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**College of Administrative and Financial Sciences**

**Assignment 1**

**Deadline: 10/10/2020 @ 23:59**

|  |  |
| --- | --- |
| Course Name: Principles of Accounting | Student’s Name: |
| Course Code: ACCT101 | Student’s ID Number: |
| Semester: I | CRN: |
| Academic Year: 1441/1442 H | |

**For Instructor’s Use only**

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| --- | --- |
| Instructor’s Name: Khaled Almuaqel | |
| Students’ Grade: Marks Obtained/Out of 5 | Level of Marks: High/Middle/Low |

**Instructions – PLEASE READ THEM CAREFULLY**

* The Assignment must be submitted on Blackboard (**WORD format only**) via allocated folder.
* Assignments submitted through email will not be accepted.
* Students are advised to make their work clear and well presented, marks may be reduced for poor presentation. This includes filling your information on the cover page.
* Students must mention question number clearly in their answer.
* Late submission will NOT be accepted.
* Avoid plagiarism, the work should be in your own words, copying from students or other resources without proper referencing will result in ZERO marks. No exceptions.
* All answered must be typed using **Times New Roman (size 12, double-spaced)** font. No pictures containing text will be accepted and will be considered plagiarism).
* Submissions without this cover page will NOT be accepted.

**Assignment Question(s): (5 Marks)**

**Q1**- Provide an example of each title here and then record the journal entries **(2 Marks).**

Following is the first given answer.

1-Purchasing Equipment for cash

Given answer:

ABC company purchased equipment for SAR20,000 cash .

Equipment          20,000

        Cash     20,000

2-Issuing common stocks receiving cash.

3-Providing service receiving cash.

4-Purchasing supplies on credit.

5-Borrowing money from a bank.

6-Paying employees their salaries.

**Q2**- What is the accrual basis of accounting? When should revenue and expense be recognized in the accrual basis? Provide an example. **(1 Mark).**

**Q3**- On your own words, explain the purpose and the importance of the income statement, and prepare the income statement for ABC company based on the following information taken from the trial balance in 2019 **(2 Marks)**

|  |  |  |
| --- | --- | --- |
| Consulting revenue |  | SAR70,000 |
| Rental revenue |  | 30,000 |
| Supplies expense | 5,000 |  |
| Rent expense | 20,000 |  |
| Wages expense | 30,000 |  |