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Daffodil International University
Department of Software Engineering
Faculty of Science & Information Technology
Midterm Examination, Fall-2024
Course Code: GE-235, Course Title: Principles of Accounting, Business & Economics
Level: 2 Term: 2 Section: All
Instructor: SAS, FAA

Duration: 1 Hour and 30 minutes **Marks: 25**

Answer all the questions

Question 1: **Marks: 2*2 = 4**

a) What is accounting equation? Explain with proper example. **[CLO 2, Level 2]**
b) Discover the following short notes:
(i) Depreciation (ii) Unearned Service Revenue **[CLO 2, Level 3]**

Question 2: **Marks: 8**

Mr. Kapil has started a new business named "Kapil Firm" on June 1, 2023. During the first month of the operation of his business, the following events and transactions occurred:

June 1	Invested Tk. 52,000 cash & Tk. 18,000 furniture in the business.
June 5	Purchased office supplies from Doyel Company for Tk. 3, 800 and paid cash Tk. 2,200.
June 7	Withdrew Tk. 3,500 cash for personal use.
June 9	Service performed for cash Tk. 28,000 and billed to the customer for Tk. 12,000.
June 15	Purchased office furniture for cash Tk. 17,000 and received a bill for Tk. 5,000.
June 23	Paid Tk. 800 due in transaction (5).
June 28	Monthly expenses on account: advertising expense Tk. 2,500 & Utilities bills Tk. 800.
June 30	Received full amount for due in transaction (9).

Instruction:

Explain the given data to prepare a tabular summary and income statement for the month ended June 2023. **[CLO 1, Level 2]**

Question 3: **Marks: 7**

Mr. Shopnil is the owner of Biswas Agency, started its operation on 1st July, 2023. The following information is related with the operations of June, 2022:

July 1:	Invested cash Tk. 65,000 & equipment for Tk. 28,000 in the business.

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July 5: Purchased office supplies from Lovello Company for Tk. 4,500 & paid in cash.

July 15: Purchased furniture for cash Tk. 22,000 and received a bill for Tk. 8,000.

July 20: Incurred advertising expenses of Tk. 12,300 on account.

July 24: Paid monthly expenses: Rent Tk. 8,800 & Utilities bills Tk. 1,700.

July 30: Service performed for Tk. 18,000 & received cash Tk. 8,000.

Requirements:

a. Generalize the above transactions by journalizing them. **[CLO 1, Level 2]**
b. Clarify the journal entries by preparing the following ledger accounts:
   i) Cash (ii) Accounts payable

Question 4: **Marks: 6**

Mr. Sabbir started his Accounting Firm, Padma Accounting Firm, on June 1, 2023. The trial balance at 30 September, 2023 is as follows:

Padma Accounting Firm

Trial Balance

30 September, 2023

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 third of the supplies have been remain unused.
2. The Insurance policy is for 30 months.
3. Tk. 2,800 of unearned service revenue has been earned during this period.
4. Annual depreciation of office furniture is Tk. 12,000.
5. Salaries expense is accrued Tk. 3,200 per month.
6. The note payable interest rate is 10%. The note payable was issued at 1st August, 2023.

Requirements:

Examine the above information in preparing the adjusting entries. **[CLO 2 Level 3]**

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