



Daffodil International University

Faculty of Science & Information Technology

Department of Computer Science & Engineering

Final Examination, Summer 2026

Course Code: ACT 327 , Course Title: Financial and Managerial Accounting

Level: 3 Term: 2 Batch: 66

Time: 02:00 Hrs

Marks: 40

Answer ALL Questions

[The figures in the right margin indicate the full marks and corresponding course outcomes. All portions of each question must be answered sequentially.]

1.	a)	A company receives cash after delivering goods and pays expenses before they are consumed. Define the rules of revenue recognition and expense recognition.	[2]	CO1																																																									
	b)	"Financial Accounting focuses on external reporting, whereas Managerial Accounting emphasizes internal decision-making." State the statement.	[2]																																																										
2.		RIO Corporation had the following transactions occurred during March. 1. The owner started the business by investing Tk. 5,000,000 in cash and equipment worth Tk. 100,000. 5. The company purchased land for Tk. 2,000,000 by paying 40% in cash and financing the remaining amount through a bank loan. 9. The company incurred rent expense of Tk. 9,000, of which 2/3 will be paid next month. 12. The company held a meeting regarding a project valued at Tk. 1,000,000. 16. The owner paid his personal house rent of Tk. 10,000 from the business account. 24. The company performed services worth Tk. 200,000, of which Tk. 40,000 will be received next month. 31. Employees provided services worth Tk. 40,000 for the month of March, and the salary is still unpaid.		CO3																																																									
	a)	Demonstrate those transactions preparing journal entries	[4]																																																										
	b)	Show the ledger account of cash	[2]																																																										
3.		At the end of the first year of operations, Nitu Corporation has the following unadjusted trial balance Nitu Corporation December 31 2025 Trial Balance <table><thead><tr><th>Account Title</th><th>Debit (Tk.)</th><th>Credit (Tk.)</th></tr></thead><tbody><tr><td>Service Revenue</td><td></td><td>3,900,000</td></tr><tr><td>Cash</td><td>2,500,000</td><td></td></tr><tr><td>Capital</td><td></td><td>5,530,000</td></tr><tr><td>Advertising Expense</td><td>70,000</td><td></td></tr><tr><td>Accounts Payable</td><td></td><td>900,000</td></tr><tr><td>Equipment</td><td>1,500,000</td><td></td></tr><tr><td>Salaries Expense</td><td>600,000</td><td></td></tr><tr><td>Unearned Revenue</td><td></td><td>150,000</td></tr><tr><td>Vehicles</td><td>3,200,000</td><td></td></tr><tr><td>Notes Payable</td><td></td><td>1,000,000</td></tr><tr><td>Prepaid Insurance</td><td>60,000</td><td></td></tr><tr><td>Drawings</td><td>300,000</td><td></td></tr><tr><td>Rent Expense</td><td>240,000</td><td></td></tr><tr><td>Land</td><td>2,000,000</td><td></td></tr><tr><td>Supplies</td><td>120,000</td><td></td></tr><tr><td>Utilities Expense</td><td>90,000</td><td></td></tr><tr><td>Accounts Receivable</td><td>800,000</td><td></td></tr><tr><td>Total</td><td>11,480,000</td><td>11,480,000</td></tr></tbody></table>	Account Title	Debit (Tk.)	Credit (Tk.)	Service Revenue		3,900,000	Cash	2,500,000		Capital		5,530,000	Advertising Expense	70,000		Accounts Payable		900,000	Equipment	1,500,000		Salaries Expense	600,000		Unearned Revenue		150,000	Vehicles	3,200,000		Notes Payable		1,000,000	Prepaid Insurance	60,000		Drawings	300,000		Rent Expense	240,000		Land	2,000,000		Supplies	120,000		Utilities Expense	90,000		Accounts Receivable	800,000		Total	11,480,000	11,480,000	[10]	CO4
Account Title	Debit (Tk.)	Credit (Tk.)																																																											
Service Revenue		3,900,000																																																											
Cash	2,500,000																																																												
Capital		5,530,000																																																											
Advertising Expense	70,000																																																												
Accounts Payable		900,000																																																											
Equipment	1,500,000																																																												
Salaries Expense	600,000																																																												
Unearned Revenue		150,000																																																											
Vehicles	3,200,000																																																												
Notes Payable		1,000,000																																																											
Prepaid Insurance	60,000																																																												
Drawings	300,000																																																												
Rent Expense	240,000																																																												
Land	2,000,000																																																												
Supplies	120,000																																																												
Utilities Expense	90,000																																																												
Accounts Receivable	800,000																																																												
Total	11,480,000	11,480,000																																																											

(Turn over the page)

(Turn over the page)

