprise for company for use in the production of goods and services called:

- a) Owners Equity b) Fixed assets c) Liabilities d) current assets

2) The assets aren't intended for sale in the ordinary course of business called:

- a) Fixed assets b) Owners Equity c) Current assets d) Liabilities

3) The assets aren't depends on the purpose for which it held called:

- a) Owners Equity b) tangible assets c) current assets d) None of the above

4) The assets aren't depends on the purpose for which it held called:

- a) Tangible assets b) current assets c) liabilities d) Fixed assets

5) The assets that are referred to as long-lived assets called :

- a) Fixed assets b) Current assets c) Liabilities d) Owners Equity

6) The assets that are divided to tangible and intangible assets is :

- a) Currebt assets b) Fixed assets c) tangible assets d) Intangible assets

7) The assets that are referred to as Long-lived assets called :

- a) Current assets b) Owners Equity c) Intangible assets d) None of the above

8) The assets are defined cash and other assets are expected to be converted into cash called:

- a) Fixed assets b) Current assets c) Tangible assets d) Owners Equity

9) The items that are expected to be realized within one year called:

- a) Current assets b) Owners Equity c) Fixed assets d) Tangible assets

10) The assets are defined cash and other assets to be consumed in the production of goods or rendering of services:

- a) Fixed assets b) Current assets c) Liabilities d) None of the above

11) The items that are expected to be realized within normal operation cycle called:

- a) Tangible assets b) Fixed assets c) Intangible assets d) Current assets

12) Cash consists of:

- a) Cash b) Cheques c) Money order d) All of the above

13) Are held for sale in the ordinary course of business:

- a) Cash b) Marketable securities c) receivables d) None of the above

14) Represent temporary investments made to secure a return on funds called:

- ☒ a) Marketable securities b) Cash c) Inventories d) Receivables

15) Are held for sale in the ordinary course of business :

- ☒ a) Receivables ☒ b) Inventories c) Cash d) Marketable securities

16) Represent temporary investments made to secure a return on funds called:

- a) Cash b) Inventories c) Receivables ☒ d) None of the above

17) Real cash amount is less than the cash balance in the books called:

- ☒ a) Cash shortage b) Cash overage c) Debit d) Credit

18) Real cash amount is more than cash balance in the books called:

- a) Credit b) Cash shortage ☒ c) Cash overage d) Debit

19) Cash shortage by natural:

- a) Credit b) Cash overage c) Cash shortage ☒ d) Debit

20) Cash overage by natural:

- ☒ a) Credit b) Debit c) Cash overage d) Cash shortage

21) Is a percentage reduction granted to a customer from the specified list price called:

- a) Cash discount ☒ b) Trade discount c) Sales discount d) Sales return

22)..... Aren't recorded in account by either buyer or seller

- ☒ a) Trade discount b) Sales discount c) Sales return d) Cash discount

23) A contra sale account called:

- a) Trade discount b) Sales discount c) Cash discount ☒ d) None of the above

24) Allowances account is:

- ☒ a) Cash discount b) Debited ☒ c) Sales discount d) Trade discount

25) A contra sale account called:

- ☒ a) Sales discount b) Trade discount ☒ c) Sales return d) Cash discount

26) given for or to customers including him to purchase more and more goods:

- ☒ a) Cash discount b) Sales discount c) trade discount ☒ d) None of the above

27) given for or to customers including him to purchase more and more goods:

- ☒ a) Quantity discount b) Sales return c) Cash discount d) Trade discount

28) Jordan company sold goods in credit the journal entry is :

- ☒ a) Cash to goods b) Goods to cash c) Goods to credit ☒ d) Debit to sales

29) Jordan company sold goods cash the journal entry is:

- ☒ a) Sales to cash ☒ b) Cash to sales ☒ c) Cash to goods d) Goods to cash

30) Jamal starts his business by 5000 cash and 10000 buildings and 20000 land .The debt is :

- a) Cash b) Building c) Land ☒ d) All of the above

31) On 1/9/2010 Jordan company purchased goods cash. The Journal entry is:

- | | |
|------------------------|----------------------------|
| a) Cash xx to purchase | b) Goods xx to purchase xx |
| c) Goods xx to cash xx | d) Purchase xx to cash xx |

32) On 7/8/2010 Jordan company pay for rent 7000 cash. The journal entry is:

- | | |
|---------------------------|---------------------------|
| a) 7000 rent to 7000 cash | b) 7000 cash to 7000 rent |
| c) 7000 cash to 7000 pay | d) None of the above |

