

the first Exam correction

Part one:

Exercise 1:

1-The process of converting an asset into an expense is known as depreciation.
(1pts)

2- Lands are classified with the fixed assets, However they do not lose value because they do not depreciate. instead they gain more value (1pts)

3-The straight line method, simply spreads the total expected cost over the number of years of anticipated useful life, and charges an equal sum each year. While accelerated depreciation is writing off large amounts of the cost of capital investments during the first years of use; this is a measure encourage investment.(1pts)

Exercise2 : translation.

Fixed assets such as buildings, plant, and machinery gradually lose value.(1pts)

الاصول الثابتة مثل المباني و المنشآت و الآلات يفقدون القيمة تدريجيا

(0.5pts) Straight line method = طريقة لاهتلاك الخطي (الثابت)

(0.5 pts) Gross profit = الربح الإجمالي

(0.5 pts) Wear out = يتلف

2)From Arabic to English

internal auditing(0.5 pts) = التدقيق الداخلي

Cash flow statement (0.5pts) = بيانات التدفق المالي

sales revenue (0.5 pts) = إيرادات البيع

Part two :

Exercise 1: A) matching (2,5)

Corporate governance

Share capital

Audit committee

Limited liability

Non-executive directors

B) Classifying the terms with their definitions (2,5pts)

Corporate governance : the way a company is managed for its owners

Non-executive directors : members of a board of directors who are not full-time managers of the company

Share capital : owners' money invested in a company

Limited liability: responsibility for debts up to the value of the company's share capital

Audit committee :a group of directors to whom the external auditors present their report

Exercise 2 :

Complete the sentences using 'debit' or 'credit". (3pts)

1-If you buy new assets, you **debit** the cash or capital account.

2-If you sell something to a customer who will pay 30 day later, you **credit** The sales account and **debit** The customer's account.

3-If you pay some bills, you **credit** the liabilities accounts.

4-If you buy materials from a supplier on 60 day's credit, you **debit** The purchases account and **credit** The supplier's account.