

ACCOUNTING

BA-3151

Sheikh Sohel Moon

বিঃদ্রঃ আমার বিয়ে হওয়ার/নেওয়ার মত যোগ্যতা হয় নাই।

Section A:

1. Define Accounting. Distinguish between accounting and book-keeping.
2. Basic assumptions of Accounting. Describe the external users and their information needs.
3. Describe the qualitative characteristics of accounting.
4. Who are the users of accounting of information? Describe their information needs.
5. Briefly explain principles of accounting with valid examples.
6. Lotif started his own IT farm. Lotif consulting, on May 1, 2025. The following transaction occurred during the month of May.

May 1 Lotif invested \$7,000 cash in the business

2 Paid \$900 for office rent for the month

3 Purchased \$600 of supplies on account

8 Paid \$125 to advertise in the PDF NEWS

9 Received \$4,000 cash for services provided

12 Withdraw \$1,000 cash for personal use

15 Performed \$5,400 of services on account

17 Paid \$2,500 for employee salaries

20 Paid for the supplies purchased on account May 3

23 Received a cash payment of \$4000 for services provided on account on May 15

26 Borrowed \$5,000 from the bank on a note payable

29 Purchased office equipment for \$4,200 on account

30 Paid \$272 for utilities

a) Show the effects of the previous transaction on the accounting equation.

b) Journalize the transactions and ignore explanation

c) Prepare a tabular analysis of the transactions using column heading: Cash, Accounts

Receivable, Supplies, Equipment, Accounts Payable and Owner's Capital.

d) Based on the above mentioned transactions prepare Cash a/c for May and a Trial Balance as on May 31, 2025

বিঃদ্রঃ আমার বিয়ে হওয়ার/নেওয়ার মত যোগ্যতা হয় নাই।

7. Presented below is information related to Chacha Estate Agency.

Oct 1 Lotif begins business as a real estate agent with a cash investment of \$15,000

2 Hires Baba as administrative assistance

3 Purchases office furniture for \$1,900 on account

6 Sells a house and lot for Turzo; bills Turzo \$3,600 for realty services provided

27 Pays \$1,100 on the balance related to the transaction of October 3

30 Pays the administrative assistance \$2,500 in salary for October.

Prepare necessary ledger accounts based on the above transactions.

8. The Following accounts come from the ledger of Molla Soft at December 31, 2025. Prepare trial balance in good form.

Equipment	\$88,000	Owner' Capital	\$20,000
Owner's Drawing	\$8,000	Salaries and Wage Payable	\$2,000
Accounts payable	\$22,000	Notes payable	\$19,000
Salaries and wage expense	\$42,000	Insurance Expense	\$3,000
Accounts Receivable	\$4,000	Prepaid Insurance	\$6,000
Service Revenue	\$95,000	Cash	\$7,000

9. What are the assumptions of Accounting? Briefly explain each of them.

Section B:

1. Define Cost Accounting.

2. Explain 'Cost Accounting provides information to the management for decision making' /

How does the cost accounting function assist in the management of a business

3. Describe the different method for cost accounting.

4. Why does a typical manufacturing business differ from a merchandising concern? In what ways are the similar?

5. What do you mean conversion cost?

6. What do you mean by fixed cost? Distinguish between fixed cost and variable cost.

বিঃদ্রঃ আমার বিয়ে হওয়ার/নেওয়ার মত যোগ্যতা হয় নাই।

7. At the month of its third month of operation, “You know Who” Answering Service (He who answers before question) has the following unadjusted trial balance.

“You Know Who” Answering Service

August 31, 2025

Trial Balance

Account's Tittle	Debit (\$)	Credit (\$)
Cash	5,400	
Account Receivable	2,800	
Supplies	1,300	
Prepaid Insurance	2,400	
Equipment	60,000	
Notes Payable		40,000
Accounts Payable		2,400
Owner's Capital		30,000
Owner's Drawings	1,000	
Service Revenue		4,900
Salaries and Wages Expense	3,200	
Utilities Expense	800	
Advertising Expense	400	
Total	77,300	77,300

Other data:

- a. Insurance expires at the rate of \$200 per month
- b. \$1,000 of supplies are on hand at August 31
- c. Monthly depreciation on the equipment is \$900
- d. Interest of \$500 on the notes payable has accrued during August

Prepare an income statement, Owner's quality statement for the quarter ended August 31, 2025 and balance sheet as on that data.

বিঃদ্রঃ আমার বিয়ে হওয়ার/নেওয়ার মত যোগ্যতা হয় নাই।

8. Superior Manufacturing Company has the following information for the year ending December 31, 2015

Raw Material 1.1.15	40,000	Insurances Factory	14,000
Raw Materials 31.12.15	25,000	Property Taxes, Factory building	6,000
Paw Materials purchase	205,000	Sales(net)	1,500,000
Indirect Material	15,000	Delivery Expanse	100,000
Work in process 1.1.15	90,000	Sales commission	150,000
Work in process	90,000	Indirect Labor	90,000
Finished Goods 31.12.15	120,000	Factory utilizes	65,000
Direct Labor	350,000	Depreciation Factory building	24,000
Factory manager salary	35,000	Administrative expense	300,000
Finished Goods 1.1.15	110,000	Factory Machinery Rent	40,000

Prepare a cost of goods sold statement for Superior Manufacturing Company for 2015.

9. Mabo Company makes calculation that sell for \$250 each. For the coming Year, management expects fixed costs to total \$220,000 and variable costs to be \$9 per unit.

- Compute break-even point in units using the mathematical equation
- Compute break-even point in takas using the contribution margin (CM) ratio.
- Compute the margin of safety percentage assuming actual sales are \$500,000
- Compute the sales required in takas to earn net income of \$165,000 using the mathematical equation.

10. Compare variable cost, fixed cost and mixed costs.

11. Sino Corporation is trading firm and it has following purchases during the month in order to sale.

Date	Explanation	Units	Unit Costs (in \$)
Jan, 16	Beginning Inventory	100	10
Apr, 16	Purchase	500	11
May, 16	Purchase	300	10
June, 16	Purchase	400	12

On July, 16 the firm has sold out 500 units at 10% discount of the acquisition price of the respective transactions, On August, 16 another 200 units were sold (unit per cost \$12). Find out the value of ending inventory LIFO.

12. List out advantages and disadvantages of LIFO method in inventory recording.

13. Define Double Declining Balance Method and identify its advantages for a business firm.

14. A machine was purchased on January 01, 2010 \$80,000. It was estimated to have useful life of ten years and to have salvage value of \$8,000. At present, the same is available \$120,000. Prepare yearly depreciation schedule using Double Declining Balance Method.

15. Short Note on: Revenue recognition principle, Closing entry, Double Entry System, Limitation of income statement.

16. The books of a manufacturing company present the following data for the month of April, 2020:

Direct Labor Cost \$175,000 of works overhead.

Cost of goods sold excluding administrative expenses \$56,000.

Inventory accounts showed the following opening and closing balances:

	April 01	April 30
Raw Materials	\$8,000	\$10,600
Work in process	\$10,500	\$14,500
Finished Goods	17,600	19,000

Other data are:

Selling expenses \$3,500

General and administrative expenses \$2,500

Sales for the month \$75,000

a) Compute the value of raw materials purchased

b) Prepare a cost statement showing the various elements of cost and also the profit earned.
