International Islamic University Chittagong
Department of Business Administration
Mid-Term Examination
Semester, Autumn-2023
ACC-1101: Principles of Accounting.
Time: 1.5 hours, Full Marks: 30

Instructions:

a) Answer all the questions. Show calculations and give notes where necessary.

c) Answer different parts of a Question serially at one place

<table>
<tr><th>SL</th><th>Questions</th><th>Marks</th><th>H/L</th><th>CLO</th></tr>
<tr><td>01</td><td>A) Define accounting. Explain various types of account.
B) Demonstrates overall users of accounting information.
C) Briefly explain accounting concepts and principles.</td><td>3+2+5
=10</td><td>An</td><td>01</td></tr>
<tr><td>02</td><td>ANZ Foundation owns and operates an interior design studio called ANZ Interiors. The following amounts summarize the financial position of their business on May 31, 2022: Balances of Assets and liabilities are taken from April, 2022
<table>
<tr><th>Assets</th><th>Amount</th><th>Liabilities</th><th>Amount</th></tr>
<tr><td>Cash</td><td>60000</td><td>Accounts payable</td><td>50000</td></tr>
<tr><td>Account Receivable</td><td>25000</td><td>Notes payable</td><td>15000</td></tr>
<tr><td>Supplies</td><td>15000</td><td>Capital</td><td>285000</td></tr>
<tr><td>Land</td><td>250000</td><td></td><td></td></tr>
</table>
The following transactions occurred during May 31, 2022:
During May 2022, the following transactions occurred:
May-1: ANZ additional investment $20,500 in the business.
May-3: Performed services for a client and received cash of $4,000.
May-7: Paid off the beginning balance of Accounts Payable $10,000.
May-10: Purchased supplies on account, $400.
May-17: Consulted on the interior design of a major office building and billed the client for the service rendered, $4500.
May-25: Recorded the following business expenses for the month: i) Paid office rent -$900, ii) Paid advertising ---$500, iii) Paid utilities --$800.
May-31: Withdraw cash of $1,500 for personal use.
<i>Required:</i> a) Analyze the effects of the above transactions on the accounting equation.b) Prepare an Income Statement. c) Prepare a Balance sheet.</td><td>7+2+1
=10</td><td>Apply</td><td>03</td></tr>
</table>

03

Green Life Company started an internet service organization in January, 2022. During the first month of operations completed the following selected transactions:

Jan. 1 began the business with an investment of $200,000 cash and a building valued at $565,000, and necessary electronic machineries valued TK.30, 000.

,, 3 Rent. Advertisement expenses-12.500. 10,500 respectively

,, 5 Purchased office supplies on account, $14000.

‘‘ 10 sale on cash and credit Tk. 50000 and 15000 respectively.

Required:

a) Journalize the above transactions.
b) Post the Journal entries to the ledger.
c) Prepare a Trial Balance.

4+4+2 =10

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OR

Mitali INT Company
Unadjusted Trial Balance
March 31, 2020

Cash..	Tk.150,000	-
Accounts Receivable......................	14,250	-
Supplies......................................	1700	-
Prepaid Rent............................	**8,000**	-
Furniture....................................	123,500	-
Accumulated Depreciation................	-	Tk.32,000
Note Payable-Long Term..............	-	15,000
Accounts Payable....................	-	18,100
Unearned Service Revenue........................	-	1450
Capital....................	-	219450
Withdrawal.....................	14,200	-
Service Revenue.........................	-	39,000
Salary Expense..............................	11,950	-
Utilities Expense..........................	1400	----
Total.......................................	**Tk. 325,000**	**Tk.325000**

Information for adjustments:

A) Doubtful account of account receivable Tk.500.
B) 15% salaries of the employees are not paid yet.
C) Accrued service revenue Tk. 2500
D) Supplies on hand TK.1200.
E) Prepaid rent still in force Tk. 5000.

Required: Prepare a worksheet.

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