

Khulna University of Engineering & Technology
B. Sc. Engineering 1st Year 2nd Term (Regular) Examination, 2022
Department of Electrical and Electronic Engineering
Hum 1203
Economics and Accounting

Time: 3 hours

Full Marks: 210

- N.B.: (i) Answer **ANY THREE** questions from each section in separate scripts.
(ii) Figures in the right margin indicate full marks.

Section A

Consider the following table, and answer the questions below:

(35)

Price (\$ per Bushel)	Demand for Wheat (millions Bushel)	Supply of Wheat (millions Bushel)
5	35	15
6	25	17
7	20	20
8	10	25
9	02	27

- (a) Define market equilibrium. What is the equilibrium price and quantity? (CO1)
(b) If the government fixed a price ceiling of wheat per bushel at \$ 8, will there be surplus or shortage in the market? Show it in figure. (CO2)
(c) If the price floor is \$5, explain the market conditions with the help of a diagram. (CO4)
(d) Distinguish between movement and shift in supply curve. (CO1)

- (a) Define law of demand? Why the demand curve slopes downward? Explain. (CO2) (10)
(b) What do you mean by demand function? Draw up a demand curve from a hypothetical individual demand schedule. (CO2) (15)
(c) What do you mean by elasticity of demand? Discuss the determinants of demand. (CO2) (10)

- Q3. (a) "A rational producer will always produce in stage-2". Explain the various stages of production with necessary figure. (CO2) (20)
(b) Explain the criteria for cost-benefit analysis. (CO5) (15)

- Q4. (a) Distinguish between perfect competition and Monopoly. (CO1) (10)
(b) What are the causes of inflation? (CO2) (10)
(c) What do you mean by fixed cost and variable cost? What are the differences between fixed cost and variable cost? (CO3) (15)

Section B

- Q5. (a) Define accounting. Who are the users of accounting information? (CO1) (15)
(b) Define transaction. Describe the characteristics of transaction. (CO1) (10)
(c) What is ledger? What purpose is served by ledger? (CO2) (10)

- Q6. Dhaka Delivery company was formed on July 1 2023, where the owner Mr. X invested cash Tk. 5, 00,000 in the business. Other transactions are as follows: (CO3) (35)

July 2: Purchased a delivery truck in cash Tk. 4, 00,000.

July 3: Insurance premium paid in cash for one year from this date Tk. 24,000.

July 4: Rent paid in cash Tk. 12,000.

- July 5: Supplies purchased on account Tk. 14,000.
 July 6: Received Tk. 45,000 from a customer in payment for future delivery Service.
 July 7: Performed delivery service for a customer for cash Tk. 50,000.
 July 8: Paid Tk. 14,000 accounts payable resulting from the transaction of July 5.
 July 9: Furniture purchase for office use on account Tk. 20,000
 July 10: Build a customer for delivery services performed Tk. 57,000
 July 12: Received a bill for advertising that appeared in the local newspaper in July Tk. 5,000
 July 13: received Tk. 15,000 on accounts receivable from customer
 July 14: Paid salaries of Tk. 6,000 to truck driver
 July 15: Received and paid the utility bill for July Tk. 1,500.
 July 20: Received a bill for gas and oil used in the truck for July Tk. 6,800.
 July 21: Mr. X withdrew Tk. 30,000 cash to pay personal living expenses.

Required: Prepare the journal entries to record the transactions for July 2023.

- Q7. (a) What is adjusting entries? Describe the importance of describing entries. (CO1) (05)
 (b) What is trial balance? Discuss the errors not disclosed by trial balance. (CO2) (10)
 (c) From the following ledger balances of Dhaka Delivery Company, prepare a trial balance as on 31st July 2023. (CO3) (20)

	Taka		Taka
Cash	106500	Accounts Receivable	52000
Supplies	14000	Prepaid insurance	24000
Prepaid rent	12000	Delivery Truck	400000
Accounts Payable	31300	Unearned delivery revenue	45000
Capital	500000	Drawings	30000
Delivery Service Revenue	107000	Advertising expense	500
Gas and oil expenses	6800	Salaries expense	36000
Utilities expense	1500		

683300

- Q8. Mozaharul Islam started his own consulting firm, Islam Company, on June 1, 2023. The Trial Balance on June 30 is as follows: (CO4) (35)

ISLAM COMPANY
 TRIAL BALANCE
 JUNE 30, 2023

Account Titles	Debit (Tk.)	Credit (Tk.)
Cash	7750	
Accounts receivable	6000	
Prepaid insurance	2400	
Supplies	2000	
Office equipment	15000	
Accounts payable		4500
Unearned service revenue		4000
Capital, Mozaharul Islam		21750
Service revenue		7900
Salaries Expense	4000	
Rent expense	1000	
	38150	38150

26250

32250

28750

24250 + 4000

28400

-12500

9250

+4000

Additional Data:

- (i) Supplies on hand at June 30 Tk. 1300.
- (ii) A utility bill for Tk. 150 has not been recorded.
- (iii) The insurance policy is for one year.
- (iv) Salaries unpaid for the month Tk. 1500.
- (v) Depreciation charged on equipment Tk. 250 for the month

Required:

- (a) You are required to prepare a statement of comprehensive income for the month of June 2023.
- (b) Prepare a statement of Owners' Equity, and
- (c) Prepare a statement of financial position as on June 30, 2023.