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THE INSTITUTE OF BANKERS, BANGLADESH (IBB)

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98th Banking Professional Examination, 2024

AIBB

Accounting for Financial Institutions (AFI)

Subject Code: 2 0 6

Time-3 hours

Full marks—100

Pass marks-45

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		[N.B. The figures in the right margin indicate full marks. Answer any five questions.	
		ODE CONTRACTOR SERVICES SERVICES MA	ırks
1.	(a)	Why accounting is called the language of business?	4
	(b)	How does accounting assist management?	4
		Describe accounting process in a business organization.	. 6
	(d)	Discuss some limitations of accounting information.	6
2.	(a)	What is accounting cycle. Briefly discuss the steps of accounting	4=7
	(b)	What is the conceptual framework for financial reporting?	5
	(c)	Briefly discuss the assumptions in financial reporting.	8
3.	(a)	"The terms debit and credit mean increase and decrease respectively." Do you agree? Explain.	4
	<i>(b)</i>	effective accounting information system.	5=7
	(c)	Indicate whether each of the following account is an asset, a liability, or an owner's language equity account and whether it has normally debit or credit balance:	5×6 =9
		(1) Accounts Receivable . Devision faid a majorer of british and source of colored (b)	
		(2) Accounts Payable bastassassassassassassassassassassassassa	
		(3) Equipment (4) Unearned Revenue	
		(5) Prepaid Insurance has a root of 12.21 at a nothing and (a)	
		(6) Owners Drawings.	
4.	(a)	Why double entry system is called the scientific method?	2
٠.	, ,	State some limitations of double entry system.	2
	, ,	The following transactions are obtained from the books of Mr. Sajjad for the month of	
	(4)	December, 2023:	
		December 1 Mr. Sajjad invested cash Tk. 200,000 and furniture Tk. 50,000 into business.	
31.		5 Purchase office supplies for cash Tk. 30,000 and on account Tk. 20,000.	
		15 Received cash Tk. 100,000 for services rendered.	
		Paid office rent Tk. 10,000 for the month. Insurance paid in advance Tk. 5,000.	
		27 Paid salaries Tk. 25,000 for the month.	
		31 Mr. Sajjad withdrew Tk. 10,000 for personal use.	
	V	ou are required to:	
		(1) Prepare journal entries of the transactions.	4
		(2) Open necessary ledger accounts.	8
		(3) Prepare trial balance.	4
5.	(a)	What is the difference between Statement of Cash flow and Income Statement.	5
	<i>(b)</i>	From the following details prepare a cash flow statement for the year ended 31, December 2023 under indirect method:	15
		(1) Balance of cash in hand and at bank on 31 December 2023 was Tk. 26,200.	
		(2) Total sales for the year Tk. 18,38,000 that include credit sales Tk. 15,98,000.	
		(3) Cash collected during the year from credit customers Tk. 12,48,000.	
		(4) Cash paid to suppliers and employees 1k. 10,32,000.	
		(5) Income tax paid Tk. 1,34,000.	
		(6) 10% Preferred stock; face value Tk. 3,00,000, issued at a premium of 10%.	
		(7) Bonds of face value of Tk. 200,000 redeemed at par and interest paid upto the date of redemption Tk. 15,000.	
		(8) The book value of the equipment of Tk. 26,000 disposed of for Tk. 30,000 and new equipment costing Tk. 3,20,000 purchased.	•
		(9) Dividend received on investments Tk. 13,800.	
	((10) Dividend paid for the year 2020 Tk. 80,000 and for the year 2022 Tk. 50,000.	
		fnl	

6. (a) Why may a trial balance not contain up-to-date and complete financial information?

(b) Sonia Graphics was established on January 1, 2023 by Sonia Islam. At the end of 6 months of operations, the trial balance contained the following accounts:

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5+10

processor of the same	Debit (Taka)		Credit (Taka)
Cash	86,000	Notes Payable	2,00,000
Accounts Receivables	1,40,000	Owner's Capital	2,20,000
Equipment	4,50,000	Accounts Payable	90,000
Insurance Expense	27,000	Sales Revenue	5,21,000
Salaries and Wages	3,00,000	Service Revenue	60,000
Supplies Expense	37,000		
Advertising Expense	19,000		rbslige it gir. Hedge alfW
Rent Expense	15,000		Transport of West
Utilities Expense	17,000		round gnither operation of the Control of the Cont
y.e.			10,91,000
			William is the conceptable for

Analysis reveals the following additional information:

- (1) The Tk. 37,000 balance in supplies expense represents supplies purchased in January.

