# THE INSTITUTE OF BANKERS, BANGLADESH (IBB)
## 7th Banking Professional Examination 2026
## 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)
All questions will have different segments.
Marks—20×2=40

Marks

1. *(a)* Write down the 'Golden Rules' of Debit and Credit for different types of equation. 5

   *(b)* Indicate whether each of the following account is an asset, a liability or an owner's equity account and whether it has normally debit or credit balance : 5

   *(i)* Accounts receivable *(ii)* Accounts payable
   *(iii)* Unearned revenue *(iv)* Prepaid insurance
   *(v)* Owner's drawing

   *(c)* Why free cash flow often provides better information than net cash provided by operating activities? 5

   *(d)* Debit balances are favorable and credit balances are unfavorable. Is it correct? Explain.. 5

*Or,*

2. *(a)* How does accounting assist management? 5

   *(b)* How do technology and automation impact accounting practices? 5

   *(c)* A machine is purchased for Tk. 70,000. Expenses incurred on its carriage and installation Tk. 30,000. Calculate the amount of depreciation @ 20% p.a according the straight line method for the first year ending on 31st March 2025, if the machine is purchased on : 10

   *(i)* 1st April, 2024
   *(ii)* 1st July, 2024
   *(iii)* 1st October, 2024
   *(iv)* 1st January, 2025

*Or,*

3. *(a)* What is work sheet? Is work sheet a mandatory step of accounting cycle? Explain briefly. 5

   *(b)* The unadjusted Trial Balance of ABC Company is given below :

**ABC Company**
Trial Balance
As of 31 December, 2025

| Account title | Debit (Tk.) | Credit (Tk.) |
|---|---|---|
| Cash | 43,550 | |
| Accounts receivables | 17,000 | |
| Interest receivables prepaid insurance | 450 | |
| 12% investment | 6,000 | |
| Delivery equipment | 1,55,000 | |
| Advertising expenses | 8,000 | |
| Capital | | 80,000 |
| Service revenue | | 1,50,000 |
| | 2,30,000 | 2,30,000 |

Additional Information for adjusting entries :

*(i)* Expired insurance during 2024 was Tk. 150.
*(ii)* Interest on investment (Investment done on September 01, 2024) is collected annually each August 30.
*(iii)* Depreciation on delivery equipment to be charged. Depreciation during the year was Tk. 10,000.

**Required :** Prepare a work sheet. 15

*Or,*

*[Please turn over*

Marks

4. (a) What is called the language of business? Why is it called the language of business? 5
(b) What is accounting cycle? What are the mandatory and optional steps of accounting? 5
(c) What is the basic accounting equation? Define its components. 5
(d) Define Business Entity Assumption and Monetary Unit Assumption. What are the limitation of monetary unit assumption? 5

**Part B**

(Answer any **one** question from 5 to 6)
Marks—10×1=10

5. XYZ company provides following financial information for the year 2025 :

| | | |
|---|---|---|
| Sales | : | Tk. 1,00,000 |
| Cost of goods sold | : | Tk. 60,000 |
| Net income | : | Tk. 10,000 |
| Total assets | : | Tk. 2,00,000 |
| Total liabilities | : | Tk. 80,000 |
| Shareholder's equity | : | Tk. 1,20,000 |
| Interest expense | : | Tk. 2,000 |
| Income tax expense | : | Tk. 1,000 |
| Dividend paid | : | Tk. 4,000 |

Calculate the following ratios : 10

(i) Gross Profit Margin
(ii) Return on Assets
(iii) Return on Equity
(iv) Debt to Equity Ratio
(v) Interest Coverage Ratio

6. Mr. X opened a dental practice on January 1, 2025. During the first month of operations, the following transactions occured :

(i) Mr. X performed services for the patients totaling Tk. 24,000. These services have not yet been recorded.
(ii) Utility expenses incurred but not paid prior to February 07 totaling Tk. 4,000.
(iii) Purchased dental equipment on January 1 for Tk. 8,00,000, paying Tk. 2,00,000 in cash and signing a Tk. 6,00,000, 3 year note payable. Interest rate on note is 12% yearly. On the other hand, the equipment is depreciated @ 10% per annum. Both note and equipment are charged on monthly basis.
(iv) Purchased a one-year insurance policy on January 1 for Tk. 50,000.
(v) Purchased Tk. 26,000 of dental supplies. On January 31 it was determined that Tk. 9,000 of supplies were on hand.

