Daffodil International University
Department of Computer Science and Engineering
Faculty of Science & Information Technology
Final Examination, Fall-2022
Course Code: ACT 211, Course Title: Financial & Managerial Accounting
Level: 2 Term: 1 Batch: 60

Time: 02:00 Hours Marks: 40

"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.]

Q1: Mr. Smith has started a new business on July 1, 2022. During the first month of the operation of his business, the following events and transactions occurred: **6** **CLO3**

July 1	Invested Tk. 28,000 cash & Tk. 12,000 equipment in the business.
July 5	Purchased office supplies on account from Trixie Company for Tk. 800 and paid cash Tk. 1,200.
July 7	Withdrew Tk. 1,800 cash for personal use.
July 9	Service performed for cash Tk. 28,000 and billed to the customer for Tk. 17,000.
July 15	Purchased office furniture for cash Tk. 17,000 and received a bill for Tk. 5,000.
July 23	Paid Tk. 700 due in transaction (5).
July 28	Monthly expenses on account: advertising expense Tk. 2,500 & Utilities bills Tk. 800.
July 31	Received full amount from Mrs. Rehana due in transaction (9).

Instructions:

Develop the above transactions by journalizing them.

Purchase discounts	9,000
Sales discounts	14,000
Travel expense	20,000
Freight out	18,000
Other factory expenses	26,000
Sales salaries	1,00,000
Freight in	12,000
Direct factory labor	2,00,000
Purchase of raw materials	4,00,000
Rent expense (40% administrative)	12,000
Utilities (30% factory)	24,000
Advertising expense	7,000

Required:
Build a cost of goods manufactured and Income statement for the year ended December 31, 2021.

Q4: Pringle Company distributes a single product. The company's sales and expenses for April 30, 2021 as follows: **(2+3+2+3=10)** **CLO4**

	Total	Per Unit
Sales	Tk. 600,000	Tk. 40
Variable expenses	420,000	28
Contribution margin	180,000	12
Fixed expenses...........	150,000	
Net operating income.........	30,000	

Required:
1. Identify the monthly break-even point in units sold and in sales taka.
2. Explain how many units would have to be sold each month to earn a target profit of Tk. 18,000? Use the contribution margin method. Verify your answer by preparing a contribution format income statement at the target level of sales.
3. Refer to the original data, solve the company's margin of safety in both taka and percentage terms.
4. Show the company's CM ratio if monthly sales increase by Tk. 80,000 and there is no change in fixed expenses, by how much would you expect monthly net operating income to increase?

Q5:
a) What is depreciation? Explain with proper example. **2** **CLO1**
b) Write down the differences between financial and managerial accounting. **2**

Q2: On December-2021 the Trial balance of Toha Consulting Firm as follows: — 10 — CLO4

Toha Consulting Firm
Trial Balance
December 31, 2021

Number	Particulars	Debit (Tk.)	Credit (Tk.)
1	Cash	44,600	
2	Supplies	3,300	
3	Prepaid Insurance	12,000	
4	Land	1,25,000	
5	Furniture	26,000	
6	Account Payable		12,500
7	Unearned Revenue		7,400
8	Mortgage Payable		80,000
9	Owner's Capital		100,000
10	Owner's Drawing	5,000	
11	Service Revenue		80,000
12	Repair Expense	3,600	
13	Salaries Expense	51,000	
14	Utility Expense	9,400	
	Total	279,900	279,900

The following adjustments are pertaining of the Toha Consulting Firm:

(a) Supplies on hand at December-31, 2021 of Tk. 800
(b) Insurance Premium expired during the period of Tk. 400.
(c) Depreciation of furniture Tk. 1,950 per month.
(d) Revenues earned but not recorded at December-31, of Tk. 1,000
(e) Unearned revenue shows Tk. 6,000 as unearned on December-31.

Instructions

Construct a worksheet on December 31, 2021.

Q3: The following information has been taken from the records of Sutopa Company in a year: — 10 — CLO4

Inventories	January 1, 2021	December 31, 2021
Finished Goods	Tk. 40,000	Tk. 23,000
Work in process	80,000	25,000
Raw materials	65,000	28,000

Sales	Tk. 22,00,000
Purchase returns and allowances	25,000
Depreciation-factory machinery	1,40,000
Factory insurance	30,000
Depreciation on office equipment	8,000