 At June 30, Tk. 13,000 supplies are on hand.
- (2) The notes payable was issued on February 1. It is a 6%, 6 month note.
- (3) The balance in Insurance Expense is the premium on a one-year policy, dated April 1, 2023.
- (4) Service revenues are credited to revenue which received. At June 30, service revenue of Tk. 13,000 are unearned.
- (5) Revenue for service performed but unrecorded at June 30 totals Tk. 20,000.
- (6) Depreciation is Tk. 22,500 per year.

Instructions:

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- (i) Journalize the adjusting entries at June 30 (Assuming adjustments are recorded every six months). Omit explanations.
- (ii) Prepare an income statement and owner's equity statement for 6 months ended June 30 and a statement of financial position at June 30.
- 7. (a) Discuss worksheet as a substitute of financial statement.

(b) Amin Delivery Service is completing accounting information processing cycle for the year ended December 31, 2023. The unadjusted trial balance taken from leadger was as

(7) Borrels of lace value of Th. 200,000 redeemed et a

redomption Tis 15,000.

16

follows:

Amin Delivery Service of the comment of the Amin Delivery Service of the Amin Delivery Service of the Comment o

As at December 31, 2023 Debit (Taka) Account's Title Credit (Taka) Account's Title Amin's Capital accom 19860. Tra 2009080,000 (1) Cash 43,550 Delivery Service Revenue 1,50,000 17,000 Accounts Receivables **Prepaid Insurance** from the foreverse dotails propere Interest Receivable 2023 under Indirect tricibed Dec 000,6 1023 was II 12% Investment (2) Combission Professor The 18 38,000 frat 1,55,000 **Delivery Equipment** (ii) Cesh salfasted during the year from endu **Advertising Expenses** Cade and to supplied and rapploped Other F. ... bisquer 2,30,000 2,30,000 10% Preferred stock flac value TL, 3.96,000

Additional data for adjusting entries:

- (i) Expired insurance during 2023 was Tk. 150.
- (ii) Interest on investment (dated September 1, 2023) is collected annually each August 30.
- (iii) Depreciation on delivery equipment, during the year Tk. 10,000.

Required: Prepare a worksheet and the first of the AC 108 AT 0500 approach to bing has boad (0)

