

08/10/15

(15)

Ahsanullah University of Science and Technology
 Final Examination of Spring 2015
 Department of Arts and Sciences
 Program- Bachelor of Computer Science and Engineering
 3rd Year/1st Semester
 Course no: HUM 3115 Course Title: Economics and Accounting
 Time: 03 (Three) Hours Full Marks:70

There are Two Groups. Use a separate script for each group. Marks allotted are indicated in the right margin.

Group- A (Economics-45)

There are 7 (Seven) Questions. Answer question no 1 (One) and any 4 (Four) from the rest.

Q.1. Complete the schedule below and discuss –

6.5+6.5

Name of the Product	Name of the Market	Type of Product	Type of Competition	Number of Seller	Profit
Computer Engineer of Bangladesh	Pure / Perfect	Heterogeneous	Pure / perfect	Large	
Services of RAJUK	Monopoly	Unique	Imperfect	Stable	SRNP

Q.2. Elaborate the pre requisites for successful planning in Bangladesh. 08

~~Q.3.a~~ Presume that the Government of Bangladesh doubles the minimum wage for garment workers at taka 8000/. Discuss the impact on economy. 04

~~Q.3.b.~~ Suppose the economy has just reached potential output and prices of computer accessories fall at the same time. Discuss the impact on economy. 04

~~Q.4.a.~~ Discuss market equilibrium output determination with the help of 45° line. 05

~~Q.4.b.~~ Given the Demand function $P_d = (Q+1)^3$ where $P_o = 120$ and $Q_o = 6$. Find Producer Surplus. 03

Q.5. Discuss equilibrium output determination in a closed economy model taking appropriate assumptions. 08

~~Q.6.~~ Given that the CPI in the year 2012 was 100. Consumers spend 50% of their income on food, 30% on shelter and 10% on education and 10% of clothing. 03

Now in 2013 prices of food and education fall by 10%. Calculate CPI and ROI

Q.6.b. What happens if a producer finds himself in a position where his $MC = AC$. Is it an ideal situation for production? Give reasons in favor of your answer. 05

Q.7. Discuss market equilibrium with the help of invisible hands of Economics. 08

Part-B

(Answer any four of the following questions. Figures in the right margin indicate full marks.)

1. Describe the users of accounting information. 6.25

2. Discuss the various GAAP. 6.25

3. What is trial balance? Why it is prepared? 6.25

4. Define business transaction. State the characteristics of business transaction. 6.25

5. Give journal entries from the following transactions occurred during April: 6.25

April 1 : Invested Tk. 25,000 cash in business

9 : Paid Tk. 1,200 cash for a one-year Insurance policy.

12 : Purchased supplies on account for Tk. 500 from Read Supply Co.

13 : Hired a secretary receptionist at a salary of Tk. 2,000 per month.

15 : Received Tk. 1,600 advance on a management consulting engagement.

18 : Incurred advertisement expense of Tk. 200 on account.

6. From the following particulars prepare store ledger account under FIFO method: 6.25

May-1 Opening Inventory 3,000 units @ Tk. 2 per unit

5 Purchased 4,000 units @ Tk. 5 per unit

9 Issued 2,500 units

12 Purchased 3,500 units @ Tk. 4 per unit

14 Returned to supplier 1,000 units

18 Issued 4,700 units

22/04/15

Ahsanullah University of Science and Technology

Final Examination of Fall 2014

Department of Arts and Sciences

Program- Bachelor of Computer Science and Engineering

3rd Year/1st Semester

Course no: HUM 3115

Course Title: Economics and Accounting

Time: 03 (Three) Hours Full Marks: 70

There are Two Groups. Use a separate script for each group. Marks allotted are indicated on the right margin.

Group-A (Economics-45)

There are 6 (Six) Question. Answer question no 1 (One) and any 4 (Four) from the rest.

Q.1.

