


Financial Accounting & Management Reporting

“Professional Guidance”




VIA ...

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 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:

Dr. Cash 1,000
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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Time Table

Financial Accounting & Reporting Training Programme - (1)							
Class	Day	Date	from	To	Topic Covered	Progress	
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		

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

Deposited 60,000 in the Bank for share capital

أودع مبلغ 60,000 في البنك كرأس مال للشركة

Dr. Bank account	60,000	
Cr. Share capital		60,000

Bank Account	Debit	Credit
share capital	60,000	
cost of car		20,000
Totals	60,000	20,000
Balance	40,000	

Share Capital	Debit	Credit
		60,000
Totals	0	60,000
Balance		(60,000)

Purchased a car for 20,000 paid by cheque

تم شراء سيارة بمبلغ 20,000 وسددت القيمة بشيك

Dr. Motor Vehicles	20,000	
Cr. Bank		20,000

Motor Vehicles	Debit	Credit
	20,000	
Totals	20,000	0
Balance	20,000	

Purchased inventory for 80,000 in credit

تم شراء بضاعة بقيمة 80,000 بالأجل

Dr. Inventory	80,000	
Cr. Accounts Payable (AP)		80,000

Accounts Payable	Debit	Credit
		80,000
Totals	0	80,000
Balance		(80,000)

Inventory	Debit	Credit
	80,000	
Totals	80,000	0
Balance	80,000	

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

Obtained LT loan for 50,000 to be repaid in 4 years

تحصلت الشركة على قرض طويل الأجل 4 سنوات بقيمة 50,000

Dr. Bank account	50,000	
Cr. Bank Loans		50,000

Bank Account	Debit	Credit
share capital	60,000	
cost of car		20,000
LT Bank Loan	50,000	
software license		10,000
Totals	110,000	30,000
Balance	80,000	

Bank LT Loans	Debit	Credit
		50,000
Totals		50,000
Balance		(50,000)

Purchased a software license for 10,000, by cheque

تم شراء رخصة نظام محاسبي إلكتروني بمبلغ 10,000

Dr. Intangible assets - Software	10,000	
Cr. Bank		10,000

Software Licenses	Debit	Credit
	10,000	
Totals	10,000	
Balance	10,000	

Sold goods on credit for 50,000

تم بيع بضاعة بقيمة 50,000 بالأجل

Dr. Accounts Receivable	50,000	
Cr. Sales / Revenue		50,000

Sales Revenue	Debit	Credit
		50,000
Totals		50,000
Balance		(50,000)

Accounts Receiv.	Debit	Credit
	50,000	
Totals	50,000	
Balance	50,000	

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

Paid 4,000 for salary - paid from bank

تم دفع 4,000 رواتب موظفين - سددت من البنك

Dr. Salaries & wages	4,000	
Cr. Bank		4,000

Bank Account	Debit	Credit
share capital	60,000	
cost of car		20,000
bank LT loan	50,000	
Software license		10,000
Salaries		4,000
12 months rent		6,000
Totals	110,000	40,000
Balance	70,000	

Salaries & Wages	Debit	Credit
	4,000	
Totals	4,000	
Balance	4,000	

Paid 6,000 for 12 months office rent by bank

تم سداد 6,000 عبارة عن إيجار المكتب ل 12 شهر من البنك

Dr. Prepaid Rent	6,000	
Cr. Bank		6,000

Rent Expense	Debit	Credit
3 months rent	1,500	
Totals	1,500	0
Balance	1,500	

Prepaid Expenses	Debit	Credit
12 months rent	6,000	
		1,500
Totals	6,000	1,500
Balance	4,500	

Amortized prepaid rent for 3 months used

قام المحاسب بإطفاء ح إيجار مدفوع مقدماً بما يعادل إيجار 3 أشهر

Dr. Rent expense	1,500	
Cr. Prepaid Rent		1,500

Rent Expense	Debit	Credit
3 months rent	1,500	
Totals	1,500	0
Balance	1,500	

Prepaid Expenses	Debit	Credit
12 months rent	6,000	
		1,500
Totals	6,000	1,500
Balance	4,500	

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

Booked 4,000 for unpaid electricity bill

قام المحاسب ب قيد مبلغ 4,000 عبارة عن فاتورة كهرباء لم تسدد

Dr. Electricity expense	4,000	
Cr. Accrued expenses		4,000

Bank Account	Debit	Credit
share capital	60,000	
cost of car		20,000
bank LT loan	50,000	
cost of software license		10,000
salaries & wages		4,000
payment for 12 months rent		6,000
interest expense		312
Totals	110,000	40,312
Balance	69,688	

Electricity Expense	Debit	Credit
	4,000	
Totals	4,000	
Balance	4,000	

Booked car depreciation for 6 months @ 20%

تم قيد استهلاك السيارة عن ستة أشهر بمعدل 20% في السنة

Dr. Depreciation expense	2,000	
Cr. Accumulated depreciation		2,000

Interest Expense	Debit	Credit
	312	
Totals	312	
Balance	312	

Accrued Expenses	Debit	Credit
		4,000
Totals		4,000
Balance		(4,000)

Depreciation Expense	Debit	Credit
	2,000	
Totals	2,000	
Balance	2,000	

Bank charged 312 interest on loan

تم استلام إشعار من البنك بقيمة 312 فوائد عن القرض

Dr. Interest expense	312	
Cr. Bank		312

Interest Expense	Debit	Credit
	312	
Totals	312	
Balance	312	

Accumulated Depreciation	Debit	Credit
		2,000
Totals		2,000
Balance		(2,000)

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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



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 القيد المحاسبية حيث يتساوى طرفا كل قيد.
- ومن تلك القيد المحاسبية تم إنشاء حسابات دفتر الأستاذ والدفاتر المساعدة كما رأينا.
- ومن ثم ميزان المراجعة.
- اليوم، تم برمجة الأنظمة المحاسبية 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؟

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 الخاطئ!
- 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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The Trial Balance ميزان المراجعة

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

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Financial Transactions, Accounting Entries - MCQs

Q. (9)

A debit entry usually represents

- (A) Assets and Expenses
- (B) Assets and Income
- (C) Liabilities and Income
- (D) Liabilities and Expenses

Answer (A) is correct



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Financial Transactions, Accounting Entries - MCQs

Q. (10)

A company had opening inventory of 200,000. Sales 400,000, purchases 80,000.

What is the **gross profit** for the period if the closing inventory was worth 100,000 ?

- (A) \$20,000
- (B) \$120,000
- (C) \$220,000
- (D) \$320,000

Sales	400,000
Opening inventory	200,000
+ Purchases	80,000
Goods available for sale	280,000
Less Closing inventory	100,000
= Cost of Goods Sold	180,000
Gross Profit	220,000

Answer (C) is correct

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Thank You!

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شركة استشارات الأعمال والإدارة

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