

**Daffodil International University**  
Faculty of Business & Entrepreneurship  
Department of Business Administration  
**Program: BBA**

Semester: Spring-2025  
Time: 2 Hours  
Course Code: **0411-115**  
Section: 68-A/68-B/68-C/68-D

Examination: **Final**  
Full Marks: **40**  
Course Title: **Principles of Accounting**  
Teacher's Name: DSFA/MAH

**Answer all the Questions**

**Qns. 1:**

(a) Explain the types of adjusting entries with examples.

[CLO 1 and Level 2] [2]

(b) Describe the following short notes:

[CLO 1 and Level 2] [3]

Revenue recognition principle, Permanent account, Balance

**Qns. 2:**

Izna Company started operation at March 1, 2024. The trial balance of the company before adjustment was as under:

Izna Company  
Trial Balance  
March 31, 2024

| Accounts Title         | Debit (Tk.)   | Credit (Tk.)  |
|------------------------|---------------|---------------|
| Cash                   | 46,000        |               |
| Accounts Receivable    | 7,500         |               |
| Prepaid Insurance      | 2,400         |               |
| Supplies               | 2,000         |               |
| Machine                | 30,000        |               |
| Notes Payable          |               | 20,000        |
| Accounts Payable       |               | 4,500         |
| Owner's Capital        |               | 40,500        |
| Owner's Drawing        | 2,000         |               |
| Service Revenue        |               | 32,000        |
| Salaries Expenses      | 2,500         |               |
| Utilities Expense      | 1,500         |               |
| Rent Expense           | 2,500         |               |
| Miscellaneous Expenses | 600           |               |
| Total                  | <u>97,000</u> | <u>97,000</u> |

100

Additional data:

- 60% of supplies are still on hand.
- Depreciation on Machine was Tk.3,000 per year.
- Interest of Tk.300 on the Notes Payable had been accrued during the period.
- Rent Expense of Tk.1,000 was accrued for March.
- Insurance expires at the rate of Tk.200 per month.

Instructions:

(i) Examine the above information in preparing the adjusting entries.

[CLO 3 and Level 4] [5]

(ii) Use the above information in preparing the worksheet.

[CLO 2 and Level 3] [10]

(iii) Use the information of worksheet in preparing an Income Statement.

[CLO 2 and Level 3] [2]

(iv) Use the information of worksheet in preparing an Owner's Equity Statement.

[CLO 2 and Level 3] [2]

(v) Use the information of worksheet in preparing a Classified Balance Sheet.

[CLO 2 and Level 3] [4]

(vi) Use the information of worksheet in preparing the closing entries.

[CLO 2 and Level 3] [2]

**Qns. 3:** Rohan Store completed the following merchandising transactions in the month of June 2024:

|         |                                                                                                               |
|---------|---------------------------------------------------------------------------------------------------------------|
| June 1  | Purchased merchandise on account from Ehan Accessories of Tk.15,000, terms 3/10, n/45.                        |
| June 4  | Sold merchandise on account of Tk.8,000, terms 2/10, n/30. The cost of the merchandise sold was 30% of sales. |
| June 9  | Paid Ehan Accessories.                                                                                        |
| June 12 | Received amount from customers billed on June 4.                                                              |
| June 15 | Purchased merchandise of Tk.2,000 for cash.                                                                   |

Instruction: Use the above transactions in preparing the journal entries under perpetual inventory system. [CLO 2 and Level 3] [5]

**Qns. 4:** Mr. Adyan opened his own consulting firm "Adyan Consulting Solution" on September 1, 2024. During September, the following transactions occurred:

September 1 Adyan invested Tk.75,000 to start the business.

- 4 Purchased furniture of Tk.15,000 (60% paid in cash).
- 8 Purchased supplies of Tk.2,000 for cash.
- 13 Performed services of Tk.5,000 cash.
- 17 Adyan invested an additional Tk.10,000 cash in the business.
- 21 Performed services of Tk.3,000 on account.
- 25 Withdrew Tk.2,000 from the business.
- 30 Paid salaries of Tk.1,500.

Instruction: Examine the effects of the above transactions on the accounting equation using the tabular format. [CLO 3 and Level 4] [5]

\*\*\*All the Best\*\*\*

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