33) Jamal starts his business by 20000 cash the journal entry is:

- | | |
|--------------------------|----------------------------|
| a) 20000 cash to capital | b) 20000 capital to equity |
| c) 20000 capital to cash | d) 20000 Assets to capital |

34) Jamal starts his business by 5000 cash and 10000 buildings and 20000 Land. The credit is:

- | | | | |
|---------|-------------|---------|----------------------------|
| a) Cash | b) Building | c) Land | <u>d) All of the above</u> |
|---------|-------------|---------|----------------------------|

35) Jordan company sold land 50000 cash and 20000 on credit. The journal is:

- | | |
|----------------------|--------------------|
| A- 70000 land | b- 70000 land |
| To 50000 cash | to 20000 cash |
| 20000 creditors | 50000 debtors |
| <u>c- 50000 cash</u> | d- 50000 cash |
| <u>20000 debtors</u> | 70000 land |
| <u>To 70000 land</u> | to 20000 creditors |

36) Jordan company purchases land 50000 cash and 20000 on credit. The journal is

A- 70000 land

To 50000 cash

20000 creditors

b- 70000 land

to 20000 cash

50000 debtors

c- 50000 cash

20000 debtors

To 70000 land

d- none of the above

37) Jordan company purchases Land 50000 cash and 20000 on credit the journal is:

A- 70000 land

To 50000 cash

20000 creditors

b- 70000 land

to 20000 cash

50000 debtors

c- 50000 cash

20000 debtors

To 70000 land

d- 50000 cash

70000 land

to 20000 creditors

38) On 1/9/2010 Jordan company purchased goods cash .The effect of journal entry is:

a) decrease Assets and liabilities

b) increase and decrease assets

c) increase owner equity and assets

d) decrease owner equity and increase assets

39) On 7/8/2010 Jordan company pay for rent 7000 cash. The effect of journal entry is:

a) decrease Assets and liabilities

b) Decrease assets

c) Increase owner equity and assets

d) Decrease owner equity and increase assets

40) Jamal starts his business by 20000 cash. The effect of Journal entry is:

- | | |
|--|--|
| a) Decrease assets and liabilities | b) increase and decrease assets |
| <u>c) increase owner equity and assets</u> | d) decrease owner equity and increase assets |

41) Jordan company sold goods in credit. The effect of journal entry is:

- | | |
|--|--|
| a) Decrease assets and liabilities | b) increase and decrease assets |
| <u>c) increase owner equity and assets</u> | d) decrease owner equity and increase assets |

42) Jordan company sold goods cash. The effect of journal entry is:

- | | |
|------------------------------------|--|
| a- Decrease assets and liabilities | <u>b) increase owner equity and assets</u> |
| c) increase and decrease assets | d) decrease owner equity and increase assets |

43) The type of account that is useful for business people as they can deposit or withdraw cash in number of time called:

- | | |
|-------------------|----------------------|
| a) Fixed deposit | b) Current account |
| c) Saving account | d) None of the above |

44) The type of account isn't useful for business people called:

- | | |
|--------------------|------------------|
| a) Saving account | b) Fixed deposit |
| c) Current account | d) Real account |

45) The type of account is useful for business people as they can deposit or withdraw cash in number of times

- | | |
|-------------------|----------------------|
| a) Saving account | b) fixed deposit |
| c) Real account | d) None of the above |

46) Many times bank even gives over draft facilities on:

- | | |
|---------------------------|--------------------------|
| a) Current account | b) Fixed deposit |
| c) Real account | d) Saving account |

47) No interest is paid on the balance account:

- | | |
|-------------------------|---------------------------|
| a) Real account | b) Saving account |
| c) Fixed deposit | d) Current account |

48) Many times bank even gives overdraft facilities on:

- | | |
|--------------------------|-----------------------------|
| a) Fixed deposit | b) Real account |
| c) Saving account | d) None of the above |

49) The type of account that put some restrictions on the withdraw of cash from the bank called:

- | | |
|---------------------------|-------------------------|
| a) Saving account | b) Real account |
| c) current account | d) Fixed account |

50) No interest is paid on the balance account:

- | | |
|--------------------------|-----------------------------|
| a) Real account | b) Fixed deposit |
| c) Saving account | d) None of the above |

51) The type of account isn't useful for business people called:

- | | |
|---------------------------|-----------------------------|
| a) Current account | b) Fixed account |
| c) Real account | d) None of the above |

52) The account which can deposit any time but withdraw the cash only twice or third a week:

