

Answer the following questions:

Question (1): Multiple-Choice Questions

1. Which of the following would **not** be classified as an expenditure?
 - a. Departmental supplies.
 - b. Depreciation
 - c. Capital outlay.
 - d. All of the above would be classified as expenditures.
2. Capital outlay expenditures would **not** be in a
 - a. General Fund.
 - b. Debt Service Fund.
 - c. Capital Projects Fund.
 - d. Special Revenue Fund.
3. Which of the following accounts is **not** included in a balance sheet of a governmental fund?
 - a. Cash.
 - b. Investments.
 - c. Equipment.
 - d. Salaries Payable.
4. Which of the following is **not** considered a governmental fund?
 - a. General Fund
 - b. Debt Service Fund
 - c. Capital Projects Fund
 - d. Internal Service Fund
5. Which of the following is **not** considered a fiduciary fund?
 - a. Agency Fund
 - b. Investment Trust Fund
 - c. Permanent Fund
 - d. Private-purpose Trust Fund
6. In which accounting entities may a government report capital assets?
 - a. Capital Projects Funds.
 - b. Enterprise Funds.
 - c. General Fund
 - d. Debt Service Fund
7. Only fund that all governments have.
 - a. General Fund.
 - b. Debt Service Fund
 - c. Special Revenue Fund
 - d. Non-Fund Accounts.
8. In which accounting entities may a government report capital assets?
 - a. Capital Projects Funds
 - b. Enterprise Funds
 - c. General Fund
 - d. Debt Service Fund
9. A transaction in which a government issues general obligation bonds to finance the construction of a new police station would
 - a. increase liabilities in a Debt Service Fund.
 - b. increase liabilities in a Capital Projects Fund.
 - c. increase fund balance in a Debt Service Fund.
 - d. increase fund balance in a Capital Projects Fund.
10. The police department of the city of Denton purchased 10 new patrol cars at the beginning of the new budget year at a total cash price of \$250,000. This purchase will
 - a. increase capital assets by \$250,000.
 - b. have no effect on capital assets, but will decrease fund balance by \$250,000.
 - c. increase general capital assets reported in the Non-Fund Accounts by \$250,000, as well as decrease fund balance by the same amount.
 - d. have no effect on net assets.

Tanta University - [English Department] - Final Exam - Third Level - Government and Nonprofit Accounting - Estimated Time: 180 Minutes - Date: 8 January 2017

Question (1): [Dr. Nargis K.B. Makhail - Estimated Score :20]

Determine Whether the Statement is True or False by checking [A] if the statement is true and [B] if the statement is false in first page of the normal answer sheet [ورقة الإجابة العادية]

1. Proprietary Fund Equation is $CA + NCA - CL - LTL = NP$ (A)
2. Recording Purchase a capital asset with long term debt in Proprietary Fund is increases in NCA and increases in LTL and no effect on NP ()
3. Recording issuing short term bonds and received cash to finance construction of building in Proprietary Fund results in increases in CA and increases in CL and increase in NP ()
4. Recording receiving a bill from the contractor for construction costs on the building in Proprietary Fund results in increases in NCA and increases in CL and no effect on FB ()
5. Recording selling a capital asset for \$7,000 cash, it has no book value in Proprietary Fund results in increases in CA \$7,000 and increases in NP\$7,000 ()
6. Recording nonpaid monthly salaries to employees \$100,000 in Proprietary Fund results in increases in CL \$100,000 and increases in NP ()
7. Recording repaying building long term bonds\$150,000 and interest matured \$50,000 in Proprietary Fund results in decreases in CA \$200,000 and decreases CL\$150,000 and increases in NP \$50,000 ()
8. Recording depreciation expense \$20,000 on a capital assets in Proprietary Fund results in decreases in NCA and decreases in NP ()
9. Recording purchasing capital assets \$ 100,000; half of the cost with short-term credit and other half cash in Proprietary Fund results in decreases in CA \$50,000; increases in NCA \$100,000 ; increases in CL \$50,000 and no effect on NP ()
10. Recording purchasing capital assets cash in Proprietary Fund results in decreases in CA; increases in NCA ; no effect on FB ()
11. Recording transactions occurred in government unit that only provides governmental activity necessities using two funds : Governmental Fund and Non- Fund accounts ()
12. Governmental Fund Equation is $General\ Capital\ Assets\ (GCA) - General\ Long-Term\ Liabilities\ (GLTL) = Net\ Position\ (NP)$ ()
13. Recording purchasing a capital asset with cash \$ 8,000 in Governmental Fund and Non- Fund accounts results in decreases in FA and decrease in FB ; increases in GCA and increases in NP ()
14. Recording issuing long-term bonds to finance construction of building in Governmental Fund and Non- Fund accounts results in decreases in FA and increases in NP; increases in GLTL and decreases in FB ()

