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Daffodil International University
Faculty of Business & Entrepreneurship
Department of Accounting
Program: BBA in Accounting

Semester: **Spring 2026**
Time: **2 Hours**
Course Title: **Principles of Accounting**
Section: **5A**

Examination: **Final**
Full Marks: **40**
Course Code: **0411-101**
Teacher's Initial: **MAH**

Question 1: Marks: 2+3 = 5

a) What is trail Balance? Describe the limitations of a trial balance. *[CLO 1, Level 2]*

b) Describe the following short notes: *[CLO 1, Level 2]*
i) Expense Recognition Principle ii) Perpetual System iii) Closing Entry

Question 2: Marks: 8

Firoz Inc. operates a retail operation that purchases and sells sports products. They made following transactions in the month of July, 2025.

July 1	Purchased merchandise on account from Karim Wholesale Supply Tk. 8,500, FOB shipping point, terms 2/10, n/30. Appropriate party made payment of the freight cost of Tk.200.
3	Sold merchandise on account to Miraz traders Tk. 6,500, FOB Destination, terms 1/10, n/30.The cost of the merchandise sold was Tk.4,300.
4	Paid freight on August 3 sale Tk. 300.
5	Received credit from Karim Wholesale Supply for merchandise returned Tk.500.
6	Granted customers Tk. 600 credit for merchandise returned costing Tk.380
10	Paid Karim Wholesale in full.
11	Received collections in full from Miraz traders.
18	Sold merchandise for cash Tk.5,000. The merchandise sold had a cost of Tk.3,500.

Requirement: Using the above transaction information prepare journal entries under perpetual inventory system. *[CLO 2, Level 3]*

Question 3: Marks: 4

Warner opened his travel agency on January 1, 2026. During the first month of operations, the following transactions took place:

Jan 1	Warner invested $10,000 cash and $ 4,000 of Furniture in the business.
5	Recognized revenue of $7,500 of which $4,000 is collected in cash and the balance is due in February.
10	Purchased equipment for $4,000, paying $1,000 in cash and signed a note payable for the remaining balance.
25	Paid salaries $2,800, rent for August $900, and advertising expenses $400.
29	Collected $1,000 of accounts receivable

Requirement:
Examine the above transactions in preparing a tabular summary. *[CLO 3, Level 4]*

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Question 4 :

Marks: 6+8+2+1+3+3=23

Kabir Company started operation at January 1, 2025. The trial balance of the company before adjustment is as under:

Kabir Company
Trial Balance
March 31, 2025

Accounts Title	Debit (Tk.)	Credit (Tk.)
Cash	8,500	
Accounts Receivable	4,700	
Prepaid Insurance	7,200	
Building	60,000	
Supplies	3,300	
Owner's Capital		37,000
Owner's Drawing	500	
Notes Payable		30,000
Unearned Service Revenue		4,000
Service Revenue		21,500
Salaries Expenses	3,200	
Rent Expense	2,300	
Travel Expenses	2,800	
Total	92,500	92,500

Other data:

i. One third of Supplies is on hand at March 31, 2025.
ii. The Insurance policy is for a year.
iii. Tk. 2,500 of unearned service revenue has been earned during this period.
iv. The Building has a 5-year life. It has been depreciated accordingly.
v. The interest rate of Note payable is 8%. (The Note was taken on February 1, 2025.)
vi. Salary was accrued of Tk. 3,000.

Requirements:

a) Examine the above information in preparing the adjusting entries. *[CLO 3 and Level 4]*
b) Use the above information in preparing the worksheet. *[CLO 2 and Level 3]*
c) Use the information of worksheet in preparing an Income Statement. *[CLO 2 and Level 3]*
d) Use the information of worksheet in preparing an Owner's Equity Statement. *[CLO 2 and Level 3]*
e) Use the information of worksheet in preparing a Classified Balance Sheet. *[CLO 2 and Level 3]*
f) Use the information of worksheet in preparing the closing entries. *[CLO 2 and Level 3]*

All the Best