

Question #1

(5+2=7 Marks)

Rapid Consultancy began its operations and the following selected events and transactions occurred during JULY 2024.

JULY 01	Owner invested cash Tk 80,000 and Equipment Tk 5,500.
JULY 02	Purchased Supplies costing Tk 10,000. A cash payment of Tk 5,800 was made immediately and the remaining amount was on credit.
JULY 05	Provided Service of Tk 6,500 which was partly received by cash Tk 3,800 and the remaining was billed to customer on account.
JULY 20	Paid Tk 22,000 cash for Utilities.
JULY 30	Paid two weeks salary of the secretary-receptionist at a salary of Tk 2,000 per week.

Question #2

((8 x .50 = 4) Marks)

Jamel Ahmed started his own consulting firm, Jamel Consulting, on June 1, 2024. The following transactions occurred during the month of June.

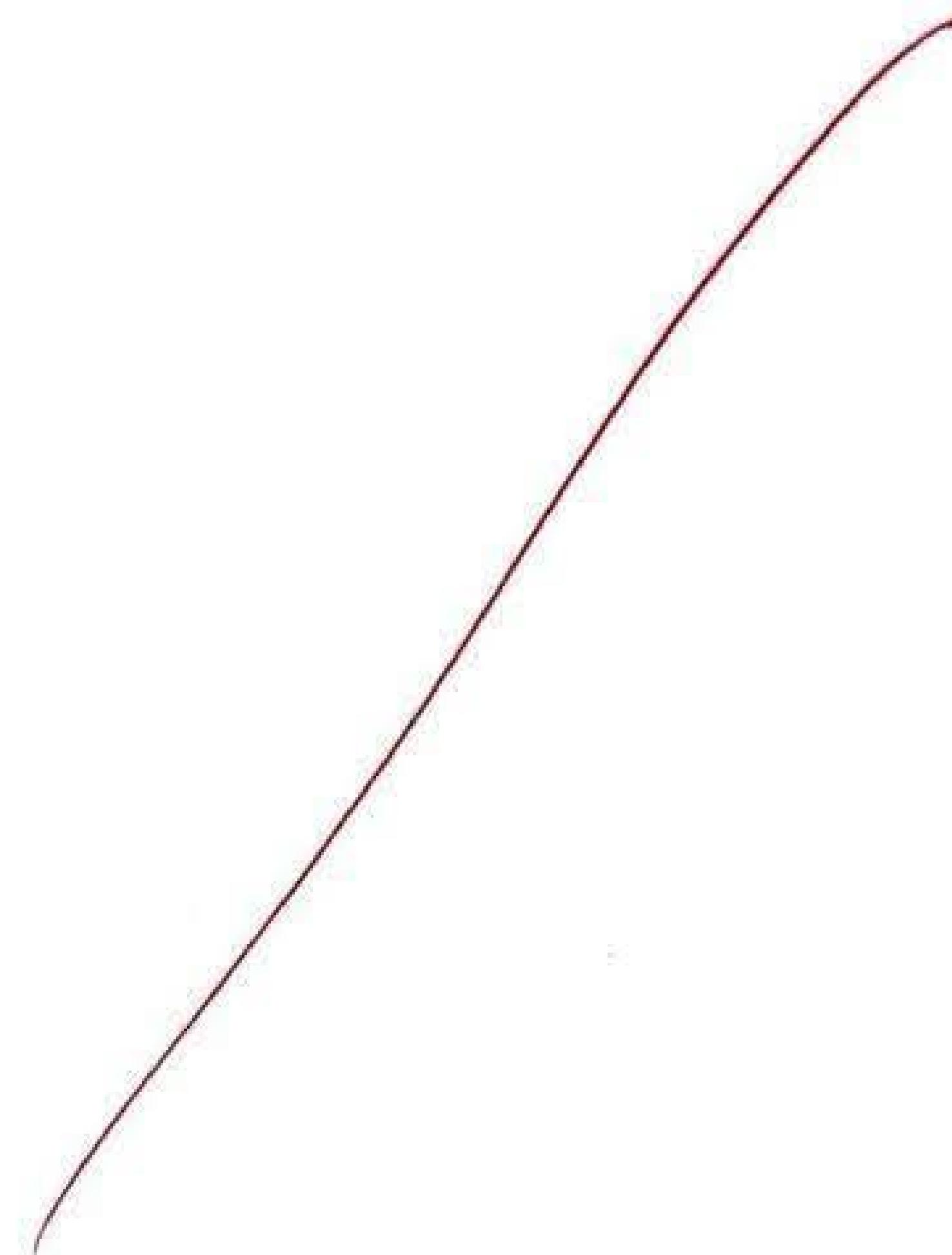
June 1	Jamel invested \$10,000 cash in the business.	A/P
3	Purchased equipment of \$7,000, paying \$3000 in cash and the balance on account. (4000)	
5	Performed services worth \$10,500; \$5,000 cash is received from customers, and the balance of \$5,500 is billed to customers on account.	
7	Incurred \$700 of advertising expense in the Dhaka Tribune, on account.	
10	Borrowed \$6,000 from the bank on a note payable.	
25	Withdrew \$700 in cash for personal use.	
27	Paid employee salaries of \$2,800.	
28	Made the remaining payment of \$4,000 for the equipment purchased on account on June 3.	
30	Depreciation on the equipment is \$1,000 per month.	

Instructions

Question #3

(2 Marks)

A company's net loss appears directly on the income statement and the owner's equity statement, and it is included indirectly in the company's balance sheet." Do you agree? Explain.



Question #4

(2 Marks)

At the beginning of the year 2023, ABC. had total assets of \$175000 and total liabilities of \$55000. If total assets increased \$18000 during the year and total liabilities are \$45,000 at the end of the year, what is the amount of owner's equity increased during the year? Without calculation, the answer will not be accepted.

Question #5

Alex Laundry Services Ltd. started its operations on July 1, 2022. Its trial balance before adjustment for the year ended June 30, 2023 is as follows.

Account Titles	Trial Balance	
	Debit (\$)	Credit (\$)
Cash	29,000	
Supplies	12,000	
Prepaid Insurance	12,000	
Building	200,000	
Equipment	12,000	
Accounts Payable		49,000
Unearned Service Revenue		11,630
Note Payable		48,000
Owner's Capital		150,032
Service Revenue		27,838
Salaries Expense	3,300	
Fuel Expense	18,200	
Total	<u>286,500</u>	<u>286,500</u>

Other data:

- The company has 5 employees, and each employee is paid \$980 per week. Employees work 4 days a week, and their salaries are paid every Wednesday which is the last working day of the week. All employees worked on June 30, 2023, which was a Tuesday. Employees do not work on Thursdays, Fridays and Saturdays.
- End of period analysis revealed that the company provided \$999 of services out of the unearned service revenue reported.
- The annual interest rate on the note payable is 16%. The note payable was issued on November 1, 2022.
- The building was purchased on October 1, 2022, and is being depreciated quarterly at \$540.
- The prepaid insurance on the building was purchased on February 1, 2023, for \$6,000. The insurance policy has a term of 4 years.

Requirement:

- Based on the given information, prepare the adjusting journal entries for the period of July 1, 2022 to June 30, 2023.
- Based on the given information, complete the 10-column worksheet for the period of July 1, 2022 to June 30, 2023. The unadjusted trial balance has already been prepared for you on the worksheet.