International Islamic University Chittagong
Department of Computer Science and Engineering
B. Sc. Engineering in CSE
Midterm Examination, Spring 2024

Course Code: **ACC 2401** Course Title: **Financial Managerial Accounting**

Time: 1 hour 30 minutes Full Marks: 30

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

Course Outcomes (COs), Program Outcomes (POs) and Bloom's Levels (BL) of the Questions			
CO	**CO Statements**	**PO**	**BL**
CO1	**Explain** the basic concept of financial accounting, cost accounting and management accounting.	**PO11**	**C2**
CO2	**Analyze** the basic concept of Cost Accounting and preparation of Cost Sheet.	**PO11**	**C4**
CO3	**Apply** the tools from accounting and cost accounting this would facilitate the decision making i.e. Budgeting, Make or Buy decision.	**PO11**	**C3**
CO4	**Compare** the different business situations and suggest to best solution with analytical abilities.	**PO11**	**C5**

Bloom's Levels (BL) of the Questions						
Letter Symbols	**C1**	**C2**	**C3**	**C4**	**C5**	**C6**
Meaning	Remember	Understand	Apply	Analyze	Evaluate	Create

1)	a)	What does the term "Accounting" encompass, and how is it related to the concept of an accounting period? Additionally, what constitutes a Financial Statement?	CO1	**C2**	4
1)	b)	"An internal claim in a business is owners' equity." Put your detailed accounting equation explanation here along with your explanation of this statement.	CO1	**C2**	6
2)		Mr. Hasan owns and operates a software firm called HHH Solutions. The following amounts summarize the financial position of the business on December 31, 2023: Cash $19000, Land $60000, Account Receivable $5000, Capital $ 80000, Accounts Payable $4000. During January 2024 the following transactions occurred: Jan.1 Mr. Hasan sold his inherited land for $50,000 and deposited $20000 cash in the personal bank account and $30000 in the business bank account. Jan. 5 Signed an agreement to develop a software for a corporate client. Jan. 10 Paid on account $2000. Jan. 15 Purchased office supplies on account, $1500. Jan. 16 Collected cash on account, $4000. Jan. 20 Develop a software for the corporate client and billed $12000. Jan. 25 Paid office rent $3000 and utilities $2000. Jan. 30 Sold a piece of land for $20000. Cash received $15000 and remaining will be collected later. Jan 31 Purchased a car for Mr. Hasan's family use for $8000 paying by the business bank account.	CO2	**C4**	10

		Required i. Analyze the effects of the above transactions on the accounting equation of HHH Solutions. ii. Prepare an income statement.			
3)		Mrs. Tania started and operates an event management business firm named **Daily Success** on January 01, 2024 and had the following on January 31 2024: Cash $50,000, furniture $ 5,000, capital $40,000 and account payable $15,000. During this month the following transactions took place: a) Tania invested $70,000 cash in a business bank account and Furniture valued $10,000. b) Paid $20,000 for a building to be used as an office. c) Purchased office supplies $2,000 on account. d) Performed service for a client and received cash of $2,000. e) Paid $5,000 of business fund for her family maintenance. f) Arranged a corporate event and billed the client for services rendered, $5000. **Required:** i. Record each transaction in the journal. ii. Post the transactions in to the ledger. iii. Prepare a trial balance.	CO2	**C5**	10
		OR			
3)		Andrea Scarlett is a realtor. She organized her business as a corporation, Andrea Scarlett, Realtor, P.C. (Professional Corporation) 1. The business owes $61,000 on a note payable for land that the business acquired for a total price of $83,000. 2. The business spent $23,000 for a Zinka Banker real estate franchise, which entitles the business to represent itself as a Zinka Banker office. This franchise is a business asset. 3. Scarlett owes $80,000 on a personal mortgage for her personal residence, which she acquired in 2012 for a total price of $160,000. 4. Scarlett has $5,000 in her personal bank account, and the business has $9,000 in its bank account. 5. Scarlett owes $(Last Four digit of your student ID) on a personal charge account with Chico's. 6. The office acquired business furniture for $15,000 on Sep 25. Of this amount, the business owes $2,000 on account at September 30. 7. Office supplies on hand at the real estate office total $1,300. 8. Received partial payment from client on account, $2700 9. Received $1,500 cash for helping a client. 10. Scarlett received a birthday gift from his friend valued $3000. **Required** i. Post the transaction to the ledger with label the balance of each account. ii. Prepare a Trial Balance .	CO2	**C5**	10