



Daffodil International University
Faculty of Science & Information Technology
Department of Computing and Information System
Mid-Term Examination, Fall-2026
Course Code: ACC213, Course Title: Accounting
Level: 2 Term: 1

Exam Duration: 1.5 Hours

Marks: 25

24/00

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)	Identify and describe the steps in the Accounting process.	02	CO1
	b)	What is the Economic Entity Assumption? Explain it with one appropriate example.	03	
2.		On April 1, Julie even established Julie's Travel Agency. The following transactions were completed during the month. 1. Invested \$15,000 cash to start the agency. 2. Paid \$600 cash for April-office rent. 3. Purchased equipment for \$3,000 cash. 4. Paid \$900 cash for office supplies. 5. Performed services worth \$10,000: \$3,000 cash is received from customers and the balance of \$7,000 is billed to customers on account. 6. Received \$4,000 in cash from customers who have previously been billed in transaction (5).		CO2
	a)	Prepare a tabular analysis of the above transactions (Omit Explanation).	03	
3.		On <u>October 1, 2026</u>, Noor Jahan commenced a restaurant business under the name <u>The Saffron Table</u>. During the first five days of operation, the business engaged in several financial transactions. The following transactions occurred during the period from October 1 to October 5, 2026. 1. October 1: Noor Jahan invested Tk. 250,000 in cash to commence the restaurant business. 2. October 2: Purchased furniture on account from Elite Furnishers for Tk. 45,000. 3. October 3: Purchased food ingredients for cash amounting to Tk. 15,000. 4. October 4: Paid one-third of the amount due to Elite Furnishers in cash.		CO2

f c

	5. October 5: Paid employee salaries in cash amounting to Tk. 12,000.																							
a)	Journalize the above transactions in the books of The Saffron Table (Omit Explanation).	05																						
b)	Post the relevant entries to the Cash Account only in the ledger and determine the closing cash balance as of October 5, 2026.	02																						
4.	The ledger of Smith Lake Lumber Supply on <u>July 31, 2020</u> includes the selected accounts below before <u>Adjusting Entries</u> have been prepared. <table border="0"> <thead> <tr> <th></th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Notes Payable</td> <td></td> <td>\$ 20,000</td> </tr> <tr> <td>Supplies</td> <td>\$ 24,000</td> <td></td> </tr> <tr> <td>Prepaid Rent</td> <td>3,600</td> <td></td> </tr> <tr> <td>Buildings</td> <td>250,000</td> <td></td> </tr> <tr> <td>Accumulated Depreciation-Buildings</td> <td></td> <td>140,000</td> </tr> <tr> <td>Unearned Service Revenue</td> <td></td> <td>11,500</td> </tr> </tbody> </table> An analysis of the company's accounts shows the following. 1. <u>The notes payable pays interest at a rate of 6% per year.</u> 2. Supplies on hand at the end of the month totaled \$18,600. 3. The balance in Prepaid Rent represents <u>4 months</u> of rent costs. 4. Depreciation on buildings is \$6,000 per year. 5. During the month, the company satisfied obligations worth \$4,700 related to the Unearned Services Revenue.		Debit	Credit	Notes Payable		\$ 20,000	Supplies	\$ 24,000		Prepaid Rent	3,600		Buildings	250,000		Accumulated Depreciation-Buildings		140,000	Unearned Service Revenue		11,500		CO2
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a)	Prepare the adjusting entries at <u>July 31</u> assuming that <u>Adjusting Entries</u> are made monthly.	05																						
b)	Explain the <u>impact of each transaction before Adjustment</u> (understated or overstated).	05																						