- i. What happens to equilibrium price and quantity when the income of the consumer rises and the amount of subsidy falls? 13
- ii. What is shape of labor supply curve?
- iii. How does the demand curve for a perfectly competitive firm look like?
- iv. $0 < c, s < 1$ - Is the statement true or false?
- v. What type of profit a Perfectly Competitive firm earns in short run?
- vi. What type of profit a Natural Monopoly earns in short run?
- vii. What is the break-even condition for a Perfectly Competitive firm in short run?
- viii. What does MPC imply?
- ix. What does the value of GNP deflator = 1.23% imply?
- x. What is the relationship between two different goods if the cross elasticity is 1 (Positive One)?
- xi. What does positive income elasticity imply?
- xii. What is the value of MP for surplus agricultural labor?
- xiii. Harrod-Domar growth equation is.....

Q.2.

Suppose Data Soft is the first software Company in Iran established in 1980. Now what type of profit is Data soft is earning if the number of company has risen to 1000 in 2010. What type of profit was Data Soft earning in 1980? 08

Q.3.a

Presume that the Government of Bangladesh doubles the minimum wage for dock workers at taka 2040/- Discuss the impact on economy. 04

Q.3.b

Suppose the economy has not reached potential output and a terrible draught occurs. Discuss the impact on economy. 04

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Q.4.a. On the basis of the following assumptions , deduce a model for development of Bangladesh. 05

1. A developing economy has a surplus of unproductive labor in the agricultural sector.
2. These workers are attracted to the growing manufacturing sector where higher wages are offered.
3. The wages in the manufacturing sector are more or less fixed.
4. Entrepreneurs in the manufacturing sector make profit because they charge a price above the fixed wage rate.
5. Profits will be reinvested in the business in the form of fixed capital.
6. An advanced manufacturing sector means an economy has moved from a traditional to an industrialized one.
7. There are two sectors in the economy

i) Traditional or agricultural sector and ii) Modern or industrial sector.

Q.4.b.

Given the Demand function $P_d = (Q-1)^3$ where $P_0=4$ and $Q_0=6$. Find Consumer Surplus. 03

Q.5.

Given the assumptions below derive a model for equilibrium output determination.

- i) it is a closed economy with no government sector.
- ii) investment is autonomous.

Q.6.a

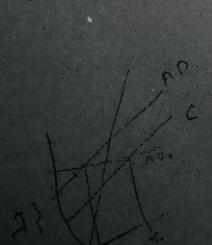
Given that the CPI in the year 2012 was 90. Consumers spend 50% of their income on food, 30% on shelter and 10% on education and 10% on clothing. Now in 2013 prices of both food and education fall by 10%. Calculate CPI and ROI for 2013. 03

Q.6.b.

What happens if a producer finds himself in a position where his $MC < AC$. Is it an ideal situation for production? Give reasons in favor of your answer. 05

Q.7.

Elaborate the pre requisites for successful planning in Bangladesh.



$(Q^28 - 2Q^17) / (S - 8 - 2Q^28 \times S - 8 - 2Q^17)$

(19)

Part - B

Full Marks: 25

[Answer four questions including question no. 2 compulsory. All parts of each question should be answered sequentially]

(1) a. What is the importance of accounting? [2+3]

b. Explain the users of accounting.

(2) Google Ltd. started its business 3 years ago. A Trial balance is given below: 10

	Dr.	Cr.
Cash (A)	60,000	
Accounts receivable (4A)	15,000	
Building (F.A)	35,000	
Land (F.A)	25,000	
Equipment (F.A)	8,000	
Motor Van (F.A)	20,000	
Capital (R)		1,08,000
Service revenue (R)		60,000
Accounts payable (L)		9,500
Salary expense (E)	13,000	
Rent expense (E)	2,000	
Advertising Expense (E)	1,000	
Drawings (less from net income)	1,000	
Supplies (L.A)	1,000	
Unearned service revenue (L)		3,500
Total	1,81,000	1,81,000

