**Answer the following questions**

**Question One (30 marks):**

Tom and Jerry agreed to form a partnership on 1/1/2015 at LE 200,000 (Tom LE 100,000 and Jerry LE 100,000). They decided to transfer their individual firms to be a partnership by 1/3/2015. The Balance Sheets of their sole proprietorships are as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Tom</th>
<th>Jerry</th>
<th>Liabilities</th>
<th>Tom</th>
<th>Jerry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>20,000</td>
<td>17,500</td>
<td>Capital</td>
<td>85,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>22,500</td>
<td>7,500</td>
<td>Accounts Payable</td>
<td>22,500</td>
<td>22,500</td>
</tr>
<tr>
<td>Cars</td>
<td>25,000</td>
<td>15,000</td>
<td>Loans</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>10,000</td>
<td>2,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td>112,500</td>
<td>77,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>112,500</td>
<td>77,500</td>
<td><strong>Total</strong></td>
<td>112,500</td>
<td>77,500</td>
</tr>
</tbody>
</table>

Partners agreed to transfer all the above balances to the new partnership with the exception of accounts payable. They also agreed to pay or withdraw any difference between the presented net assets and the agreed shares.

**Required:**
1- Journal entries needed to record the above agreement.
2- The Balance Sheet of the new partnership on 1/3/2015.

**Question Two (35 marks):**

New Suez Channel is a partnership which consists of two partners (A LE.600,000 and B LE.400,000). They share profit & loss equally. Partnership agreement included the following conditions for distributing annual profits or losses in addition to some events occurred during the financial year ended on 31/12/2015:

1. Interest on capital at annual rate is 10%.
2. Partner A is the manager whose salary is LE.7,500 monthly. On the first of April 2015, partner A received a cash of LE.40,000 as a salary.
3. Partners' drawings in cash are: A LE.30,000 on 1/5/2012, while B LE.50,000 on 1/7/2012. The rate of interest on drawings is 10% annually.
4. Balances of partners' current accounts are: A LE.5,000 (debit), while B LE.10,000 (credit). The rate of interest on partners' current accounts is 2%.
5. On 1/7/2012, Partner A got a loan of LE.100,000 from the partnership at 10% annual interest.
6. There is a bonus to partner A equal to 10% of the net profit.
(7) The profit and expense items for the year then ended were as follows: Gross Profit L.E.650,000; Discount allowed L.E.10,000; Depreciation expenses L.E.50,000; Employees salaries L.E.75,000, Rent expenses L.E.15,000 and, Telephone expense L.E.5,000.

**Required:**
1- Prepare Profit & Loss Account and Profit & Loss Appropriation Account for the year ended December 31, 2015.
2- Partners' current account.

**Question Three (35 marks):**
A, B and C are partners in a partnership. They share profit and loss equally. On 30/6/2015, partners C decided to withdraw from the partnership. Accordingly, partners agreed to revaluate assets and liabilities of the partnership and to prepare accounts for the period from 1/1/2015 to 30/6/2015 (the retirement date). The following is the Balance Sheet of their partnership as on 30/6/2015.

<table>
<thead>
<tr>
<th>Assets</th>
<th>L.E.</th>
<th>Liabilities</th>
<th>L.E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>108,000</td>
<td>Capital A 240,000</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>120,000</td>
<td>B 210,000</td>
<td></td>
</tr>
<tr>
<td>Cars</td>
<td>120,000</td>
<td>C 180,000</td>
<td></td>
</tr>
<tr>
<td>Equipments</td>
<td>90,000</td>
<td>General reserve 90,000</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>93,000</td>
<td>Accounts Payable 126,000</td>
<td></td>
</tr>
<tr>
<td>- Provision for doubtful debts</td>
<td>6,300</td>
<td>Current Account B 21,000</td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>339,300</td>
<td>Current Account C 15,000</td>
<td></td>
</tr>
<tr>
<td>Current Account A</td>
<td>18,000</td>
<td></td>
<td>882,000</td>
</tr>
<tr>
<td>Current Account B</td>
<td>188,200</td>
<td></td>
<td>882,000</td>
</tr>
</tbody>
</table>

You have given the following information:
1- They agreed to revaluate some assets as follows: Buildings L.E.132,000, cars L.E.100,000, Equipments L.E.80,000, bad debts L.E.12,000, provision for doubtful debts 10%.
2- Books declared that rights of the retired partner are: his share in the profits from 1/1/2015 to 30/6/2015 is L.E.27,000, interest on capital is L.E.6,000, interest on drawings is L.E.2,000, and accrued salary is L.E.3,000.
3- Payment for the retired partner was made through three ways: 50% by a check from the partnership, 25% by a check from the other partners (their own money) and the remaining amount by a loan that will be paid during the next two years.

**Required**
(1) Prepare the Revaluation Profit & Loss Account, the Capital Account, and the Retired Partner's Account.
(2) Prepare the Balance Sheet after this agreement, 30/6/2015.

**Best Wishes**

Ali Abdulkarim Rawy

II
Question (1): 15 Points

(1.1) Briefly explain the meaning of each of the following:
(1) Qualitative variable, give examples. (2) Descriptive statistics.

(1.2) Suppose the following data are the ages of Internet users for a sample.
39 15 31 25 24 23 21 22 22 18
19 16 23 27 34 24 19 20 29 17

(1) Organize these data into a frequency distribution using 5 as a width for each class.
(2) Based upon the frequency distribution obtained in Part (1):
(a) Prepare a "Less than" cumulative frequency distribution.
(b) Find the percentage of Internet users with age of at least 32 years.

Question (2): 35 Points

(2.1) The following frequency table gives the distribution of bonus payments (in hundreds of L.E.) made to 100 employees in a company.

<table>
<thead>
<tr>
<th>Monthly Bonus (L.E. 00)</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
<th>70-80</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>12</td>
<td>20</td>
<td>36</td>
<td>20</td>
<td>12</td>
<td>100</td>
</tr>
</tbody>
</table>

(1) On the basis of inspection only (no calculations required), do you agree with the claim that the distribution of monthly bonus is positively skewed? Explain.
(2) Find the mean and standard deviation of monthly bonus.
(3) Find the bonus value so that 75% of employees have bonuses less than this value.
(4) Based on your results of Parts (1), (2), and (3), determine the bonus value so that 75% of employees have bonuses greater than this value.

(2.2) Consider the following frequency distribution:

<table>
<thead>
<tr>
<th>Score</th>
<th>Less than 10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of students</td>
<td>4</td>
<td>B</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

If: Mean = 19.6 and Variance = 68.64, determine the following:
(1) The value of B. (2) The lowest score.

Question (3): 50 Points

(3.1) The following table presents the salaries (in hundreds of L.E.) and years of experience for a sample of 8 workers.

<table>
<thead>
<tr>
<th>Worker No.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of Experience</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>48</td>
</tr>
<tr>
<td>Salary (L.E. 00)</td>
<td>20</td>
<td>6</td>
<td>15</td>
<td>18</td>
<td>22</td>
<td>19</td>
<td>16</td>
<td>12</td>
<td>128</td>
</tr>
</tbody>
</table>

CONTINUED =>
(1) For what reasons may standard deviation be inappropriate for comparing the dispersions of the two variables? Suggest better alternative measure.

(2) Compute the correlation coefficient \((r)\) between years of experience and salary. Describe what it tells you.

(3) Find the coefficient of determination and interpret its meaning.

(4) How would your answer of Part (2) be affected if the salary of each worker is multiplied by 2 and then subtracted from 40? Justify your answer.

(5) What percentage of variation in salary is explained by years of experience?

(6) How useful do you think the years of experience is as a predictor of salary? Justify your answer.

(7) Find the rank correlation coefficient \((r_s)\) between years of experience and salary.

(8) Compare between the values of \(r\) and \(r_s\). Comment.

(9) Find the predicted salary for each of the following:
   
   (a) The worker number 6. Comment.
   
   (b) A worker with experience of 3 years. Would you feel comfortable about this prediction? Justify your answer.

(10) Interpret the value of the regression coefficient obtained in Part (9).

(3.2) For the two variables \(x\) and \(y\), given:

   - The two variables have the same coefficient of variation.
   - \(\hat{y}_i = y_i\) for all values of \(i\).
   - The two variables are positively related.
   - \(\sigma_y = 2\sigma_x\)

(1) Compare between \(x\) and \(y\) in regard to:

   (a) Mean  (b) Variance  (c) Rank correlation coefficient

(2) Predict the value of \(y\) for \(x = 4\).

(3.3) Data on the social class and the number of children in a family were obtained as a part of national survey. The results from a sample of 200 families follow.

<table>
<thead>
<tr>
<th>Number of Children</th>
<th>Social Class</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Middle</td>
</tr>
<tr>
<td>1 or 2</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>More than 2</td>
<td>64</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>36</td>
</tr>
</tbody>
</table>

(1) To what extent you can say that the number of children in a family depends upon the social class of this family? Explain your result.

(2) Repeat Part (1) excluding the category of "middle" for the social class.

(3) Compare between your results in Part (1) and Part (2). Comment.

Good Luck and Happy New Year.....
AbuBakr ....
Answer 4 only of the questions inserted:

1—Tell in what way are bank deposits for an interval different from deposits to be returned on demand.

2—Trade business can be classified into three types, clarify them.

3—A broker is different from an ordinary agent. Describe his undertakings.

4—What are the main responsibilities of an auditor?

5—Companies can be divided into two types, explain.

6—What qualities need be existing in an advertisement?

7—Follow the main merits of goods for sale.

8—Describe the main features of a passengers carriage contract.
Answer the following Questions:

Notice: This Exam includes three questions on 2 pages.

Question One (30 marks):
The December bank statement sent by Misr Bank to Egypt Company shows a balance of cash on deposit at December 31, 2015, of L.E. 500,017. On December 31, Egypt’s ledger shows a bank balance of L.E. 426,283. The employee preparing the bank reconciliation has identified the following reconciling items:

1. A deposit of L.E. 41,090 made after banking hours on December 31 does not appear in the bank statement.
2. Checks issued in December amounted L.E. 71,775, have not yet been paid by the bank.
3. Two credit memoranda were included in the bank statement: (a) December 22, L.E. 50,000 proceeds from collection of a non-interest-bearing note receivable left with the bank’s collection department. (b) December 31, L.E. 2,474 interest earned on average account balance during December.
4. Three debit memoranda accompanied the bank statement: (a) December 22, L.E. 500 fee charged by bank for handling collection of note receivable. (b) December 30, L.E. 5,025 check from a customer deposited by Egypt Company charged back as NSF. (c) December 31, L.E. 1,200 service charge by bank for the month of December.
5. Check issued December 20, for paying telephone expense, in the amount of L.E. 8,500 but was erroneously recorded in the cash payment journal as L.E. 5,800.

Instructions a. Prepare the December 31 bank reconciliation for Egypt Company. b. Pass the necessary journal entries and post them to Cash (Bank) ledger account.

Question Two (40 marks):
Presented below is information related to Macro Company for 2015.

Sales for the year \[ \text{L.E.} \& 2,840,000 \]
Selling and administrative expenses \[ 640,000 \]
Loss on sale of investments \[ 90,000 \]
Interest revenue \[ 20,000 \]
Cost of goods sold 1,200,000
Loss on sale of equipment 90,000
Loss from earthquake -extraordinary item 136,000
Loss on the disposition of Textile Division 262,000
Income from operations of Textile Division 157,600
Cash dividends declared on common stock 200,000
Cash dividends declared on preferred stock 100,000
Stock dividends (Common) 150,000
Stock dividends (Preferred) 50,000
Retained earnings Jan. 1 2,100,000

Correction for understatement of prior year net income (net of tax) 100,000

Instructions Prepare (1) a multiple-step income statement (show the EPS figure on the face of the statement) and (2) a retained earnings statement. The Company decided to discontinue its Textile operations. During 2015, there were 200,000 shares of common stock outstanding all year and 50,000 shares of preferred stock. Applicable income tax for all items is 25%

Question Three (30 marks):

Cairo Company had the following balance sheet at December 31, 2014.

