Daffodil International University
Faculty of Science & Information Technology
Department of Software Engineering
Midterm Examination, Summer 2026
Course Code: GE 235; Course Title: Principles of Accounting, Business and Economics
Sections & Teachers: 44 A, B (MMM), 44 C, D, E, F (MTH), 44 G, H, I, J (NN)

Time: 1 Hour 30 Mins **Marks: 25**

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) Nova Tech Ltd. is a growing software company. It has applied for a bank loan to expand its business. Using your knowledge of accounting information and its users, answer the following questions: i) **Interpret** the type of user this bank represents. ii) **Explain** at least two specific pieces of accounting information that would influence the bank's lending decision.	**CLO 1, Level 2 Marks: 3**
	b) **Explain** any two of the following with examples: i) Historical Cost Principle ii) Monetary Unit Assumption iii) Economic Entity Assumption Likhon	**CLO 1, Level 2 Marks: 2**
	c) AH Digital Company Ltd. was formed on March 1, 2026. The following transactions occurred during the first month of operation: March 1 — Shareholders invested cash of Tk. 250,000. March 3 — Rented office space and paid Tk. 18,000 in cash for the first month's rent. March 6 — Purchased office supplies from Meghna Stationery on credit for Tk. 22,000. March 10 — Provided digital marketing services to a client; received Tk. 75,000 in cash and billed another client for Tk. 35,000 (to be collected later). March 14 — Paid cash dividend of Tk. 12,000 to shareholders. March 18 — Paid Tk. 15,000 to Meghna Stationery for the March 6 purchase (partial payment). March 22 — Obtained a bank loan of Tk. 60,000. March 25 — Collected Tk. 20,000 from the client billed on March 10. March 28 — Paid Tk. 9,000 for employee salary and Tk. 4,500 for utility bills. March 31 — Received Tk. 30,000 advance from a new client for services to be performed in April. **Requirements:** i) **Explain** the given data to prepare a tabular summary. ii) **Summarize** the data in an Income Statement for the month ended March 31, 2026.	**CLO 1, Level 2 Marks: 6 + 4 = 10**

2.	a) Ms. Nadia Rahman started "Nadia Consultancy Services" on February 1, 2026. The following transactions occurred during February 2026: June 1 — Ms. Nadia invested Tk. 300,000 in cash and a laptop worth Tk. 45,000 to start the business. June 4 — Purchased a printer for Tk. 28,000 - paid Tk. 10,000 cash and the rest on credit. June 8 — Hired an assistant at a monthly salary of Tk. 15,000. June 12 — Performed consulting services; received Tk. 55,000 in cash immediately and issued an invoice for Tk. 25,000 to be collected later. June 16 — Paid Tk. 18,000 for the remaining balance on the printer (Feb 4). June 20 — Received an electricity bill of Tk. 3,200 from DESCO – not yet paid. June 24 — Received full payment of Tk. 25,000 from the client invoiced on Feb 12. June 28 — Paid assistant's monthly salary of Tk. 15,000 for the month and settled the DESCO electricity bill. **Requirements:** i) **Prepare** journal entries for all the transactions mentioned above, providing appropriate narrations for each entry. ii) **Classify** the journal entries by preparing the following Ledger accounts: A) Cash B) Accounts Receivable	**CLO 2, Level 3 Marks: 3 + 2 = 5**
	b) Mr. Tariq Aziz established "Pinnacle IT Services" on January 1, 2026. The unadjusted Trial Balance as at March 31, 2026 is presented below: (see table below)	**CLO 2, Level 3 Marks: 5**

Pinnacle IT Services
Trial Balance (Unadjusted)
As at March 31, 2026

Account Title	Debit (Tk.)	Credit (Tk.)
Cash	55,000	
Accounts Receivable	38,000	
Prepaid Insurance	24,000	
Office Supplies	18,000	
Office Equipment	150,000	
Accounts Payable		22,000
Unearned Service Revenue		36,000
Owner's Capital		100,000
Service Revenue		75,000
Salaries Expense	22,000	
Rent Expense	6,000	
Totals	**3,13,000**	**3,13,000**

Likhon

Additional Information (for adjusting entries):

1. The insurance policy was purchased on January 1, 2026 and covers 12 months.
2. A physical count reveals only Tk. 5,000 worth of supplies remain unused at month end.
3. Of the Unearned Service Revenue, Tk. 20,000 worth of services have been rendered to clients during this period.
4. Salaries of Tk. 7,500 are accrued and unpaid at month-end.
5. Services worth Tk. 12,000 were performed for a client by March 31 but have not yet been invoiced or recorded.

Requirement:
Prepare all necessary Adjusting Journal Entries for the quarter ended March 31, 2026.