Financial Accounting & Management Reporting





"Professional Guidance"

Taher El Taher – CPA tahir@accbest.com Mobile: +97339911210 January 2021 Bahrain



- Graduated in Khartoum Polytechnic 1979 and got my CPA US certification in year 2000.
- Worked for Al Essa Co. & Kingdom Holding in Riyadh, Saudi Arabia
- Worked as Consultant & Compliance Officer for the Arab Investment Company, Bahrain.
- In Year 2016, established own Business & Software Consultancy "AccBest" in Bahrain.



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Class 3 - Saturday - 30 Jan, 2021: 8:30 - 10:30 PM

Financial Transactions
Accounting Entries
Trial Balance

المعاملات المالية القيود المحاسبية ميزان المراجعة





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The Basic Financial Statements - MCQs

Q. (8)

Goods which originally cost 800 were sold for 1,000. In the accounting equation Net Assets will?

- (A) Rise by 1,000
- (B) Rise by 200
- (C) Fall by 1,000
- (D) Fall by 200

Answer (b) is correct

When goods are sold:

<u>Dr. Cash</u> <u>1,000</u> Cr. Sales 1,000

Dr. Cost of Goods Sold 800
Cr. Inventory 800

Net change is Assets:

Cash is up by 1,000

Inventory is down by (800)

Net change is 200 UP

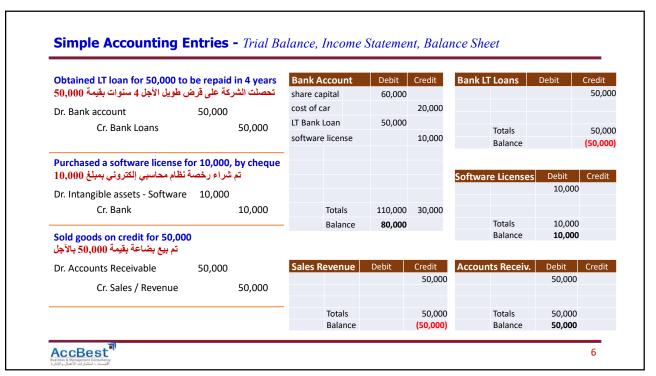
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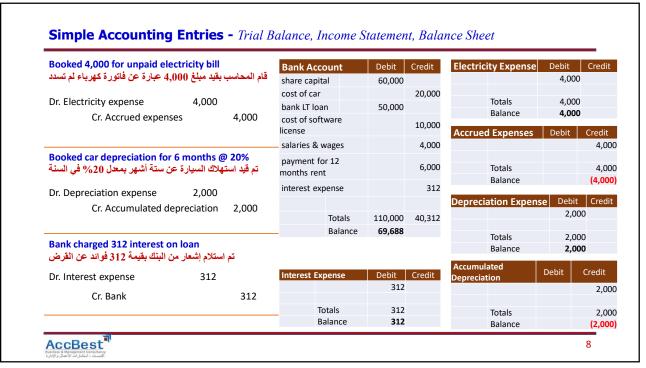
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Time Table	Financial Accounting & Reporting Training Programme - (1)									
Time Table	Class	Day	Date	from	To	Topic Covered	Progres			
	1	Thursday	28-Jan-21	8:30 PM	10:30 PM	The Double Entry System, The Chart Of Accounts	✓			
	2	Friday	29-Jan-21	3:00 PM	5:00 PM	Accounting Cycle, Presentation of Basic Financial Statements	✓			
	3	Saturday	30-Jan-21	8:30 PM	10:30 PM	Transactions, Accounting Entries & Trial Balance, GL				
	4	Thursday	4-Feb-21	8:30 PM	10:30 PM	The Adjusting Entries & The Matching Principle				
	5	Friday	5-Feb-21	3:00 PM	5:00 PM	Depreciations of Fixed Assets & Amortizations				
	6	Saturday	6-Feb-21	8:30 PM	10:30 PM	Statement of Profit or Loss - Preparation & Components				
	7	Thursday	11-Feb-21	8:30 PM	10:30 PM	Statement of Profit or Loss - Preparation & Components				
	8	Friday	12-Feb-21	3:00 PM	5:00 PM	Statement of Profit or Loss - Preparation & Components				
	9	Saturday	13-Feb-21	8:30 PM	10:30 PM	Statement of Financial Position - Preparation & Components				
	10	Thursday	18-Feb-21	8:30 PM	10:30 PM	Statement of Financial Position - Preparation & Components				
	11	Friday	19-Feb-21	3:00 PM	5:00 PM	Statement of Financial Position - Preparation & Components				
	12	Saturday	20-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components				
	13	Thursday	25-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components				
	14	Friday	26-Feb-21	3:00 PM	5:00 PM	Statement of Cash Flows - Preparation & Components				
	15	Saturday	27-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components				
	16	Thursday	4-Mar-21	8:30 PM	10:30 PM	Notes to the Financial Statements				
	17	Friday	5-Mar-21	3:00 PM	5:00 PM	Financial Ratios - Practical Applications				
	18	Saturday	6-Mar-21	8:30 PM	10:30 PM	Value Added Tax "VAT" - Basics & Accounting				
	19	Thursday	11-Mar-21	8:30 PM	10:30 PM	Report to Your Boss! - Sample Management Report				
	20	Friday	12-Mar-21	3:00 PM	5:00 PM	Course Summary, Closing & Distribution of Certificates				