CAIRO COMPANY, BALANCE SHEET, DECEMBER 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$60,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$63,600</td>
</tr>
<tr>
<td>Investments</td>
<td>$96,000</td>
</tr>
<tr>
<td>Plant assets (net)</td>
<td>$243,000</td>
</tr>
<tr>
<td>Land</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$582,600</strong></td>
</tr>
<tr>
<td>Trade Accounts payable</td>
<td>$90,000</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$123,000</td>
</tr>
<tr>
<td>Common stock</td>
<td>$300,000</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>$69,600</td>
</tr>
</tbody>
</table>

During 2015, the following occurred.
1. Cairo Company sold its investment portfolio at a loss of $9,000.
2. A tract of land was purchased for $114,000.
3. Land was purchased through the issuance of $90,000 in bonds.
4. An additional $78,000 in common stock was issued at par.
5. Dividends totalling $30,000 were declared, of which $25,000 was paid to stockholders and the remaining amount is payable to them.
6. Net income for 2015 was $105,000 including depreciation expense of $36,000.
7. At December 31, 2015, Cash was $198,600, Accounts Receivable was $126,000, and Trade Accounts Payable was $120,000.

Instructions (a) Prepare a statement of cash flows for 2015.
(b) Prepare an unclassified balance sheet as it would appear at December 31, 2015.

Best Wishes********

Ali Abdelkarim Rawy

[Signature]
Answer all questions

Question one: choose the right answer from A) and B) .......... (26 marks)

1. Operations cover a narrow range of organizations. X 
   A) True B) False
2. Customers can be internal to the organization. X
   A) True B) False
3. Operations cannot be applied to service industry. 
   A) True B) False
4. Economic development seems to follow a pattern of initially being based upon manufacturing, developing into reliance upon agriculture and finally becoming dominated by service activities. 
   A) True B) False
5. Planning by itself is not sufficient to manage processes. 
   A) True B) False
6. The implementation of technology generally requires little preparation. X
   A) True B) False
7. The one key element of the service concept is its value to customer. 
   A) True B) False
8. Decentralized locations are more responsive than centralized ones. X
   A) True B) False
9. The objective of operations design is to minimize cost. 
   A) True B) False
10. Flexibility means producing to specification. 
    A) True B) False
11. When both volume and variety are medium we use batch organization. X
    A) True B) False
12. The front office is where senior management work. X
    A) True B) False
13. A job organization would be used when volume is high. X
    A) True B) False

Question two: choose the right answer from A), B), C), D) and E)

(36 marks)

1. Operations managers have to undertake all of the following except:
   (a) operational strategic planning
   (b) meeting today's operational objectives
   (c) aligning with the design function
   (d) marketing the product
   (e) improving the operation.
2. Which of the following is not a tangible output?
   (a) food
   (b) chairs
   (c) comfort
   (d) documents
   (e) cars.
3. Which would be used when volume is high and variety low:
   (a) Job (b) Batch (c) Flow (d) Group technology (e) Project
4. An operation decides on its performance objectives based on:
   (a) customer needs
   (b) the influence of its competitors
   (c) the stage of its products in their life cycle
   (d) all of the above (e) a and b.
5. Which of the following are inputs to an operation:
   (a) Information
   (b) Labour
   (c) Equipment
   (d) Buildings
   (e) all of the above.
6. Standardization is useful in service design because:
(a) customers are easily confused
(b) It reduces variability
(c) it allows more advance preparation
(d) service staff are not skilled enough.
(e) none of the above

7. Which of the following are advantages of centralization?
(a) Economies of scale (b) Smoother demand and supply (c) Easier communications
(d) Better facilities (e) All of the above

8. Which of the following are operations management roles?
(a) Hospital Manager
(b) Technical Director
(c) Store Manager
(d) All of the above (e) none of the above

9. Efficiency means:
(a) keeping the operation going at all costs
(b) maximizing utilization
(c) satisfying customers immediately
(d) minimizing cost
(e) none of the above

10. A project organization would be used when:
(a) variety is high (b) volume is high (c) the task is very complex (d) (a and c)
(e) none of the above

11. Operations can add value by:
(a) changing the state of an input
(b) transporting an input
(c) storing items
(d) inspections
(e) all of the above.

12. Which would be used when volume is high and variety low:
(a) Job
(b) Batch
(c) Flow
(d) Group technology
(e) None of the above

Question three: (38 marks)

1. List four market factors which need to be taken into account in designing a process organization.

2. Summarize the system approach to operations.

3. Differentiate between an operation's 'transformed resources' and 'transforming resources'.

End of Questions
With my best wishes
Dr Alaa Tag Eldin Mohamed

2/2

Those resources such as material that status will be change in the conversion process.
Answer the following questions:

**Question One (35 Marks)**

Malak & Mustafa agreed to establish an ordinary partnership on 1/1/2013 at L.E. 1,400,000 (L.E. 800,000 Malak & L.E. 600,000 Mustafa). The profit and loss sharing ratio is 2:1 respectively. They decided to transfer their sole proprietorships to be one new partnership by 1/2/2013. Balance sheets of their sole proprietorships were as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Malak</th>
<th>Mustafa</th>
<th>Liabilities &amp; O.E.</th>
<th>Malak</th>
<th>Mustafa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machines</td>
<td>210,000</td>
<td>280,000</td>
<td>Capital</td>
<td>700,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Land</td>
<td>335,000</td>
<td>260,000</td>
<td>A/P</td>
<td>150,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Cars</td>
<td>250,000</td>
<td>130,000</td>
<td>Loans</td>
<td>240,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/R</td>
<td>105,000</td>
<td>60,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td>190,000</td>
<td>100,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,090,000</td>
<td>830,000</td>
<td></td>
<td>1,090,000</td>
<td>830,000</td>
</tr>
</tbody>
</table>

**Additional Information**

a- They agreed to transfer all the above balances to the new partnership and accepted values disclosed in the above balance sheets. They agreed also to consider any difference between the presented net assets and the agreed share as goodwill or capital reserve.

b- Partners accepted the admission of a new partner (Omar) on 1/1/2014 with the following conditions:

1- They agreed to revalue some assets as follows: Goodwill L.E. 170,000. Cars L.E. 350,000. Securities L.E. 306,000. Bad debts 5,000. They decided to form a provision for doubtful debts at 10% of A/R. Finally, one of the creditors disclaimed 5,000 of A/P.

2- It was decided to record the revaluation in the books of the partnership.

3- The new profits and losses sharing ratio will be 2:1:2.

4- Partners agreed that the new partner (Omar) to buy and pay amount equal to half of the total capital after the revaluation. Payment, which will be in the bank account, will be as a new investment in the partnership.
Required
1- Prepare journal entries to record the formation of the new partnership.
2- Prepare journal entries to record the admission of the new partner (Omar).
3- Prepare Revaluation Profit & Losses account.
4- Prepare the partnership balance sheet after admission (on 1/1/2014).

Question Two (35 Marks)
Qenawy partnership is of two partners whose names are Sami & Hani. They share profit & losses at 1:1 respectively. You have the following information about their partnership during 2013:

1- They agreed to compute interest on capital at 12% on their average capital balances. The capital balances for the two partners during 2013 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sami</th>
<th>Hani</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1:</td>
<td>150,000</td>
<td>120,000</td>
</tr>
<tr>
<td>May 1:</td>
<td>+15,000 (credit)</td>
<td>-6000 (debit)</td>
</tr>
<tr>
<td>September 1:</td>
<td>-12,000 (debit)</td>
<td>+9,000 (credit)</td>
</tr>
<tr>
<td>November 1:</td>
<td>+18,000 (credit)</td>
<td>+15,000 (credit)</td>
</tr>
</tbody>
</table>

2- Partner Sami is doing some managerial work against annual salary of L.E. 24,000. He got L.E. 18,000 on 1/10/2013.

3- Partner’s drawings in cash were: Sami 6,000 on 1/2/2013 and Hani L.E. 12,000 on 1/4/2013. Sami repaid all of his drawings on 1/11/2013, whereas partner Hani repaid half of his drawings on 1/10/2013. The rate of interest on drawing is 10%.

4- Partner Sami introduced a loan to the partnership of L.E. 20,000 on 1/9/2013 at 9% annual interest.

5- There is a bonus to partner Hani equal to 10% of the net profits but after the bonus.

6- Balances of partners’ current accounts are: Sami L.E. 5,000 (credit), while Hani L.E. 6,000 (debit). The rate of interest on partners’ current accounts is 6%.

7- Net profits are L.E. 44,600.

Required
1- Journal entries needed to record the above.
2- Profit & losses appropriation account.
3- Partners’ current account.

Question Three
Samer, Hadi, and Badry are partners in a partnership. They share profits and losses equally. On 31/12/2013, they decided to dissolve and liquidate the partnership. The following is the balance sheet of their partnership as on that date:
### Fixed Assets

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>60000</td>
<td>40000</td>
</tr>
<tr>
<td>(-) Acc. Dep.</td>
<td>20000</td>
<td>40000</td>
</tr>
<tr>
<td>Car</td>
<td>50000</td>
<td>40000</td>
</tr>
<tr>
<td>(-) Acc. Dep.</td>
<td>30000</td>
<td>20000</td>
</tr>
</tbody>
</table>

### Current Assets

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td></td>
<td>40000</td>
</tr>
<tr>
<td>A/R</td>
<td>50000</td>
<td></td>
</tr>
<tr>
<td>(-) Provision for D.D.</td>
<td>5000</td>
<td>45000</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners' current accounts</td>
<td>38000</td>
<td></td>
</tr>
<tr>
<td>(Badry)</td>
<td>3000</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samer</td>
<td>40000</td>
<td></td>
</tr>
<tr>
<td>Hadi</td>
<td>40000</td>
<td></td>
</tr>
<tr>
<td>Badry</td>
<td></td>
<td>120000</td>
</tr>
<tr>
<td>General Reserve</td>
<td></td>
<td>24000</td>
</tr>
<tr>
<td>A/P</td>
<td></td>
<td>16000</td>
</tr>
<tr>
<td>Partner Samer Loan</td>
<td>7000</td>
<td></td>
</tr>
<tr>
<td>Bank Misr Loan</td>
<td></td>
<td>12000</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Patners' current accounts</td>
<td>2000</td>
</tr>
<tr>
<td>Samer</td>
<td>2000</td>
</tr>
<tr>
<td>Hadi</td>
<td>5000</td>
</tr>
</tbody>
</table>

**Total:** 186000

---

You have given the following information:

1- Non-cash assets (with the exception of Cars) were sold at L.E. 102,000 cash.

2- A/R were collected in cash with the exception of L.E. 2000.

3- Partner Hadi got the car at L.E. 25,000 cash.

4- Creditors disclaimed L.E. 3000 of A/P.

5- There were L.E. 2000 un-recorded A/P.

6- Liquidation expenses were L.E. 4,000 paid in cash.

7- Liabilities and partners' shares were paid in cash.

**Required**

1- Prepare Liquidation account, Partners' Capital a/c, and Cash account.

---

With my Best Wishes
Dr Mohamed Shabeeb
Answer the Following Questions: 3 Questions , 2 Pages

Question (1): 40 Points

(1-1) Management of a restaurant is concerned with the time a patron must wait before being seated for dinner. Listed below is the wait time in minutes, for the 25 tables seated last Friday night.