Adjustments are to be considered:

1. Prepaid rent Tk. 1,000 for the year.
 2. Depreciation @10% on building
 3. Salary unpaid Tk1,500.
 4. Service revenue is accrued Tk.1300
 5. Depreciation on Equipment Tk.500.
- ✓ Revision, so record expense in this manner
✓ C.A. → Add
Expense → 10% of Building
✓ Building → 10%
✓ Salary expense → 1500
✓ Unpaid salary → Liabilities
✓ Service + 1300
✓ Accrued + receivable + 1300
✓ Expense → 500
✓ FAO → 500 manner*

Prepare Income statement, Owner's Equity statement and Balance sheet for the year 2013.

IMRC

OME

JLT RER

Page. 3 of 4

(20)

(3) Narrate the objectives of capital budgeting?

(4) a. What do you mean by Cost- Volume- Profit analysis?

5

[2+3]

b. How is BEP determined?

(5) Give the definitions of Asset, Expense, Revenue and Liabilities with examples.

5

(6) A company invested initial capital Tk.2,00,000 in a project.

N.C.O

5

The annual outlays are:-

First year Tk.42,000; Second Year Tk.48,000; Third year Tk.70000; Fourth Year Tk.30,000
4.2 in year 1

The cost of capital of that project 10%. Calculate net present value.

Should the project be undertaken?

Date : 20/03/2017

Ahsanullah University of Science and Technology

Final Examination of Fall Semester 2016

Department of Arts and Sciences

Program: B. Sc in Computer Science and Engineering

1st Semester of 3rd Year

Course Title: Economics and Accounting

Full Marks: 70

Course No: HUM 3115

Time: 03 (three) hours

There are two groups. Use a separate script for each group.

Group-A (Economics)

Marks-45

There are seven (7) questions. Answer any five (5). (Marks allotted are indicated in the margin).

- ~~(a)~~ Suppose a parliamentary steering committee doubles the wage of Dock workers at taka 2040/- Discuss the impact on economy. [7]
- ~~(b)~~ Suppose the CPI in the Year 2013 is 100. In 2013 consumers spent 50% of their income on food, 20% on shelter and 30% on education. Now if the prices of food and education rise by 10% in 2014, calculate the CPI and rate of inflation for the year 2014. [2]
- Why would a Computer Engineer ever supply services at loss? [9]
- Suppose the Government of Bangladesh fixes the prices of the services of DESA where it's MC=P. Would DESA abide by this decision? Give reasons. [9]
- ~~(a)~~ Suppose the producer finds himself at a position where his MC>AC. Is it an ideal situation for production? Give reasons in favor of your answer. [7]
- ~~(b)~~ Given the information of the following economy, calculate Real GNP and GNP deflator. [2]

Item	2013		2014	
	P(in 000 tk)	Q(in units)	P(in 000 tk)	Q (in units)
Computer	40	1100	50	1000
Apartments	500	750	400	1000

- ~~(a)~~ Suppose the economy has not reached potential output and a terrible draught takes place. Discuss the impact on economy. [7] [2]

Question no. 04

(10)

The following questions.

- If total assets increased \$ 150000 during the year and total liabilities decreased \$ 80000. What is the amount of owner's equity at the end of the year?
- During the year total liabilities increased \$100000 and owner's equity decreased \$ 70000. What is the amount of total assets at the end of the year?
- If the total assets decreased \$ 80000 and owner's equity increased \$ 50000. Answer

Q3

(15)

Question no. 05

- Accounts Payable, Advertising expense; Notes Payable; Accounts Receivable;
- Cash, Drawings; Service Revenue; Notes Receivable;
- Capital, Drawing; Service Revenue; Cash.