			Bank A	ccount	Debit	Credit	Share Capital	Debit	Credit
Deposited 60,000 in the Bank for share		pital	share ca	pital	60,000				60,0
60,000 في البنك كرأس مال للشركة	أودع مبلغ 0,000(cost of o	rar		20,000			
Dr. Bank account	60,000		2230 01 0			_3,000	Totals	0	60.0
Cr. Share capital		60,000					Balance	U	(60,0
Ci. Silale Capital	,	00,000					Balance		(00)
Purchased a car for 20,000 pa		:	_				Motor Vehicles	Debit	Cred
بمبلغ 20,000 وسددت القيمة بشيك	تم شراء سيارة							20,000	
Dr. Motor Vehicles	20,000								
Cr. Bank	:	20,000		Totals	60,000	20,000	Totals	20,000	
				Balance	40.000		Balance	20,000	
Purchased inventory for 80,0	00 in credit			Daianee	.0,000			,,,,,,	
شراء بضاعة بقيمة 80,000 بالآجل	تم			ta Barrald		6 10	la contour	Debit	Credit
Dr. Inventory	80,000		Accoun	ts Payabl	e Debit	Credit 80,000	Inventory	80,000	Credi
Dr. Inventory	80,000					80,000		80,000	
Cr. Accounts Payable	e (AP)	80,000							
			_	Totals	0	80,000	Totals	80,000	
				Balance		(80,000)	Balance	80,000	



Database Consideration	I Committee of									
Paid 4,000 for salary - paid رواتب موظفين ـ سددت من البنك			Bank A		Debit	Credit				
	, ,		share capital cost of car		60,000	20.055				
Dr. Salaries & wages	4,000	4,000	bank LT loan		50,000	20,000	Salaries 8	P. Magas	Debit	Credi
Cr. Bank			Software license		50,000	10,000	Salai les c	x vvages	4,000	Creun
			Salaries	license		,			4,000	
			_			4,000				
Paid 6,000 for 12 months office rent by b		bank	12 montl	is rent		6,000		Totals	4,000	
عن إيجار المكتب ل 12 شهر من البنك Dr. Prepaid Rent Cr. Bank	6,000 عبارة عن	تم سداد (Balance	4,000	
	6,000	6,000		Takala	110.000	40.000		Dalatice	4,000	
				Totals	110,000	40,000				
				Balance	70,000					
Amortized prepaid rent fo	r 3 months us	ed				- "			- 1 to 1	
وع مقدماً بما يعادل إيجار 3 أشهر	قام المحاسب بإطفاء ح إيجار مدفوع مقدماً بما يعادل إيجار 3 أشهر		Rent Ex	-	Debit	Credit	Prepaid E		Debit	Credit
			3 month	s rent	1,500		12 months	rent	6,000	1,5
Dr. Rent expense	1,500									1,3
Cr. Prepaid Rent		1,500		Totals	1,500	0	Т	Totals	6,000	1,5
			-	Balance	1,500		Е	Balance	4,500	



Simple Accounting Entries - *Trial Balance, Income Statement, Balance Sheet*

Calculated the cost of sales 30,000 at month end قام المحاسب بقيد 30,000 تكلفة البضاعة المباعة

Dr. Cost of Sales 30,000 Cr. Inventory 30,000

Cost of Sales (COS)	Debit	Credit		
	30,000			
Totals	30,000			
Balance	30,000			

Inventory	Debit	Credit	
	80,000		
		30,000	
Totals	80,000	30,000	
Balance	50,000		

Next Step is to prepare the "Unadjusted" Trial Balance





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Trial Balance

- The Trial Balance must balance!
- Reason: because it is built up from the initial transactions where the debits equal the credits.
- Those transactions will build up the accounts the balances of which are listed to make the Trial Balance.
- Today, the accounting software are programmed to require debits to be equal to credits, when financial transactions are passed in the books.
- So, the Trial Balance is balanced.
- But ... does this guarantee that the records are complete and free of errors, or do we need to pass some adjustments?

