

International Islamic University Chittagong

Department of Business Administration

Program: BBA

Final Examination, Autumn-2018

Course Title: Basic Accounting; Course Code: ACC-1101

Time: 2.5Hours

Full Marks: 50

Instruction: Answer any Four (04) of the following questions including Question No.6

Question No-1

10

The Trial Balance of **Jannat Traders** at March 31 of the current year and the data needed for the month-end adjustments follow:

Jannat Traders
Unadjusted Trial Balance
March 31, 2016

Cash.....	Tk. 25,800	-
Accounts Receivable.....	4,250	-
Supplies.....	700	-
Prepaid Rent.....	3,000	-
Furniture.....	23,500	-
Accumulated Depreciation.....	-	Tk.10,000
Note Payable-Long Term.....	-	5,000
Accounts Payable.....	-	8,100
Unearned Service Revenue.....	-	450
Capital.....	-	31,250
Withdrawal.....	4,200	-
Service Revenue.....	-	9,000
Salary Expense.....	1,950	-
Utilities Expense.....	-	----
Total.....	400Tk.63,800	Tk.63,800

Information for adjustments:

- a) Accrued service revenue Tk. 1500.
- b) Supplies used Tk. 400.
- c) Prepaid rent expired Tk. 900.
- d) Depreciation on furniture Tk. 1,200.
- e) Accrued salary expense Tk. 1,300.
- f) Amount of unearned service revenue still unearned Tk. 200.

Required: Prepare a worksheet.

Question N-2

10

XYZ Sales Co. engaged in the following transactions during June 2016.

June-01: Purchased inventory on credit terms of 2/10 net EOM, \$2,700

June-03: Returned 20% of the inventory purchased on June 1. It was defective.

June-07: Purchase merchandise of \$5,300, less a \$100 quantity discount. Credit terms were 2/15 net 30.

June-13: Sold inventory on credit terms of 2/10 net 30, \$3,000.

June-15: Received damaged merchandise from the customer to whom the June 13 sales was made, \$500.

June-19: Borrowed money from the bank to take advantage of the discount offered on the June 07 purchase and signed a note payable to the bank for the net amount.

June-21: Paid supplier for goods purchased on June 07, less all discounts.

June-23: Received cash in full settlement of the account from the customer who purchased inventory on June 13.

June-27: Paid the amount owed on account from the purchase of June 1

June-30: Purchased inventory for cash, \$1,000, less a quantity discount of \$50

Required: Journalize the above merchandising transactions.

Question No-3

03+02+05=10

- What are objectives of introducing Islamic Accounting?
- Distinguish between Islamic and Traditional Accounting
- The cash in bank account for Matin Co. at July 31, of the current year indicated a balance of Tk. 12,192.50 after both the cash receipts journal and check register for July had been posted. The bank statement indicated a balance of Tk. 19,955.65 on July 31. Comparison with the records revealed the following reconciling items:
 - A deposit of Tk. 4,015.20, representing receipts of July 31, had been made too late to appear on the bank statement.
 - Checks outstanding total Tk. 9090.75.
 - The bank had collected for Matin Co. Tk. 3,045.00 on a note left for collection. The face value of the note was Tk. 3,000.00.
 - A check drawn for Tk. 470.00 had been erroneously charged by the bank as Tk. 740.00
 - Bank service charges for July amounted to Tk.22.15.
 - A check for Tk. 72.50 had been recorded in the check register as Tk. 7.25. The check was for the payment of an obligation to Shams Equipment Co. for the purchase of office equipment on account.

Required: Prepare a Bank Reconciliation Statement.

Question No-4

10

Suppose M/S Shahid Stationary purchased a photocopy machine at cost of \$58,000 in 2012 and its estimated salvage value is \$8,000 at the end of 2015. Its estimated useful life is 4 years. It is also estimated that the machine would produce 90,000 units. The year-wise projected breakdown of output for 4 years is as follows:

Year	2012	2013	2014	2015
Units	30,000	20,000	25,000	15,000

Calculate depreciation showing depreciation schedule under the following methods:

- Straight light method
- Units of output method
- Declining balance method

Question No-5

10

The following is the adjusted trial balance of Pioneer Advertising Agency on October 31, 2014.

Pioneer Advertising Agency
Adjusted Trial Balance
October 31, 2014

	Accounts Title	Debit	Credit
1	Cash	Tk.15200	
2	Accounts Receivable	200	
3	Advertising supplies	1000	
4	Prepaid Insurance	550	
5	Office Equipment	5000	
6	Accumulated Depreciation-Office Equipment		Tk.40
7	Notes Payable		5000
8	Accounts Payable		2500
9	Unearned Revenue		800
10	Salaries Payable		1200
11	Interest Payable		50
12	Owner's Capital		10000
13	Owner's Drawing	500	
14	Service Revenue		10600
15	Salaries Expense	5200	
16	Advertising supplies Expenses	1500	
17	Rent Expense	900	
18	Insurance Expense	50	
19	Interest Expense	50	
20	Depreciation Expense	40	
		Tk.30190	Tk.30190

Required:

- a) Prepare the Closing entries for the above items
- b) Post the Closing entries to the ledger accounts
- c) Prepare a Post-Closing Trial Balance at October 31, 2014

Question No-6

20

The trial balance of Foreman Company contained the following accounts at December 31, the end of the company's fiscal year:

Foreman Company
Trial Balance
December 31, 2016

	Debit	Credit
Cash	Tk.33,900	
Accounts Receivable	37,600	
Merchandise Inventory	62,400	
Land	92,000	
Buildings	197,000	
Accumulated Depreciation-Buildings		Tk.54,000
Equipment	83,000	
Accumulated Depreciation-Equipment		42,400
Notes Payable		50,000
Accounts Payable		37,500
Foreman, Capital		267,800
Foreman, Drawings	10,000	
Sales		880,000
Sales return and allowances	6,200	
Interest Revenue		6,100
Sales Discounts	4,600	
Purchases	725,100	
Purchase and allowances		6,200
Purchase Discounts		16,000
Freight-in	6,400	
Freight-out	6,000	
Salaries Expense	69,800	
Utilities Expense	9,400	
Repair Expense	5,900	
Gas and Oil Expense	7,200	
Insurance Expense	3,500	
Total	Tk.13,60,000	Tk.13,60,000

Adjustment Data

1. Depreciation is Tk.14,000 on buildings and Tk.12,000 on equipment. Both are administrative expenses.
2. Interest of Tk.7,000 is due and unpaid on notes payable at December 31.

Other Data

- a) Merchandise Inventory on hand at December 31, 2016, is Tk.70,000
- b) Salaries are 80% selling and 20% administrative.
- c) Tk.15, 000 of the notes payable are payable next year.

Required:

- a) Prepare a multiple-step income statement for the year ended December 31, 2016.
- b) Prepare a classified balance sheet as of December 31, 2016.