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MODEL QUESTION – SET 10

(Prepared for JAIBB Examination Practice by ibbprep.com)

JAIBB

Basic Accounting (BA)

Subject Code : 1 0 2

Time—3 hours

Full marks—100

Pass marks—45

[N.B. The figures in the right margin indicate full marks. Answer the questions as mentioned in different parts.]

Part A—Broad Questions

*(Answer any **two** out of four questions)*

Marks—20×2 = 40

1. (a) Explain the difference between financial accounting and management accounting. **5**

(b) Mr. Rasel opened "Rasel Electronics Repair" on March 1, 2026. The following transactions occurred during March:

- March 01: Rasel invested Tk. 42,000 cash in the business.
- March 04: Paid Tk. 2,300 cash for shop rent of March.
- March 09: Purchased repair tools for Tk. 31,000, paying cash Tk. 16,000 and on account Tk. 15,000.
- March 13: Paid Tk. 2,600 as insurance in advance.
- March 18: Received a bill from Bhorer Kagoj for advertising expenses Tk. 400.
- March 23: Rasel withdrew Tk. 1,250 cash for personal use.
- March 31: Cash received from repair services Tk. 11,000.

Required:

(i) Prepare Journal Entries for the transactions. **7**

(ii) Prepare necessary ledger accounts. **8**

Or,

2. (a) "Depreciation is the method of cost allocation" — Explain. **5**

(b) Comilla Freight purchased a cargo van on 1st October, 2024 at a cost of Tk. 3,60,000. The company estimated a salvage value of Tk. 32,000. The van is expected to be used for 24,000 working hours over its 8-year life; actual usage in the first year was 3,400 hours.

Required — Compute the depreciation expense under:

(i) Straight line method for the year 2024-25. **5**

(ii) Units of activity method for the same period. **5**

(iii) Declining balance method using double the straight-line rate. **5**

Or,

3. (a) Why must debit and credit columns of a worksheet balance at each stage? **5**

(b) The unadjusted trial balance of Nokshi Company is given below:

Account title	Debit (Tk.)	Credit (Tk.)
Cash	47,900	
Accounts receivable	19,200	
Prepaid insurance	850	
10% investment	9,500	
Delivery equipment	1,58,000	
Advertising expenses	7,900	
Capital		88,000
Service revenue		1,55,350
Total	**2,43,350**	**2,43,350**

Additional information for adjusting entries:

(i) Expired insurance during the year was Tk. 240.

(ii) Interest on investment (invested on November 1) is collected annually each October 31.

(iii) Depreciation on delivery equipment for the year was Tk. 10,500.

Required: Prepare a worksheet. **15**

Or,

4. The trial balance of Shopno Traders shown below does not balance:

Account	Debit (Tk.)	Credit (Tk.)
Cash	30,600	
Accounts receivable	25,500	
Supplies	11,000	

Equipment	19,200	
Accounts payable		45,950
Unearned service revenue		12,100
Owner's capital		84,000
Owner's drawings	2,300	
Service revenue		1,540
Salaries and wages	33,100	
Utilities expenses	8,800	
Total	**1,43,590**	**1,43,590**

An examination of the ledger and journal reveals the following errors:

(i) Cash received from a customer in payment of its account was debited for Tk. 6,300 and accounts receivable was credited for the same amount.

(ii) The purchase of a monitor on account for Tk. 7,800 was recorded as a debit to supplier for Tk. 7,800 and a credit to accounts payable for Tk. 7,800.

(iii) Services performed on account for a client for Tk. 10,400 were recorded as a debit to accounts receivable for Tk. 10,400 and a credit to service revenue for Tk. 1,040.

(iv) A debit posting to salaries and wages of Tk. 7,600 was omitted.

(v) A payment of a balance due for Tk. 3,250 was credited to cash for Tk. 3,250 and credited to accounts payable for Tk. 3,800.

(vi) The cash withdrawal of Tk. 6,700 by owner was debited to salaries and wages for Tk. 6,700 and credited to cash for Tk. 6,700.

Instruction: Prepare a correct Trial Balance. **20**

Part B—Mathematical Problem

*(Answer any **one** question)*

Marks—10×1 = 10

5. Mr. Sharif opened a computer training center on April 1, 2026. During the first month of operations, the following occurred:

- (i) Training services performed totaling Tk. 25,500 have not yet been recorded.
- (ii) Utility expenses incurred but not paid prior to May 5, totaling Tk. 3,200.
- (iii) Purchased computer lab equipment on April 1 for Tk. 6,20,000, paying Tk. 1,55,000 cash and signing a Tk. 4,65,000, 3-year note payable at 12% yearly interest. Equipment is depreciated @ 10% per annum. Both note interest and depreciation are charged monthly.
- (iv) Purchased a one-year insurance policy on April 1 for Tk. 37,200.
- (v) Purchased Tk. 23,000 of lab supplies; on April 30, Tk. 8,000 remained on hand.

Required: Prepare the adjusting entries on April 30, 2026.

10

Or,

6. Jyoti Company provides the following financial information for the year 2025:

Sales	Tk. 2,20,000
Cost of goods sold	Tk. 1,32,000
Net income	Tk. 22,000
Total assets	Tk. 4,40,000
Total liabilities	Tk. 1,76,000
Shareholder's equity	Tk. 2,64,000
Interest expense	Tk. 4,400
Income tax expense	Tk. 2,200
Dividend paid	Tk. 8,800

Calculate the following ratios: (i) Gross Profit Margin (ii) Return on Assets (iii) Return on Equity (iv) Debt to Equity Ratio (v) Interest Coverage Ratio

10

Part C—Problem Solving

*(Answer any **one** question)*

Marks—20×1 = 20

7. Comparative balance sheets of Ranga Corporation as of December 31 are given below:

Particulars	2025 (Tk.)	2024 (Tk.)
Cash	52,700	36,000
Accounts receivable	42,300	47,500
Inventory	1,00,000	87,900
Prepaid expenses	10,000	13,300
Land	64,000	86,000
Buildings	1,40,000	1,40,000
Accumulated depreciation—Building	(38,000)	(25,000)
Equipment	1,32,000	96,000
Accumulated depreciation—Equipment	(27,000)	(21,000)
Total	**4,76,000**	**4,60,700**
Accounts payable	29,800	25,900
Bonds payable	1,62,000	1,90,000
Common stock	1,57,000	1,27,000
Retained earnings	1,27,200	1,17,800
Total	**4,76,000**	**4,60,700**

Additional information:

1. Operating expenses included depreciation expense of Tk. 25,800 (Building Tk. 13,000 + Equipment Tk. 12,800) and prepaid expense charges of Tk. 3,300.
2. Land was sold for cash at book value.
3. Cash dividend of Tk. 23,500 was paid.
4. Net income for 2025 was Tk. 32,900.
5. Equipment was purchased for Tk. 46,000 cash; equipment costing Tk. 10,000 with a book value of Tk. 3,200 was sold for Tk. 3,900 cash.
6. Bonds of Tk. 28,000 were converted at face value into common stock.

(i) Prepare a statement of cash flows using the indirect method. **15**

(ii) Compute free cash flow. **5**

Or,

8. The trial balance of Utshob Traders is given below:

Account title	Debit (Tk.)	Credit (Tk.)
Accounts payable		46,200

Cash	32,400	
Accounts receivables	46,100	
Merchandise inventory	1,05,500	
Land	1,05,000	
Building	2,30,000	
Accumulated depreciation—Building		64,000
Equipment	97,000	
Accumulated depreciation—Equipment		50,300
Notes payable		60,000
Capital		3,17,200
Drawing	13,200	
Sales revenue		10,45,200
Sales discount	5,300	
Cost of goods sold	8,25,200	
Salary expenses	81,300	
Utilities expenses	22,400	
Repair expenses	6,900	
Gas & Oil expense	8,400	
Insurance expense	4,200	
Total	**15,82,900**	**15,82,900**

Additional Information:

(i) Depreciation on Building BDT 11,500; on Equipment BDT 10,500.
(ii) Interest of BDT 8,400 is due on notes payable on 31 December.
(iii) Actual merchandise inventory on hand is BDT 1,01,200.
(iv) Salaries expenses are 80% selling and 20% administration.
(v) Utilities, repair, and insurance expenses are 100% administrative.
(vi) BDT 18,000 of notes payable are payable next year.
(vii) Gas and oil expenses are selling expenses.

Required:

(a) A multiple-step income statement. **10**

(b) Statement of changes in owner's equity. **5**

(c) A classified Balance Sheet as of 31 December, 2025. **5**

Part D—Understanding Terminology

*(Compare and contrast any **five** of the following)*

Marks—2×5 = 10

(a) Depreciation vs. Amortization	2
(b) Journal vs. Ledger	2
(c) Trial Balance vs. Worksheet	2
(d) Adjusting Entries vs. Closing Entries	2
(e) Current Ratio vs. Quick Ratio	2
(f) Gross Profit vs. Net Profit	2
(g) Cash Flow Statement vs. Income Statement	2
(h) Tangible vs. Intangible Assets	2

Part E—Short Questions

*(Answer any **five** of the following)*

Marks—4×5 = 20

(a) What is fair value?	4
(b) Define materiality in accounting.	4
(c) What is a worksheet?	4
(d) What do you mean by historical cost?	4
(e) Define IFRS.	4
(f) What is book value?	4
(g) Define unearned revenue.	4
(h) What is GAAP?	4

— End of Question Paper —

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