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

Semester: Spring 2026	Examination: **Mid-term**
Time: **1.5** Hours	Full Marks: **25**
Course Title: **Principles of Accounting**	Course Code: **0411-101**
Section: 5A	Teacher: MAH

Question 1: **Marks: 2 + 3 = 5**

a) Define Accounting? Describe the three activities of Accounting? *[CLO 1, Level 2]*

b) Describe the following short notes:
(i) Journal (ii) External Users (iii) Monetary Unit Assumption
[CLO 1, Level 2]

Question 2: **Marks: 10+3 = 13**

Warner opened her travel agency on January 1, 2025. During the first month of operations, the following transactions took place:

Jan	1	Warner invested $12,000 cash and $ 4,000 of Equipment in the business.
	4	Purchased Supplies of $14,000 of which 50% paid in cash.
	12	Performed services to the clients for cash $2,500.
	14	Receive a bill of $ 300 for advertising on daily newspaper.
	17	Borrowed $1,200 cash from a bank on a note payable.
	22	Provide ticketing services on account $3,000.
	27	Warner withdrew $800 cash for personal use.
	28	$4,000 of the accounts payable is paid for credit purchase of furniture on January 4.
	29	Receipt of $2,000 for service provided on July 22.
	30	Paid monthly expenses for salaries $900, utilities $300, and Rent $400.

Instruction:

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

b) By using the information of tabular summary construct Income Statement, Owner's Equity statement and Balance Sheet. *[CLO 2, Level 3]*

Question 3: **Marks: 5+2 = 7**

Mr. Manik is the owner of Manik Consultancy Firm started their operation on 1st June 2025. The following information is related with the operations of June, 2025:

June 1:	Manik invested Tk 250,000 cash, and Equipment of Tk 100,000 in the business.
June 3:	Purchase Furniture of Tk 5,000 from Smile Company and 60% paid in cash.
June 12:	Cash Tk 40,000 received in advance from Electra Ltd. for providing consultancy service.
June 15:	Paid two year rental of Tk 24,000 in advance.
June 18:	Provided consultancy services and billed Manufacturing company Tk. 35,000.
June 22:	Utility bill unpaid tk. 500
June 25:	Paid Smile Company for accounts payable due.
June 27:	Performed services for cash Tk. 15000.
June 28:	Monthly salary paid of Tk. 20,000.
June 30:	Received Tk. 25000 from Manufacturing company.

Requirements:

a. Use the transactions in preparing the journal entries. *[CLO 2, Level 3]*

b. Use the journal entries in preparing the following ledger accounts
   i. Cash
   ii. Service Revenue *[CLO 2, Level 3]*