28 39 21 67 37 32 56 40 66 50 51 45 44
68 43 55 46 41 34 44 48 65 44 35 53

(1) Construct a frequency distribution for these data using 5 equal classes
(2) Prepare a "Less than" cumulative frequency distribution. Then, find the number of patrons with wait time of at least 48 minutes.

(1-2) The following frequency distribution reports the electricity cost (in dollars) of a sample of 50 two-bedroom apartments in a city.

<table>
<thead>
<tr>
<th>Electric Cost</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
<th>70-80</th>
<th>80-90</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Apartments</td>
<td>3</td>
<td>8</td>
<td>12</td>
<td>16</td>
<td>7</td>
<td>4</td>
<td>50</td>
</tr>
</tbody>
</table>

(1) Find the mean, median, and standard deviation of cost.
(2) Determine the coefficient of skewness for this distribution. Comment.

(1-3) Consider the following frequency distribution:

<table>
<thead>
<tr>
<th>Class</th>
<th>5-15</th>
<th>15-25</th>
<th>25-35</th>
<th>35-45</th>
<th>45-55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>3</td>
<td>A</td>
<td>6</td>
<td>B</td>
<td>2</td>
</tr>
</tbody>
</table>

Given that: Mean = 29.5 , Median = 30 , Median Class is 25-35
Determine the values of A and B.

Question (2): 45 Points

(2-1) A random sample of 10 homes currently listed for sale provided the following information on size (hundreds of square feet) and price (thousands of dollars).

<table>
<thead>
<tr>
<th>Home No.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>27</td>
<td>28</td>
<td>34</td>
<td>30</td>
<td>29</td>
<td>35</td>
<td>32</td>
<td>40</td>
<td>23</td>
<td>22</td>
<td>300</td>
</tr>
<tr>
<td>Price ($000)</td>
<td>29</td>
<td>31</td>
<td>32</td>
<td>33</td>
<td>36</td>
<td>41</td>
<td>49</td>
<td>55</td>
<td>25</td>
<td>19</td>
<td>350</td>
</tr>
</tbody>
</table>

(1) Find the correlation coefficient between size and price. What would you say about the relationship between the two variables?
(2) How would your answer of Part (1) be affected if price is measured in hundreds of dollars instead of thousands of dollars?
(3) What proportion of variability in price that is not explained by size?
(4) What do you conclude from the result in Part (1) as far as the reliability of predictions is concerned?

CONTINUED =>=>
(5) Find the predicted price for each of the following:
   (a) Home number 4.  (b) A home of size 2500 square feet.
   Comment on these predictions.

(6) Determine the standard error of estimate.

(7) Find the standard score for the price of the 8th home. Explain what it means.

(2-2) For the two variables x and y, given that:
   • \( \hat{y}_i = y_i \) for all variables of i.
   • For each unit increase in x, y is decreased by 2.
   • The mean and variance of x are 8 and 4 respectively.
   • For x = 5, y = 10.

(1) Compare between x and y in regard to:
   (a) Mean  (b) Variance  (c) Coefficient of variation
   (d) Rank correlation Coefficient

(2) Predict the value of y for x = 2.

**Question (3): 15 Points**

A study regarding the relationship between age and the amount of pressure sales personnel feel in relation to their jobs revealed the following sample information.

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Degree of Job Pressure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Less than 25</td>
<td>70</td>
<td>20</td>
</tr>
<tr>
<td>25 - 40</td>
<td>70</td>
<td>50</td>
</tr>
<tr>
<td>40 - 60</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

(1) Does the sample information provide evidence to conclude that the degree of job pressure depends upon age? Explain your results in the context of this issue.

(2) Repeat Part (1) excluding the category of "medium" for the degree of job pressure and the category "25 up to 40" for age. Comment on your answer.

*Good Luck and Happy New Year....
Abu Bakr ....*
Answer the following Questions:

Notice: This Exam includes three questions on 3 pages.

Question One (35 marks):
Presented below is information related to Egyptian Eagle Company for 2012.

Sales for the year L.E. 25,000,000
Selling and administrative expenses 4,700,000
Write-off of goodwill (not tax deductible) 820,000
Income taxes for 2012 905,000
Gain on the sale of investments (normal recurring) 110,000
Interest revenue 70,000
Cost of goods sold 17,000,000
Loss due to flood damage-extraordinary item (net of tax) 390,000
Loss on the disposition of the wholesale division (net of tax) 440,000
Loss on operations of the wholesale division (net of tax) 90,000
Dividends declared on common stock 250,000
Dividends declared on preferred stock 70,000
Retained earnings Jan. 1 980,000

Instructions
Prepare (1) a multiple-step income statement (show the EPS figure on the face of the statement) and (2) a retained earnings statement. Depreciation expenses for 2011 were understated by L.E.55,000 (net of tax) and interest revenues for 2011 were also overstated by L.E.100,000 (net of tax). The Company decided to discontinue its entire wholesale operations and to retain its manufacturing operations. On September 15, the company sold the wholesale operations. During 2012, there were 300,000 shares of common stock outstanding all year and 50,000 shares of preferred stock.

Question Two (35 marks):
Jihad Corporation had the following balance sheet at December 31, 2012.

A.A. Raw
JIHAD CORPORATION
BALANCE SHEET
DECEMBER 31, 2012

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 20,000</td>
<td>Trade Accounts payable</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>21,200</td>
<td>Bonds payable</td>
</tr>
<tr>
<td>Investments</td>
<td>32,000</td>
<td>Common stock</td>
</tr>
<tr>
<td>Plant assets (net)</td>
<td>81,000</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>Land</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 194,200</strong></td>
<td></td>
</tr>
</tbody>
</table>

During 2013, the following occurred.
1. Jihad liquidated its available-for-sale investments portfolio at a loss of $3,000.
2. A tract of land was purchased for $38,000.
3. An additional $26,000 in common stock was issued at par.
4. Dividends totalling $10,000 were declared and $8,000 of which is paid to stockholders and the remaining amount is payable for them.
5. Net income for 2013 was $35,000 including $12,000 in depreciation expense.
6. Land was purchased through the issuance of $30,000 in additional bonds.
7. At December 31, 2013, Cash was $68,200, Accounts Receivable was $42,000, and Trade Accounts Payable was $40,000.

**Instructions**
(a) Prepare a statement of cash flows for 2013.
(b) Prepare the balance sheet as it would appear at December 31, 2013.
(c) Compute Jihad’s free cash flow.

---

**Question Three (30 marks):**

The cash transactions and cash balances of Nor-Elfillah Farm for December 31, 2012, were as follows:

1. The ledger account for Cash showed a balance at December 31 of L.E.1,676,695.

2. The December bank statement showed a closing balance of L.E.1,892,812.

3. The cash received on December 31 amounted to L.E.401,715. It was left at the bank after banking hours on December 31 and was therefore not recorded by the bank on the December statement.
4. Also included with the December bank statement was a debit memorandum from the bank for L.E.765 representing service charges for December.

5. A credit memorandum enclosed with the December bank statement indicated that a non-interest-bearing note receivable for L.E.454,500 from Renad, left with the bank for collection, had been collected and the proceeds credited to the account of Nor-Elfallah Farm.

6. Comparison of the paid checks returned by the bank with the entries in the accounting records revealed that check no. 82100 for L.E.83,502, issued December 15 in payment for office equipment, had been erroneously entered in Nor-Elfallah’s records as L.E.85,302.

7. Examination of the paid checks also revealed that three checks, all issued in December, has not yet been paid by the bank: no. 81100 for L.E.86,112; no. 81400 for L.E.64,080; no. 82300 for L.E.30,105.

8. Included with the December bank statement was a L.E.18,000 check drawn by Hoary, a customer of Nor-Elfallah Farm. This check was marked “NSF”. It had been included in the deposit of December 27 but had been charged back against the company’s account on December 31.

Instructions

a. Prepare a bank reconciliation for Nor-Elfallah Farm at December 31.

b. Prepare journal entries to adjust the accounts at December 31. Assume that the accounts have not been closed.

Best Wishes********

Ali Abdelkarim Rawy

A A Rawy
**Answer the following questions**

**Question One (35 marks):**

Tom and Jerry agreed to form a partnership on 1/1/2013 at LE 100,000 (Tom LE 50,000 and Jerry LE 50,000). They decided to transfer their individual firms to be a partnership by 1/3/2013. The Balance Sheets of their sole proprietorships are as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Tom</th>
<th>Jerry</th>
<th>Liabilities</th>
<th>Tom</th>
<th>Jerry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>20,000</td>
<td>17,500</td>
<td>Capital</td>
<td>85,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>22,500</td>
<td>7,500</td>
<td>Accounts Payable</td>
<td>22,500</td>
<td>22,500</td>
</tr>
<tr>
<td>Cars</td>
<td>25,000</td>
<td>15,000</td>
<td>Loans</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>10,000</td>
<td>2,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>112,500</td>
<td>77,500</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Partners agreed to transfer all the above balances to the new partnership with the exception of bank accounts. They also agreed to pay or withdraw any difference between the presented net assets and the agreed shares.

**Required:**
1- Journal entries needed to record the above agreement.
2- The Balance Sheet of the new partnership on 1/3/2011.
3- Journal entry required to close books of the sole proprietorship of partner Tom.

**Question Two (30 marks):**

A, B and C are partners in a partnership. They decided to increase their capitals in the partnership by LE 50,000 each. The profit and losses sharing ratio is 1:1:1. They agreed to use the general reserve in this capital increase, and also use the balances of partners’ current account and the balance of the Profit & Loss Account. The agreement includes that partners need to pay the rest in cash with the exception of partner A who will pay in the bank. The balance sheet of their partnership as on December 31, 2013 was as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>Capital a/c</td>
</tr>
<tr>
<td>Cars</td>
<td>A</td>
</tr>
<tr>
<td>Buildings</td>
<td>B</td>
</tr>
<tr>
<td>Equipments</td>
<td>C</td>
</tr>
<tr>
<td>Current Assets</td>
<td>General Reserve</td>
</tr>
<tr>
<td>A/R</td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>Current a/c</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Current a/c (A)  
Profit & Loss  

<table>
<thead>
<tr>
<th></th>
<th>(B)</th>
<th>(C)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>10,000</td>
<td>5,000</td>
<td>15,000</td>
</tr>
<tr>
<td>30,000</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>405,000</strong></td>
<td><strong>405,000</strong></td>
<td><strong>405,000</strong></td>
<td><strong>405,000</strong></td>
</tr>
</tbody>
</table>

### Required:
1- Journal entries needed to record the above agreement.
2- Partners Capital Account.
3- The new Balance Sheet after this agreement.

### Question Three (35 marks):
J and K are partners in a partnership. The profit and loss sharing ratio is 1:1.

The following is the Balance Sheet of their partnership as on 31/12/2012:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>Capital</td>
</tr>
<tr>
<td>Land</td>
<td>J</td>
</tr>
<tr>
<td>Machine</td>
<td>K</td>
</tr>
<tr>
<td>Equipment</td>
<td>Loans</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>- Provision for doubtful debts</td>
<td>40,000</td>
</tr>
<tr>
<td>Goods</td>
<td>25,000</td>
</tr>
<tr>
<td>Bank</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td><strong>215,000</strong></td>
</tr>
</tbody>
</table>

On 1/1/2013, partners agreed for the admission of L to be a new partner in the partnership according to the following:
1- They agreed to revalue some assets and liabilities as follows: Goodwill L.E.17,000, Land L.E.90,000, Machine L.E.47,000, Equipment L.E.24,000, Bad debts L.E.1,000, Provision for doubtful debts 10% and Accounts payable L.E.38,800.
2- It was decided to record the revaluation in the books of the partnership.
3- The new profit and loss sharing ratio is 1:1:1.
4- J and K accepted to sell half of their shares to the new partner (L) against amount of L.E.90,000, which will be paid outside the partnership.