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	me the major ratios useful in asses				11	
	plain the difference between Horiz				1,535	•
(c) Sa	mira Fashion's comparative statem		on are presente	ed below:		1:
		Samira Fashion	48	The state of the s		
	Stateme	nt of Financial Position	on	(A)		
		December 31		เป็นบริสัย " โดย" เ	1.1	
			23 (Taka)	2022 (Taka)		
T	and	Libertus 400	20,000	26,000		
	Building		70,000	70,000	113	
Δ.	accumulated Depreciation Building	i ing a salah s	(15,000)	(10,000)		
	nventory		10,000	7,000	4	
Δ	Accounts Receivable		22,000	24,000	(4)	
	Cash		4,300	3,700		
	Total		1,11,300		100	
1				1,20,700		
	hare Capital Ordinary		72,000	69,000		
	Retained Earnings	निवासक्य (क्षा)	24,300	20,600		
A	Accounts Payable		15,000	31,100		
	ित्ती वस्त्रं होताः विस्तं भरा	TELEMINISHELL SENDI	1,11,300	1,20,700		
Samira	a's 2023 income statement includ	ed net sales of Tk. 1.	00,000, cost o	f goods sold of		
Tk. 60	.350 and Net Income of Tk. 14,000	0.				
Instru	ictions: Compute the follow ratios	for 2023 :		हिनाम विकास स		
(a) Cu	urrent Ratio	TO SEE SEE SEE SEE	100 JAN 515	ाहित बाउद्यो भाउती	(P)	
(b) A	cid-Test Ratio	। মতুর আরুরার ।	RESTRICTED TOWN	Sie granne Shaa	79.4	
(c) A	ccounts Receivable Turnover		at the Arthur a			
(d) In	ventory Turnover	and the state of the state of	MILL STATE OF	दिनाव देखा की	(F)	
(e) Pr	ofit Margin	भी सर्राकातः । यहिन्द्रातः । स्टब्स	TOWN DO IN A TO IN A STREET	ਦੀ ਜੀਵ ਜਵਤ ਬ ਸ ਹੈ।	1997	
(f) Re						
The fo	ollowing is the Trial Balance of Tru	st Wholesale Company	Signer States to 12	नाभागीं प्रतिवास	(4)	
THE	mowing is the Trial Dalance of Tru	olesale Company	A THE WASHER B	ชาติ เกรสาก	187	
	Trust Who	olesale Company	a yet were name of	CANDAGO DO SERIO		
	TENNING FORMS NIK RIPO BITT	al Balance	STAP THE LIEB ALE	ত্রিবিল্ল ও গ্রন্থান্ড) "	100	
S)+2	Decen	nber 31, 2023	e els tes	क्ष्य । नखकी शक्ती	(30)	
	Account Title	Debit (Tak	a) Credit (Taka)	1,1	
	Cash	25,40	00			
6701	Accounts Receivable	37,60	00	हेल्ट अहर जोडाई	177	
	Merchandise Inventory	90,00	00	किविस कार्य हैं	for 1	
	Land	92.00	10			
	Building	1,97,00	00	HBAIL BASE > 5	(2)	
=8+7+8=	Accumulated Depreciation Buildin	ng	<u> </u>	4,000	(1)	
	Equipment	83,50	00	00		
	Accumulated Depreciation-Equip	nent	0 139 1 316 04	2,400	(4)	
	Notes Payable	Mar 15, 13,000	5	0,000	(5)	
	Accounts Payable	No. 4 of Service 4		7,500	1000	
	Rashed, Capital		2,6	7,800	(4)	
05-0	Rashed, Drawings	10,0	00	4,100	(3)	
	Sales Revenue		9,0	4,100		
	Sales Discount	4,60	00			
	Cost of Goods Sold	1 1- 25 153 1017,09,9		केलाक क्रांटिक जा	(-50)	1
	Salaries Expenses	69,8		क्षा है जा है जा है	(30)	
	Utilities Expenses	19,4	00			
	Repair Expenses	क्षा नाही । ार्डु.१		(Luli pid) (*filis	(20)	
	Gas and Oil Expenses	7,2		Distance Section in		
	Insurance Expenses	ामका महर् हा (siav3,5		Balline And Die	10	
		Total 13,55,8	00 13,5	5,800		
		The was to have a winter		इंदर्शि प्रश्ने भित्र		
	and Information		PA 11 TO 12	THE PART WHEN	15%	
Additi	onal Information:	lding and is Tk 0 000	on equipment			
Additi	Depreciation in Tk. 10,000 on bui	lding and is Tk. 9,000	on equipment.	रिंग करना विकास	176	
Additi (i)	Depreciation in Tk. 10,000 on bui Interest Tk. 7,000 is due and unpa	id on notes payable at	on equipment. December 31.	। हर क्ष्म हो	335	
Additi (i) (ii) (iii)	Depreciation in Tk. 10,000 on bui Interest Tk. 7,000 is due and unpa Merchandise inventory is actually	id on notes payable at on hand Tk. 89,200.	December 31.	िहर अध्याति	38	