Prepare the adjusting entries on January 31, 2025. 10

**Part C**

(Answer any **one** question from 7 to 8)
Marks—20×1=20

7. The comparative balance sheets for XYZ Company as of December 31 are presented below :

| **Particulars** | **2025 (Tk.)** | **2024 (Tk.)** |
|---|---|---|
| **Assets :** | | |
| Cash | 81,000 | 45,000 |
| Accounts receivable | 41,000 | 62,000 |
| Inventory | 1,51,450 | 1,42,000 |
| Prepaid expenses | 15,280 | 21,000 |
| Land | 1,05,000 | 1,30,000 |
| Buildings | 2,00,000 | 2,00,000 |
| Accumulated depreciation : Building | (60,000) | (40,000) |
| Equipment | 2,21,000 | 1,55,000 |
| Accumulated depreciation : Equipment | (45,000) | (35,000) |
| Total | 7,09,730 | 6,80,000 |
| **Liabilities and Stockholder's Equity** | | |
| Accounts payable | 47,730 | 40,000 |
| Bonds payable | 2,60,000 | 3,00,000 |
| Common stock Tk. 1 per share | 2,00,000 | 1,60,000 |
| Retained earnings | 2,02,000 | 1,80,000 |
| | 7,09,730 | 6,80,000 |

Marks

**Additional information :**

1. Operating expenses included depreciation expenses of Tk. 42,000 and charges from prepaid expenses of Tk. 5,720.
2. Land was sold for cash at book value.
3. Cash dividend of Tk. 20,000 were paid.
4. Net income of the year 2025 was Tk. 42,000.
5. Equipment was purchased for Tk. 88000 cash. In addition, equipment costing Tk. 22,000 with a book value of Tk. 10,000 was sold for Tk. 6,000 cash.
6. Bonds were converted at face value by issuing 40,000 shares of Tk. 1 par value common stock.

*(i)* Prepare a statement of cash flow using indirect method. 15
*(ii)* Compute free cash flow. 5

*Or,*

8. The trial balance of ABC Company is given below :

**ABC Company**
**Trial Balance**
31 December, 2025

| **Accounts title** | **Debit (Tk.)** | **Credit (Tk.)** |
|---|---|---|
| Accounts payable | | 37,500 |
| Cash | 25,500 | |
| Accounts receivables | 37,600 | |
| Merchandise inventory | 90,000 | |
| Land | 92,000 | |
| Building | 1,97,000 | |
| Accumulated depreciation-Building | | 54,000 |
| Equipment | 83,500 | |
| Accumulated depreciation-Equipment | | 42,400 |
| Notes payable | | 50,000 |
| Capital | | 2,67,800 |
| Drawing | 10,000 | |
| Sales revenue | | 9,04,100 |
| Sales discount | 4,600 | |
| Cost of goods sold | 7,09,900 | |
| Salary expenses | 69,800 | |
| Utilities expenses | 19,400 | |
| Repair expenses | 5,900 | |
| Gas & Oil expense | 7,200 | |
| Insurance expense | 3,500 | |
| | 13,55,800 | 13,55,800 |

**Additional Information :**

*(i)* Depreciation on Building BDT 10,000
on Equipment BDT 9,000
*(ii)* Interest of BDT 7,000 in due on notes payable on 31 December.
*(iii)* Actual merchandise inventory on hand in BDT 89,200.
*(iv)* Salaries expenses are 80% on selling and 20% on administration.
*(v)* Utilities expense repair expenses and insurance expenses are 100% administrative.
*(vi)* BDT 15,000 of Notes payable are payable for 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 clarified Balance sheet as of 31 Dec, 2025. 5

## Part D

(Answer any **five** questions)
Marks—2×5=10

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

*(i)* Accrual basis vs. cash basis of accounting
*(ii)* Depreciation vs. Amortization
*(iii)* Single entry vs. Double entry system
*(iv)* Closing entry vs. Reversing entry
*(v)* Horizontal analysis vs. Vertical analysis
*(vi)* Perpetual vs. Periodic inventory system
*(vii)* Internal vs. External users of accounting information
*(viii)* Assets vs. Liabilities.

