UNITY UNIVERSITY

FACULTY OF DISTANC EDUCATION

DEPARTMENT OF ACCOUNTING AND FINANCE

Principles of Accounting II

33

WORKSHEET

Name: _____

ID No._____

Center: _____ Semester _____ Academic Year _____

This is a worksheet paper you are expected to do on your own. It carries 25 points. The paper should be completed and mailed to the Faculty of Distance Education. Do not try to complete the worksheet until you have covered all the lessons and exercises in the course material.

Any questions in the course that you have not been able to understand should be stated on a separate sheet of paper and attached to this worksheet then your tutor will clarify them for you.

After completing this paper, be certain to write your Name, Id No and Address on the first page and the answer sheet.

Part One: write true if the statement is correct and false if the stamen is incorrect?

1. One of the disadvantages of corporation is imposed for double taxation?
2. a partnership is relatively easy and inexpensive to organize, requiring only an agreement between two or more persons
3. Liquidation is refers to the process of a wind-up of a business firm.
4. When a new partner is admitted to a partnership, goodwill attributable either to the old partnership or to the incoming partner may be recognized
5. Par value is an arbitrary amount stated on the face of the stock certificate and represents the legal capital of the corporation.

Part Two: Choose the correct answer from the given alternatives

6. Which one of the following is the characteristics of property plant and equipment (plant asset)
   A. They have a physical substance (a definite size and shape),
   B. They are used in the operations of a business, and
   C. They are not intended for sale to customers.
   D. All
   E. None
7. Depreciation is a process of:
   A. Valuation.
   B. Cost allocation.
   C. Cash accumulation.
   D. Appraisal
8. Which of the following the factors affect the computations depreciation of plant asset?
   A. Cost. C. Salvage value
   B. Useful life D. All E. None
9. Micah Bartlett Company purchased equipment on January 1, 2009; at a total invoice cost of $400,000.The equipment has an estimated salvage value of $10,000 and an estimated useful life of 5 years. The amount of accumulated depreciation at December 31, 2010, if the straight-line method of depreciation is used, is:
   A. $80,000.
   B. $160,000.
   C. $78,000.

D. $156,000.

10. Which of the following is a limited liability?
    A. Sol- proprietorship
    B. Partnership
    C. Corporation
    D. All

Part Three: Work out

1. Suppose Synergy Company has accepted a Br.20, 000, 60 day, non – interest bearing not dated Oct. 18 in settlement of open account. Assuming that the cash is collected in the due date. Record the acceptance of Notes receivable and collection of cash.
2. Assume that SlOMAT Electro companies purchase Samsung smart phone different dates at costs of Br7000, Br 7500, and Br8000. During the year SOMAT sold the first two smartphone at Br 12,000 each.

Purchases

February 3	1 smartphone	at Br.7000
March 5	1 smartphone	at Br 7500
May 22	1 smartphone	at Br 8000

Sales

June 1	2 smartphone for	Br 2,400 ($1,200 X 2)

Required:

A. Determined the ending inventory unit and ending inventory cost?
B. determined the cost of goods sold
C. determined the gross profit /net income

3. dear student look the following data here in below

Sony Company

Date	**Explanation**	**Units**	**Unit Cost**
Total Cost			
Jan. 1	Beginning inventory	1000	Br 10
Br10, 000			
Apr. 15	Purchase	2000	Br 11
Br 22,000			
Aug. 24	Purchase	3000	Br 12
Br 36,000			
Nov. 27	Purchase	4000	Br 13
Br 52,000			
Total			**10,000**
Br 120, 000			

A physical inventory at the end of the year determined that during the year Sony sold 5500 units and had 4500 units in inventory at December 31.

Required

a. Determined the ending inventory cost and cost of goods sold by using FIFO method?
b. Determined the ending inventory cost and cost of goods sold by using LIFO method?
c. Determined the ending inventory cost and cost of goods sold by using weighted average method?

4. Assume Solome Company purchases factory machinery at a cash price of Br.50, 000. Related expenditures are for sales taxesBr3,000, insurance during shipping Br500, and installation and testing Br1,000.compute the cost of factory?

5. Assume that the articles of partnership of Alemu and wondmu provide for monthly salary allowances of Birr 20,000 and Birr 15,000 respectively, with the balances of the net income to be divided equally, and that the net income for the year is Birr 100,000.Required distribute the net income to Alemu and wondmuand pass the necessary journal entry

Answer Sheet

Part I: True or False

1. _____
2. _____
3. _____
4. _____
5. _____

Part II: Multiple Choices

1. _____ 6. _____
2. _____ 7. _____
3. _____ 8. _____
4. _____ 9. _____
5. _____ 10. _____