International Islamic University Chittagong (IIUC)

Department of Computer and Communication Engineering

Midterm Examination

Program: **B.sc (Engg.)**	Semester: **Spring 2024**
Course Code: **ACC-3501**	Course Title: **Financial and Managerial Accounting**
Total Marks: **30**	Time: **1 Hours 30 Minutes**

(i) Answer all the questions. The figures in the right-hand margin indicate full marks.
(ii) Course Learning Outcomes (CLOs) and Bloom's Levels are mentioned in additional Columns.

Course Learning Outcomes (CLOs) of the Questions

CLO1	**Explain** the basic concept of financial accounting, cost accounting and management accounting.
CLO2	**Analyze** the basic concept of Cost Accounting and preparation of Cost Sheet.
CLO3	**Apply** the tools from accounting and cost accounting this would facilitate the decision making i.e. Budgeting, Make or Buy decision.
CLO4	**Compare** the different business situations and suggest to best solution with analytical abilities.

Bloom's Levels of the Questions

Letter Symbols	**R**	**U**	**Ap**	**An**	**E**	**C**
Meaning	Remember	Understand	Apply	Analyze	Evaluate	Create

Q1.	a)	Accounting is an information system- Explain the statement indicating how the information system is useful for different types of users. Identify two branches of accounting for providing information to different users.	**CLO1**	U	4
	b)	Write short notes with example: Economic Entity assumption, Historical cost principle, Matching principle, Materiality.	**CLO1**	U	6
Q2.	**(a)**	Lynn Greenspan practiced law with a partnership for 10 years. Recently she opened her own law office, which she operates as a proprietorship. The name of the new entity is Lynn Greenspan, Attorney. Greenspan experienced the following events during the organizing phase of the new business and its first month of operation. Some of the events were personal and did not affect the law practice. Others were business transactions and should be accounted for by the business.	**CLO2**	**An**	**10**

July	1	Sold 1000 shares of **Eastman Kodak** stock, which she had owned for several years, receiving $68000 cash.
	2	Deposited the $68000 cash from sale of the **Eastman Kodak** stock in her personal bank account.
	3	Received $170000 cash from former law partners.
	5	Deposited $100000 cash in the new business bank account titled Lynn Greenspan, Attorney.
	6	A representative of a large company telephoned Greenspan and told her of the company's intention to transfer its legal business to Lynn Greenspan, Attorney.
	7	Paid $500 cash to letterhead stationary for the new law office.
	9	Purchased office furniture for the law office, agreeing to pay the account, $9500, within three months.
	23	Finished court hearing on behalf of a client and submitted her bill for legal services, $3000.
	30	Paid office rent $1900.
	31	Withdrew $10000 cash from the business for personal use.

Required: Analyse the effects of the transactions on the accounting equation.

Q3. 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: — CLO2 E 10

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.

OR

Q3. (a) Dwyer Delivery Service completed the following transactions during its first month of operations: — CLO3 Ap 10

a. Paul Dwyer, the proprietor of the business, began operations by investing in the business $ 5000 cash and a truck valued at $ 10000
b. Paid $ 200 cash for supplies.
c. Performed delivery services for a customer and received $ 600 cash.
d. Completed a large delivery job, billed the customer $ 2000, and received a promise to be paid the $ 2000 within one week.
e. Received $ 900 cash for performing delivery services.
f. Received $ 2000 cash from a customer on account.
g. Paid for the advertising in the local news paper, $ 170
h. Paid utility bills $150
i. Performed delivery service on account, $ 800
j. Paid employee salary, $ 800, and office rent $200

Withdraw $ 1900 for personal use.

Required: Journalize the transactions, post them to Ledger and prepare Trial Balance