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

Semester: **Summer 2026**
Time: **1 Hour 30 minutes**
Course Code: **0411-115**
Section: 72 **(A, B, C, D, E, F, G, H)**

Examination: **Midterm**
Full Marks: **25**
Course Title: **Principles of Accounting**
Teacher: **DMSH/DMR/SK/RM**
Question Set-**A**

Instruction: Answer all the questions

1 (a) **Explain** the internal users of accounting data and **interpret** how accounting provides relevant data to these users. CLO-1. L-2; [1]

(b) Can a business enter into a transaction in which only the left side of the basic accounting equation is affected? If so, **illustrate** with an example. CLO-1, L-2; [2]

(c) **Interpret** the importance of Going Concern Assumption in preparing financial statements and **explain** the consequences if this assumption is not valid. CLO-1. L-2; [2]

2 Mr. Beta commenced business under the name Beta Trading on 1 May 2026. The following transactions occurred during the month of May 2026:

Date	Transactions
May 1	Invested Tk. 1,500,000 cash in the business.
May 5	Opened a bank account in the name of the business and deposited Tk. 1,000,000.
May 10	Purchased inventory on credit from Karim Suppliers for Tk. 300,000.
May 15	Sold goods on account to Rafi Enterprise for Tk. 180,000.
May 20	Received Tk. 100,000 from Rafi Enterprise as partial settlement of the account.
May 25	Owner withdrew Tk. 40,000 cash for personal use.
May 30	Received Tk. 60,000 in advance from a customer for products to be provided next month.

Requirement: **Apply** the principles of double-entry accounting to

a) Prepare the necessary journal entries for all transactions of Beta Trading for the month of May 2026;

b) Post the journal entries to the appropriate ledger accounts; and

c) Prepare a Trial Balance as at May 31, 2026.

CLO-2, L-3; [10]

3 Trix started his own consulting firm, Matrix Consulting, on April 1, 2026. On April 30, the balance sheet showed Cash Tk. 500,000, Accounts Receivable Tk. 1,500, Supplies Tk. 500, Equipment Tk. 6,000, Accounts Payable Tk. 4,000, and Owner's equity Tk. 504,000. During May, the following transactions occurred.

Date	Transactions
May-1	Additional invested Tk. 1,000,000 cash in the business.

May-5	Purchased equipment costing Tk. 250,000; paid Tk. 100,000 cash and signed a note payable for the balance.
May-7	Performed services worth Tk. 10,000: Tk. 3,000 cash is received from clients, and the balance of Tk. 7,000 is billed to clients on account.
May-9	Paid rent for 12 months in advance Tk. 60,000.
May-13	Performed service for cash Tk. 180,000
May-15	Made service on account Tk. 200,000.
May-17	Collected Tk. 120,000 from clients.
May-19	Received a bank loan of Tk. 400,000.
May-23	Received Tk. 90,000 in advance from clients for future services.
May-29	Collected Tk. 1,200 of accounts receivable.

Requirement: **Analyze** the effects of business transactions on the accounting equation.

CLO-3, L-4; [10]