Final Exam - Third year Students [English Department] – Government and Nonprofit
Accounting - Estimated Time: 180 Minutes Date: 9 January 2019

Transfer answers to Bubble Answer Sheet

Question (1) True- False [50 Marks]

- 1) Proprietary funds accounting is similar to accounting for partnership accounting ()
- 2) Proprietary Fund Equation equal financial assets - related liabilities = fund balance ()
- 3) The accounting equation of a governmental fund is Assets- liabilities = net position ()
- 4) To account for the financial resources in government Fund, the equation must be contain only Current Assets; Noncurrent Assets; Current Liabilities; Long-term Liabilities ()
- 5) The accounting equation of a Proprietary fund must contain only Financial assets; Related Liabilities ()
- 6) Governmental accounting is designed and operated on a fund basis ()
- 7) Financial Assets (FA) refer to cash and receivable ()
- 8) In governmental accounting, assets must be depreciated; these assets include fixed assets; intangible assets; and land ()
- 9) Deferred inflows are reported similarly to liabilities but not separately from liabilities ()
- 10) Deferred outflows are reported similarly to assets but separately from assets ()
- 11) The most common examples of Deferred inflows in governmental fund are: The deferral recognition of revenue; cash was not collected soon enough after the year end; and Taxes collected in advance ()
- 12) Deferred outflows in governmental fund are common ()
- 13) in government account revenues must be Earned during the period; Available; and objectively measurable ()
- 14) Governmental revenues become available when can be collected within the period or soon enough otherwise they should be considered unearned revenues and deferred revenues ()
- 15) The cost measurement focus of governmental fund accounting is expenditures ()
- 16) The cost measurement focus of Proprietary Fund accounting is expenses ()
- 17) In both Proprietary Fund and governmental fund; the operations cost include Salaries and Utilities ()
- 18) In Governmental Fund; the capital cost include the entire costs of acquiring capital assets and depreciation ()
- 19) In Proprietary Fund; the capital cost include depreciation ()
- 20) In Governmental Fund; the cost of debt service include Principle of Long-term debt and interests on the debt ()
- 21) In Proprietary Fund; the cost of debt service include only interests on the debt
- 22) In Governmental Fund; the cost measurement reflects net financial assets expended to acquire goods and services ()
- 23) In Proprietary Fund; the cost measurement reflects the cost of goods or services used ()
- 24) The Major Difference between Proprietary Fund and Governmental Fund equation is that the government fund does not include : General capital assets and long-term liabilities ()
- 25) The equation of Non-fund accounts equal General Capital Assets and General Long-Term Liabilities ()
- 26) Capital Assets are not included in Proprietary Fund (expendable) financial Statements (FR) because: Including them in the FR will increase the fund balance, leading to mislead users ()
- 27) Fiduciary Funds are used to account for assets that are held by a government not for the benefits of its own programs or activities but for the benefit of individuals and other governments ()
- 28) Types of Proprietary Funds include Enterprise Funds; Internal Service Funds; and Capital Projects Funds ()
- 29) The main distinction between different kinds of Governmental Funds is based on the purpose for which the financial resources must be used in each Fund ()

