



Daffodil International University
Department of Software Engineering
Faculty of Science & Information Technology
Midterm Examination, Fall-2024

Course Code: GE-235, Course Title: Principles of Accounting, Business & Economics

Level: 2 Term: 2 Section: All

Instructor: SAS, FAA

Duration: 1 Hour and 30 minutes **Marks: 25**

Answer all the questions

Question 1: **Marks: 2*2 = 4**

- a) What is accounting equation? Explain with proper example. [CLO 2, Level 2]
- b) Discover the following short notes:
- (i) Depreciation (ii) Unearned Service Revenue [CLO 2, Level 3]

Question 2: **Marks: 8**

Mr. Kapil has started a new business named "Kapil Firm" on June 1, 2023. During the first month of the operation of his business, the following events and transactions occurred:

- June 1 Invested Tk. 52,000 cash & Tk. 18,000 furniture in the business.
- June 5 Purchased office supplies from Doyel Company for Tk. 3,800 and paid cash Tk. 2,200.
- June 7 Withdrew Tk. 3,500 cash for personal use.
- June 9 Service performed for cash Tk. 28,000 and billed to the customer for Tk. 12,000.
- June 15 Purchased office furniture for cash Tk. 17,000 and received a bill for Tk. 5,000.
- June 23 Paid Tk. 800 due in transaction (5).
- June 28 Monthly expenses on account: advertising expense Tk. 2,500 & Utilities bills Tk. 800.
- June 30 Received full amount for due in transaction (9).

Instruction:

Explain the given data to prepare a tabular summary and income statement for the month ended June 2023. [CLO 1, Level 2]

Question 3: **Marks: 7**

Mr. Shopnil is the owner of Biswas Agency, started its operation on 1st July, 2023. The following information is related with the operations of June, 2022:

- July 1:** Invested cash Tk. 65,000 & equipment for Tk. 28,000 in the business.

- July 5:** Purchased office supplies from Lovello Company for Tk. 4,500 & paid in cash.
- July 15:** Purchased furniture for cash Tk. 22,000 and received a bill for Tk. 8,000.
- July 20:** Incurred advertising expenses of Tk. 12,300 on account.
- July 24:** Paid monthly expenses: Rent Tk. 8,800 & Utilities bills Tk. 1,700.
- July 30:** Service performed for Tk. 18,000 & received cash Tk. 8,000.

Requirements:

- Generalize the above transactions by journalizing them. [CLO 1, Level 2]
- Clarify the journal entries by preparing the following ledger accounts:
i) Cash (ii) Accounts payable

Question 4:

Marks: 6

Mr. Sabbir started his Accounting Firm, Padma Accounting Firm, on June 1, 2023. The trial balance at 30 September, 2023 is as follows:

Padma Accounting Firm

Trial Balance

30 September, 2023

Details	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	
	185,000	185,000

Other data:

- One third of the supplies have been remain unused.
- The Insurance policy is for 30 months.
- Tk. 2,800 of unearned service revenue has been earned during this period.
- Annual depreciation of office furniture is Tk. 12,000.
- Salaries expense is accrued Tk. 3,200 per month.
- The note payable interest rate is 10%. The note payable was issued at 1st August, 2023.

Requirements:

Examine the above information in preparing the adjusting entries.

[CLO 2 Level 3]