- يجب أن يكون ميزان المراجعة متوازناً.
- السبب: لأن ميزان المراجعة تم إنشاؤه من
 القيود المحاسبية حيث يتساوى طرفا كل قيد.
- ومن تلك القيود المحاسبية تم إنشاء حسابات دفتر الأستاذ والدفاتر المساعدة كما رأينا.
 - ومن ثم ميزان المراجعة.
 - اليوم، تم برمجة الأنظمة المحاسبة بحيث تتطلب تلك الأنظمة أن يساوي الطرف المدين الطرف الدائن دائماً.
 - عليه، يجب أن يكون ميزان المراجعة متوازناً
- لكن ... هل يضمن هذا أن السجلات كاملة وخالية من الأخطاء، أم أننا بحاجة إلى تمرير بعض التعديلات؟



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Trial Balance

- Yes, we need to analyze account balances before we process the final closing.
- An entry might have been passed twice in the books, or a transaction was completely omitted, or an amount was debited or credited to the wrong account!
- The Trial Balance will still balance.
- This is why you need to test the accuracy and completeness of the accounts.
- In addition to this, certain adjusting entries will be needed.

• نعم ، نحن بحاجة إلى تحليل أرصدة الحسابات قبل القيام بعملية الإغلاق النهائي للدفاتر المحاسبية.

ربما تم تمرير لأو إدخال مكرر في الدفاتر، أو تم حذف أو نسيان معاملة ما تمامًا، أو تم خصم مبلغ أو قيده في الحساب الخطأ!

■ لكن، سيظل ميزان المراجعة متوازنًا.

- هذا هو السبب في أنك بحاجة إلى اختبار صحة أرصدة الحسابات واكتمالها.
- عليه، ربما تكون هناك حاجة إلى إدخال بعض التسويات المحاسبية (الجردية).

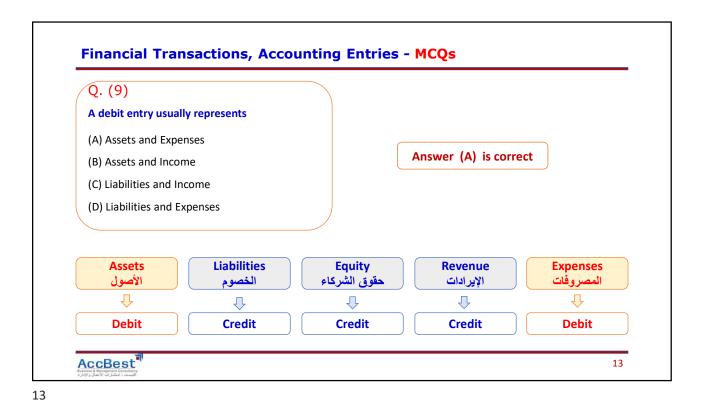


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ميــزان المراجعـة The Trial Balance

ode	Account name	Debit	Credit	Code	Account name	Debit	Credit
1	Assets			3	Liabilities		
101	Non-current assests			301	Non-current Liabilities		
1014	Motor Vehicles	20,000	-	3012	Bank LT loan		50,0
1021	Accumulated Depreciation		2,000	302	Current Liabilities		
1122	Software Licenses	10,000		3021	Accounts Payable		80,0
1131	Accumulated Amortization			3023	Accrued Expenses		4,0
102	Current assets			4	Revenue		
				4001	Sales / Revenue		50,0
1022	Bank Account	69,688		4010	Cost of Sales	30,000	
1024	Inventory	50,000		5	Expenses		
1025	Accounts Receivable (AR)	50,000		5001	Salaries & Wages	4,000	
1026	Prepaid Expenses	4,500		5010	Rent Expense	1,500	
2	Shareholders' Equity	4,300		5015	Electricity Expense	4,000	
			50.000	5040	Depreciation Expense	2,000	
2001	Share Capital		60,000	5050	Interest Expense	312	
2002	Retained Earnings					246,000	246,0



Financial Transactions, Accounting Entries - MCQs Sales 400,000 Q. (10) 200,000 Opening inventory A company had opening inventory of 200,000. Sales 400,000, purchases 80,000. + Purchases 80,000 Goods available for sale 280,000 What is the gross profit for the period if the closing inventory was worth 100,000? 100,000 Less Closing inventory = Cost of Goods Sold 180,000 (A) \$20,000 **Gross Profit** 220,000 (B) \$120,000 (C) \$220,000 (D) \$320,000 Answer (C) is correct AccBest 14