### Required
1) Record the above agreement in the partnership books.
2) Prepare the Revaluation Profit & Loss Account.
3) Prepare the new Balance Sheet after this agreement.

### Best Wishes  
Ali Abdelkarim Rawy  

[Signature]

A. A. Rawy
Answer 4 questions only.

1- Commercial business is classified into three types illustrate these types.

2- What sort of goods can be an object of a contract of sale?

3- What type of deposits can a bank afford?

4- State the main features of a conveyance of technology contract.

5- Indicate the main features of installment sale contracts.

6- Companies can be divided into two main types clarify them.

7- Show the main features of a traveler’s carriage contract.
Answer the following questions

Question One (35 marks):
A and B agreed to form a partnership on 1/1/2013 at LE 280,000 (A L.E.160,000 and B L.E.120,000). They decided to transfer their individual firms to be a partnership by 1/3/2013. The Balance Sheets of their sole proprietorships are as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>A</th>
<th>B</th>
<th>Liabilities</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>42,000</td>
<td>56,000</td>
<td>Capital</td>
<td>180,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>77,000</td>
<td>52,000</td>
<td>Accounts Payable</td>
<td>30,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Cars</td>
<td>50,000</td>
<td>36,000</td>
<td>Loans</td>
<td>18,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>21,000</td>
<td>12,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>38,000</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>228,000</td>
<td>176,000</td>
<td></td>
<td>228,000</td>
<td>176,000</td>
</tr>
</tbody>
</table>

Partners agreed to transfer all the above balances to the new partnership and accepted values appeared in the above balance sheets with the exception of buildings presented by partner A to be only L.E.60,000 and cars presented by partner B to be only L.E.26,000. They also agreed to pay or withdraw any difference between the presented net assets and the agreed shares.

Required:
1- Journal entries needed to record the above agreement.
2- The Balance Sheet of the new partnership on 1/3/2013.
3- Journal entry required to close books of the sole proprietorship of partner A.

Question Two (30 marks):
North Valley is a partnership which consists of two partners (A L.E.120,000 and B L.E.80,000). They share profit & loss equally. Partnership agreements included the following conditions for distributing annual profits or losses in addition to some events occurred during the financial year ended on 31/12/2012:

1) Interest on capital at annual rate is 10%.
2) Partner A is the manager whose salary is L.E.1,500 monthly. On the first of April 2012, partner A received a cash of L.E.8,000 as a salary.
3) Partners' drawings in cash are: A L.E.6,000 on 1/5/2012, while B L.E.10,000 on 1/7/2012. The rate of interest on drawings is 10% annually.
4) Balances of partners' current accounts are: A L.E.1,000 (debit), while B L.E.2,000 (credit). The rate of interest on partners' current accounts is 2%.
5) On 1/7/2012, Partner A got a loan of L.E.20,000 from the partnership at 10% annual interest.
6) There is a bonus to partner A equal to 10% of the net profit.
7) The profit and expense items for the year then ended were as follows: Gross Profit L.E.130,000; Discount allowed L.E.2,000; Depreciation expenses

-1-

A. A. Rawi
L.E.10,000; Employees salaries L.E.15,000, Rent expenses L.E.3,000 and, Telephone expense L.E.1,000.

**Required:**
1- Prepare Profit & Loss a/c for the year ended on December 31, 2012.
2- Prepare Profit & Loss Appropriation a/c for the year ended on December 31, 2012.
3- Partners' current account.

**Question Three (35 marks):**
A, B and C are partners in a partnership. The profit and loss sharing ratio is 1:1:1. On 30/6/2012, partners C decided to withdraw from the partnership. Accordingly, partners agreed to revalue assets and liabilities of the partnership and to prepare accounts for the period from 1/1/2012 to 30/6/2012 (the retirement date). The following is the Balance Sheet of their partnership as on 30/6/2012.

<table>
<thead>
<tr>
<th>Assets</th>
<th>L.E.</th>
<th>Liabilities</th>
<th>L.E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>21,600</td>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>24,000</td>
<td>A 48,000</td>
<td></td>
</tr>
<tr>
<td>Cars</td>
<td>24,000</td>
<td>B 42,000</td>
<td></td>
</tr>
<tr>
<td>Equipments</td>
<td>18,000</td>
<td>C 36,000</td>
<td>126,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>18,600</td>
<td>General reserve</td>
<td>18,000</td>
</tr>
<tr>
<td>- Provision for doubtful debts</td>
<td>1,260</td>
<td>Accounts Payable</td>
<td>25,200</td>
</tr>
<tr>
<td>Bank</td>
<td>67,860</td>
<td>Current Account B</td>
<td>4,200</td>
</tr>
<tr>
<td>Current Account A</td>
<td>3,600</td>
<td>Current Account C</td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>176,400</td>
<td></td>
<td>176,400</td>
</tr>
</tbody>
</table>

You have given the following information:
1- They agreed to revalue some assets as follows: Buildings L.E.26,400, cars L.E.20,000, Equipments L.E.16,000, bad debts L.E.2,400, provision for doubtful debts 10%.
2- Books declared that rights of the retired partner are: his share in the profits from 1/1/2012 to 30/6/2012 is L.E.5,400, interest on capital is L.E.1,200, interest on drawings is L.E.400, and accrued salary is L.E.600.
3- Payment for the retired partner was made through two ways: first half by a check from the partnership, while the second half by a check from the other partners (their own money).

**Required**
(1) Prepare the Revaluation Profit & Loss Account, the Capital Account, and the Retired Partner's Account.
(2) Prepare the Balance Sheet after this agreement.

**Best Wishes**

Ali Abdelkarim Rawy

A.A. Raw
Answer the following questions: 3 Pages, 3 Questions

**Question (1): 25 Points**

(1-1) Briefly explain the meaning of each of the following:
   (1) Simple random sample.  (2) Descriptive statistics.
   (3) Types of quantitative variables, give examples.

(1-2) The following data give the statistics score for 6 students.

   76  82  95  68  43  57

Describe the meaning of each of the following, with reference to these data.
(1) Element       (2) Observation       (3) Variable       (4) Data set

(1-3) The following data give the daily wages (in Egyptian pounds) earned by a sample of 30 workers as shown below.

   36  28  22  44  30  26  49  24  33  34  25  31  39  33  28
   37  42  27  23  32  25  34  29  43  32  26  20  28  35

(1) Prepare a frequency distribution for these data.

   **Hint:** Use Sturges rule formula to determine the number of classes.

(2) Construct a cumulative frequency distribution.

(3) On the basis of the cumulative distribution obtained in Part (2), find the percentage of workers with a daily wage of at least L.E. 27.

**Question (2): 35 Points**

(2-1) The following data give the ages for 6 persons.

   65  82  92  86  5  90

(1) Find the mean and the median for these data.

(2) Using the results of Part (1), how can you investigate that these data contain outliers? Explain.

(3) If you dropped the outlier and the values of the mean and median were recalculated, which of the two measures is expected to be changed by a larger amount? **No calculations required.**

(4) Is the mean or the median a better measure for these data? **Explain.**

Continued »»»
(2-2) Given that the **mean** and **variance** of a set of figures are $\mu$ and $\sigma^2$, respectively.

What are the **new values** of the **mean** and **variance** when:

1. Each figure is **decreased** by a constant $A$.
2. Each figure is **multiplied** by a constant $B$.

**Justify** your answers.

(2-3) The following table presents the distribution of the monthly incomes (in **thousands** of Egyptian pounds) of **50** households.

<table>
<thead>
<tr>
<th>Monthly Income (L.E. 1000)</th>
<th>25-30</th>
<th>30-35</th>
<th>35-40</th>
<th>40-45</th>
<th>45-50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>22</td>
<td>18</td>
<td>50</td>
</tr>
</tbody>
</table>

1. On the bases of **inspection** only (**without performing any calculations**), do you agree with the claim that the distribution of monthly incomes is **positively** skewed? **Justify** your answer.

2. Calculate the values of the **mean** and **standard deviation** for the monthly incomes.

3. Find the value of the **monthly income** such that **50%** of the households have incomes **less than** this value.

4. Find the **coefficient of skewness** for this distribution. **Comment**.

5. Is the value of the coefficient of skewness obtained in **Part (4)** consistent with your answer in **Part (1)**?

**Question (3): 40 Points**

(3-1) The table given below shows the age (in years) and the second hand price (in **thousands** of Egyptian pounds) of **8** cars advertised in a local paper.

<table>
<thead>
<tr>
<th>Car No.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (in years)</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>4</td>
<td>48</td>
</tr>
<tr>
<td>Price (L.E. 1000)</td>
<td>58</td>
<td>75</td>
<td>85</td>
<td>55</td>
<td>66</td>
<td>50</td>
<td>44</td>
<td>95</td>
<td>528</td>
</tr>
</tbody>
</table>

1. For what reasons may the **standard deviation** be **inappropriate** for comparing the dispersion of the two variables. Suggest better alternative measure. **Note: No calculations required.**

2. Calculate the value of the **correlation coefficient** for the two variables. **Explain** your result in the context of this question.

3. Using the **least squares method**, find the **equation** of the regression line of **price on age**. Would it be fair to state that the knowledge of the age of a given car allows you to predict the price for this car? **Explain**.

4. Predict the price you would expect for the **6th** car. **Comment**.

5. Find the **standard score** for the **price** of the **4th** car. **Explain** what it means.

**Continued »»»**
(3-2): The scatter diagram of the two variables $X$ and $Y$ is shown as follows.

![Scatter Diagram]

What conclusions can you draw from the scatter diagram shown above as far as the linear correlation, linear regression, and existing of outliers are concerned? If outliers exist, identify.

(3-3) Indiscipline and violence have become a major problem in schools in Egypt. A random sample of 200 adults were selected and they were asked if they favor giving more freedom to school teachers to punish students for indiscipline and violence. The three-way classification of responses of these adults is presented in the following table.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Opinion</th>
<th>In Favor</th>
<th>Against</th>
<th>No Opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>In Favor</td>
<td>96</td>
<td>18</td>
<td>6</td>
<td>120</td>
</tr>
<tr>
<td>Women</td>
<td>In Favor</td>
<td>32</td>
<td>44</td>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
<td>128</td>
<td>62</td>
<td>10</td>
<td>200</td>
</tr>
</tbody>
</table>

Can you conclude that there is a relationship between gender and opinion on this issue? If the answer is 'yes', to what extent the opinion on this issue depends upon whether the adult is a man or a woman? Explain in the context of this issue.

Good Luck and Happy New Year ...
South Valley University – Faculty of Commerce
Business Administration Department – Second Year
Students - Production Management Exam, Jan. 2013
Time allowed three hours

Answer all questions

Question one : choose the right answer from A) and B) then mark your answers in the answer sheet. (30 marks)

1. Operations covers a narrow range of organizations. A) True B) False
2. Customers can be internal to the organization. A) True B) False
3. Manufacturing is the dominant contributor to gross domestic product. A) True B) False
4. Economic development seems to follow a pattern of initially being based upon manufacturing, developing into reliance upon agriculture and finally becoming dominated by service activities. A) True B) False
5. Planning by itself is not sufficient to manage processes. A) True B) False
6. The implementation of technology generally requires little preparation. A) True B) False
7. The one key element of the service concept is its value to customer. A) True B) False
8. Centralized locations are more responsive than decentralized ones. A) True B) False
9. The objective of operations design is to minimize cost. A) True B) False
10. Effectiveness means producing to specification. A) True B) False
11. When both volume and variety are medium we use batch organization. A) True B) False
12. A product layout is used for group technology. A) True B) False
13. The front office is where senior management work. A) True B) False
14. Method study is best carried out by experts and considering labour or management opinion. A) True B) False
15. A job organization would be used when volume is high. A) True B) False

Question two : choose the right answer from A), B), C), D) and D) then mark your answers in the answer sheet. (45 marks)

1. Operations managers have to undertake all of the following except:
   (a) operational strategic planning (b) meeting today’s operational objectives
   (c) liaising with the design function (d) marketing the product
   (e) improving the operation.
2. Which of the following is not a tangible output?
   (a) food (b) chairs (c) comfort (d) documents (e) cars.
3. Standardization is useful in service design because:
   (a) customers are easily confused (b) it reduces variability
   (c) it allows more advance preparation (d) service staff are not skilled enough.
   (e) none of the above
4. Which would be used when volume is high and variety low:
   (a) Job (b) Batch (c) Flow (d) Group technology (e) Project
5. An operation decides on its performance objectives based on:
   (a) customer needs (b) the influence of its competitors
   (c) the stage of its products in their life cycle (d) all of the above (e) a and b.
6. Which of the following are not inputs to an operation:
   (a) Finished products (b) Labour (c) Equipment (d) Buildings (e) Information.

