communication

Daffodil International University
Faculty of Science & Information Technology
Department of Software Engineering
Midterm Examination, Spring 2026
Course Code: GE-235; Course Title: Principles of Accounting, Business & Economics
Sections & Teachers: (43-A, B, C, D) - (ASM) ;(43-E, F, G, H) - (SMM) ;(43-I) - (AHN) ;(43-J, K, L) - (AGN);(43-M, N) - (MMM);(43-O) - (SMR)

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.]

Question 01: **[CLO2, Level 2] Marks: 2×2 =4**

a) A customer wants to sign a long-term contract with a company. **Explain** how accounting information can help the customer judge the company's stability and identify the user type.

b) "Green Flora Ltd." purchased land in 2010 for Tk. 5,00,000. Even though the market value is now Tk. 20,00,000. The accountant insists on keeping it at Tk—5,00,000 on the balance sheet. **Determine** which **accounting assumption** or **principle** is being applied, and briefly *express "Why"* for this scenario.

[CLO2, Level 3]

Question 02: **[CLO 1, Level 2] Marks: 6+2 =8**

Mr. Ibrahim Khan started a consulting firm named **"IK Consulting"** on **January 1, 2026**. During the first month of the operation of his business, the following transactions occurred:

January 1	Invested Tk. 180,000 cash and office equipment Tk. 90,000 into the business.
January 5	Purchased office supplies for Tk. 50,000, paying 70% in cash.
January 10	Performed services; received Tk. 55,000 cash & billed to the customers for Tk. 15,000
January 12	Owner withdrew Tk. 6,000 cash for personal use.
January 15	Paid Tk. 8,000 for the purchase made on account on January 5.
January 21	Borrowed Tk. 25,000 from a bank on a note payable.
January 26	Collected Tk. 10,000 in cash from a client whose account was billed on January 10.
January 31	Paid Tk. 7,000 for utility and Tk. 12,000 for office rent in cash.

Instruction:

***a)* Explain** the given data to prepare a Tabular Summary.

***b)* Summarize** the given data in an Income Statement for the month ended January, 2026.

Question 03: **[CLO 1, Level 2] Marks: 5+2 =7**

Fast Delivery Services Ltd. began business operations on May 1, 2025. During the month, the following transactions occurred:

May 1	The owner invested Tk. 5,00,000 cash and equipment worth Tk. 200,000 into the business.
May 10	The company performed delivery services worth Tk. 220,000, Tk. 160,000 was received in cash
May 15	Hired a manager at a salary of Tk. 24,000 per month, effective from June 1.
May 19	Received Tk. 90,000 in cash for delivery services.
May 21	Received an advertising bill from Metro Media Ltd. for Tk. 3,200
May 25	Purchased a delivery van for Tk. 90,000; Tk 27000 was paid in cash, and the rest is on account.
May 30	Withdraw of cash Tk.3000 by the owner for personal use.

Requirements:

a) **Summarize** the above transactions by journalizing them.

b) **Classify** the journal entities by preparing the following ledger accounts: i) Cash and ii) Owners Capital.

Question 04: **[CLO 2, Level 3] Marks: 6**

Mr. Safwan began his own business, S-Tech Ltd., on January 1, 2025. The Trial Balance on March 31, 2025, is as follows:

S-Tech Ltd
Trial Balance
31st March 2025

Account Title	Debit (Tk.)	Credit (Tk.)
Cash	30,000	
Accounts Receivable	16,000	
Prepaid Insurance	9,000	
Supplies	16,000	
Office Furniture	90,000	
Accounts payable		18,000
Unearned Service Revenue		27,000
Owner's Capital		55,000
Notes Payable		45,000
Service Revenue		40,000
Salaries Expense	20,000	
Rent Expense	4,000	
Totals	1,85,000	1,85,000

Other data:

1. The Insurance policy is for 12 months.
2. Supplies Tk. 6,000 is on hand at the end of the month
3. Tk. 15,000 of unearned service revenue has been earned
4. Annual depreciation on office furniture is Tk. 12,000, with no salvage value.
5. The company performed services worth Tk. 12,000 for a client that have not yet been recorded
6. The interest rate on the note payable is 10%. The note was issued on February 1, 2025.

Requirements:

Based on the Above data, **prepare** the Adjusting Entries for the quarter.