- 2) The government borrowed \$20,000 on a short-term note from a local bank to alleviate a General Fund cash shortage; the entry should be recorded in General Fund as following:

a) transfer from General Fund \$5,000 (debit) Transfer to Debit Service Fund \$5,000 (credit)	b) Transfer from Special Fund \$20,000 (debit); due to General Fund \$20,000 (credit)	c) Short-Term Note payable \$20,000 (debit); Cash \$20,000 (credit)	d) Cash \$20,000 (debit); Short-Term Note payable \$20,000 (credit)
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- 3) When a governmental organization purchases a capital asset with cash, this transaction is recorded in Governmental Fund and Non- Fund accounts as follows:

a) Decrease FA , increase FB; increase GCA; increase NP	b) Increase FA; decrease RL	c) Decrease FA, Decrease FB; increase GCA and increase NP	d) Decrease FA; decrease GCA
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- 4) Paid employees for monthly salaries \$18,000 is recorded in Proprietary Fund:

a) Decrease CA; Decrease NP	b) Increase CA; Increase NP	c) Increase CA; increase LTL	d) Decrease RL; increase FB
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- 5) Issued \$1000,000 of long term bonds and received cash to finance construction of building is recorded in the Governmental Fund and Non- Fund accounts as follow:

a) increase FA; increase FB; increase GLTL; decrease NP	b) increase CA; increase LTL	c) decrease FA; decrease FB; Decrease GLTL; increase NP	d) Decrease CA; increase LTL
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- 6) Issued six-month note to provide temporary financing is recorded in the Proprietary Fund as follows:

a) increase FA; increase RL	b) increase FA increase CL	c) increase CA; increase CL, 0 NP	d) decrease FA ; decrease CA
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- 7) Received a bill from the contractor for construction costs on the building in recorded in Governmental Fund and Non- Fund accounts as the following:

a) increase RL; Decrease FB; increase GCA; increase NP	b) decrease NCA; increase CL; increase NP	c) decrease NCA decrease RL; increase NP	d) increase NCA; increase CL; unaffected NP
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- 8) Sold a capital asset for \$7,000 cash, its depreciation cost (book value) was \$9,000 is recorded in Proprietary Fund:

a) increase CA\$7000; Decrease LTL \$9000; decrease NP \$2000	b) increase CA \$7000; Decrease NCA \$9000; Decrease NP \$2000	c) increase FA \$7000; increase FB \$7000; Decrease GCA\$9000; decrease NPS\$9000	d) increase FAS\$7000; increase FB \$7000; decrease GCA \$9000; increase NP \$ 9000
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- 9) \$50,000 of long-term bonds and \$30,000 of interest matured were paid is recorded Governmental Fund and Non- Fund accounts as follow:

a) decrease CA \$80,000; increase LTL 50,000; increase NP 30,000	b) decrease CA \$80,000; decrease LTL 50,000; decrease NP 30,000	c) decrease FA \$80,000; Decrease FN \$80,000; Decrease GLTL \$50,000; Decrease NP \$50,000	d) decrease FA \$80,000; Decrease FB \$80,000; Decrease GLTL \$50,000; increase NP \$50,000
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- 10) \$1000,000 six-month note matured and was paid along with \$30,000 of interest have to be recorded in Proprietary Fund as follow:

a) Decrease FA \$1030,000 ; Decrease RL \$1000,000; Decrease FB \$30,000; No effect on Non-fund accounts	b) increase FA \$1030,000; Decrease RL \$1000,000; increase FB \$30,000 no effect on Non-fund accounts	c) Decrease CA with \$1030,000; Decrease CL \$1000,000 ; Decrease NP with \$30,000	d) increase CA \$1030,000; increase RL \$1000,000; increase NP \$30,000
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- 11) Purchased capital assets on short-term credit should be recorded in Governmental Fund and Non- Fund accounts as follow:

Part (1): [A. P. Nargis K.B.Makhaiel] [score: 21.5]

أجب على الأسئلة التالية في ورقة التصحيح الإلكتروني في الجزء المخصص لأسئلة الصواب والخطأ

