Daffodil International University

Faculty of Science & Information Technology
Department of Computer Science & Engineering
Final Examination, Summer 2026
Course Code: ACT 327 , Course Title: Financial and Managerial Accounting
Level: 3 Term: 2 Batch: 66

Time: 02:00 Hrs **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.]

1.	***a)***	A company receives cash after delivering goods and pays expenses before they are consumed. Define the rules of revenue recognition and expense recognition.	[2]	**CO1**
	b)	"Financial Accounting focuses on external reporting, whereas Managerial Accounting emphasizes internal decision-making." State the statement.	[2]	
2.		RIO Corporation had the following transactions occurred during March. 1. The owner started the business by investing Tk. 5,000,000 in cash and equipment worth Tk. 100,000. 5. The company purchased land for Tk. 2,000,000 by paying 40% in cash and financing the remaining amount through a b.ank loan. 9. The company incurred rent expense of Tk. 9,000, of which 2/3 will be paid next month. 12. The company held a meeting regarding a project valued at Tk. 1,000,000. 16. The owner paid his personal house rent of Tk. 10,000 from the business account. 24. The company performed services worth Tk. 200,000, of which Tk. 40,000 will be received next month. 31. Employees provided services worth Tk. 40,000 for the month of March, and the salary is still unpaid.		**CO3**
	a)	Demonstrate those transactions preparing journal entries	[4]	
	b)	Show the ledger account of cash	[2]	
3.		At the end of the first year of operations, Nitu Corporation has the following unadjusted trial balance	[10]	**CO4**

Nitu Corporation
December 31 2025
Trial Balance

Account Title	Debit (Tk.)	Credit (Tk.)
Service Revenue		3,900,000
Cash	2,500,000	
Capital		5,530,000
Advertising Expense	70,000	
Accounts Payable		900,000
Equipment	1,500,000	
Salaries Expense	600,000	
Unearned Revenue		150,000
Vehicles	3,200,000	
Notes Payable		1,000,000
Prepaid Insurance	60,000	
Drawings	300,000	
Rent Expense	240,000	
Land	2,000,000	
Supplies	120,000	
Utilities Expense	90,000	
Accounts Receivable	800,000	
Total	11,480,000	11,480,000

(Turn over the page)

		Additional Information 1. Supplies remaining on December 31, 2025 were Tk. 40,000. 2. Insurance expired during the year amounted to Tk. 20,000. 3. Equipment has a useful life of 10 years with no salvage value which was purchased on 01 March 2025. 4. Out of the unearned revenue balance, Tk. 90,000 has been earned during the year. Instructions:		
	a)	Develop a Worksheet.		
	b)	Demonstrate the closing entries.	[2]	
4.	*a)*	Rangpur Manufacturing Company provides the following data for the year ended December 31, 2025:		CO4
	b)	Required: 1. Apply the Schedule of Cost of Goods Manufactured for the year ended December 31, 2025. 2. Construct a complete Income Statement for the year ended December 31, 2025.	[10]	

Item	*Jan 1, 2025*	*Dec 31, 2025*
Raw Materials	Tk. 45,000	Tk. 38,000
Work in Process	Tk. 62,000	Tk. 55,000
Finished Goods	Tk. 80,000	Tk. 95,000

Costs Incurred During the Year:

Particulars	Amount (Tk.)
Raw materials purchased	320,000
Freight-in on raw materials	8,000
Direct labor	275,000
Indirect materials used	15,000
Indirect labor	40,000
Factory rent	60,000
Factory utilities	22,000
Depreciation – Factory equipment	35,000
Depreciation – Office equipment	10,000
Factory insurance	10,000
Repairs and maintenance (Factory 20%, Office 80%)	12,000
Sales revenue	1,150,000
Sales returns and allowances	20,000
Advertising expense	10,000
Sales commission	85,000
Office rent expense	70,000

5.		Feather Friends, Inc., distributes a high-quality wooden birdhouse that sells for Tk. 20 per unit. Variable costs are Tk. 8 per unit, and fixed costs total Tk. 180,000 per year. Actual sales for this month is 20,000 units. Required:	[8]	CO4
	a)	Solve CM ratio, break-even point in sales amount, margin of safety and Degree of Operating leverage.		
	b)	The president expects sales to increase by 20% next year. Using the degree of operating leverage, estimate the percentage increase in net operating income and Build a new CVP (contribution format) income statement to verify your answer.		
	c)	Due to an increase in demand, the company estimates that sales will increase by Tk. 75,000 and variable expenses will increase by Tk. 2 per unit during the next year. Given that fixed costs remain unchanged, calculate the expected increase in net operating income (or decrease in net loss).		