Sajib-Shyam began operations as a private football training centre on January 1, 2012. The trial balance columns of the work-sheet for Sajib-Shyam, at March 31, 2012 are as follows:

Accounts Title	Dr.	C.	Total
Cash	75,000	75,000	
Accounts Receivable	21,000		120,000
Supplies	9,900		66,000
Prepaid Insurance	6,600		165,000
Machine	9,900		165,000
Notes Payable	66,000		
Sajib-Shyam Ltd., Capital	3,900		66,000
Sajib-Shyam Ltd., Drawings	16,200		120,000
Advertising Expense	19,800		16,200
Service Revenue	109,500		109,500
Unearned Revenue	6,900		6,900
Net Sales	302,400		302,400
Other information consists of the following:			

(15)

Question no. 05

- Accounts Payable, Advertising expense; Notes Payable; Accounts Receivable;
- Cash, Drawings; Service Revenue; Notes Receivable;
- Capital, Drawing; Service Revenue; Cash.

Sajib-Shyam began operations as a private football training centre on January 1, 2012. The trial balance columns of the work-sheet for Sajib-Shyam, at March 31, 2012 are as follows:

Accounts Title	Dr.	C.	Total
Cash	75,000	75,000	
Accounts Receivable	21,000		120,000
Supplies	9,900		66,000
Prepaid Insurance	6,600		165,000
Machine	9,900		165,000
Notes Payable	66,000		
Sajib-Shyam Ltd., Capital	3,900		66,000
Sajib-Shyam Ltd., Drawings	16,200		120,000
Advertising Expense	19,800		16,200
Service Revenue	109,500		109,500
Unearned Revenue	6,900		6,900
Net Sales	302,400		302,400
Other information consists of the following:			

(2)

- (b) A Monopoly sells two goods for which the demand functions are

$$x = 25 - 0.5Px \text{ and}$$

$$y = 30 - Py$$

and the combined cost function is $C = x^2 + 2xy + y^2 + 20$.

Find :

- a) Profit maximizing level of output
- b) Profit maximizing level of prices
and c) maximum profit.

Produce a schedule to show that the producer needs at least six labors. What Law of Economics is working behind the schedule? Explain.

Discuss equilibrium output determination in a closed economy model.

(3)

Part-B

There are Three (3) questions. Answer any two (2). Questions are of equal values. Figures in the right margin indicate marks. Use a separate page for each answer.

1. a) Define 'Accounting'. Explain the users of accounting. 2.5
b) Trump Traders started his own delivery service. The following transactions occurred during the month of June: 10

- i. Trump invested Tk. 20,000 cash in his business.
- ii. Purchased a truck for Tk. 8,000. Trump paid Tk. 3,000 in cash and signed a note for the remainder.
- iii. Paid Tk. 400 for office rent.
- iv. Performed Tk. 2,400 of service on account.
- v. Purchase supplies for Tk. 150 on account.
- vi. Receive a cash payment of Tk. 750 for services provided.
- vii. Purchased gasoline for Tk. 100 on account.
- viii. Made cash payment of Tk. 500 on the note payable.
- ix. Paid Tk. 250 for utilities.
- x. Paid for the gasoline purchased on account.

Required:

- a. Prepare general journal entries to record these transactions.
- b. Post journal entries to the **Ledger accounts**.
- c. Prepare a **trial balance** as of the end of this month's operations.

2. a) What is trial balance? Write down the purposes and limitations of trial balance? 2.5
b) The Torky Theater, owned by Torky Graham, will begin operations in March. 10
The Torky will be unique in that it will show only triple features of sequential theme movies. During the month of March the following events and transactions occurred.

Mar. 2 Rented the three *Indiana Jones* movies to be shown for the first 3 weeks of

March. The film rental was \$3,500; \$1,500 was paid in cash and \$2,000 will be paid on March 10.

3 Ordered the *Lord of the Rings* movies to be shown the last 10 days of March. It will cost \$200 per night.

9 Received \$4,000 cash from admissions.

10 Paid balance due on *Indiana Jones* movies rental and \$2,100 on March 1 accounts payable.

11 Torky Theater contracted with Caleb Hanie to operate the concession

(4) stand Hanie is to pay 15% of gross concession receipts (payable monthly)

for the rental of the concession stand.

