

THE INSTITUTE OF BANKERS, BANGLADESH (IBB)

6th Banking Professional Examination, 2025

JAIBB

BASIC ACCOUNTING (BA)

Subject Code :

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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 questions)

Marks—20×2=40

Marks

1. (a) “All transactions are events but all events are not transactions”—5
Explain with example.
- (b) Mr. Raihan opened the “Raihan Dry Cleaners” on May 1, 2024.
On May the following transactions occurred :
 - May 01 : Raihan invested Tk. 20,000 cash in the business.
 - 02 : Paid Tk. 1,000 cash for store rent of May, 2024.
 - 10 : Purchased washers and dryers for Tk. 25,000, Paying cash Tk. 10,000 and on account Tk. 15,000.
 - 12 : Paid Tk. 1,200 as insurance in advance.
 - 13 : Received a bill from the Daily News for advertising expenses Tk. 200.
 - 16 : Raihan withdrew Tk. 700 cash for personal use.
 - 30 : Cash received from laundry services Tk. 6,200.

Required :

- (i) Prepare Journal Entries for the transactions. 7
- (ii) Prepare necessary ledger accounts. 8
2. (a) “Depreciation is the method of cost allocation”—Explain. 5
- (b) Alpha Company purchased a new machine on the 1st July, 2024 at a Cost of Tk. 1,50,000. The company estimated that the machine will have a salvage value of Tk. 12,000. The machine is expected to be used for 10,000 working hours during its 5 years life.

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Marks

Required : Compute the depreciation expense under :

- (i) Straight line method for the year 2024. 5
- (ii) Units of activity method for the year 2024, assuming machine usage was 1700 hours. 5
- (iii) Declining balance method using double the straight-line rate for 2024 and 2025. 5
3. (a) Why free cash flow often provides better information than net cash provided by operating activities? 5
- (b) Shayan Corporation's comparative balance sheets are presented below :

Shayan Corporation

Comparative Balance Sheet as on December, 31

	2024 (Tk.)	2023 (Tk.)
Cash	28,200	17,700
Accounts Receivable	24,200	22,300
Investments	23,000	16,000
Equipments	60,000	70,000
Accumulated depreciation—(Equip)	(14,000)	(10,000)
Total	1,21,400	1,16,000
Accounts payable	19,600	11,100
Bonds payable	10,000	30,000
Common stock	60,000	45,000
Retained earnings	31,800	29,900
Total	1,21,400	1,16,000

Additional information :

- (i) Net income was Tk. 28,300. Dividends declared and paid were Tk. 26,400.
- (ii) Equipment which cost Tk. 10,000 and had accumulated depreciation of Tk. 1,200 was sold for Tk. 4,300.
- (iii) All other changes in non current account balances had direct effect on cash flows except the change in accumulated depreciation.

Instruction : Prepare a statement of cash flows for the year 2024 using the Indirect Method. 15

Marks

4. (a) What are the objectives of preparing a bank reconciliation statement? 5
 (b) ABC Company's bank statement for May, 2024 shows the following data :

Bank balance at 01-05-2024	Tk. 12,650
Bank balance at 31-05-2024	Tk. 14,280
and the Cash book balance at 31-05-2024	Tk. 13,319

Review of the data reveals the following :

- (i) A non-sufficient cheque Tk. 175, was from a customer 'C' company.
- (ii) Collection of Note receivable Tk. 505, the note collected by the bank was a Tk. 500, 3 month, 12% note. The bank charged a Tk. 10 collection fee. No interest has been accrued.
- (iii) Outstanding cheques at May 31 total Tk. 2410.
- (iv) Deposits in transit at May 31, total Tk. 1752.
- (v) An ABC company cheque for Tk. 352, dated May 10, Cleared the bank on May 25. Which was a payment on account, for Tk. 325.

Instructions :

Prepare a bank reconciliation statement at May 31, 2024. 15

Part B—Mathematical Problem

(Answer any **one** question)

Marks—10×1=10

5. Show the effect of the following transactions of Beta Company in an accounting equation creating a tabular summery : 10
- (i) Investment of owner Tk. 30,000 in cash and 30,000 in equipments.
 - (ii) Purchase of furniture from X Furnitures Tk. 20,000 on credit.
 - (iii) Paid rent for the month Tk. 1,000.
 - (iv) Purchase of equipment Tk. 1,200 in cash.
 - (v) Cash received from service provided Tk. 3,000.
 - (vi) Services provided on credit Tk. 500.
 - (vii) Received a Tk. 300 cheque for services previously rendered on account.
 - (viii) Cash withdrawal by the owner Tk. 10,000.
 - (ix) Payment made to X Furnitures Tk. 10,000, for previous purchase of furnitures on credit.
 - (x) Depreciation of equipments Tk. 3,000.

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6. The trial balance of Alpha Pvt. Ltd. shown below does not balance :

Alpha Pvt. Ltd. Trial Balance December 31, 2024		
	Debit (Tk.)	Credit (Tk.)
Cash		33,400
Accounts receivables	28,120	
Supplies	12,000	
Equipments	26,000	
Accounts payable		36,660
Unearned service revenue	11,000	
Owner's capital		80,000
Owner's drawings	8,000	
Service revenue		24,800
Salaries and wages	32,000	
Utilities expenses	8,100	
	<u>1,25,220</u>	<u>1,74,860</u>

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. 5,800 and accounts receivable was credited for the same amount.
- (ii) The purchase of a computer on account for Tk. 7,100 was recorded as a debit to supplier for Tk. 7,100 and a credit to accounts payable for Tk. 7,100.
- (iii) Services were performed on account for a client for Tk. 9,800. Accounts receivable was debited for Tk. 9,800 and service revenue was credited for Tk. 980.
- (iv) A debit posting to salaries and wages of Tk. 7,000 was omitted.
- (v) A payment of a balance due for Tk. 3,060 was credited to cash for Tk. 3,060 and credited to accounts payable for Tk. 3,600.
- (vi) The cash withdrawal of Tk. 6,000 by owner was debited to salaries and wages for Tk. 6,000 and credit to cash for Tk. 6,000.

Instruction : Prepare a correct Trial Balance.

Part C(Answer any **one** question)

Marks—20×1=20

Marks

7. Run Corporation's comparative balance sheets are presented below :

Run Corporation
Balance Sheet
 As on 31 December

	2024 (Tk.)	2023 (Tk.)
Cash	5,300	3,700
Accounts receivable	21,200	23,400
Inventory	9,000	7,000
Land	20,000	26,000
Buildings	70,000	70,000
Accumulated Depreciation (Building)	(15,000)	(10,000)
Total	<u>1,10,500</u>	<u>1,20,100</u>
Accounts payable	10,370	31,100
Common stock	75,000	69,000
Retained Earnings	25,130	20,000
Total	<u>1,10,500</u>	<u>1,20,100</u>

Run's 2024 income statement included net sales of Tk. 1,20,000, cost of goods sold Tk. 70,000 and net income of Tk. 14,000.

Instruction : Compute the following ratios for 2024 :

2.5×8=20

- (i) Current ratio
- (ii) Acid test ratio
- (iii) Accounts receivable turnover
- (iv) Inventory turnover
- (v) Profit margin
- (vi) Return on Assets
- (vii) Debt to Assets ratio
- (viii) Asset turnover.

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

Rahman Traders
Trial Balance
31 December, 2024

Accounts Title	Debit (Tk.)	Credit (Tk.)
Cash	13,175	
Accounts receivable	9,200	
Merchandise inventory	29,450	
Store supplies	1,991	
Prepaid insurance	1,600	
Store equipments	37,200	
Accumulated Depreciation (S. Equipment)		14,700
Accounts payable		22,300
Capital—Rahman		41,994
Drawings Rahman	12,000	
Sales		99,400
Sales Return allowances	987	
Purchase	62,300	
Purchase return and allowances		19,655
Purchase discount		1,356
Sales salaries expenses	21,350	
Freight in	2,261	
Rent	3,600	
Other selling expenses	2,614	
Utilities expenses	1,677	
	<u>1,99,405</u>	<u>1,99,405</u>

Additional Information :

- (i) Ending merchandise inventory Tk. 31,700.
- (ii) Ending stores supplies inventory Tk. 300.
- (iii) Unexpired insurance Tk. 200.
- (iv) Depreciation on stores equipment Tk. 4,300.
- (v) Accrued sales salaries payable Tk. 80.
- (vi) Accrued utilities expenses Tk. 150.
- (vii) Sales of Tk. 500 was omitted.

