



Daffodil International University
Department of Software Engineering
Faculty of Science & Information Technology
Midterm Examination, Summer-2025

Course Code: GE-235, Course Title: Principles of Accounting, Business & Economics
Sections & Teachers: SK(41-A,B,C,D,M), DAR(41-I), AGN(41-J), SAS(41-E,F,G,H,N), SYA(41-K,L)

Time: 1 Hour 30 Mins

Marks: 25

Answer All the questions

*[The figures in the right margin indicate the full marks and corresponding course outcomes.
 All portions of each question must be answered sequentially.]*

Question 1:

Marks: 2*2 = 4

- a) Why do external users use accounting information? Explain with an example. [CLO 2, Level 2]
 b) Discover the following short notes:
 i) Expense recognition principle (ii) Accrued Revenue [CLO 2, Level 3]

Question 2:

Marks: 8

Mr. Kajol has started a new business named "Kajol 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. 50,000 cash in the business.
- June 5 Purchased office supplies from Doyel Company for Tk. 4,800 and paid cash Tk. 2,200 and the remaining amount is due.
- June 7 Withdrew Tk. 4,500 cash for personal use.
- June 9 Service performed for cash Tk. 20,000 and billed to the customer for Tk. 12,000.
- June 15 Purchased office furniture for cash Tk. 15,000.
- June 23 Paid Tk. 800 due in transaction (5).
- June 28 Monthly expenses on account: advertising expense Tk. 3,500 & Utilities bills Tk. 1000.
- 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. 55,000 & equipment for Tk. 25,000 in the business.

- July 5:** Purchased office supplies from Marriot Company for Tk. 6,500 and paid in cash.
- July 15:** Purchased furniture for Tk. 23,000 and the amount is due.
- July 20:** Incurred advertising expenses of Tk. 10,300 on account.
- July 24:** Paid monthly expenses: Rent Tk. 10,800 and Utilities Tk. 1,500.
- July 30:** Service performed for Tk. 15,000 and received cash Tk. 7,000.

Requirements:

- Generalize the above transactions by journalizing them.
- Clarify the journal entries by preparing the following ledger accounts:
 - Cash
 - Accounts payable

[CLO 1, Level 2]

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:

- One fourth of the supplies have been on hand.
- The Insurance policy is for 36 months.
- Tk. 2,500 of unearned service revenue has been earned during this period.
- Annual depreciation of office furniture is Tk. 10,000.
- Salaries expense is accrued Tk. 5,200.
- The interest rate on note payable is 12%. The note payable was issued at 1st July, 2023.

Requirements:

Examine the above information in preparing the adjusting entries.

[CLO 2 Level 3]