12 Paid advertising expenses \$800.

20 Received \$5,000 cash from customers for admissions.

22 Received the *Lord of the Rings* movies and paid the rental fee of \$2,000.

31 Received statement from Caleb Hanie showing gross receipts from concessions of \$6,000 and the balance due to Cora Theater of \$900 (\$6,000 * 3 * 15%) for March. Hanie paid one-half the balance due and will remit the remainder on April 5.

31 Received \$9,000 cash from customers for admissions.

Required:

- Show the effects of the transactions on the accounting equation.
- Prepare an Income Statement for the month ended.
- Prepare an owner's equity statement for the month ended.
- Prepare a Balance Sheet as at June 30.

At the end of the operations of first year Sea palace Resort trail balance are as follows:

Sea Palace Resort Ltd.

Trail Balance

December 31, 2015

	<u>Debit (Tk.)</u>	<u>Credit (Tk.)</u>
Cash	5,400	
Account Receivables	2,800	
Prepaid Insurance	2,400	
Supplies	1,300	
Equipment	60,000	
Building	20,000	
Motor Vehicle	30,000	
Bank loan		15,000
Accounts payable		2,300
Unearned rent revenue		10,000
Mortgage payable		30,000
Capital		50,000
Rent revenue		20,000
Salaries expenses	3,200	
Utilities expenses	800	
Commission revenue		3,000
Miscellaneous expense	3,000	
Advertising expenses	400	
Drawing	1,000	
Total	139,300	139,300

(5)

Other data consists of the following:

- Insurance expires at the rate of Tk. 100 per month.
- Tk. 1100 supplies are on hand at December 31.
- Depreciation expense: - Equipment Tk.2000, Building Tk. 1,000, Motor Vehicle Tk.300.
- One half of the advertisement expense is to be deferred for next year.
- 10% of the accounts receivable is uncollectable.
- The Unearned rent revenue were received & recorded in Nov 1, 2015. The advance payment covered six months' rent including November 2015.
- Salary expense is to be provided as unpaid Tk.400.

Required:

- Prepare an income statement for the year 2015
- Prepare the Statement of Owner's Equity
- Prepare a balance sheet

Date: 26.09.16

(6)

Ahsanullah University of Science and Technology

Final Examination of Spring Semester 2016

Department of Arts and Sciences

Program: B. Sc in Computer Science and Engineering

1st Semester of 3rd Year

Course No: HUM 3115

Time: 03 (three) hours

Course Title: Economics and Accounting

Full Marks: 70

There are two groups. Use a separate script for each group.

Group-A (Economics)

Marks-45

There are seven (7) questions. Answer any five (5). (Marks allotted are indicated in the margin).

1. Suppose Data Soft is the first software company in Indonesia that was established in 1990. Now what type of profit Data Soft is earning in 2016 if the number of company has risen to 500? What type of profit did it earn in 1990? 09

- 2.a) Suppose a parliamentary steering committee doubles the wage of garment workers at taka 8000/. Discuss the impact on economy. 07

- b) Suppose the CPI in the Year 2012 is 95. In 2012 consumers spent 50% of their income on food, 20% on shelter and 30% on education. Now if the prices of food and education rise by 10% respectively in 2013, calculate the CPI and rate of Inflation for the year 2013. 02

3. Derive a model of development for Bangladesh taking the following assumptions - 09

a. The surplus agricultural workers are attracted to the growing manufacturing sector where higher wages are offered.

b. The wages in the manufacturing sector are higher.

c. Entrepreneurs in the manufacturing sector make profit because they charge a price above the fixed wage rate.

d. These profits will be reinvested in the business in the form of fixed capital.

e. An advanced manufacturing sector means an economy has moved from a traditional to an industrialized one.