7. Standardization is useful in service design because:
   (a) customers are easily confused (b) it reduces variability
   (c) it allows more advance preparation (d) service staff are not skilled enough.
   (e) none of the above

8. Which of the following are advantages of centralization?
   (a) Economies of scale (b) Smoother demand and supply (c) Easier communications
   (d) Better facilities (e) All of the above

9. Effectiveness means:
   (a) meeting market requirements (b) producing to specification
   (c) producing as cheaply as possible. (d) producing competitively
   (e) none of the above

10. Efficiency means:
    (a) keeping the operation going at all costs (b) maximizing utilization
    (c) satisfying customers immediately (d) minimizing cost (e) none of the above

11. A project organization would be used when:
    (a) variety is high (b) volume is high (c) the task is very complex (d) the task is small scale.
    (e) a and c

12. Activity sampling is concerned with:
    (a) finding out what activities are going on (b) finding out which is the most common
    activity (c) finding out how time is shared between activities.
    (d) a and b (e) all of the above

13. A relationship chart is intended to show:
    (a) the direction of a journey between locations (b) the distance travelled
    (c) the total number of journeys between locations (d) the need for proximity between
    locations. (e) all of the above

14. Which of the following might give rise to a method study:
    (a) a fall in quality (b) a fall in output (c) operator complaints
    (d) customer complaints (e) all of the above.

15. Division of labour means:
    (a) separating members of the workforce (b) having different departments in different
    places (c) workers specializing in small elements of the task.
    (d) None of the above (e) All of the above

**Question three: (25 marks)**

1. List the five objectives for operations.

2. What is the value chain? Summarize how can operations add value?

3. Differentiate between an operation’s ‘transformed resources’ and ‘transforming
   resources’.

End of Questions
With my best wishes
Dr Alaa Tag Eldin Mohamed
## Question one

<table>
<thead>
<tr>
<th>No.</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
</tr>
<tr>
<td>2</td>
<td>A</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
</tr>
<tr>
<td>5</td>
<td>A</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>7</td>
<td>A</td>
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<tr>
<td>8</td>
<td>A</td>
</tr>
<tr>
<td>9</td>
<td>A</td>
</tr>
<tr>
<td>10</td>
<td>A</td>
</tr>
<tr>
<td>11</td>
<td>A</td>
</tr>
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<td>12</td>
<td>A</td>
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<tr>
<td>13</td>
<td>A</td>
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<td>14</td>
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<tr>
<td>15</td>
<td>A</td>
</tr>
</tbody>
</table>

## Question two

<table>
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<th>No.</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
</tr>
<tr>
<td>2</td>
<td>A</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
</tr>
<tr>
<td>5</td>
<td>A</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>7</td>
<td>A</td>
</tr>
<tr>
<td>8</td>
<td>A</td>
</tr>
<tr>
<td>9</td>
<td>A</td>
</tr>
<tr>
<td>10</td>
<td>A</td>
</tr>
<tr>
<td>11</td>
<td>A</td>
</tr>
<tr>
<td>12</td>
<td>A</td>
</tr>
<tr>
<td>13</td>
<td>A</td>
</tr>
<tr>
<td>14</td>
<td>A</td>
</tr>
<tr>
<td>15</td>
<td>A</td>
</tr>
</tbody>
</table>
Question no. (1)

A: Compare between the fischer demand money and friedman demand money theory from the following points:
   1- The form for demand money equation
   2- The velocity of circulation of money
   3- Importance of the prices
   4- The nature of income for each demand equation

B: Explain the difference between general equilibrium models and partial equilibrium models. How are numbers of endogenous and exogenous variables related to whether a model is partial equilibrium model or general equilibrium model?

C: Describe the effects on the interest of changes in each of the following determinants of the demand for money:
   1- The price level increase
   2- The real income rise
   3- The price level decline
   4- Real income fall

Question no. (2)

A: Circle whether the following statements are true (T) or false (F)

1- Holding every thing else constant, when an asset becomes riskier, the quantity demand rises
2- Holding everything else constant when the liquidity of an asset falls, the quantity demand falls
3- Every thing else equal, when the expected return on an asset falls the quantity demanded rises
4- Holding many risky assets exposes the investor to more risk
5- The money multiplier is necessarily greater than one
6- If reserve requirements on checkable deposits were at zero the amount of multiple deposit expansion would go on indefinitely

B: Determine the right answer from the following:

1- When the growth rate of money supply is increased interest rates will rise immediately if the liquidity effect is ______ than the other money supply effects and there is ________ adjustment of expected inflation
   (a- larger; fast  b- larger; slow  c- smaller; slow  d- smaller; fast)

2- If the price level falls, the demand curve for money will shift to the _______ and the interest rate will _______
   (a- right; rise  b- right; fall  c- left; rise  d- left; fall)

3- In Keynesian liquidity preference framework, when income is ______ during a business cycle contraction interest rates will ________
   (a- rising; rise  b- rising; fall  c- falling; rise  d- falling; fall)
4- in the money market when the interest rate is below the equilibrium interest rate there is an excess ———— for of money, people will try to sell bonds and the interest rate will ——— ( a- demand ; rise  b- demand ; fall  c- supply ; fall  d- supply ; rise )

5- If the required reserve ratio is one – fourth, currency in circulation is $400 billion, excess reserves are not held and checkable deposits are $1200 billion, then the money multiplier is approximately ( a- 2.8  b- 1.8  c- 2.3  d- 2.0 )

6- A bank will want to hold less excess reserves (every thing else equal) when
   a- It expects to have deposit inflows the near future
   b- brokerage commissions on selling bonds rise
   c- both (a) and (b) of the above occur
   d- neither (a) nor (b) of the above occur

7- if banks reduce their holdings of excess reserves
   a- the monetary base will increase
   b- the money supply will increase
   c- both (a) and (b) of the above will occur
   d- neither (a) nor (b) of above will occur

C: Rank the following bank assets from most to least liquid
   a- Commercial loans  b- Securities  c- Reserves
   d- Physical Capital  e- Consumer loans

<table>
<thead>
<tr>
<th>Question no. (3)</th>
<th>Mark 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Suppose the money supply M has been growing at %10 per year and nominal GDP (PY) has been growing at %20 per year. The data are as follow</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>M</td>
<td>100</td>
</tr>
<tr>
<td>PY</td>
<td>1000</td>
</tr>
<tr>
<td>1- Calculate the velocity in each year. At what rate is velocity growing?</td>
<td></td>
</tr>
<tr>
<td>2- What happens to nominal GDP (PY) if the money supply grows by 20% but velocity declines 30%?</td>
<td></td>
</tr>
<tr>
<td>3- if velocity and aggregate output are reasonably constant (as the classical economists believed); what happens to the price level when the money supply increases from $1 trillion to $4 trillion?</td>
<td></td>
</tr>
<tr>
<td>4- if velocity and aggregate output remain constant at 5 and 1000 respectively what happens to the price level if the money supply declines from $400 billion to $300 billion?</td>
<td></td>
</tr>
<tr>
<td>(B) Complete the following table about number of prices in a barter versus a money economy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Goods</th>
<th>Number of prices in a barter Economy</th>
<th>Number of prices in a money Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(C) What is meaning of the following expressions |
1- theory of asset demand |
2- transaction costs |
3- money multiplier |
4- liquidity effect |
5- Liquidity preference function

Dr. G.I. Hassan
Answer the following Questions:

**Notice:** This Exam includes three questions on 3 pages.

### Question One (35 marks):

The following balances were taken from the books of Misr Corp. on December 31, 2012, (amounts in L.E.).

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest revenue</td>
<td>86,000</td>
</tr>
<tr>
<td>Accumulated depreciation-equipment</td>
<td>40,000</td>
</tr>
<tr>
<td>Accumulated depreciation-building</td>
<td>28,000</td>
</tr>
<tr>
<td>Cash</td>
<td>51,000</td>
</tr>
<tr>
<td>Sales</td>
<td>1,380,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>150,000</td>
</tr>
<tr>
<td>Prepaid insurance</td>
<td>20,000</td>
</tr>
<tr>
<td>Sales returns and allowances</td>
<td>150,000</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>7,000</td>
</tr>
<tr>
<td>Sales discounts</td>
<td>45,000</td>
</tr>
<tr>
<td>Land</td>
<td>100,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>200,000</td>
</tr>
<tr>
<td>Building</td>
<td>140,000</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>621,000</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>155,000</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>194,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>170,000</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>100,000</td>
</tr>
<tr>
<td>Administrative and general expenses</td>
<td>97,000</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>32,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>60,000</td>
</tr>
<tr>
<td>Notes payable</td>
<td>100,000</td>
</tr>
<tr>
<td>Loss from earthquake damage (extraordinary item)</td>
<td>150,000</td>
</tr>
<tr>
<td>Common stock</td>
<td>500,000</td>
</tr>
<tr>
<td>Preferred stocks</td>
<td>100,000</td>
</tr>
<tr>
<td>Retained earnings, Jan. 1</td>
<td>150,000</td>
</tr>
</tbody>
</table>
Assume the total effective tax on all items is 34%.

Instructions
Prepare (1) a multiple-step income statement and (2) a retained earnings statement. The following information is also provided: par value of common stock outstanding during the year is L.E.5. Dividends declared on common stocks were L.E.50,000 and paid were L.E.40,000. Dividends declared and paid on preferred stock were L.E.8,340. Depreciation expenses for 2011 were understated by L.E.30,000 (net of tax) and interest revenues for 2011 were also understated by L.E.25,000 (net of tax).

Question Two (35 marks):
Alistair Cooke Inc. had the following balance sheet at December 31, 2012.

ALISTAIR COOKE INC.
BALANCE SHEET, DECEMBER 31, 2012

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$20,000</td>
<td>Trade Accounts payable</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>21,200</td>
<td>Long-term notes payable</td>
</tr>
<tr>
<td>Investments</td>
<td>32,000</td>
<td>Common stock</td>
</tr>
<tr>
<td>Plant assets (net)</td>
<td>81,000</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>Land</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>$194,200</td>
<td>$194,200</td>
<td></td>
</tr>
</tbody>
</table>

During 2013, the following occurred.
1. Alistair Cooke Inc. sold part of its investment portfolio for $17,000. This transaction resulted in a gain of $3,400 for the firm. The company classifies its investments as available-for-sale.
2. A tract of land was purchased for $18,000 cash.
3. Long-term notes payable in the amount of $16,000 were retired before maturity by paying $16,000 cash.
4. An additional $24,000 in common stock was issued at par.
5. Dividends totalling $8,200 were declared, of which $6,200 was paid to stockholders and the remaining amount is payable to them.
6. Net income for 2013 was $32,000 after allowing for depreciation of $12,000.
7. Land was purchased through the issuance of $30,000 in bonds.
8. At December 31, 2013, Cash was $41,000, Accounts Receivable was $41,600, and Trade Accounts Payable remained at $30,000.