[Please turn over

## Part E

(Answer any five questions)

Marks—4×5=20

10. Answer any five of the followings :
    *(i)* Characteristics of Asset
    *(ii)* Unearned revenue
    *(iii)* EBITA
    *(iv)* Discuss : Relevance & Reliability
    *(v)* Stakeholders vs. Stockholders
    *(vi)* Full disclosure convention
    *(vii)* Accounting cycle
    *(viii)* Methods of Depreciation.

[বাংলা অনুবাদ]

[দ্রষ্টব্য : ডান পাশের সংখ্যা প্রশ্নের পূর্ণমান জ্ঞাপক। ভিন্ন ভিন্ন অংশের নির্দেশনা অনুযায়ী প্রশ্নের উত্তর প্রদান করতে হবে।]

### ক অংশ

(যে কোনো দুইটি প্রশ্নের উত্তর দিন)

নম্বর

১। (ক) বিভিন্ন ধরনের সমীকরণের জন্য 'ডেবিট' ও 'ক্রেডিট' এর গোল্ডেন রুলসমূহ লিখুন। ৫
(খ) ইংরেজি অংশ দেখুন। ৫
(গ) ফ্রি ক্যাশ ফ্লো প্রায়ই পরিচালন কার্যক্রম থেকে প্রাপ্ত নিট নগদ অর্থের চেয়ে উপযুক্ত তথ্য সরবরাহ করে কেন? তা ব্যাখ্যা করুন। ৫
(ঘ) 'ডেবিট উদ্বৃত্ত ভালো এবং ক্রেডিট উদ্বৃত্ত খারাপ অবস্থা বুঝায়'—এটি কি সঠিক? ব্যাখ্যা করুন। ৫

অথবা

২। (ক) হিসাববিজ্ঞান কীভাবে ব্যবস্থাপনাকে সহায়তা করে? ৫
(খ) প্রযুক্তি এবং অটোমেশন কীভাবে হিসাববিজ্ঞান অনুশীলনকে প্রভাবিত করে? ৫
(গ) ইংরেজি অংশ দেখুন। ১০

অথবা

৩। (ক) কার্যপত্র কী? কার্যপত্র কী হিসাবচক্রের বাধ্যতামূলক ধাপ? ব্যাখ্যা করুন। ৫
(খ) ইংরেজি অংশ দেখুন। ১৫

অথবা

৪। (ক) কাকে 'ব্যবসায়ের ভাষা' বলা হয়? কেন একে 'ব্যবসায়ের ভাষা' বলা হয়? ৫
(খ) হিসাবচক্র কী? হিসাববিজ্ঞানের বাধ্যতামূলক ও ঐচ্ছিক ধাপসমূহ কী কী? ৫
(গ) হিসাববিজ্ঞানের মৌলিক সমীকরণ কী? এর উপাদানসমূহ ব্যাখ্যা কর। ৫
(ঘ) ব্যবসায়িক সত্তা ধারণা এবং আর্থিক একক ধারণার সংজ্ঞা দাও। আর্থিক একক ধারণার সীমাবদ্ধতাসমূহ কী কী? ৫

### খ অংশ

(যে কোনো একটি প্রশ্নের উত্তর দিন)

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

### গ অংশ

(যে কোনো একটি প্রশ্নের উত্তর দিন)

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

### ঘ অংশ

(যে কোনো পাঁচটি প্রশ্নের উত্তর দিন)

৯। ইংরেজি অংশ দেখুন। ১০

### ঙ অংশ

(যে কোনো পাঁচটি প্রশ্নের উত্তর দিন)

১০। ইংরেজি অংশ দেখুন। ২০