- 4.a) Suppose the producer finds himself at a position where his $MC=AC$. Is it an ideal situation for production? Give reasons in favor of your answer. 07

- b) Given the information of the following economy, calculate Real GNP and GNP deflator -

(7)

Item	2012		2013	
	P(in 000 tk)	Q(in units)	P(in 000 tk)	Q (in units)
Computer	30	1500	40	1000
Apartments	400	850	300	1000

- 5.a) Suppose the economy has not reached potential output and a terrible draught takes place. Discuss the impact on economy.

- b) A Monopoly sells two goods for which the demand functions are

$$x = 25 - 0.5Px \text{ and}$$

$$y = 30 - Py \text{ and the combined cost function is } C = x^2 + 2xy + y^2 + 20.$$

Find a) Profit maximizing level of output
b) Profit maximizing level of prices
and c) maximum profit.

6. Discuss equilibrium output determination in a closed economy model. 0

7. Produce a schedule to show that the producer needs at least five labors. What Law of Economics is working behind the schedule? Explain. 0

(8)

Group-B (Accounting)

There are 3 questions. Answer any 2 questions. Questions are of equal values. Figures in the right margin indicate marks. Use a separate page for each answer.

1. a) Define 'Accounting'. Identify the users of accounting information. 2.5
 b) Ronaldo Traders started his own delivery service. The following transactions occurred during the month of June: 10

- i. Ronaldo invested Tk. 20,000 cash in his business.
- ii. Purchased a truck for Tk. 8,000. Ronaldo paid Tk. 3,000 in cash and signed a note for the remainder.
- iii. Paid Tk. 400 for office rent.
- iv. Performed Tk. 2,400 of service on account.
- v. Purchase supplies for Tk. 150 on account.
- vi. Receive a cash payment of Tk. 750 for services provided.
- vii. Purchased gasoline for Tk. 100 on account.
- viii. Made cash payment of Tk. 500 on the note payable.
- ix. Paid Tk. 250 for utilities.
- x. Paid for the gasoline purchased on account.

Required:

- Show the effects of the transactions on the accounting equation.
- Prepare an Income Statement for the month ended.
- Prepare an owner's equity statement for the month ended.
- Prepare a Balance Sheet as at June 30.
- Prepare a Cash flow statement for the month ended.

2. a) What is trial balance? Write down the purposes and limitations of trial balance? 2.5
 b) The Torky Theater, owned by Torky Graham, will begin operations in March. The Torky will be unique in that it will show only triple features of sequential theme movies. During the month of March the following events and transactions occurred. 10

Map. 2 Rented the three *Indiana Jones* movies to be shown for the first 3 weeks of March. The film rental was \$3,500; \$1,500 was paid in cash and \$2,000 will be paid on March 10.

3 Ordered the *Lord of the Rings* movies to be shown the last 10 days of March. It will cost \$200 per night.

9 Received \$4,000 cash from admissions.

10 Paid balance due on *Indiana Jones* movies rental and \$200 on March 10.

F2 20
7

(9)
accounts payable.

- 11 Torky Theater contracted with Caleb Hanie to operate the concession stand. Hanie is to pay 15% of gross concession receipts (payable monthly) for the rental of the concession stand.
- 12 Paid advertising expenses \$800.
- 20 Received \$5,000 cash from customers for admissions.
- 22 Received the *Lord of the Rings* movies and paid the rental fee of \$2,000.
- 31 Received statement from Caleb Hanie showing gross receipts from concessions of \$6,000 and the balance due to Cora Theater of \$900 (\$6,000 * 3 * 15%) for March. Hanie paid one-half the balance due and will remit the remainder on April 5.
- 31 Received \$9,000 cash from customers for admissions.