Instructions
(a) Prepare a statement of cash flows for 2013 and compute the free cash flows.

A. A. Rawg
(b) Prepare an unclassified balance sheet as it would appear at December 31, 2013.

**Question Three (30 marks):**

Day-Sun Recycling Center reports the following information concerning cash balances and cash transactions for the month of September 2012:

1. Cash balance per bank statement as of September 30 was L.E.2,089,325.

2. Two debit memoranda accompanied the bank statement: one for L.E.1,000 was for service charges for the month; the other for L.E.6,460 was attached to an NSF check from Sameh.

3. Included with the bank statement was L.E.6,900 credit memorandum for interest earned on the bank account in September.

4. The paid checks returned with September bank statement disclosed an error in Day-Sun’s cash records. Check no. 85100 for L.E.7,744 for telephone expense had erroneously been listed in the cash payments journal as L.E.4,477.

5. A collection charge for L.E.2,600 (not applicable to Day-Sun) was erroneously deducted from the account by the bank. Notice that this was the Bank’s error.

6. Cash receipts of September 30 amounting to L.E.58,525 were mailed to the bank too late to be included in the September bank statement.

7. Checks outstanding as of September 30 were as follows: no. 86000 for L.E.15,193, no. 86700 for L.E.8,246, and no. 869 for L.E.12,361.

8. The ledger account for Cash showed a balance at September 30 of L.E.2,118,477.

**Instructions**

a. Prepare a bank reconciliation at September 30.

b. Prepare the necessary adjusting entries in general journal form.

---

*Best Wishes* **Ali Abdelkarim Rawy**

-3-

*Ali A. Rawy*
1- Commercial business is classified into three types. Illustrate these types.

2- State the main merits of a joint stock company.

3- What qualities need to be existing in goods for sale.

4- What type of deposits can a bank afford?

5- In what way can a cheque be cashed at a bank?

6- Point out the main conditions of a sale by sample contract.

7- Indicate the main features of instalment sale contracts.
Q1: (20 Points)

Answer the following questions:

1- Employees who completed a training course were asked to rate it as either outstanding, very good, good, fair, or poor. The level of measurement is:
   a) Nominal   b) Ordinal   c) Interval   d) Ratio

2- A sample of new college graduates shows that the standard deviation of their starting salary is $5000. $5000 represents:
   a) The range of the starting salaries   b) the variance of starting salaries
   c) 95% of the starting salaries   d) the dispersion of the starting salaries.

3- A useful measure to compare the relative dispersion in two or more distributions, if they are in different units, is the:
   a) Coefficient of skewness   b) Coefficient of variation
   c) Range   d) Standard deviation

4- For a set of observations, we have the following information: mean =100, median=100, mode =100 and standard deviation =4. About 95% of the values lie between:
   a) 92 and 108   b) 96 and 104   c) ±4   d) 95 and 105

5- Each new employee is given an identification number. The personnel files are arranged sequentially starting with employee number 0001, and so on. To sample the employees, the number 0153 was first selected. Then numbers 0253, 0353, and so on become numbers of the sample. The type of sampling is called:
   a) Sample random sampling   b) Systematic random sampling
   c) Stratified random sampling   d) Cluster random sampling

Q2: (40 Points)

1- The following chart shows the number of units produced per day in a factory:

```
3 | 8
4 |
5 | 6
6 | 0 1 3 3 5 5 9
7 | 0 2 3 6 7 7 8
8 | 5 9
9 | 0 0 1 5 6
10 | 3 6
```
a) How many days were studied?  
b) How many observations are in the first class?  
c) What are the minimum value and the maximum value?  
d) List the actual values in the fourth row.  
e) How many values are less than 70?  
f) How many values are 80 or more?  
g) What is the value of the median, the first quartile, and the third quartile?  
h) Construct the box plot.  
i) how many values are between 60 and 80, inclusive?  

2- The weekly overtime hours worked by some employees at a market are 3, 4, 6, 8, 5, 2, 5, and 7.  
a) What is the mean, median, and mode number of overtime hours worked?  
b) What is the range, mean deviation, and standard deviation number of overtime hours worked?  
c) What is the coefficient of variation and coefficient of skewness?  
d) Construct box plot.  

Q3 : (40 Points)  
The following information on the sizes of houses (in hundreds of square meters) and the monthly rents (in hundreds of pounds) paid by tenants for six houses.  

Size of the house : 21 16 19 27 32 23  
Monthly rent : 7 6 7 9 11 8  

a) Construct a scatter diagram. Does the scatter diagram show a linear relationship between the sizes and the monthly rents of houses?  
b) Find the regression line \( \hat{y} = a + bx \) with the size of a house as independent variable and monthly rent as a dependent variable.  
c) Plot the regression line on the scatter diagram of part a. What are your comments?  
d) Predict the monthly rent for a house with 2500 meter square.  
e) Compute coefficient of correlation and coefficient of determination and give a brief interpretation of each one.  
f) Calculate the standard deviation of errors.  

GOOD LUCK!!!
Answer the following questions (10 Marks for each question)

1) Briefly describe the term operation management and describe the general categories of POM decisions

2) What is meant by the term life cycle? Why would this be a consideration in product design?

3) Explain the term design for manufacturing and the term remanufacturing

4) What are the factors affecting the choice of process designs?

5) What is the purpose of approaches such as job enlargement and job enrichment?

6) Outline the general approach for developing location alternatives

7) What are the reasons that aggregate planning is necessary in POM

8) Explain the basic philosophy of JIT and what are its prerequisites?

9) What are the main advantages and disadvantages of a product layout and a process layout?

10) Why is product or service design important to the concepts of total quality management?
Question : (1)  [30 Mark]

Firstly: "there are many differences between Keynes friedman demand money "
illustrate and ducesse
Secondly: present and illustrate the essential money function
Thirdly : present and illustrate the defects of a barter exchange system?

Question no (2) :-  [25 Mark]

Firstly: suppose you have the following information about the monetary system
Calculate below for the following stage
1- Calculate the create new deposits(G)
2- Calculate the total deposits (N)
3- determine the credit multiplier(M)
4- determine the deposit multiplier(D)
Stage (1) the primary deposit (A) 40 000 L.E required reserve (R)%10
Stage (2) Excesses reserve (ER) %10
Stage (3) Leakage reserve (LR)%5
Secondly : Complete the following table about number of prices in a barter versus a
money economy

<table>
<thead>
<tr>
<th>Number of Goods</th>
<th>Number of prices in a barter Economy</th>
<th>Number of prices a money Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thirdly : Circle whether the following statements are true (T) or false (F)
1- Inflation may reduce economic efficiency if it induces people to resort to barter
2- Irving fisher argued that velocity would be relatively constant in the short run,
3- At relative low interest rates, people might be reluctant to hold money due to a
   concern about capital losses should interest rates rise
4- The permanent income argument in Keynes's demand for money formulation
   suggests that velocity will fluctuate with business cycle movements
5- The excess reserves ratio is negatively related to expected deposit outflows
6- The ratio that relates the change in the money supply to a given change in the
   monetary base is called the money multiplier .
7- Money is a unique store of value, since physical goods depreciate over time .
8- paper currency evolved because it is less costly to transport than is commodity
   money .
9- The classical economists contention that velocity could be regarded as a constant transformed the equation of exchange into the quantity theory of money.

10- The demand for money approach developed by Keynes is consistent with the procyclical movements in velocity observed in the united states.

Question no (3) :-

Firstly complete

-when banks increase their holding of excess reserves their volume of loans contracts for a given level of the monetary base, thereby causing ..........(1) in money ......(2) The banking system’s excess reserve ratio is ..........(3) related to the market interest rate, but ..........(4) related to ..........(5) deposit outflows

- The behavior of the four players in the money ..........(6) process- the ..........(7) bank ‘ banks ..........(8) and borrowers from banks.

Secondly calculate the velocity according to Keynes' Friedman and Irving fisher by using the following Information:

\[
\begin{align*}
I &= 0.10 \\
Y_p &= 250 \\
M &= 5000 \\
P &= 100 \\
M^d &= 2500 \\
Y_d &= 400 \\
Y &= 4000
\end{align*}
\]

Thirdly what is meaning of the following definitions

1- Required reserve
2- Money multiplier
3- Excess reserve
4- credit multiplier
5- currency ratio

Question no (4) :-

Firstly Illustrate and derive the money multiplier

Secondly Given the following values,

\[
\begin{align*}
RD &= 0.10 \\
D &= 800 \\
C &= $280 \text{ billion} \\
ER &= $40 \text{ billion}
\end{align*}
\]

Culculate

1- Currency ratio
2- excess reserve ratio
3- money multiplier
4- required reserves
5- Total reserves
6- monetary base

Thirdly Translate to Arabic

In the classical approach, individuals are assumed to hold money because it is a medium of exchange that can be use to carry out everyday transactions. Following the classical tradition, Keynes emphasized that this component of the demand for money is determined primarily by the level of people's transactions. Because he believed that these transactions were proportional to income, like the classical economists, he took the transactions component of the demand for money to be proportional to income.

Good luck.....

Dr. Gamal I. Hassan

Dr. Gamal I. Hassan
Answer the following questions

Question One (35 marks):
A and B agreed to form a partnership on 1/1/2006 at LE 280,000 (A LE 160,000 and B LE 120,000). They decided to transfer their individual firms to be a partnership by 1/3/2006. The Balance Sheets of their sole proprietorships are as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>A</th>
<th>B</th>
<th>Liabilities</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>42,000</td>
<td>56,000</td>
<td>Capital</td>
<td>180,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>77,000</td>
<td>52,000</td>
<td>Accounts Payable</td>
<td>30,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Cars</td>
<td>50,000</td>
<td>36,000</td>
<td>Loans</td>
<td>18,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>21,000</td>
<td>12,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>38,000</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>228,000</td>
<td>176,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Partners agreed to transfer all the above balances to the new partnership and accepted values appeared in the above balance sheets with the exception of buildings presented by partner A to be only LE 67,000 and cars presented by partner B to be only LE 26,000. They also agreed to pay or withdraw any difference between the presented net assets and the agreed shares.

Required:
1- Journal entries needed to record the above agreement.
3- Journal entry required to close books of the sole proprietorship of partner A.

Question Two (30 marks):
North Valley is a partnership which consists of two partners (A LE 120,000 and B LE 80,000). They share profit & loss equally. Partnership agreement included the following conditions for distributing annual profits or losses in addition to some events occurred during the financial year ended on 31/12/2006:

1) Interest on capital at annual rate is 10%.
2) Partner A is the manager whose salary is LE 1,500 monthly. On the first of April 2006, partner A received a cash of LE 8,000 as a salary.
3) Partners' drawings in cash are: A LE 6,000 on 1/5/2006, while B LE 10,000 on 1/7/2006. The rate of interest on drawings is 10% annually.
4) Balances of partners' current accounts are: A LE 1,000 (debit), while B LE 2,000 (credit). The rate of interest on partners' current accounts is 2%.
5) On 1/7/2006, Partner A got a loan of LE 20,000 from the partnership at 10% annual interest.
6) There is a bonus to partner A equal to 10% of the net profit.
7) The profit and expense items for the year then ended were as follows: Gross Profit LE 130,000; Discount allowed LE 2,000; Depreciation expenses LE 10,000; Employees salaries LE 15,000, Rent expenses LE 3,000 and, Telephone expense LE 1,000.

