

Daffodil International University

Department of Computer Science and Engineering
Faculty of Science and Information Technology

Final Examination, Semester: Fall- 2017

Course Code: ACT-301 Course Title: Financial and Managerial Accounting

Level & Term: L3T3 Section: All

Course Teacher (with Initial): All

Time: 2 hours

Marks:40

(Answer all the questions)

1. On May 1, Emon started Media Advertising firm by investing Tk. 26200 cash in the business. Following are the assets and liabilities and revenues and expense of the company for the month of May :

Cash	Tk. 25000	Notes payable	Tk. 13000
Accounts receivable	Tk. 4000	Supplies Expense	Tk. 300
Equipment	Tk. 12000	Supplies	Tk. 2400
Advertising Revenue	Tk. 7500	Fuel Expense	Tk. 500
Insurance Expense	Tk. 800	Utilities Expense	Tk. 1200
Accounts Payable	Tk. 1200		

Emon invested no additional investment in this firm and withdraw Tk.1700 cash for personal use

Requirement:

Prepare an Income Statement and Balance Sheet at May 31 including the following data, (8)

- (1) Tk.800 of advertising revenue was earned and billed but not yet collected - ~~NR 800~~
(2) Tk. 100 of Utilities expense was incurred but not yet paid.
(3) Tk. 300 of supplies expense was incurred and billed but not paid

2. Maria is a licensed architect. During the first month of the operation of her business, the following events and transactions occurred:

April 1 Invested Tk. 50000 cash in the business

- 1 Hired employee at a salary of Tk. 300 per week payable monthly.
- 2 Cash received from customer Tk 1000.
- 3 Purchased architectural supplies on account from Halo Company, Tk. 1500
- 6 Paid cash Tk. 1,480 for 1 year insurance policy
- 8 Withdrew Tk. 500 cash for personal use.
- 10 Completed blueprints on a carport and billed client Tk. 900 for service.
- 11 Received Tk. 500 cash advance from R. Welk for the design of a new home.
- 20 Received Tk. 1500 for the services towards P. Donahue.
- 30 Paid secretary receptionist for the month. Tk 1200
- 30 Cash Paid to creditor Tk 1000
- 30 Advertising expense incurred on account Tk 5000

Requirements:

- a. Journalize the above transactions.
- b. Prepare Cash and Accounts payable ledger.

(8)

3. Muddy River Resort opened for business on April 1, 2006 with eight air conditioned units. Its trial balance before and after adjustment on August 31, 2006 is as follows:

Muddy River Resort

Trial Balance

August 31, 2006

	Unadjusted		Adjusted	
	Dr.	Cr.	Dr.	Cr.
Cash	11000		11000	
Accounts receivable ✓	20000		22500	
Art Supplies ✓	8600		5000	
Prepaid Insurance ✓	3350		2500	
Printing Equipment	60000		60000	
Accumulated Depreciation ✓		28000		34000
Accounts Payable		5000		5000
Interest Payable ✓		0		150
Note Payable		5000		5000
Unearned Advertising Fees ✓		7200		5600 ✓
Salaries Payable ✓		0		1300
Capital		25500		25500
Drawing	12000		12000	
Advertising Revenue ✓		58600		62700
Salaries Expense ✓	10000		11300	
Insurance Expense ✓			850	
Interest Expense ✓	350		500	
Depreciation Expense ✓			6000	
Art Supplies Expense ✓			3600	
Rent Expense	4000		4000	

Instructions

Journalize the adjusting entries (8)

4. At the end of June 30, 2010 Square Company has the following unadjusted trial balance which started their Resort business at April 1, 2010

Square Company
Worksheet
For the Quarter Ended June 30, 2010

Number	Particulars	Debit	Credit
1	Cash	65,600	
2	Supplies	3,300	
3	Prepaid Insurance	6,000	
4	Land	25,000	
5	Cottages	125,000	
6	Furniture	26,000	
7	Account Payable		6,500
8	Unearned Rent		7,400
9	Note Payable		80,000
10	P.S. Capital		100,000
11	P.S. Drawing	5,000	
12	Rent Revenue		80,000
13	Repair Expense	3,600	
14	Salaries Expense	5,000	
15	Utility Expense	9,400	
		<u>273,900</u>	<u>273,900</u>

Other information:

- Supplies unused total Tk 500.
- Cottage has 10 years life with salvage value 5000 .
- Interest rate on note payable is 10% (Taken from May 1).
- Insurance expires at the rate of 200 per month.
- Rent revenue earned but not yet recorded Tk 1000.

Instructions

- Enter the trial balance on a worksheet and complete the worksheet for the quarter
- Journalize the closing entries.
- Prepare post closing trial balance

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