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ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)
ORGANISATION OF ISLAMIC COOPERATION (OIC)
DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination

Summer Semester, A. Y. 2022-2023

Course No. : HUM 4247

Time : 1.5 hours

Course Title : Accounting

Full Marks : 75

Answer all 3 (Three) questions. All questions carry equal marks. Marks of each question and corresponding CO and PO are written in the right margin within brackets.

1. a) Describe the monetary unit and the economic entity assumption with examples. 10 (CO1)
(PO11)
- b) Joan Robinson opens her own law office on July 1, 2017. During the first month of operations, the following transactions occurred. 15 (CO2)
(PO11)
- i. Joan invested \$11,000 in cash in the law practice.
 - ii. Paid \$800 for July rent on office space.
 - iii. Purchased equipment on account \$3,000.
 - iv. Performed legal services to clients for cash \$1,500.
 - v. Borrowed \$700 cash from a bank on a note payable.
 - vi. Performed legal services for client on account \$2,000.
 - vii. Paid monthly expenses: salaries and wages \$500, utilities \$300, and advertising \$100.
 - viii. Joan withdrew \$1,000 cash for personal use.

Instructions: Prepare a tabular summary of the transactions.

2. Emily Valley is a licensed dentist. During the first month of the operation of her business, the following events and transactions occurred.
- April 01: Invested \$20,000 cash in her business.
 - April 01: Hired a secretary-receptionist at a salary of \$700 per week payable monthly.
 - April 02: Paid office rent for the month \$1,100.
 - April 03: Purchased dental supplies on account from Dazzle Company \$4,000.
 - April 11: Received \$1,000 cash advance from Leah Mataruka for an implant.
 - April 20: Received \$2,100 cash for services performed from Michael Santos.
 - April 30: Paid secretary-receptionist for the month \$2,800.
 - April 30: Paid \$2,400 to Dazzle for accounts payable due.
- a) Journalize the transactions. 07 (CO2)
(PO11)
- b) Post to the ledger accounts. 13 (CO2)
(PO11)
- c) Prepare a trial balance on April 30, 2017. 05 (CO2)
(PO11)

3. At the end of its first month of operations, Pampered Pet Service has the following unadjusted trial balance.

PAMPERED PET SERVICE

August 31, 2017

Trial Balance

Number	Title of Accounts	L:F:	Debit (\$)	Credit(\$)
1	Cash		5,400	
2	Accounts Receivable		2,800	
3	Supplies		1,300	
4	Prepaid Insurance		2,400	
5	Equipment		60,000	
6	Notes Payable			40,000
7	Accounts Payable			2,400
8	Owner's Capital			30,000
9	Owner's Drawings		1,000	
10	Service Revenue			4,900
11	Salaries and Wages Expense		3,200	
12	Utilities Expense		800	
13	Advertising Expense		400	
	Total		77,300	77,300

Other data:

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

Instructions:

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|----|---|----|-----------------|
| a) | Prepare a worksheet. | 13 | (CO2)
(PO11) |
| b) | Prepare a classified balance sheet assuming \$35,000 of the notes payable are long-term | 07 | (CO2)
(PO11) |
| c) | Journalize the closing entries. | 05 | (CO2)
(PO11) |