Required:
1- Prepare Profit & Loss a/c for the year ended on December 31, 2006.
2- Journal entries required for recording items concerning Profit & Loss Appropriation a/c items and interest on loan.
3- Prepare Profit & Loss Appropriation a/c for the year ended on December 31, 2006.
4- Partners' current account.
**Question Three (35 marks):**

A, B and C are partners in a partnership. The profit and loss sharing ratio is 1:1:1. On 30/6/2003, partners C decided to withdraw from the partnership. Accordingly, partners agreed to revaluate assets and liabilities of the partnership and to prepare accounts for the period from 1/1/2006 to 30/6/2006 (the retirement date). The following is the Balance Sheet of their partnership as on 30/6/2006.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Capital</td>
</tr>
<tr>
<td>21,600</td>
<td>A 48,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>B 42,000</td>
</tr>
<tr>
<td>24,000</td>
<td></td>
</tr>
<tr>
<td>Cars</td>
<td>C 36,000</td>
</tr>
<tr>
<td>24,000</td>
<td>126,000</td>
</tr>
<tr>
<td>Equipments</td>
<td>General reserve</td>
</tr>
<tr>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>18,600</td>
<td>25,200</td>
</tr>
<tr>
<td>-Provision for doubtful debts (1,260)</td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>Current Account B</td>
</tr>
<tr>
<td>67,860</td>
<td>4,200</td>
</tr>
<tr>
<td>Current Account A</td>
<td>Current Account C</td>
</tr>
<tr>
<td>3,600</td>
<td>3,000</td>
</tr>
<tr>
<td>176,400</td>
<td></td>
</tr>
</tbody>
</table>

You have given the following information:
1- They agreed to revalue some assets as follows: Buildings LE 26,400, cars 20,000, Equipments LE 16,000, bad debts LE 2,400, provision for doubtful debts 10%.
2- Books declared that rights of the retired partner are: his share in the profits from 1/1/06 to 30/6/06 is LE 5,400, interest on capital is LE 1,200, interest on drawings is LE 400, and accrued salary is LE 600.
3- Payment for the retired partner was made through two ways: first half by check, while the second half by a loan that will be paid during the next two years.

**Required**

1) Prepare the Revaluation Profit & Loss Account, the Capital Account, and the Retired Partner's Account.

2) Prepare the Balance Sheet after this agreement.

**Best Wishes**

Ali Abdelkarim Rawy

A. A. Rawy
Answer the following Questions:

Question One (35 marks):

First (15 marks):

Shown below is a recent income statement for the Gap, a specialty retailer (Dollar amounts in thousands).

THE GAP, INC.
Statement of Earnings
For the Year Ended December 31, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$2,960,409</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,955,553)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(661,252)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,763)</td>
</tr>
<tr>
<td>Earnings before income taxes</td>
<td>$339,841</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(129,140)</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$210,701</td>
</tr>
</tbody>
</table>

Comparative balance sheets indicate average total assets for the year of $1,263,331, and average total equity of $782,814 (dollar amounts in thousands).

Required:

a. Prepare an income statement for the year in a multiple-step format.

b. Compute the (1) gross profit rate, (2) net income as a percentage of net sales, (3) return on assets, and (4) return on equity for the year. (Round computations to the nearest one-tenth of one percent.)

Second (20 marks):

For the last five years, ShowTime Video has successfully operated two video rental stores in Baltimore. The company’s cash flows for 2010 appear below:

Interest paid $ (20,000) Dividends paid to stockholders $ (50,000) Cash receipts from customers $550,000 Payments to suppliers and employees $ (370,000) Purchases of plant assets $ (420,000) Proceeds from long-term borrowing $300,000 Repayment of short-term debt $ (25,000) Interest received from investments $10,000 Income taxes paid $ (45,000)

At December 31, 2009, the company’s balance sheet showed cash of $96,000.

Required:

Arrange this information into the format of a statement of cash flows (including proper headings).

Question Two (30 marks):

The cash transactions and cash balances of Norfleet Farm for July were as follows:

1. The ledger account for Cash showed a balance at July 31 of $16,766.95.
2. The July bank statement showed a closing balance of $18,928.12.
3. The cash received on July 31 amounted to $4,017.15. It was left at the bank in the night depository chute after banking hours on July 31 and was therefore not recorded by the bank on the July statement.

A. A. Raw
4. Also included with the July bank statement was a debit memorandum from the bank for $7,65 representing service charges for July.
5. A credit memorandum enclosed with the July bank statement indicated that a non-interest-bearing note receivable for $4,545 from Rene Manes, left with the bank for collection, had been collected and the proceeds credited to the account of Norfleet Farm.
6. Comparison of the paid checks returned by the bank with the entries in the accounting records revealed that check no. 821 for $835.02, issued July 15 in payment for office equipment, had been erroneously entered in Norfleet's records as $853.02.
7. Examination of the paid checks also revealed that three checks, all issued in July, had not yet been paid by the bank: no. 811 for $861.12; no. 814 for $640.80; no. 823 for $301.05.
8. Included with the July bank statement was a $180 check drawn by Howard Williams, a customer of Norfleet Farm. This check was marked "NSF". It had been included in the deposit of July 27 but had been charged back against the company's account on July 31.

Required:
   a. Prepare a bank reconciliation for Norfleet Farm at July 31.
   b. Prepare journal entries (in general journal form) to adjust the accounts at July 31.

Question Three (35 marks):
First (15 marks):
A tractor which cost $30,000 had an estimated useful life of 5 years and an estimated salvage value of $10,000. Straight-line depreciation was used. Give the entry (in general journal form) required by each of the following alternative assumptions:
   a. The tractor was sold for cash of $19,500 after 2 years' use.
   b. The tractor was traded in after 3 years on another tractor with a fair market value of $37,000. Trade-in allowance was $21,000. (Record any implied gain or loss.)
   c. The tractor was scrapped after 7 years' use. Since scrap dealers were unwilling to pay anything for the tractor, it was given to a scrap dealer for his services in removing it.

Second (20 marks):
On April 1, 1997, Argo Industries purchased new equipment at a cost of $325,000. Useful life of this equipment was estimated at 5 years, with a residual value of $25,000.
Required:
Compute the annual depreciation expense for each year until this equipment becomes fully depreciated under each depreciation method listed below. Present your solution in depreciation schedule form. (Because you will record depreciation for only a fraction of a year in 1997, depreciation will extend through 2002 in all methods.) Show supporting computations for each depreciation method listed below.
   a. Straight-line, with depreciation for fractional years rounded to the nearest whole month.
   b. 200%-declining-balance, with the half-year convention. Limit depreciation in 2002 to an amount which reduces the undepreciated cost to the estimated residual value.

Best Wishes********

A. A. Rawy
Money and Banking
Second year
Faculty of Commerce, Qena
Department of Economics

Answer the following Questions

Question no. (1)

A: "The deficiencies of barter make the essential money functions". argue and analyses

B: Compare between the Keynes demand money theory and Friedman demand money theory about
   1- The form of equation
   2- the velocity of circulation of money
   3- importance of the interest rate
   4- importance of the prices

"Second Question"

(A) Suppose you have the following information about the monetary system.

   For each following stage calculate the below.
   1- calculate the create new deposits (G)
   2- calculate the total deposits (N)
   3- calculate the credit multiplier (M)

   Stage (1) primary deposit (A) 15000 L.L, Required reserve (R) %20
   Stage (2) Exesses reserve (E) %5

(B) In the spaces provided below indicate by (T) or (F) whether the statement is true or false.

   1- A change in the reserve requirement on demand deposits can change a bank's ability to extend credit.
   2- An increase in the money supply will always lead to higher prices.
   3- The effect of a decrease in the money supply may be offset by a decrease in the velocity of money.
   4- If the money supply increases at a slower rate than does productivity, prices will tend to rise.
   5- Monetary policy may be used as a tool of stabilizing the level of economic activity and the price level.

Dr. Gamal I. Hassan
6- Standard of value and medium of exchange are said to be the two major functions of money.
7- All checking deposits are referred to as primary deposits.
8- A rising price level generally is beneficial to the creditor.
9- If a worker's wage increases at a slower rate than the price level, the real wage, or purchasing power will increase.
10- Lowering the reserve requirement will lead automatically to an increase in the money supply.

Third Question:

(A) present the determinants of money supply by details and deriving the money multiplier.

(B) consider the following variables

\[ r = \text{required reserve ratio} = 0.20 \]
\[ c = \text{currency in circulation} = 1200 \]
\[ d = \text{checkable deposits} = 3600 \]
\[ ER = \text{excess reserve} = 0.12 \]

- calculate the money multiplier

Fourth Question:

(A) what is the meaning of the following definitions

1- Barter system
2- velocity
3- nominal income
4- purchasing power of money
5- The liquidity preference
6- the inflation

(B) complete:

1- The money multiplier and the money supply are ............. (1) related to the required reserve ratio
2- in ............(2) years'. reserve requirement have become a ........(3) important ........(4) in the determination of the money multiplier and the money supply.
3- when the costs of holding excess reserve ............(5), we would expect the level of excess reserves ........(6), when the ............(7) of holding excess reserves ............(8) we would expect the level of excess reserves ratio to rise.

Good luck.....

Dr. Gamal I. Hassan
South Valley University (Qena)  
Faculty of Commerce  
English Section  
First Term Exam -January 2010  
Time: Three Hours  

Subject: Principles of Maritime and Commercial Law

**Answer this Question. (Compulsory)**

(40 Marks)

A) Moamen has a small but flourishing business which he has carried on alone for several years. He now feels that the time has come for an additional input of financial resources and skills. He is however, unsure whether to convert his business into either a partnership or a joint stock company, and he seeks your advice in respect of the essential legal characteristics of these two forms of business enterprise. Advise him.

B) On a clear but windy December night in 2009, the American vessel called statute of liberty collided with the Egyptian vessel called Elsalam in Alexandria port. What is the applicable law? And what is the applicable law if this collision takes place in high seas?

**Answer Only Two of the following questions.**

1- You and a friend are considering forming a business organization to manufacture and sell cars. You suspect that the company will show a loss during its first two years of operation. There is a further fact that X also a manufacturer of cars,you and your friend decided after X approval to join X to your business on the condition that X is forbidden from management of this business. What form of business organization should be selected under these circumstances? Explain.  

(30 Marks)

2- Read these sentences carefully and determine if they are true or false With Comment.  

(30 Marks)

A- The general partnership consists of two kinds of partners.

B- Resolutions of the extraordinary assembly of Joint Stock Company are passed by a simply majority of shares represented at the meeting.

C- The capital in the Commandite Company limited by share is divided into two categories.

D- Maritime law is a branch of the public law.

E- Egypt follows the common law system.

F- Brussels convention of 1910 regulates marine pollution.

3- What are the types of corporation?  

(30 Marks)

with my best wishes

Dr. Rady El-Faathy
South Valley University
Faculty of Commerce
English Section / Second year

Topic: Production and operations management
First term/ Jan. 2010
Time: 3 hours

Exam in 2 pages

Answer the following questions:

Question (1):
Indicate whether each of the following statements is true(✓) or false(✗). Do not justify your answer:

1. Deciding whether to increase production capacity next month by work overtime or subcontract some suppliers is an example of control decisions.
2. Operations strategy is a long-range plan of an organization and provides a road map of how to achieve the corporate mission.
3. Produce-to-stock is most suitable when business strategy calls for custom products whose market strategy requires the competitive priorities of fast delivery.
4. In the maturity stage of the product life cycle, the highly standard product is produced continuously at very high volume.
5. Product flexibility is required when business strategies call for many custom-designed product each will small volumes.

Question (2):
Define the following terms:

1. Product flexibility.
2. Simultaneous engineering.
3. Standardization as one concept of designing product for the ease of production.

