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]
(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. **[3]**
[1]

All the Best