

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)
ORGANISATION OF ISLAMIC COOPERATION (OIC)

DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination

Summer Semester, A. Y. 2017-2018

Course No. : BTM 4201

Time : 1.5 Hours

Course Title : Financial Accounting II

Full Marks : 75

There are **4 (four)** questions. Answer any **3 (three)** questions. All questions carry equal marks. Marks in the margin indicate full marks. Programmable calculators are not allowed. Do not write on this question paper.

1. Hassellhouf Company's trial balance at December 31, 2017, is presented below. All 25
2017 transactions have been recorded except for the items described as unrecorded
transactions.

	Debit	Credit
Cash	\$28,000	
Accounts Receivable	36,800	
Notes Receivable	10,000	
Interest Receivable	-0-	
Inventory	36,200	
Prepaid Insurance	3,600	
Land	20,000	
Buildings	150,000	
Equipment	60,000	
Patents	9,000	
Allowance for Doubtful Accounts		\$500
Accumulated Depreciation-Buildings		50,000
Accumulated Depreciation-		24,000
Accounts Payable		27,300
Salaries and Wages Payable		-0-
Unearned Rent Revenue		6,000
Notes Payable (due in 2018)		11,000
Interest Payable		-0-
Notes Payable (due after 2018)		30,000
Owner's Capital		113,600
Owner's Drawings	12,000	
Sales Revenue		905,000
Interest Revenue		-0-
Rent Revenue		-0-
Gain on Disposal of Plant Assets		-0-
Bad Debt Expense	-0-	
Cost of Goods Sold	630,000	
Depreciation Expense	-0-	
Insurance Expense	-0-	
Interest Expense	-0-	
Other Operating Expenses	61,800	
Amortization Expense	-0-	
Salaries and Wages Expense	110,000	
Total	\$1,167,400	\$1,167,400

Unrecorded transactions:

- i. On May 1, 2017, Hassellhouf purchased equipment for \$21,200 plus sales taxes of \$1,600 (all paid in cash).
- ii. On July 1, 2017, Hassellhouf sold for \$3,500 equipment which originally cost \$5,000. Accumulated depreciation on this equipment at Jan. 1, 2017, was \$1,800; 2017 depreciation prior to the sale of the equipment was \$450.
- iii. On December 31, 2017, Hassellhouf sold on account \$9,000 of inventory that cost \$6,300.
- iv. Hassellhouf estimates that an uncollectible account receivable at year-end is \$3,500.
- v. The note receivable is a one-year, 8% note dated April 1, 2017. No interest has been recorded.
- vi. The balance in prepaid insurance represents payment of a \$3,600 6-month premium on September 1, 2017.
- vii. The building is being depreciated using the straight-line method over 30 years. The salvage value is \$30,000.
- viii. The equipment owned prior to this year is being depreciated using the straight-line method over 5 years. The salvage value is 10% of cost.
- ix. The equipment purchased on May 1, 2017, is being depreciated using the straight-line method over 5 years, with a salvage value of \$1,800.
- x. The patent was acquired on January 1, 2017, and has a useful life of 10 years from that date.
- xi. Unpaid salaries and wages at December 31, 2017, total \$5,200.
- xii. The unearned rent revenue of \$6,000 was received on December 1, 2017, for 3 months' rent.
- xiii. Both the short-term and long-term notes payable are dated January 1, 2017, and carry a 9% interest rate. All interest is payable in the next 12 months.

Instructions

- Prepare journal entries for the transactions listed above.
- Prepare an updated December 31, 2017, trial balance.

- 2. a) Discuss the functions of payroll in accounting. How may manipulation happen in payroll accounting? 5
- b) Erin Berge's regular hourly wage rate is \$18, and she receives a wage of 1½ times the regular hourly rate for work in excess of 40 hours. During a March weekly pay period, Erin worked 42 hours. Her gross earnings prior to the current week were \$6,000. Erin is married and claims three withholding allowances. Her only voluntary deduction is for group hospitalization insurance at \$20 per week. Assume federal income tax withheld is \$76. 10

Instructions

- i. Compute the following amounts for Erin's wages for the current week.
 - Gross earnings.
 - State income taxes withheld (based on a 3% rate).
 - Net pay.
- ii. Record Erin's pay.

- c) Gallardo Co. is involved in a lawsuit as a result of an accident that took place September 5, 2017. The lawsuit was filed on November 1, 2017, and claims damages of \$1,000,000. 10

Instructions

- i. At December 31, 2017, Gallardo's attorneys feel it is remote that Gallardo will lose the lawsuit. How should the company account for the effects of the lawsuit?
- ii. Assume instead that at December 31, 2017, Gallardo's attorneys feel it is probable that Gallardo will lose the lawsuit and be required to pay \$1,000,000. How should the company account for this lawsuit?
- iii. Assume instead that at December 31, 2017, Gallardo's attorneys feel it is reasonably possible that Gallardo could lose the lawsuit and be required to pay \$1,000,000. How should the company account for this lawsuit?

3. a) Alexandra and Kellie operate a beauty salon as partners who share profits and losses equally. The success of their business has exceeded their expectations; the salon is operating quite profitably. Kellie is anxious to maximize profits and schedules appointments from 8 a.m. to 6 p.m. daily, even sacrificing some lunch hours to accommodate regular customers. Alexandra schedules her appointments from 9 a.m. to 5 p.m. and takes long lunch hours. Alexandra regularly makes significantly larger withdrawals of cash than Kellie does, but, she says, "Kellie, you needn't worry, I never make a withdrawal without you knowing about it, so it is properly recorded in my drawings account and charged against my capital at the end of the year." Alexandra's withdrawals to date are double Kellie's. 10

Instructions

- i. Who are the stakeholders in this situation?
 - ii. Identify the problems with Alexandra's actions and discuss the ethical considerations involved.
 - iii. How might the partnership agreement be revised to accommodate the differences in Alexandra's and Kellie's work and withdrawal habits?
- b) The partners in Crawford Company decide to liquidate the firm when the balance sheet shows the following. 15

CRAWFORD
Balance Sheet
31-May-17

Assets		Liabilities and Owners' Equity	
Cash	\$27,500	Notes payable	\$13,500
Accounts receivable	25,000	Acc. payable	27,000
Allowance for doubtful	-1,000	Salaries & wages payable	4,000
Inventory	34,500	A. Jamison, capital	33,000
Equipment	21,000	S. Moyer, capital	21,000
Accumulated depreciation—equipment	-5,500	P. Roper, capital	3,000
	\$101,500		\$101,500

The partners share income and loss 5:3:2. During the process of liquidation, the following transactions were completed in the following sequence.

- A total of \$51,000 was received from converting noncash assets into cash.
- Gain or loss on realization was allocated to partners.
- Liabilities were paid in full.
- P. Roper paid his capital deficiency.
- Cash was paid to the partners with credit balances.

Instructions

- i. Prepare the entries to record the transactions.
- ii. Post to the cash and capital accounts.
- iii. Assume that Roper is unable to pay the capital deficiency. First, prepare the entry to allocate Roper's debit balance to Jamison and Moyer. Second, prepare the entry to record the final distribution of cash.

4. a) According to a payroll register summary of Frederickson Company, the amount of employees' gross pay in December was \$850,000, of which \$80,000 was not subject to Social Security taxes of 6.2% and \$750,000 was not subject to state and federal unemployment taxes. 10

Instructions

- i. Determine the employer's payroll tax expense for the month, using the following rates: FICA 7.65%, state unemployment 5.4%, and federal unemployment 0.8%.
- ii. Prepare the journal entry to record December payroll tax expense.

- b) What is a contingent liability? Give an example of a contingent liability that is usually recorded in the accounts. 5
- c) Under what circumstances is a contingent liability disclosed only in the notes to the financial statements? Under what circumstances is a contingent liability not recorded in the accounts nor disclosed in the notes to the financial statements? 5
- d) B. Higgins, J. Mayo, and N. Rice have capital balances of \$95,000, \$75,000, and \$60,000, respectively. They share income or loss on a 5:3:2 bases. Rice withdraws from the partnership under each of the following conditions. 5
- i. Rice is paid \$64,000 in cash from partnership assets, and a bonus is granted to the retiring partner.
 - ii. Rice is paid \$52,000 in cash from partnership assets, and bonuses are granted to the remaining partners.

Instructions

Journalize the withdrawal of Rice under each of the assumptions above.

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DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination

Summer Semester, A. Y. 2017-2018

Course No. : BTM 4203

Time : 1.5 Hours

Course Title : Business Communication

Full Marks : 75

There are **4 (four)** questions. Answer any **3 (three)** questions. All questions carry equal marks. Marks in the margin indicate full marks. Do not write on this question paper.

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1. a) Define the term 'Communication' in your own words. What are the fundamental stages of communication process from senders' perspective and recipients' perspective? Discuss. 10
- b) Describe the formal network of communication in an organization, division or department with which you are familiar. Why you think the communication network has taken this form and how successfully does it seem to meet the business needs. Discuss. 8
- c) List the barriers of an effective communication. What are the ways in which an organization can overcome the barriers to communication? 7
2. a) Discuss "Pareto principles" and how it is used in business communication. 8
- b) Do you know of a situation in which a female secretary or staff person is referred by her first name only ("Joan at the front desk and she'll take care of you") but the higher ranking employees are referred by both first and last name ("Jim Smith can answer your question")? What do you think of this practice? Is it ever acceptable? Describe the impact of culture on views and practices concerning human relations to make effective communication. 7
- c) "Nonverbal communication can have a greater impact than verbal communication". List and explain the various types of non-verbal communication in brief. 10
3. a) A team leader wants his group to accept a new roster. The leader knows the new system will benefit all concerned, but to begin with, nobody will agree. How far should the leader use powers of persuasion to make the group co-operate and accept the plan? Identify three oppositions of communication when people don't want to cooperate with each other. 8
- b) Describe the decision maker's & persuader's strategy of five different leaders. 10
- c) There is an opening on the leadership team at your company. There are several internal and external candidates acquiring for the job beside you. How will you persuade your boss that you are the best candidate? 7
4. a) Megan Cabot is one of 12 workers in Department X. She had strong leadership qualities and all her coworkers look up to her. She dominates conversation with them and expresses strong viewpoints on most matters. Although she is a good worker, her dominating personality has caused problems for you, the new manager of department X. Today you directed your subordinates to change a certain work procedure. The change

is one that has proven superior in the past whenever it has been tried. Soon after giving the directive, you noticed the workers talking in a group, with Megan the obvious leader. In a few minutes she appeared in your office. "We've thought it over," she said. "Your production change won't work." Explain what is happening. How will you handle this situation?

b) Dr. Robert wrote a book on persuasion, it's been widely hailed as a seminal book. The most significant aspect of this book was the highlighting of Cialdini's six principles of persuasion. Explain these principles with business applications.

10

c) If persuasion is a learning process and negotiation process then in most general terms it involves phases of discovery, preparation and dialogue. Getting ready to persuade colleagues can take weeks or months of planning as you learn about your audience and the position you intend to argue. Effective persuaders have considered their position from every angle. Identify the essential steps for effective persuasion.

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DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination

Summer Semester, A. Y. 2017-2018

Course No. : BTM 4205

Time : 1.5 Hours

Course Title : Principles of Marketing

Full Marks : 75

There are **4 (four)** questions. Answer any **3 (three)** questions. All questions carry equal marks. Marks in the margin indicate full marks. Do not write on this question paper.

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1. a) Compare and contrast needs, wants and demands. Which one(s) can influence marketers more? 5
- b) What is marketing myopia? How can it be omitted? 5
- c) Define Marketing according to American Marketing Association. What are the scopes of marketing? 5
- d) What is the difference between selling concept and marketing concept? Which concept will be chosen among five marketing concepts as a marketer to launch a new product? Why? 10
2. a) What is Marketing Environment? What are the basic differences between macro-environment and microenvironment? 5
- b) How microenvironment increases the ability of a company to serve its customers? 10
- c) Mention all types of macro-environment? Explain the impact of Technological Environment. 10
3. a) What do you mean by consumer buying behavior? Draw a model of consumer buying behavior. 5
- b) How many factors affect consumer's behavior? Mention the factors and sub factors. 5
- c) What is social class? How it can be measured? Which classes will you choose for economy car marketing in Bangladesh? 5
- d) What are the steps of buyer decision process? Mention the adaptation process for new product. How the product characteristics influence on rate of adoption? 10
4. a) What do you mean by differentiated marketing and undifferentiated marketing? Show the steps of segmenting, targeting and positioning. 5
- b) How will you segment the market of consumer products? 10
- c) Why is market positioning an important task of marketers? Imagine a position of a product as a marketer and use marketing mix to support your positioning strategy. 10

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DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination
Course No. : BTM 4207
Course Title : Organizational Behavior

Summer Semester, A. Y. 2017-2018
Time : 1.5 Hours
Full Marks : 75

There are **4 (four)** questions. Answer any **3 (three)** questions. All questions carry equal marks. Marks in the margin indicate full marks. Do not write on this question paper.

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1. a) Define organizational behavior (OB) and list the key forces that contribute to understanding ourselves and others within the organizational behavior environment. 10
 - b) Develop a basic model of OB that will focus on dependent variable and independent variable of an organization. 10
 - c) An organization is a collection of people working together within a given structure and culture to achieve a common purpose. Identify and describe common goals of organizational behavior that assist the organization in meeting its goals. 5
 2. a) Define intellectual capability and demonstrate it's relevance to OB. 10
 - b) You have recently been hired by a consulting firm following a national practice. Your first assignment is to put together briefing explaining workplace diversity to a regional manufacturing firm in the Southwestern U.S. and present them with a plan for fostering improved diversity in their organization. Illustrate the two major forms of workforce diversity. Write some common dimensions can affect this workforce diversity. Mention those dimensions with relevant examples and show their impact on diversity. 10
 - c) Suppose you are a manager of a company and you have identified some forms of discriminations occur in your organization and this effect can vary depending on organizational context and the personal biases of employees. Discuss the various forms of discriminations of an organization. 5
 3. a) Researchers assume that human attitude has three components. Draw the relationship among three components of attitude with relevant examples. 10
 - b) If an employee is not satisfied in the job, how does he/she response to job dissatisfaction? 7
 - c) Explain the different job attitudes from organizational perspective. Differentiate between organizational citizenship behavior (OCB) and counterproductive work behavior (CWB). 8

- 4. a) As a manager you are in a situation where a key employee seems to have lost his excitement about the job. The employee's familiar positive tone and high energy approach to the job and the workplace seem to be on the wane. You really don't know what is going on with this person. How does the big five traits predict employee behavior at work? 10
- b) Elaborately explain "The Myers-Briggs Type Indicator" as a personality framework. 5
- c) Greet Hofstede surveyed more than 116000 IBM employees in 40 countries about their work-related values and found managers and employees varied on five value dimensions of national culture. Describe those five value dimensions. 10

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DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid-Semester Examination

Course No. : BTM 4209

Course Title : Micro Economics

Summer Semester, A. Y. 2017-2018

Time : 1.5 Hours

Full Marks : 75

There are **4 (four)** questions. Answer any **3 (three)** questions. All questions carry equal marks. Marks in the margin indicate full marks. Programmable calculators are not allowed. Do not write on this question paper.

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1. a) One of the scarce resources that constrain our behavior is time. Each of us has only 24 hours in a day. How do you go about allocating your time in a given day among competing alternatives? How do you go about weighing the alternatives? Once you choose a most important use of time, why do you not spend all your time on it? Use the notion of opportunity cost in your answer. 10
- b) Sarita signed up with Netflix for a fixed fee of \$16.99 per month. For this fee, she can receive up to 3 DVDs at a time in the mail and exchange each DVD as often as she likes. She also receives unlimited instant access to movies being streamed from Netflix to her computer or TV. During the average month in 2010, Sarita received and watched 6 movies sent to her through the mail and she watched an additional 13 movies which were streamed to her computer. What is the average cost of a movie to Sarita? What is the marginal cost of an additional movie? 5
- c) On the Forbes 2010 list of the World's Billionaires, Mexico's Carlos Slim Helu ranks at the top with a net worth of U.S. \$53.5 billion. Does this "richest man in the world" face scarcity, or does scarcity only affect those with more limited incomes and lower net worth? Explain. 5
- d) Explain whether each of the following is an example of a macroeconomic concern or a microeconomic concern. 5
- i. Ford Motor Company is contemplating increasing the production of full-size SUVs based on projected future consumer demand.
 - ii. Congress is debating the option of implementing a value added tax as a means to cut the federal deficit.
 - iii. The Federal Reserve announces it is increasing the discount rate in an attempt to slow the rate of inflation.
 - iv. The Bureau of Labor Statistics projects a 22.5 percent increase in the number of workers in the healthcare industry from 2008 to 2018.
2. a) Define the term 'economics'. 5
- b) Explain the importance of studying economics to an engineer friend of yours highlighting the need of understanding opportunity cost, law of marginal utility, perfect market hypothesis, global view and as a learned civilian. 20

3. a) Assume that Econoland produces haircuts and shirts with inputs of labor. Econoland has 1000 hours of labor available. A haircut requires $\frac{1}{2}$ hour of labor, while a shirt requires 5 hours of labor. Construct Econoland's production-possibility frontier. 8
- b) Some scientists believe that we are rapidly depleting our natural resources. Assume that there are only two inputs (labor and natural resources) producing two goods (concerts and gasoline) with no improvement in society's technology over time. Show what would happen to the PPF over time as natural resources are exhausted. How would invention and technological improvement modify your answer? On the basis of this example, explain why it is said that "economic growth is a race between depletion and invention." 9
- c) Match each diagram in Figure 1 with its description here. 8
- Assume that the economy is producing or attempting to produce at point A and that most members of society like meat and not fish. Some descriptions apply to more than one diagram, and some diagrams have more than one description.
- Inefficient production of meat and fish
 - Productive efficiency
 - An inefficient mix of output
 - Technological advances in the production of meat and fish
 - The law of increasing opportunity cost
 - An impossible combination of meat and fish

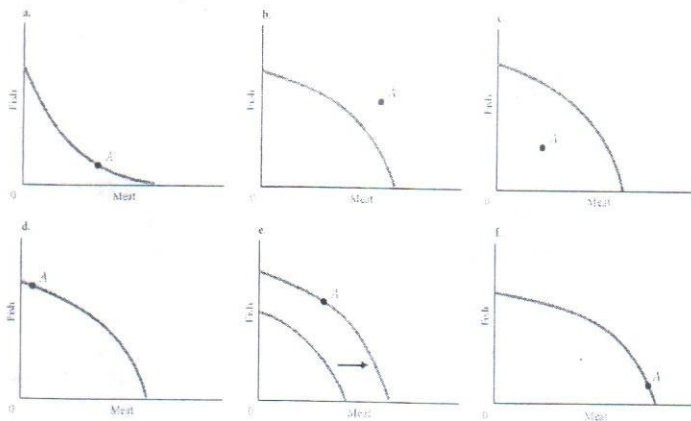


Figure 1: PPF of two economic goods

4. a) What determines the composition of national output? In some cases, we say that there is "consumer sovereignty," meaning that consumers decide how to spend their incomes on the basis of their tastes and market prices. In other cases, decisions are made by political choices of legislatures. Consider the following examples: transportation, education, police, energy efficiency of appliances, health-care coverage, television advertising. For each, describe whether the allocation is by consumer sovereignty or by political decision. Would you change the method of allocation for any of these goods? 11
- b) "Lincoln freed the slaves. With one pen stroke he destroyed much of the capital the South had accumulated over the years." Comment. 7
- c) Describe a command economy and a laissez-faire economy. Do any economic systems in the world reflect the purest forms of command or laissez-faire economies? Explain. 7