Required:

- Prepare general journal entries to record these transactions. Torky records admission revenue as service revenue, rental of the concession stand as rent revenue, and film rental expense as rent expense.
 - Post journal entries to the accounts.
 - Prepare a trial balance as of the end of this month's operations.
3. a) Why do you need to record adjusting entries?
 b) At the end of the operations of first month Good Resort has the following unadjusted trial balance: 2.5 10

Good Resort Ltd.
Trial Balance
August 31, 2015

	Debit (Tk.)	Credit (Tk.)
Cash	5,400	
Account Receivables	2,800	
Prepaid Insurance	2,400	
Supplies	1,300	
Equipment	60,000	
Notes payable		20,000
Accounts payable		2,400
Unearned rent revenue		10,000
Mortgage payable		30,000
Good Textile's capital		10,000
Rent revenue		4,900
Salaries expenses	3,200	
Utilities expenses	800	
Advertising expenses	400	
Good Textile's drawing	1,000	
Total	77,300	77,300

(10)

Other data consists of the following:

- i. Insurance expires at the rate of Tk. 400 per month.
- ii. Tk. 1,100 supplies are on hand at August 31.
- iii. Monthly depreciation on equipment is Tk. 900.
- iv. The balance of 8,500 of unearned rent revenue remains unearned at August 31.
- v. The Mortgage interest rate is 15% per annum. The Mortgage was taken out at August 1.
- vi. August 31 is Wednesday and payment of salary is made on Thursday. The payment of 5-day Work week is Tk. 1,000. The company has 4 workers.

Required:

- (a) Prepare adjusting entries to record these transactions.
- (b) Post the necessary journal entries to the accounts.
- (c) Prepare adjusted trial balance as of the end of this month's operations.

Date: 27/03/16

(11)

Ahsanullah University of Science and Technology
Final Examination of Fall Semester 2015

Department of Arts and Sciences

Program: B. Sc in Computer Science and Engineering

1st Semester of 3rd Year

Course No: HUM 3115 Course Title: Economics and Accounting

Full Marks: 70

Time: 03 (three) hours

There are two groups. Use separate scripts for each group.

Group-A (Economics)
Marks-45

There are seven (7) questions. Answer questions no. one (1) and any four (4) from the rest.
(Marks allotted are indicated in the margin.)

Q.1 Data Pro was the first power generating company established in Iraq in 1998. 15
Discuss-

i) Type of profit that Data Pro is earning now if the number of Software Company rises to 500 in 2015.

ii) What type of profit Data Pro was earning in 1998?

iii) Is there any chance that Data Pro might face a loss given some resources constraint?

Q.2.a Given $P_d = (Q-1)^2$ where $P_o=4$ and $Q_o=6$. Find Consumer Surplus. 2.5

b. Discuss equilibrium output determination with the help of 45^0 line. 5

Q.3.a Suppose the government of Bangladesh fixes the wages of garments workers at 4 taka 8,000/- . Discuss the impact on economy.

b. Suppose the economy has not reached potential output and a terrible draught occurs. Discuss the impact on economy. 3.5

Q.4.a Discuss Long Run Envelope Curve with the help of at least five plant sizes. 5

b. Graphically show changes in equilibrium price and quantity when- 2.5

- (12)
- i) Income of the consumer rises due to a bonus
ii) Government decided to lower the amount of Import Tax.
- Q.5. Suppose a producer finds himself at a position where his MC=AC. Is it an ideal situation for production? Give reasons in favor of your answer 7.5
- Q.6.a. Suppose the CPI for 2009 is 95. Consumers spend 50% of their income of food, 30% on shelter and 20% on education. Now in 2010 prices of food and education rise by 10% respectively. Calculate CPI and ROI for 2010. 2.5
- b. Critically discuss the Law of Diminishing Marginal Utility. 5
- Q.7.a. Discuss prerequisites for successful planning in Bangladesh. 5
- b. Given $P_s = (Q+1)^2$ where $P_o = 120$ and $Q_o = 6$. Find Producer Surplus. 2.5

(13)

Accounting

Part – I (Answer any 2)

[2*1.5= 3]

- What is trial balance? State the purposes and limitations of trial balance?
- Define 'Accounting'. Identify the users of accounting information.
- What do you mean by GAAP? State the assumptions and principles of GAAP.