	<u>Additional Information</u> 1. Supplies remaining on December 31, 2025 were Tk. 40,000. 2. Insurance expired during the year amounted to Tk. 20,000. 3. Equipment has a useful life of 10 years with no salvage value which was purchased on 01 March 2025. 4. Out of the unearned revenue balance, Tk. 90,000 has been earned during the year. <u>Instructions:</u> a) Develop a Worksheet. b) Demonstrate the closing entries.																																																
4.	a) Rangpur Manufacturing Company provides the following data for the year ended December 31, 2025: <table><tr><th>Item</th><th>Jan 1, 2025</th><th>Dec 31, 2025</th></tr><tr><td>Raw Materials</td><td>Tk. 45,000</td><td>Tk. 38,000</td></tr><tr><td>Work in Process</td><td>Tk. 62,000</td><td>Tk. 55,000</td></tr><tr><td>Finished Goods</td><td>Tk. 80,000</td><td>Tk. 95,000</td></tr></table> Costs Incurred During the Year: <table><tr><th>Particulars</th><th>Amount (Tk.)</th></tr><tr><td>Raw materials purchased</td><td>320,000</td></tr><tr><td>Freight-in on raw materials</td><td>8,000</td></tr><tr><td>Direct labor</td><td>275,000</td></tr><tr><td>Indirect materials used</td><td>15,000</td></tr><tr><td>Indirect labor</td><td>40,000</td></tr><tr><td>Factory rent</td><td>60,000</td></tr><tr><td>Factory utilities</td><td>22,000</td></tr><tr><td>Depreciation – Factory equipment</td><td>35,000</td></tr><tr><td>Depreciation – Office equipment</td><td>10,000</td></tr><tr><td>Factory insurance</td><td>10,000</td></tr><tr><td>Repairs and maintenance (Factory 20%, Office 80%)</td><td>12,000</td></tr><tr><td>Sales revenue</td><td>1,150,000</td></tr><tr><td>Sales returns and allowances</td><td>20,000</td></tr><tr><td>Advertising expense</td><td>10,000</td></tr><tr><td>Sales commission</td><td>85,000</td></tr><tr><td>Office rent expense</td><td>70,000</td></tr></table>	Item	Jan 1, 2025	Dec 31, 2025	Raw Materials	Tk. 45,000	Tk. 38,000	Work in Process	Tk. 62,000	Tk. 55,000	Finished Goods	Tk. 80,000	Tk. 95,000	Particulars	Amount (Tk.)	Raw materials purchased	320,000	Freight-in on raw materials	8,000	Direct labor	275,000	Indirect materials used	15,000	Indirect labor	40,000	Factory rent	60,000	Factory utilities	22,000	Depreciation – Factory equipment	35,000	Depreciation – Office equipment	10,000	Factory insurance	10,000	Repairs and maintenance (Factory 20%, Office 80%)	12,000	Sales revenue	1,150,000	Sales returns and allowances	20,000	Advertising expense	10,000	Sales commission	85,000	Office rent expense	70,000		CO4
Item	Jan 1, 2025	Dec 31, 2025																																															
Raw Materials	Tk. 45,000	Tk. 38,000																																															
Work in Process	Tk. 62,000	Tk. 55,000																																															
Finished Goods	Tk. 80,000	Tk. 95,000																																															
Particulars	Amount (Tk.)																																																
Raw materials purchased	320,000																																																
Freight-in on raw materials	8,000																																																
Direct labor	275,000																																																
Indirect materials used	15,000																																																
Indirect labor	40,000																																																
Factory rent	60,000																																																
Factory utilities	22,000																																																
Depreciation – Factory equipment	35,000																																																
Depreciation – Office equipment	10,000																																																
Factory insurance	10,000																																																
Repairs and maintenance (Factory 20%, Office 80%)	12,000																																																
Sales revenue	1,150,000																																																
Sales returns and allowances	20,000																																																
Advertising expense	10,000																																																
Sales commission	85,000																																																
Office rent expense	70,000																																																
	b) <u>Required:</u> 1. Apply the Schedule of Cost of Goods Manufactured for the year ended December 31, 2025. 2. Construct a complete Income Statement for the year ended December 31, 2025.	[10]																																															
5.	Feather Friends, Inc., distributes a high-quality wooden birdhouse that sells for Tk. 20 per unit. Variable costs are Tk. 8 per unit, and fixed costs total Tk. 180,000 per year. Actual sales for this month is 20,000 units. <u>Required:</u> a) Solve CM ratio, break-even point in sales amount, margin of safety and Degree of Operating leverage. b) The president expects sales to increase by 20% next year. Using the degree of operating leverage, estimate the percentage increase in net operating income and Build a new CVP (contribution format) income statement to verify your answer. c) Due to an increase in demand, the company estimates that sales will increase by Tk. 75,000 and variable expenses will increase by Tk. 2 per unit during the next year. Given that fixed costs remain unchanged, calculate the expected increase in net operating income (or decrease in net loss).	[8]	CO4																																														