

St. Mary's University
College of Open and Distance Learning
Principles of Accounting I
Tutorial Questions

(2011-III)

Name: _____

ID. No: _____

Department: _____

Center: _____

Term: _____

Program: Deg ☐

Instructions:

- ◆ This is the only tutorial question of this course.
- ◆ This tutorial question is to be completed and submitted to the office of your center. Do not attempt the tutorial questions until you are certain that you have understood the units it covers and have revised your self-test exercises and learning activities, and other necessary references.
- ◆ If you have any question about the units and activities, state the item/s clearly on a separate sheet of paper and attach to your tutorial questions answer papers.
- ◆ **Due Date:** This tutorial question has to be submitted to the office of your center after the TUTORIAL PROGRAM within a week time. Please strictly follow the deadline indicated.

Part I Short Answer

Give short and precise answer to the following questions in the space provided. (1.pt. each)

1. Write down the main advantages/benefits of accounting.

2. What are the main uses of financial statement?

3. Write down the importance of source document?

4. Describe the two types of transaction.

5. List down namely the three forms of business organization.

Part II work out (1pts.each)

Work out the following question and show all necessary steps in the space provided

1. Assume that, the beginning and ending merchandise inventory are birr 6,000 and birr 4,800 respectively and the net purchase is birr 5,250.

Required:

a) Determine the cost of goods sold

b) Calculate the gross profit if the net sales of the merchandise company shows birr 18,420.

2. Suppose that, KK Engineering plc has birr 12,400 of Equity in the business and has birr 118,350 in total assets. How much does the business owe its creditors (the amount of liability)?

3. TG plc financial information are presented below for the year ended may 31,2018 as follows:-

Assets -----	birr 420,000
Cost and expenses -----	birr 420,000
Liabilities -----	237,600
Beginning Equity -----	birr 120,000
Ending Equity -----	182,400
Other changes -----	57,600
Revenues -----	birr 820,000
Withdrawal/dividend -----	280,000

Required:

a) prepare income statement of TG PLC

b) prepare statement of change in owner's equity