True/False questions - answers the following questions in the bubble sheet

- 1) Business-type organizations often perform a single function thus multiple-fund accounting is common as government type organizations ()
- 2) Among the unique aspects of G&NP organisation accounting are "fund accounting designed to separate resources according to the purposes for which they may be used and to account for their uses and balances ()
- 3) Among the unique aspects of G&NP accounting are budgetary control techniques to help assure appropriations are not over expended and all resources due the G&NP organisation are received by it ()
- 4) A fund of a government organization is an independent fiscal and accounting entity ()
- 5) Each governmental fund has a separate self-balancing set of accounts in which are recorded the resources segregated for specific purposes, the related liabilities and fund balance or net assets, and the changes therein ()
- 6) Governmental "non-expendable" funds are used to account for the financial assets; related liabilities; changes in net financial assets; and the balances that may be expended in a G&NP organization's governmental ()
- 7) Proprietary "expendable" funds are used to account for the revenues, expenses, assets, liabilities, and net position of a G&NP organization's "business-type" activities, which in the most clear cut situations are intended to sustain their operations through user charges ()
- 8) "Expenses" may be defined as the amount of financial resources expended during an accounting period for current operations, capital outlay, and long-term debt principal retirement and interest ()
- 9) "Expenditures" are the costs of assets or services consumed during an accounting period ()
- 10) The basic purpose of a business is to generate revenues sufficient to cover all costs of providing the services and to generate a return for owners, however, a G&NP organization exists to provide certain goods or services to a community or society as a whole ()
- 11) Emphasis in business environment is upon acquiring and using appropriable financial resources and budgetary position rather than the determination of net income or earnings per share ()
- 12) G&NP organizations generally rely on equity investors, debt issuances, and profits from the sale of goods and services to its customers to generate financial resources ()
- 13) Profit-seeking organizations do not have "investors," and generally do not have a profit motive; therefore they generally rely on the receipt of taxes as their primary sources of financial resources ()
- 14) Profit-seeking organizations rely on profits from the sale of its goods or services to continue to operate. Therefore, the operations of a profit-seeking organization generally are evaluated based on the amounts of profits (or its net income) over a period of time ()
- 15) The performance of G&NP organizations must be measured differently from profit-seeking organizations because G&NP organizations generally do not have a profit motive ()
- 16) The Governmental Accounting Standards Board (GASB) was established to set authoritative standards for state and local government accounting and financial reporting. However, the Financial Accounting Standards Board (FASB) establishes accounting and financial reporting standards for all firms including nonprofit organizations except for government nonprofit organizations ()
- 17) An entity is likely to be a governmental entity if a majority of its governing body is appointed by governmental officials ()
- 18) governmental entities providing business type activities is a type of entities commonly that uses budget for internal reporting purposes ()

Part Two (Prof.Dr. Bassam Baroma)

Answer the following question:

Question (1): Record the following transactions in the General Ledger accounts

1. Coleman Country levied its property taxes on January 1, 2018. The total tax levy was \$80,000,000, 2% is expected to be uncollectable.
2. Coleman collected \$55,000,000 of property taxes before the due date. The remaining taxes are past due.
3. Interest and penalties of \$2,500,000 were assessed on the past due taxes, 6% is expected to be uncollectable.
4. Payroll was approved and paid \$630,000
5. Materials and supplies were purchased for the fire department on account \$13,200.
6. Recreational equipment was purchased on account for \$77,850.
7. The General Fund was billed \$700 by the Electric Utility Enterprise Fund for electricity for the month.

Question (2)

Record the following transactions in the general ledger accounts of the general fund of the Keffer independent School district:

1. Ordered textbooks with an estimated cost \$80000.
2. Ordered laboratory supplies with an estimated cost \$25000.
3. Signed a contract with Victory transportation services for athletic team transportation. The estimated total cost of the services was \$7000.
4. Hired a new clerk and approved a salary of \$18000 per year.
5. The textbooks were received at an actual cost of \$80400. the invoice was approved for payment.
6. Approximately half of the laboratory supplies were received and vouchered at an actual cost of \$12000 (estimated cost was \$12400).
7. Actual transportation costs billed to Keffer School district by Victory transportation services were \$8000.

Question (3)

Prepare the general journal entries for the following transactions:

1. Adopted the budget-estimated revenues of \$5000,000 and appropriations of \$4,900,000.
2. Levied property taxes of \$3,500,000. one percent have been uncollectible historically.
3. Paid salaries of \$2,700,000.
4. Hired a new director of public works at an agreed salary of \$60,000.
5. Ordered materials and supplies expected to cost \$103,000.
6. Amended the appropriation for public works to increase it by \$10,000.
7. Received half of the materials and supplies order at an actual cost of \$51,500.

Good luck (buona Fortuna)