- | | |
|--------------------------|---------------------------|
| a) Saving account | b) Current account |
| c) Real account | d) Fixed deposit |

53) The type of account that are to deposit increase saving and to inculcate the habit of saving in the people :

- | | |
|---------------------------|--------------------------|
| a) Real account | b) Saving account |
| c) Current account | d) Fixed account |

54) The type of account isn't running account called:

- | | |
|---------------------------|--------------------------|
| a) Current account | b) Fixed deposit |
| c) Real account | d) Saving account |

55) The type of account in which amount is invested for a specific period of time:

- | | |
|--------------------------|-----------------------------|
| a) Saving account | b) Current account |
| c) Real account | d) None of the above |

56) The type of account money once deposit cannot be drawn unless predetermined period is over called:

- | | |
|---------------------------|--------------------------|
| a) Current account | b) Fixed deposit |
| c) Real account | d) Saving account |

57) The type of account isn't running account called:

- | | |
|--------------------------|-----------------------------|
| a) Saving account | b) Current account |
| c) Real account | d) None of the above |

58) The type of account in which amount is invested for a specific period of time:

- | | |
|--------------------------|---------------------------|
| a) Fixed deposit | b) Current account |
| c) Saving account | d) Real account |

59) The type of account money once deposited can't be drawn unless predetermined period is overcalled:

- | | |
|--------------------------|-----------------------------|
| a) Saving account | b) Current account |
| c) Real account | d) None of the above |

60) The type of cheque is useful for that account holder who need immediate cash called:

- | | |
|------------------------|---------------------------|
| a) Order cheque | b) Bearer cheque |
| c) Gross cheque | d) Dishonor cheque |

61) The cheque on which two parallel transfers called:

- | | |
|---------------------------|-----------------------------|
| a) Bearer cheque | b) Order cheque |
| c) Dishonor cheque | d) None of the above |

62) The type of cheque bank makes the payment to the person whose name appears on the cheque called:

- | | |
|------------------------|-------------------------|
| a) Order cheque | b) Bearer cheque |
| c) Gross cheque | d) Dishonor |

63) The type of cheque is useful for that account holder who need immediate cash called:

- | | |
|---------------------------|-----------------------------|
| a) Order cheque | b) Gross cheque |
| c) Dishonor cheque | d) None of the above |

64) The cheque on which two parallel transfers called:

- | | |
|---------------------------|-------------------------|
| a) Gross cheque | b) Bearer cheque |
| c) Dishonor cheque | d) Order cheque |

65) Lines are drawn on the face of the cheque at the hand top corner:

- | | |
|------------------------|---------------------------|
| a) Order cheque | b) Bearer cheque |
| c) Gross cheque | d) Dishonor cheque |

66) The cheque type is more safe than other types called:

- | | |
|---------------------------|-------------------------|
| a) Gross cheque | b) Bearer cheque |
| c) Dishonor cheque | d) Order cheque |

67) The cheque is as good as cash:

- | | |
|------------------------|-----------------------------|
| a) Order cheque | b) Dishonor cheque |
| c) Gross cheque | d) None of the above |

68) The type of cheque is useful for that account holder who need immediate cash called:

- | | |
|---------------------------|-----------------------------|
| a) Bearer cheque | b) Gross cheque |
| c) Dishonor cheque | d) None of the above |

69) The type of cheque is more dangerous because in case its lost, the possessor can obtain the cash from the bank:

- | | |
|------------------------|---------------------------|
| a) Order cheque | b) Bearer cheque |
| c) Gross cheque | d) Dishonor cheque |

70) Lines are drawn on the face of the cheque at the hand top corner:

- | | |
|-------------------------|---------------------------|
| a) Order cheque | b) Dishonor cheque |
| c) Bearer cheque | d) Gross cheque |

71) When the bank refuse to make the payment on the cheque said:

- | | |
|-------------------------|-----------------------------|
| a) Gross cheque | b) Order cheque |
| c) Bearer cheque | d) None of the above |

72)) The type of cheque is more dangerous because in case its lost, the possessor can obtain the cash from the bank:

- | | |
|------------------------|-----------------------------|
| a) Order cheque | b) Dishonor cheque |
| c) Gross cheque | d) None of the above |

73) When the bank refuse to make the payment on the cheque said:

- | | |
|-------------------------|---------------------------|
| a) Order cheque | b) Dishonor cheque |
| c) Bearer cheque | d) Gross cheque |

74) The type of cheque bank makes the payment to the person whose name appears on the cheque called:

- | | |
|-------------------------|-----------------------------|
| a) Bearer cheque | b) Dishonor cheque |
| c) Gross cheque | d) None of the above |

75) Who is a debtor ,owes money to the drawer and he is a person on whom the bill is drawn:

- | | | | |
|------------------|-----------------|--------------------|------------------|
| a) Drawee | b) Payee | c) Endorsee | d) Drawer |
|------------------|-----------------|--------------------|------------------|

76) The person who is liable to pay the amount of the bill:

- a) Drawer
- b) Payee
- c) Endorser
- d) None of the above

77) The person who draws the bill of exchange:

- a) Payee
- b) Endorsee
- c) Drawer
- d) Drawee

78) The person who favors the title of the bill transferred becomes the unlimited payee of the bill:

- a) Payee
- b) Drawee
- c) Endorser
- d) None of the above

79) Is the holder in due course who finally receives the bill amount on the expiry of its period:

- a) Drawee
- b) Payee
- c) Endorser
- d) Endorsee

80)) Who is a debtor, owes money to the drawer and he is a person on whom the bill is drawn:

- a) Endorsee
- b) Drawee
- c) Payee
- d) None of the above

81) The person who is liable to pay the amount of the bill:

- a) Drawee
- b) Payee
- c) Drawer
- d) Endorsee

82) The person who draws the bill of exchange:

- a) Drawee
- b) Endorser
- c) Payee
- d) None of the above

83) Is the holder in due course who finally receives the bill amount on the expiry of its period:

- a) Drawee b) Endorser c) Drawer d) None of the above**

84) The person who favors the title of the bill transferred becomes the unlimited payee of the bill:

- a) Endorser b) Endorsee c) Payee d) Drawer**

85) The person who transfers the title of the bill from his own name to another creditor to whom he owes the same amount.

- a) Endorser b) Endorsee c) Payee d) Drawee**

86) A decline in value of assets called:

- a) Depreciation b) Depletion c) Revaluation d) None of the above**

87) Is one where the benefit from such expenditure lasts for more than one year called:

- a) Revenue expenditure b) Capital expenditure**
c) Outstanding expenses d) Prepaid expenses

88) The purpose of acquiring such as assets is not to sell but use in the business called:

- a) Prepaid expenses b) Revenue expenditure**
c) Outstanding expenses d) Capital expenditure

89) Is incurred to acquire the assets for the business called:

- a) Outstanding expenses b) Revenue expenditure**
c) Prepaid expenses d) None of the above

90)The depreciation expenses example for:

- | | |
|-------------------------------|------------------------------|
| a) Prepaid expenses | b)Capital expeditions |
| c) Revenue expeditions | d) All of the above |

91) Any further payments made on improving or extending assets called:

- | | |
|--------------------------------|------------------------------|
| a) Outstanding expenses | b)Revenue expenditure |
| c) Prepaid expenses | d) None of the above |

92) Is charged and written off to trading account or profit and loss account at the end of the financial year called:

- | | |
|--------------------------------|-------------------------------|
| a) Prepaid expenses | b) Revenue expenditure |
| c) Outstanding expenses | d) Capital expenditure |

93)The depreciation expenses example for:

- | | |
|--------------------------------|------------------------------|
| a) Outstanding expenses | b)Revenue expenditure |
| c) Prepaid expenses | d) None of the above |

94) Any further payments made on improving or extending assets called:

- | | |
|-------------------------------|----------------------------------|
| a) Prepaid expenses | b)Capital expenditure |
| c) Revenue expeditions | d) Outstanding expedition |

95) Is charged and written off to trading account or profit and loss account at the end of the financial year called:

- | | |
|--------------------------------|------------------------------|
| a) Outstanding expenses | b)Capital expenditure |
| c) Prepaid expenses | d) None of the above |

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- | | |
|--------------------------------|------------------------------|
| a) Outstanding expenses | b)Revenue expenditure |
| c) Prepaid expenses | d) None of the above |

97) Is one where the benefit from such expenditure lasts for more than one year called:

- | | |
|--------------------------------|------------------------------|
| a) Outstanding expenses | b)Revenue expenditure |
| c) Prepaid expenses | d) None of the above |

98) Is incurred to acquire the assets for the business called:

- | | |
|--------------------------------|-------------------------------|
| a) Revenue expenditure | b) Capital expenditure |
| c) Outstanding expenses | d) Prepaid expenses |

99) Expenses are incurred mainly to increase the earning capacity or reduce the cost and will be treated as:

- | | |
|--------------------------------|-------------------------------|
| a) Outstanding expenses | b) Prepaid expenses |
| c)Capital expenditure | d) Revenue expenditure |

100) Expenses are incurred mainly to increase the earning capacity or reduce the cost and will be treated as:

- | | |
|--------------------------------|-----------------------------|
| a) Outstanding expenses | b) Prepaid expenses |
| c)revenue expenditure | d) None of the above |

101) Are examples on revenue expenditure:

- | | |
|-----------------|----------------------------|
| a) Rent | b) Commission |
| c) Wages | d) All of the above |



Zarqa National College
Financed Accounting In English
2013/2014 First Exam

Student name _____ **Date:** 28/11/2013

Write in the table the letter indicating the most appropriate answer:-

Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Answer	A	B	C	C	C	B	A	B	A	B	A	A	B	C

- ✓ 1- Cash account is debit by:-
 a- Amount collected cash b- Amount paid cash
 c- Credit sales d- All of above
- ✓ 2- If firm sold a machine ON CREDIT THE BALANCE EQUATION IS :-
 a- Asset's and liabilities increase
 b- Asset's increase
 c- Asset's increase and decrease
 d- Owner's equity increase and liabilities decrease
- 3- one of the following represents OUT side party that interest in accounting reporting EXPECT :-
 a- Creditors b- Debtors c- Taxation authorities d- Management
- ✓ 4- purchased goods on credit the journal entry is :
 a- debtitors b - purchases c - purchases d- no entry
 to : purchases to : cash to : creditors
- ✓ 5 - Revenue A/C is an example of.....Accounts:-
 a- Real b- Personal c- Nominal d- All of above
- ✓ 6- FURNITURE A/C is Account:-
 a- An expense b- An Assets c- A liability d- A revenue
- ✓ 7- When land is purchased on credit the debit Accounts is:-
 a- Land b- Cash c- Account Receivable d- Account payable
- ✓ 8- Jan.1 company sold office stationary JD 700 cash, the debit Account is:-
 a- Office stationary JD 700 b- Cash JD 700
 c- Increase Asset JD 700 d- We can't determine
- ✓ 9- is accounting concept :
 a- period b- materiality c - consistency d - All of above
- ✓ 10- The assumption that the enterprise will have an indefinite life is :-
 a- money measurement b- going concern c- periodicity d- accounting entity
- ✓ 11- one of the following accounts have credit normal balance :
 a- expenses b- Losses c- drawing d- Gains
- ✓ 12- credit Account's:-
 a- Increase Asset's and liabilities. b- Decrease Asset's and decreases liabilities
 c- Increase Asset's decreases liabilities d- Decrease Asset's and increase liabilities.

✓ 13- If the total of debit the total of credit X account, the balance is debit:-

- a- Less than b- More than c- Equal d- We can't determine

✓ 14- if the owner equity worth JD 12000 , liabilities worth JD 8000 , the assets is :

- a- 12000 b- 8000 c- 20000 d- another answer ()

* analyze the following transactions

1- record them in the journal

10- JAN -1 ROBERT began his business with JD 1500 Building and JD 8000 cash! Record the entry:-

1- Debit A/C... Cash + Building

Building ~~5000~~ 1500
Cash 8000

15 Jan

2- Credit A/C... Capital

To Capital 9500

Robert start his business by cash and Building.

11- JAN - 2 purchased a land on credit from AHMAD for JD, 25000 record the entry.

6 Jan

1- Debit A/C... Land

Land 25000 JD

2- Credit A/C... Creditors

To Creditors 25000 (Ahmad)

Purchased land on credit from Ahmad.

14- JAN - 5 sold goods for cash JDS 2000. Record the entry.

1- Debit A/C... Cash

Cash 2000

2- Credit A/C... Sales

To sales 2000

7 Jan

Sold goods Cash

15- JAN - 8 withdrew cash JD900 for personal use:

Record the entry.

8 Jan

1- Debit A/C... Drawing

Drawing 900

2- Cash

To Cash 900

3- Credit A/C... Cash

Withdrew for personal use

16- JAN 12 JD 6000 PAID TO AHMAD JD 15000 :-

Creditors (Ahmad) ~~15000~~ 6000

20 - SOLD land JD 10000 cash :

To Cash ~~15000~~ 6000
Paid for creditor Ahmad ~~15000~~ 6000

Cash 10000

To Land 10000

Sold land Cash

GOOD LUCK

Firas shatanawi

