

**Daffodil International University**  
Faculty of Business & Entrepreneurship  
Department of Business Administration  
Program: BBA

Semester: Spring-2025

Time: 1.5 Hours

Course Code: 0411-115

Section: 68-A/68-B/68-C/68-D

Examination: Mid-term

Full Marks: 25

Course Title: Principles of Accounting

Teacher's Name: DSFA/MAH

Answer all the Questions

**Qns. 1:**

- (a) Explain the assumptions of accounting. [CLO 1 and Level 2] [2]
- (b) Describe the following short notes: [CLO 1 and Level 2] [3]  
Simple entry, Cash basis accounting, Prepaid expense

**Qns. 2:** On April 1, 2024, Arhaan established his own consulting firm "Arhaan Solution". The following transactions occurred during the month of April:

- April 1 Arhaan invested Tk.80,000 cash in the business.
- April 3 Purchased supplies of Tk.5,000 (40% paid in cash).
- April 8 Performed services of Tk.10,000 on account.
- April 12 Incurred Tk.2,000 of advertising expense in 'The Daily Prothom-Alo' on account.
- April 17 Received cash of Tk.4,500 for services performed on account on April 8.
- April 22 Performed services of Tk.6,500 for cash.
- April 24 Arhaan invested an additional Tk.25,000 cash in the business.
- April 26 Borrowed Tk.15,000 cash from Prime Bank by signing a note.
- April 29 Paid Tk.3,500 for utilities.
- April 30 Paid Tk.1,500 for rent.

Instructions:

- (i) Examine the above transactions in preparing a tabular summary. [CLO 3 and Level 4] [10]
- (ii) Use the information of tabular summary in preparing Income Statement, Owner's Equity Statement and Statement of Financial Position. [CLO 2 and Level 3] [3]

**Qns. 3:** Mr. Adyan started a law firm on March 1, 2024. During the month of March, the following transactions took place:

- March 1 Adyan started the business with Tk.70,000 cash.
- March 7 Purchased furniture of Tk.5,000 on account.
- March 13 Received cash of Tk.8,000 from customers when service was performed.
- March 21 Paid salaries expenses of Tk.1,000.
- March 25 Paid Tk.2,000 to the accounts payable.

Instructions:

- (i) Use the transactions in preparing the journal entries. [CLO 2 and Level 3] [3]
- (ii) Use the journal entries in preparing the ledger accounts. [3]
- (iii) Use the ledger accounts in preparing a trial balance at March 31, 2024. [1]

\*\*\*All the Best\*\*\*