Part – II (Answer any 2)

[2*11=22]

4. Abdullah started his own delivery service, Abdullah deliveries, on January 1, 2015. [11]
The following transactions occurred during the month of January:

January 1	Abdullah invested \$60,000 cash in the business.
January 2	Purchased an old van for deliveries for \$15,000 for the purpose of delivery.
January 3	Medico paid \$2,000 cash and signed a notes payable for \$13,000.
January 7	Paid cash \$2,000 for office rent for the month.
January 10	Purchased office supplies for cash \$3,000.
January 13	Paid electric bill \$1,000.
January 21	Borrowed \$27,000 from the bank.
January 24	Earned revenues of \$51,000 of which \$13,000 is collected in cash and the balances are due.
January 31	Withdrew cash \$5,000 from the business for personal use.
	Cash received \$2,000 for service of January 21

Required:

- Show the effects of the transactions on the accounting equation.
- Prepare an Income Statement for the month ended January.
- Prepare an owner's equity statement for January.
- Prepare a Balance Sheet as at 31st January 2015.
- Prepare a Cash flow statement for January.

5. Ronaldo Traders started his own delivery service. The following transactions occurred [1] during the month of June:

(14)

- i. Ronaldo invested Tk. 20,000 cash in his business
- ii. Purchased a truck for Tk. 8,000. Ronaldo paid Tk. 3,000 in cash and signed a note for the remainder.
- iii. Paid Tk. 400 for office rent.
- iv. Performed Tk. 2,400 of service on account.
- v. Purchase supplies for Tk. 150 on account.
- vi. Receive a cash payment of Tk. 750 for services provided.
- vii. Purchased gasoline for Tk. 100 on account.
- viii. Made cash payment of Tk. 500 on the note payable.
- ix. Paid Tk. 250 for utilities.
- x. Paid for the gasoline purchased on account.

Required:

- (a) Prepare general journal entries to record these transactions.
- (b) Post journal entries to the ledger accounts.
- (c) Prepare a trial balance as of the end of this month's operations.

6. The Cora Theater, owned by Cora Graham, will begin operations in March. The Cora will be unique in that it will show only triple features of sequential theme movies. During the month of March the following events and transactions occurred:

[11]

Mar. 2	Rented the three <i>Indiana Jones</i> movies to be shown for the first 3 weeks of March. The film rental was \$3,500; \$1,500 was paid in cash and \$2,000 will be paid on March 10.
3	Ordered the <i>Lord of the Rings</i> movies to be shown the last 10 days of March. It will cost \$200 per night.
9	Received \$4,000 cash from admissions.
10	Paid balance due on <i>Indiana Jones</i> movies rental and \$2,100 on March 1 accounts payable.
11	Cora Theater contracted with Caleb Hanie to operate the concession stand. Hanie is to pay 15% of gross concession receipts (payable monthly) for the rental of the concession stand.
12	Paid advertising expenses \$800.
20	Received \$5,000 cash from customers for admissions.
22	Received the <i>Lord of the Rings</i> movies and paid the rental fee of \$2,000.
30	Received statement from Caleb Hanie showing gross receipts from concessions of \$6,000 and the balance due to Cora Theater of \$900 ($\$6,000 * 3 * 15\%$) for March. Hanie paid one-half the balance due and will remit the remainder on April 5.
31	Received \$9,000 cash from customers for admissions.

Required:

- a. Prepare general journal entries to record these transactions. Cora records admission revenue as service revenue, rental of the concession stand as rent revenue, and film rental expense as rent expense.
- b. Post journal entries to the accounts.
- c. Prepare a trial balance as of the end of this month's operations.