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Daffodil International University – Department of Computer Science & Engineering

Course Name- Financial & Managerial Accounting (ACT 327)

66 Section L – Quiz 01 (June 22, 2026)

Duration: **50 Minutes**

Course Instructor: Muhammad Shahidullah Sagar

Question Set 01 (MCQ) 2 marks

1. Accounting consists of three basic activities. Which of the following correctly lists all three?

A. Planning, organizing, and directing
B. Identifying, recording, and communicating
C. Summarizing, reporting, and auditing
D. Classifying, interpreting, and forecasting

2. The bookkeeping function is part of which activity in the accounting process?

A. Identification only
B. Communication only
C. Recording
D. All three activities equally

3. The Monetary Unit Assumption requires that:

A. All transactions be recorded in US dollars
B. Only transactions expressible in monetary terms be recorded
C. Financial statements be prepared monthly
D. Owners' activities be kept separate from the business

4. Which of the following represents a correct form of the accounting equation?

A. Assets = Liabilities + Owner's Equity
B. Assets = Liabilities + (Capital + Revenue – Expense – Drawings)
C. Assets = Owner's Equity – Liabilities
D. Option (a) and Option (b) both are correct

Question Set 02 (True or False; Write the Correct Statement When it is False) **4 marks**

a) Tax authority is both an internal and external user of accounting data.
b) Purchase of office supplies on credit increases assets and liabilities by the same amount.
c) The three most common types of internal users are finance team, marketing team and banks.
d) Economic entity assumption requires that activities of the entity be kept separate and distinct from the activities of its owner and all other economic entities.

Question Set 03 (Theory) **4 marks**

a) Explain any two external users of accounting information and state why they use accounting information.
b) What are the two measurement principles (Historical Cost and Fair value) in accounting and how do they differ?

Question Set 04 (Math) **5 marks**

The following transactions occurred in ABCD Ltd. during August 2026:

1. ABCD Ltd. issued ordinary shares for TK 100,000 cash.
2. The company purchased office equipment costing TK 40,000 by paying TK 15,000 cash and agreeing to pay the remaining amount later.
3. The company paid TK 25,000 to settle the outstanding balance related to Transaction 2.
4. The company provided services and received TK 25,000 cash.
5. The company paid TK 5,000 cash as rent expense.
6. The company purchased TK 20,000 supplies on credit.
7. The company declared and paid a cash dividend of TK 10,000 to its shareholders.

Prepare a transaction/tabular analysis showing the effect on A = L + E and prove that the equation remains balanced.