Required :

- (i) Income statement. 8
- (ii) Owner's Equity Statement. 4
- (iii) A Balance Sheet as of 31 December, 2024: 8

Part D—Understanding Terminology

Marks

9. Compare and contrast any **five** of the following :

2×5=10

- (i) Current Assets vs Fixed Assets
- (ii) Cash Transaction vs Non-cash transaction
- (iii) Assets vs Liabilities
- (iv) Revenues vs Expenses
- (v) Gross profit vs Net profit
- (vi) Journal vs Ledger
- (vii) Tangible vs Intangible assets
- (viii) Current Ratio vs Quick Ratio
- (ix) Debit vs Credit
- (x) Stakeholders vs Stockholders.

Part E—Short Questions10. Briefly answer **all** the following questions :

2×10=20

- (i) What is fair value?
- (ii) Define Materiality in Accounting.
- (iii) Define Doubly Entry System.
- (iv) What is Unqualified Opinion?
- (v) What do you mean by historical cost?
- (vi) Define IFRS.
- (vii) What is Book Value?
- (viii) What is accrual basis of Accounting?
- (ix) Define Intangible Asset.
- (x) What is GAAP?

[Please turn over

[বাংলা অনুবাদ]

[দ্রষ্টব্য : ডান পাশের সংখ্যা প্রশ্নের পূর্ণমান জ্ঞাপক। নির্দেশনা মোতাবেক বিভিন্ন অংশ হতে প্রশ্নের উত্তর দিন।]

ক অংশ—বড় প্রশ্ন

(যে কোনো দুইটি প্রশ্নের উত্তর দিন)

মান— $20 \times 2 = 40$

নম্বর

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| ১। (ক) “সব লেনদেনই ঘটনা, কিন্তু সব ঘটনা লেনদেন নয়।”—উদাহরণসহ ব্যাখ্যা করুন। | ৫ |
| (খ) ইংরেজি অংশ দেখুন। | ১৫ |
| ২। (ক) “অবচয় ব্যয় বরাদ্দের পদ্ধতি”—ব্যাখ্যা করুন। | ৫ |
| (খ) ইংরেজি অংশ দেখুন। | ১৫ |
| ৩। (ক) ফ্রি ক্যাশ ফ্লো প্রায়ই পরিচালন কার্যক্রম থেকে প্রাপ্ত নিট নগদ অর্থের চেয়ে উপযুক্ত তথ্য সরবরাহ করে কেন তা ব্যাখ্যা করুন। | ৫ |
| (খ) ইংরেজি অংশ দেখুন। | ১৫ |
| ৪। (ক) ব্যাংক সমন্বয় বিবরণী তৈরির উদ্দেশ্যগুলো কী কী? | ৫ |
| (খ) ইংরেজি অংশ দেখুন। | ১৫ |

খ অংশ

(যে কোনো একটি প্রশ্নের উত্তর দিন)

মান— $10 \times 1 = 10$

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| ৫। ইংরেজি অংশ দেখুন। | ১০ |
| ৬। ইংরেজি অংশ দেখুন। | ১০ |

গ অংশ

(যে কোনো একটি প্রশ্নের উত্তর দিন)

মান— $20 \times 1 = 20$

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| ৭। ইংরেজি অংশ দেখুন। | ২০ |
| ৮। ইংরেজি অংশ দেখুন। | ২০ |

ঘ অংশ—পরিভাষা অনুধাবন

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| ৯। ইংরেজি অংশ দেখুন। | ১০ |
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ঙ অংশ—সংক্ষিপ্ত প্রশ্ন

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| ১০। ইংরেজি অংশ দেখুন। | ২০ |
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