Additi (i) (ii) (iii) (iv)	Depreciation in Tk. 10,000 on bui Interest Tk. 7,000 is due and unpa Merchandise inventory is actually Salaries expenses are 80% selling	id on notes payable at on hand Tk. 89,200. and 20% administrative	December 31. ve.	Talket was big		
Additi (i) (ii) (iii) (iv) (v)	Depreciation in Tk. 10,000 on bui Interest Tk. 7,000 is due and unpa Merchandise inventory is actually Salaries expenses are 80% selling Utilities expenses, repair expenses	id on notes payable at on hand Tk. 89,200. and 20% administratives and insurance expense	December 31. ve.	Talket was big		1 0
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).	Wr	ite short notes on any five of the following:	erum trende med amez 4x5=
	(a)	Operating Cycle and Advantage by a Advanced by Advance	it) Expland the difference out
	(b)	Accrual Basis of Accounting	(#) Sunica Exhibit 2 compan
	(c)	IED C	
	(d)	Cost Constraint 16 September 2.	
	(e)	Building Blocks of Accounting	
		Qualified Audit Report	bou.
	(f)	AND THE PROPERTY OF THE PROPER	Accumulated Depreciation
	(g)	3 C's in Accounting	inventory
	(h)	CARLES AND A CONTRACT LAND, NO.	Accounts Receivable
	(i)	Allowance for Doubtful Debt	o'T
	<i>(j)</i>	Free Cash Flow.	Share Capital Ordinary
		টিন্ত বিংলা অনুবাদ]	Retained is a many
		31 100	- veretings Payable - v
		দ্রিষ্টব্য: ডান পাশের সংখ্যা প্রশ্নের পূর্ণমান জ্ঞাপক। যে কোনো পাঁচা	
		So blook die of to mon 200,000 to 10° to shandon Loberton tay	Parametris 2025 accome statem
1		াহসাব বিজ্ঞানকৈ ব্যবসায়ের ভাষা বলা ২য় কে?	io massimistra del colorgiani
		হিসাব বিজ্ঞান কীভাবে ব্যবস্থপনাকে সহায়তা করে?	Ask Curron Bills
	(গ)	একটি ব্যবসায় প্রতিষ্ঠানে হিসাববিজ্ঞান প্রক্রিয়া বর্ণনা করুন।	ACCOUNTS OF THE CONTRACTOR
	(ঘ)	হিসাব তথ্যের কী কী সীমাবদ্ধ রয়েছে?	(d) Inventory transport
ı	(ক)	হিসাব চক্র কী? হিসাব চক্রের ধাপগুলো সংক্ষেপে আলোচনা করুন।	8+0) Ecclies of Assets.
	(খ)	আর্থিক প্রতিবেদনের ধারণাগত কাঠামো (Conceptual Framework) কী?	
		আর্থিক প্রতিবেদনের ধাারণাগুলো (Assumptions) সংক্ষেপে আলোচনা করুন	The following is the Trip! Ent
	(ক)	THE RULE THE PERSON OF THE PER	
ı		হিসাববিজ্ঞান তথ্য ব্যবস্থা কী? একটি দক্ষ ও কার্যকর হিসাবরক্ষণ তথ্য আলোচনা করুন।	
	(21)	ইংরেজি অংশ দেখুন।	VX9.4 Accounted Reserved as
		The state of the s	stone and collaboration
ı		দুই তরফা দাখিলা পদ্ধতিকে কেন বিজ্ঞানসমত পদ্ধতি বলা হয়?	hand
	, ,	দুই তরফা দাখিলার সীমাবদ্ধতাগুলো বর্ণনা করুন।	rancong -8+4+8 Arctmoduted Deposign
		२रदंत्राक्ष भर्ना दर्भभून ।	- Laguranent -
1		নগদ প্রবাহ বিবরণী ও আয় বিবরণী এর মধ্যে কী কী পার্থক্য রয়েছে?	
	(খ)	ইংরেজি অংশ দেখুন।	Noms Payanta Accounts Payanta
ı	(ক)	একটি রেওয়ামিলে কেন হালনাগাদ ও পূর্ণাঙ্গ আর্থিক তথ্য নাও থাকতে পারে?	Rashed, Canical
	(착)	ইংরেজি অংশ দেখুন।	24+9 Rashed Dravings
		70 1 20.4	Sales Reverne Sales Disconst
1	(ক)	কার্যপত্রকে আর্থিক বিবরণীর বিকল্প হিসাবে আলোচনা করুন।	Cost of Goods Sout
	(খ)	ইংরেজি অংশ দেখুন। 008,45	esarouxil edinfal
		তারল্য (Liquidity) ও স্বচ্ছলতা (Solvency) পরিমাপের জন্য সবচেয়ে গুরু	তপর্ণ অনপাতসমূহ কী কীহ
ı		0U\	Car and Child Courses
	(খ)	অনুভূমিক বিশ্লেষণ (Horizontal Analysis) ও উল্লম্ব বিশ্লেষণ (Vertical কী? ব্যাখ্যা করুন।	Analysis) এর মুব্যে পাখক
	(গ)	ইংরেজি অংশ দেখুন।	Additions later auticus:
ı	307	ি প্রিক্তির বিশ্ব করি প্রক্রিয়ের প্রক্রিয়ার পর প্রক্রিয়ার প্রক্রিয়ার করিছে করে এই করিছে কর	
		estato 1º un band (), 89,30° 0's selection at 20° normale elege	granden eine Gereiche unschlieber Eine Solor der Stehen
	देश्ट	র জি অংশ দেখুন। শোষ িটেটী কিলে ক্রেন্ডের ও চরলাক্ররটে চলচ রংরা ক্রেন্ডের স্থান ন্ত্রতথ্য সভার গণি রাধিক্যক কলে চার্টির	eren 2004 gan da hall 118×€=
	,,,	s illing or proje	a length of the less gives
		ay on the project of the second of the secon	yeng Cic and Cit Appen Requires: