

The following is the trail balance of Kuwait Company. Use the following information to answer questions 1-18.

Account Name	Debit	Credit
Cash	50,000	
Sales		250,000
Sales returns & allowance	30,000	
Sales discount	15,000	
Purchases	91,000	
Purchase returns & allowance		25,000
Purchase discount		12,000
Purchase delivery expenses (transportation-in)	20,000	
Beginning inventory	35,000	
Sales delivery expenses (transportation-out)	9,500	
Administrative expenses	8,500	
Interest revenue		4,000
Land	100,000	
Buildings	50,000	
Equipments	40,000	
Account receivables	35,000	
Note payables		7,000
Account payables		11,000
Long-term loans		33,000
Withdrawals	2,500	
Interest expenses	1,000	
Advertising expenses	7,500	
Note receivables	55,000	
Short-term loans		8,000
Capital		200,000
<b>Total</b>	<b>550,000</b>	<b>550,000</b>

**At the closing date, the ending inventory was K.D. 25,000**

**1. On December 31, net sales are equal to:**

- A. K.D. 220,000
- B. K.D. 205,000
- C. K.D. 250,000
- D. K.D. 295,000

**2. On December 31, net purchases are equal to :**

- A. K.D 34,000
- B. K.D. 54,000
- C. K.D. 74,000
- D. K.D. 148,000

**3. On December 31, cost of goods available for sale is equal to:**

- A. K.D 109,000
- B. K.D. 39,000
- C. K.D. 89,000
- D. K.D 183,000

**4. On December 31, cost of goods sold is equal to:**

- A. K.D 74,000
- B. K.D. 84,000
- C. K.D. 100,000
- D. K.D 109,000

**5. On December 31, gross profit is equal to:**

- A. K.D 124,000
- B. K.D. 144,000
- C. K.D. 121,000
- D. K.D 134,000

**6. On December 31, total selling expenses are equal to:**

- A. K.D 8,500
- B. K.D. 9,500
- C. K.D. 15,000
- D. K.D 17,000

**7. On December 31, total general and administrative expenses are equal to:**

- A. K.D 15,000
- B. K.D. 18,000
- C. K.D. 8,500
- D. K.D 9,500

**8. On December 31, total operating expenses are equal to:**

- A. K.D 23,500
- B. K.D. 33,000
- C. K.D. 25,500
- D. K.D 27,500

**9. On December 31, net profit from operating activities are equal to:**

- A. K.D. 103,000
- B. K.D. 95,500
- C. K.D. 112,500
- D. K.D 147,500

**10. On December 31, other revenues are equal to:**

- A. K.D. 1,000
- B. K.D. 2,500
- C. K.D. 4,000
- D. K.D 5,000

**11. On December 31, other expense are equal to:**

- A. K.D. 5,000
- B. K.D. 4,000
- C. K.D. 2,500
- D. K.D 1,000

**12. On December 31, net profit is equal to:**

- A. K.D 95,500
- B. K.D. 100,500
- C. K.D. 98,500
- D. K.D 101,500

**13. On December 31, total current assets are equal to:**

- A. K.D. 120,000
- B. K.D. 140,000
- C. K.D. 175,000
- D. K.D 165,000

**14. On December 31, total fixed assets are equal to:**

- A. K.D. 100,000
- B. K.D. 150,000
- C. K.D. 190,000
- D. K.D 225,000

**15. On December 31, total assets are equal to:**

- A. K.D. 220,000
- B. K.D. 290,000
- C. K.D. 355,000
- D. K.D 390,000

**16. On December 31, short-term liabilities are equal to:**

- A. K.D. 59,000
- B. K.D. 33,000
- C. K.D. 26,000
- D. K.D 35,000

**17. On December 31, long-term liabilities are equal to:**

- A. K.D. 59,000
- B. K.D. 33,000
- C. K.D. 51,000
- D. K.D. 35,000

**18. On December 31, owner's equity is equal to:**

- A. K.D. 298,500
- B. K.D. 200,000
- C. K.D. 296,000
- D. K.D. 301,000

**19. On December 31, total liabilities and owner's equity is equal to:**

- A. K.D. 296,000
- B. K.D. 322,000
- C. K.D. 355,000
- D. K.D. 329,000