Question (3):
Write notes on the following topics:

1. The major issues related to process-focused organization.
2. Operating decisions of the production and operations management (give examples).
3. Different factors affecting choosing a production process organization.

Question (4):
Integrated products corporation (IPC) needs to estimate its sales for next year. The most recent six years of revenue data for the company's line of XT computers are found in the table below:
Year | Sales revenues (millions of dollars)
-----|-------------------------------------
1    | 2.4                                 
2    | 5.9                                 
3    | 15.5                                
4    | 27.8                                
5    | 35.9                                
6    | 38.1                                

Assuming that the sales data above are representative of sales expected next year. Use time series analysis to forecast next year sales revenues.

**Question (5):**
A company has three alternative production processes to choose from. These alternatives are:
- Automated process (A)
- Cellular process (C)
- Intermittent process (I)

The cost structure of each process as follows:

<table>
<thead>
<tr>
<th>Process</th>
<th>Fixed cost (per year)</th>
<th>Variable cost (per unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>L.E. 24000</td>
<td>L.E. 4</td>
</tr>
<tr>
<td>C</td>
<td>L.E. 20000</td>
<td>L.E. 6</td>
</tr>
<tr>
<td>I</td>
<td>L.E. 18000</td>
<td>L.E. 8</td>
</tr>
</tbody>
</table>

1. what is the most economical process for a volume of 15000 units per year?
2. At what volume would each of the processes be preferred?

"With Best Wishes"
Second Year, E-Section  1st Term  Intermediate Accounting
Time: 3 Hours  January 27, 2010

Answer the following Questions:

Question One (40 marks):

First (20 marks):
Presented below are the captions of Faulk Company’s balance sheet.

(a) Current assets.  (i) Current liabilities.
(b) Investments.    (g) Non-current liabilities.
(c) Property, plant, and equipment.  (h) Capital stock.
(d) Intangible assets.  (i) Additional paid-in capital.
(e) Other assets.  (j) Retained earnings.

Instructions: Indicate by letter where each of the following items would be classified.
1. Preferred stock.
2. Goodwill.
3. Wages payable.
4. Trade accounts payable.
6. Trading securities.
8. Premium on bonds payable.
10. Accounts receivable.
11. Cash surrender value of life insurance.
12. Notes payable (due next year).
13. Office supplies.
15. Land.
16. Bond sinking fund.
17. Merchandise inventory.
18. Prepaid insurance.
20. Taxes payable.

Second (20 marks):
Presented below is information related to American Horse Company for 2007.
Retained earnings balance, January 1, 2007 $ 980,000
Sales for the year 25,000,000
Cost of goods sold 17,000,000
Interest revenue 70,000
Selling and administrative expenses 4,700,000
Write-off goodwill (not tax deductible) 820,000
Income taxes for 2007 905,000
Gain on the sale of investments (normal recurring) 110,000
Loss due to flood damage-extraordinary item (net of tax) 390,000
Loss on the disposition of the wholesale division (net of tax) 440,000
Loss on operations of the wholesale division (net of tax) 90,000
Dividends declared on common stock 250,000
Dividends declared on preferred stock 70,000

Instructions:
Prepare a multiple-step income statement. American Horse Company decided to discontinue its entire wholesale operations and to retain its manufacturing operations. On September 15, American Horse sold the wholesale operations to Rogers Company. During 2007, there were 300,000 shares of common stock outstanding all year.
(1) Interest on capital at annual rate is 10%.
(2) Partner A is the manager whose salary is LE 1,500 monthly. On the first of April 2006, partner A received a cash of LE 8,000 as a salary.
(3) Partners' drawings in cash are: A LE 6,000 on 1/5/2006, while B LE 10,000 on 1/7/2006. The rate of interest on drawings is 10% annually.
(4) Balances of partners' current accounts are: A LE 1,000 (debit), while B LE 2,000 (credit). The rate of interest on partners' current accounts is 2%.
(5) On 1/7/2006, Partner A got a loan of LE 20,000 from the partnership at 10% annual interest.
(6) There is a bonus to partner A equal to 10% of the net profit.
(7) The profit and expense items for the year then ended were as follows: Gross Profit LE 130,000; Discount allowed LE 2,000; Depreciation expenses LE 10,000; Employees salaries LE 15,000, Rent expenses LE 3,000 and, Telephone expense LE 1,000.

**Required:**
1- Prepare Profit & Loss a/c for the year ended on December 31, 2006.
2- Journal entries required for recording items concerning Profit & Loss Appropriation a/c items and interest on loan.
3- Prepare Profit & Loss Appropriation a/c for the year ended on December 31, 2006.
4- Partners' current account.

**Question Three (30 marks):**
A, B and C are partners in a partnership. The profit and loss sharing ratio is 1:1:1. On 30/6/2003, partners C decided to withdraw from the partnership. Accordingly, partners agreed to revalue assets and liabilities of the partnership and to prepare accounts for the period from 1/1/2006 to 30/6/2006 (the retirement date). The following is the Balance Sheet of their partnership as on 30/6/2006.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Capital</td>
</tr>
<tr>
<td>Buildings</td>
<td>A 48,000</td>
</tr>
<tr>
<td>Cars</td>
<td>B 42,000</td>
</tr>
<tr>
<td>Equipments</td>
<td>C 36,000</td>
</tr>
<tr>
<td>Accounts Receivable 18,600</td>
<td>General reserve 126,000</td>
</tr>
<tr>
<td>-Provision for doubtful debts 1,260</td>
<td>Accounts Payable 25,200</td>
</tr>
<tr>
<td>Bank</td>
<td>Current Account B 4,200</td>
</tr>
<tr>
<td>Current Account A</td>
<td>Current Account C 3,000</td>
</tr>
<tr>
<td></td>
<td>176,400</td>
</tr>
</tbody>
</table>

You have given the following information:
1- They agreed to revalue some assets as follows: Buildings LE 26,400, cars 20,000, Equipments LE 16,000, bad debts LE 2,400, provision for doubtful debts 10%.
2- Books declared that rights of the retired partner are: his share in the profits from 1/1/06 to 30/6/06 is LE 5,400, interest on capital is LE 1,200, interest on drawings is LE 400, and accrued salary is LE 600.
3- Payment for the retired partner was made through two ways: first half by check, while the second half by a loan that will be paid during the next two years.

**Required**
(1) Prepare the Revaluation Profit & Loss Account, the Capital Account, and the Retired Partner's Account.
(2) Prepare the Balance Sheet after this agreement.

**Best Wishes**

Ali Abdelkarim Rawy
**Answer the following questions**

**Question One (40 marks):**

**First (15 marks):** Determine (in a table) whether each of the following statements is true (✓) or false (✗):

1. In Egypt, like most countries, two types of business organizations are common. These types are the sole proprietorship and the partnerships.
2. In Egypt, the Civil Law defines a partnership as a company between three or more with intention of trading as co-partners on a certain address or name for this company.
3. The agreement to form a partnership may not be as informal as a handshake or as formal as an agreement of several pages.
4. General partner is a partner in a “limited partnership” or a “simple bequest company” who has the right to participate in profits, but whose liability for losses is limited to the amount he or she invested.
5. The corporation, unlike the partnership, has no independent existence as a legal entity.
6. The control of the partners over operations is also more direct and flexible than that of the stockholders.
7. The factor of mutual agency suggests the need for exercising great caution in the selection of a partner.
8. All general partners have the right to take part in the management of the partnership.
9. No person can be introduced as a partner into a firm without the consent of all the existing partners.
10. Every partner has the right to retire.

**Second (25 marks):**

A and B agreed to form a partnership on 1/1/2006 at LE 280,000 (A LE 160,000 and B LE 120,000). They decided to transfer their individual firms to be a partnership by 1/3/2006. The Balance Sheets of their sole proprietorships are as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>A</th>
<th>B</th>
<th>Liabilities</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>42,000</td>
<td>56,000</td>
<td>Capital</td>
<td>180,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>77,000</td>
<td>52,000</td>
<td>Accounts Payable</td>
<td>30,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Cars</td>
<td>50,000</td>
<td>36,000</td>
<td>Loans</td>
<td>18,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>21,000</td>
<td>12,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>38,000</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>228,000</td>
<td>176,000</td>
<td></td>
<td>228,000</td>
<td>176,000</td>
</tr>
</tbody>
</table>

Partners agreed to transfer all the above balances to the new partnership and accepted values appeared in the above balance sheets with the exception of buildings presented by partner A to be only LE 67,000 and cars presented by partner B to be only LE 26,000. They also agreed to pay or withdraw any difference between the presented net assets and the agreed shares.

**Required:**

1. Journal entries needed to record the above agreement.

**Question Two (30 marks):**

North Valley is a partnership which consists of two partners (A LE 120,000 and B LE 80,000). They share profit & loss equally. Partnership agreement included the following conditions for distributing annual profits or losses in addition to some events occurred during the financial year ended on 31/12/2006:
**Question Two (30 marks):**

Alistair Cooke Inc. had the following balance sheet at December 31, 2006.

**ALISTAIR COOKE INC.**

**BALANCE SHEET, DECEMBER 31, 2006**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 20,000</td>
<td>Accounts payable</td>
<td>$ 30,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>21,200</td>
<td>Long-term notes payable</td>
<td>41,000</td>
</tr>
<tr>
<td>Investments</td>
<td>32,000</td>
<td>Common stock</td>
<td>100,000</td>
</tr>
<tr>
<td>Plant assets (net)</td>
<td>81,000</td>
<td>Retained earnings</td>
<td>23,200</td>
</tr>
<tr>
<td>Land</td>
<td>40,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 194,200</strong></td>
<td><strong>Total</strong></td>
<td><strong>$ 194,200</strong></td>
</tr>
</tbody>
</table>

During 2007, the following occurred.

1. Alistair Cooke Inc. sold part of its investment portfolio for $17,000. This transaction resulted in a gain of $3,400 for the firm. The company classifies its investments as available-for-sale.
2. A tract of land was purchased for $18,000 cash.
3. Long-term notes payable in the amount of $16,000 were retired before maturity by paying $16,000 cash.
4. An additional $24,000 in common stock was issued at par.
5. Dividends totalling $8,200 were declared and paid to stockholders.
6. Net income for 2007 was $32,000 after allowing for depreciation of $12,000.
7. Land was purchased through the issuance of $30,000 in bonds.
8. At December 31, 2007, Cash was $39,000, Accounts Receivable was $41,600, and Accounts Payable remained at $30,000.

**Instructions:**

(a) Prepare a statement of cash flows for 2007.

(b) Prepare an unclassified balance sheet as it would appear at December 31, 2007.

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**Question Three (30 marks):**

The cash account of Jose Orozco Co. showed a ledger balance of $3,969.85 on June 30, 2007. The bank statement as of that date showed a balance of $4,150. Upon comparing the statement with the cash records, the following facts were determined.

1. There were bank service charges for June of $25.
2. A bank memo stated that Bao Dai’s note for $900 and interest of $36 had been collected on June 29, and the bank had made a charge of $5.50 on the collection. (No entry had been made on Orozco’s books when Bao Dai’s note was sent to the bank for collection.)
3. Receipts for June 30 for $2,890 were not deposited until July 2.
4. Checks outstanding on June 30 totalled $2,136.05.
5. The bank had charged the Orozco Co.’s account for a customer’s uncollectible check amounting to $453.20 on June 29.
6. A customer’s check for $90 had been entered as $60 in the cash receipts journal by Orozco on June 15.
7. Check no. 742 in the amount of $491 had been entered in the cash journal as $419, and check no. 747 in the amount of $58.20 had been entered as $582. Both checks had been issued to pay for purchases of equipment.

**Instructions:**


(b) Prepare any entries necessary to make the books correct and complete.

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*Best Wishes******** Ali Abdelkarim Rawy*