ourdiu.com | Shared by Sabbir HR

Daffodil International University
Faculty of Science & Information Technology
Department of Software Engineering
Midterm Examination, Fall 2025
Course Code: GE-235, Course Title: Principles of Accounting, Business & Economics
Sections & Teachers: (42-A, B, C, D) – (AGN); (42-E, F, G, H) – (SAS); (42-I, J) – (ASM)

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

Answer all the questions

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

a) A supplier wants to sell goods on credit to a company. **Demonstrate** how accounting information can help the supplier make that decision and what type of user he or she will be. **[CLO 2, Level 3]**

b) The owner of a business used company cash to pay his personal electricity bill, Use the Economic Entity Assumption to **explain** whether this payment should be recorded as a business expense. **[CLO 2, Level 3]**

Question 2: **Marks: (6+2=8)**

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

June 1	The owner started the business with Tk. 250,000 cash and a laptop worth Tk. 30,000.
June 5	An equipment costing of Tk. 25,000 was purchased for office use. Tk. 10,000 was paid in cash, and the balance was on credit.
June 7	The business provided services worth Tk. 30,000. Cash of Tk. 18,000 was received immediately, and the remaining will be collected later from the customer.
June 9	Purchased papers for printing Tk. 6,000 on credit.
June 15	Collected cash from a client whose account had been billed on June 7.
June 23	Purchased furniture for Tk. 60,000, paying Tk. 20,000 cash and the rest on a bank loan.
June 28	The owner withdrew Tk. 8,000 cash from the business for personal use.
June 30	Paid Tk. 5,000 for office rent, Tk. 2,000 for electricity, and Tk. 1,000 for salary.

Instruction: **[CLO 1, Level 2]**

i) **Explain** the given data to prepare a tabular summary.

ii) **Summarize** the data in an Income Statement for the month ended June 2023.

(Please Turn Over)

ourdiu.com | Shared by Sabbir HR

Question 3: **Marks: (5+2=7)**

Mr. Y is the owner of Y Agency, which started its operation on 1st July, 2023. The following information is related to the operations of July 2023:

July 1: Mr. Y invested Tk. 300,000 in cash, and a Vehicle worth Tk. 50,000 to start the business.
July 15: The business paid Tk. 2,000 for office insurance covering the next year.
July 20: Received an electricity bill of Tk. 2,500 from the utility company.
July 24: After negotiation with a client for Tk. 200,000, the Agency received 60,000 Tk. in advance, and the service will be performed within the next month.
July 25: The business obtained a bank loan of Tk. 50,000 from XYZ Bank at 6% interest
July 26 Purchased equipment for Tk. 60,000; 60% was paid in cash.
July 30: The company earned revenues of Tk. 20,000, including Tk. 8,000 received in cash and the rest on credit.

Requirements:

a. **Summarize** how these transactions would appear in a journal. **[CLO 1, Level 2]**
b. **Classify** the journal entries by preparing the following ledger accounts:
   i) Cash (ii) Accounts payable

Question 4: **Marks: 6**

Mr. X began his own business on January 1, 2023. The quarterly trial balance for XYZ Ltd. on March 31 is as follows.

XYZ Ltd.
Trial Balance
31st March, 2023

Details	Debit (Tk)	Credit (Tk)
Cash	45,000	
Accounts Receivable	70,000	
Office Supplies	12,000	
Prepaid Insurance	24,000	
Office Equipment	150,000	
Notes Payable		90,000
Accounts Payable		25,000
Owner's Capital		20,000
Owner's Drawings	10,000	
Service Revenue		136,200
Unearned Service revenue		23,000
Rent Revenue		70,000
Salaries and Wages Expense	2,200	
Utilities Expense	13,000	
Rent Expense	36,000	
Miscellaneous Expense	2,000	
	364,200	**364,200**

Other data:

1. 40% of the office supplies have not been used yet.
2. The Insurance policy is for 12 months.
3. Tk. 8,000 of unearned service revenue has been completed during this period.
4. Annual depreciation of office furniture is Tk. 12,000 with no salvage value.
5. Salaries expense is accrued (will be paid in the next month), Tk. 5,200.
6. The interest rate on the note payable is 10%. The note payable was issued on 1st February 2023.

Requirements:

Based on the above data, **prepare** the adjusting entries at the end of the first quarter. **[CLO 2 Level 3]**