International Islamic University Chittagong
Department of Computer Science and Engineering

Final Examination Autumn-2018 | Program: **B.Sc. Engg. (CSE)**

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

Time: **2 hours 30 minutes** | Full Marks: **50**

Part A

[Answer any *two* questions from the followings; figures in the right margin indicate full marks.]

1 The trial balance of **Azmeer Traders** at December 31,2017, the end of the company's fiscal year and adjustment data as follows: **10**

Azmeer Traders
Trial balance
December 31,2017

Particular	Dr(£)	Cr(£)
Cash	3,425	
Accounts receivable	7,000	
Supplies	1,270	
Insurance Prepayment	620	
Office equipment	51,650	
Accumulated depreciation-office equipment		9,700
Salary payable		925
Unearned revenue		1,250
Notes payable		29,000
Capital		36,710
Drawings	5,200	
Service revenue		22,415
Salary expense	30,835	
Total	1,00,000	1,00,000

Adjustment data:

(i) Supplies on hand as at 30 June 2017 totaled £380.
(ii) Insurance premium expired for the year totaled £315.
(iii) Yearly depreciation for office equipment totaled £4.950.
(iv) Salary accrued but yet to be paid as at 30 June is £440.
(iv) Service revenue accrued but yet to be recorded totaled £1,000.
(vi) Unearned revenue as at 30 June totaled £750

Required:
Complete the *Adjusted Trial Balance* Azmeer Traders for the year ended December 31,2017

2(a). Explain following terms: **4**

a) Depreciation
b) Unearned revenue.

2(b)

Silsila Fashion
Adjusted Trial Balance
December 31, 2017

Cash	$3620	6
Accounts receivable	$14090	
Supplies	$780	
Prepaid insurance	$ 1330	
Office furniture	$21630	
Accumulated depreciation	$10500	
Accounts payable	$6310	
Interest payable	$280	
Salary payable	$960	
Unearned commission revenue	$960	
Note payable- long term	$12000	
Capital	$13010	
Owners withdrawals	$29370	
commission revenue	$76200	
Salary expense	$27620	
Insurance expense	$870	
Interest expense	$1160	
Utilities expense	$4960	
Rent expense	$12200	
Supplies expense	$310	
Depreciation expense- equipment	$2280	
Total	$120220$120220	

Required:Prepare Silsila Fashion`s – Financial statement for the month ended December 31, 2017.

3.

SURE SALE REALTY COMPANY

Trial balance

December 31, 2015

Particular	Dr(£)	Cr(£)
Cash	62,800	
Accounts receivable	1,17,120	
Prepaid rent	46,080	
equipment	1,73,760	
Accumulated depreciation-equipment		2[illegible],120
Account payable		62,400
Unearned revenue		49,920
Capital		96,000
Drawings	46,080	
Commission revenue		6,53,200
Salary expense	3,21,600	
Travel expense	96,480	

Misalliance expense	18,720	
Total	8,82,640	8,82,640

The following additional data are for Reality Sure Sale Company are as follows :

Adjustment data:

(i) The equipment has an expected life of 10 years with no salvage value.
(ii) Prepaid rent expired for the year One third of total amount.
(iii) Accrued salaries are $ 11,520.
(iv) Travel expenses accrued but unreimbursed to sales staff at December 31 were $ 17,280

Required:

1) Prepare adjusting journal entries for given adjustment data. **2**
2) Prepare the Worksheet at December 31,2015, the end of the company's fiscal year **8**

4. Convoy Manufacturing Company sells a single product. The company's sales & expenses for a recent month as follows: **10**

Particular	Total	Per Unit
Sales	$ 600,000	$ 40
Less: Variable expenses	$ 420,000	$ 28
Contribution margin	$ 180,000	$ 12
Less : fixed expense	$ 150,000	
Net operating income	$ 30,000	

Required:

a) What is the monthly break -event point in units sold & in sales dollars?
b) Without resorting to computation, what is the total contribution margin at the break–even point?
c) How many units would have to be sold each month to earn a minimum target profit of $18,000 & $19,500?
d) Refer to the original data. Compute the companies margin of safety in both Dollar & percentage terms.

5 Tongo Toys manufactures and distributes a number of products to retailers. One of these products, Playclay, requires three pounds of materials A135 in the manufacturing of each unit. The company is now planning raw materials needs for the third quarter – July, August and September. Peak sales of Playclay occur in the third quarter of each year. To keep production and shipments moving smoothly, the company has following inventory requirements:

a)The finished goods inventory on hand at the end of each month must be equal to 5000 units plus 30% of the next month's sales. The finished goods inventory on June 30 is budgeted to be 17000 units.

b)The raw materials inventory on hand at the end of each month must be equal to one half of the following month's production needs of raw materials. The raw materials inventory on June 30 foe material A135 is budgeted to be 64500 pounds.

A sales budget foe Playclay for the last six months of the year follows:

<u>Budgeted sales In units</u>

July	40000
August	50000
September	70000
October	35000
November	20000
December	10000

5(a) ***Required:*** Prepare a production budget for Playclay for the month July, August, September and October. **5**

5(b) ***Required:*** Prepare a budget showing the quantity of material A135 to be purchased for July, August and September and for the quarter in total. **5**

6 The following cost and inventory data extracted from Ahmadullah Pvt. Ltd. at the end of September 30, 2017: **10**

Sales	Tk 14000500	Sales return	Tk 25200
Purchase (net)	2400000	Transportation inward	32000
Direct labor	3204000	FOH (total)	1885600
Sales salaries	200000	Advertising expense	155000
Delevary expense	65000		

During the year 25000 units were manufactured.

Inventories: <u>September 30, 2017October 1, 2016</u>

Materials $196000 $176000

Work in process ... 136800129800

Finished goods 467400620000

Required:

Prepare (a) Total factory cost, (b) cost of goods manufactured, (c) cost of goods sold, (d) gross profit and net profit and (e) per unit of goods manufactured for the fiscal year September 30, 2017.

7 <u>Write short notes (any five)</u> **10**

a) Cash Budget
b) Accounts Receivable
c) Cost of Goods Manufactured
d) Accrued Revenue
e) Opportunity Cost
f) Sunk Cost
g) Sales Discount