

International Islamic University Chittagong
 Department of Computer Science and Engineering
 B. Sc. Engineering in CSE
 Midterm Examination, Spring 2022

Course Code: ACC 2401
 Time: 1 hour 30 minutes

Course Title: **Financial Managerial Accounting**
 Full Marks: 30

Answer all the questions. The figures in the right-hand margin indicate full marks.

1)	a)	Discuss the branches of accounting and different types of Business Organization.	CO1	Un	4															
1)	b)	Explain Accounting Equation with example. Discuss any five of the accounting concepts and principles.	CO1	Un	6															
2)	a)	<p>Mr. John opens a business firm that names JOHN ENTERPRISE on Jan 01, 2015. He will be the sole owner of the business. During this month the following transactions take place:</p> <p>a. Mr. John invested \$1,00,000 in his business bank account. b. Mr. John paid \$20,000 for a house to be used as an office. c. Mr. John purchased office supplies \$1,000 on account. e. Mr. John paid \$3,000 of personal funds for a vacation of his family. f. Mr. John Consulted on the interior design of an office and billed the client for services rendered, \$5,000. g. Paid office rent \$300. h. Collected cash from a customer on account, \$2,000.</p> <p>Required:</p> <p>1) Journalize the above transactions. 2) Post the transaction into the ledger. 3) Prepare the trial Balance.</p>	CO2	An	10															
3)		<p>Lisa Reed owns and operates an interior design studio called Reed Interiors. The following amounts summarize the financial position of her business on August 31, 19X2:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left; border-bottom: 1px solid black;">Assets</th> <th colspan="2" style="text-align: right; border-bottom: 1px solid black;">= Liabilities + O's Equity</th> </tr> <tr> <th style="text-align: left;">Cash</th> <th style="text-align: left;">A. Rec.</th> <th style="text-align: left;">Supplies + Land</th> <th style="text-align: right;">= A. Payable +</th> <th style="text-align: right;">Capital</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Bal. 1,250</td> <td style="text-align: left;">1,500</td> <td style="text-align: left;">12,000</td> <td style="text-align: right;">8,000</td> <td style="text-align: right;">6,750</td> </tr> </tbody> </table> <p>During September 19X2 the following events occurred:</p> <p>a. Reed inherited \$15,000 and deposited the cash in the business bank account. b. Performed services for a client and received cash of \$700. c. Paid off the beginning balance of accounts payable. d. Purchased supplies on account, \$500. e. Collected cash from a customer on account, \$1,000. f. Invested personal cash of \$1,000 in the business. g. Service provided on account \$2,400. h. Recorded the following business expenses for the month: (1) Paid office rent - \$900 (2) Paid advertising - \$100.</p>	Assets			= Liabilities + O's Equity		Cash	A. Rec.	Supplies + Land	= A. Payable +	Capital	Bal. 1,250	1,500	12,000	8,000	6,750	CO2	E	10
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	<p>i. Sold supplies to another business for \$150 cash. the cost of the supplies was \$180.</p> <p>j. Withdrew cash of \$1,800 for personal use.</p> <p>k. Collected cash from his friend for buying a personal car \$1,00,000.</p> <p>l. Reed deposited \$15,000 cash to his personal bank account by selling some his personal common stocks.</p> <p>Required Analyze the effects of the above transactions on the accounting equation of Reed Interiors.</p>			
OR				
3)	<p>1) Mr. Ahmed invested \$50,000 cash in the business.</p> <p>2) Paid \$50,000 cash for Land.</p> <p>3) Purchased \$400 of Office Supplies on account.</p> <p>4) Received \$5,000 cash from clients for accounting service revenue earned.</p> <p>5) Performed accounting service for a client on account, \$3,000.</p> <p>6) Paid cash expenses: rent, \$1,200; Employee salary, \$800; utilities, \$200.</p> <p>7) Paid \$200 on the account payable created in transaction-3.</p> <p>8) Remodeled his personal residence funding personally.</p> <p>9) Received \$1,500 on the account receivable created in transaction-5.</p> <p>10) Sold land for cash \$22,000 but its cost was \$20,000.</p> <p>11) Withdraw \$2,000 cash for personal living expenses.</p> <p>Required: a) Analyze the effects of the above transactions on the accounting equation. b) Prepare an Income Statement, Owners' Equity Statement and a Balance Sheet.</p>	CO2	E	10