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Daffodil International University

Department of Textile Engineering
Faculty of Engineering
Midterm Examination, Semester: Fall-2026

Course Code: 0411-311 Course Title: Accounting and Cost Management
Level & Term: L3T2 Section: F1, F2, F3
Name & Designation of the Course Teacher: Sampa Saha (SS), Lecturer

Time: 1.5 hours. **Total Marks: 25**

Answer all the questions:

Question-1: **(2*2=4)**

a) Who are the users of accounting? Explain with proper example. **[CO4, PO2, C2].**
b) Describe the following short notes:
(i) Monetary Unit Assumption (ii) Accrual Basis Assumption **[CO1, PO1, C2].**

Question-2: **(6+2)**

Robin Service Agency was started on August 1, 2025 by Al Robin. The following events and transactions occurred during the month:

1) Mr. Robin started his business with Tk. 85,000 cash, and Tk. 35,000 equipment.
2) The company purchased furniture of Tk. 40,000 of which 40% is on account.
3) Employees' salaries paid Tk. 15,000.
4) Services provided of Tk. 28,000 cash & Tk. 12,000 on account.
5) Purchased additional Equipment for Tk. 20,000. Robin paid Tk. 8,000 cash.
6) Received a cash payment of Tk. 8,000 for services provided in (4).
7) The owner has withdrawn Tk. 3,500 from the business.
8) Paid Tk. 10,000 of the accounts payable

Requirements:

a) Show the effect of above transactions using the tabular format. **[CO1, PO1, C2].**

b) Demonstrate income statement. **[CO1, PO1, C2].**

Question-3: **(5+2)**

Mr. Rony is the owner of Rony HR Agency, started its operation on 1st June, 2026. The following information is related with the operations of June, 2026:

June 1: Rony invested Tk. 1,20,000 cash and Tk. 40,000 supplies in the business.

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June 5: Purchased additional supplies of Tk. 25,000 of which 20% paid in cash.
June 13: Paid advertising expense of Tk. 2,500.
June 15: Paid Tk. 17,500 for Equipment.
June 20: Provided services to Prime Bank Ltd. for cash Tk. 30,000.

June 23: Paid employees' salaries of Tk. 15,000.
June 24: Paid for due in transaction
June 30: Rony withdrew Tk. 2,500 from his business.

Requirements:

a) Identify journal entries for the above transactions. **[CO2, PO2, C3].**

b) Develop ledger for: **(i) Cash & (ii) Supplies. [CO2, PO2, C3].**

Question-4: **(6)**

Mr. Rifat started his Accounting Firm, Meghna Accounting Firm, on March 1, 2025. The trial balance at 30 July, 2025 is as follows:

Padma Accounting Firm

Trial Balance

30 July, 2025

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:

1. One forth of the supplies have been used at July 31.
2. The Insurance policy is for 3 years.
3. Tk. 22,800 of unearned service revenue has been remained unearned during this period.
4. The office furniture has 8 years life with Tk. 8,000 salvage value.
5. Rent expense is accrued Tk. 4,500 at July 31.
6. The note payable interest rate is 8%. The note payable was issued at 1st July, 2025.

Requirements:

Examine the above information in preparing the adjusting entries. **[CO3, PO2, C4].**