

Diploma in Islamic Banking Examination, May-2022

PART-I

103: Principles of Accounting

Time: 3 Hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any five** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) Define Accounting. What are the purposes of Accounting? 6
b) As a banker, why should you know the basic accounting? 6
c) Describe in brief the accounting Concepts, Principles and Assumptions. 8
2. a) What is Trial Balance? What are its objectives? Why both sides of a trial balance are equal? 6
b) How debit and credit are determined in accounting? "The agreement of a trial balance is not a conclusive proof of accuracy of accounts". Justify. 6
c) What is the relationship between a general ledger and a subsidiary ledger? Discuss the reasons to make adjusting entry, closing entry, and reversing entry. 8
3. a) Why is AAOIFI established? How does AAOIFI contribute for Islamic Finance & Banking? 6
b) How do you define "Ethics in Accounting"? 6
c) Do you think that AAOIFI Financial Accounting Standards and Auditing Standards will add value for the Bangladeshi Banking Industry? Explain. 8
4. a) Discuss in brief the Inventory Valuation methods. 6
b) From the following information, determine the cost of goods sold and gross profit under i) FIFO and ii) Weighted Average Method as per periodic inventory system. 14
June 01, 2021 : Beginning inventory 550 units @Tk.75
June 08, 2021 : Sale 450 units @Tk.90
June 10, 2021 : Purchase 900 units @Tk.80
June 20, 2021 : Sale 750 units @Tk.95
June 23, 2021 : Purchase 300 units @Tk.85
June 25, 2021 : Sale 400 units @Tk.95
June 27, 2021 : Purchase 700 units @Tk.70
June 30, 2021 : Sale 600 units @Tk.90
5. Write short notes on any 5 (Five) of the following 5x4=20
i) Double Entry System ii) Window Dressing
iii) Suspense Account iv) IFRS
v) Limitations of Balance Sheet vi) Notes to the Accounts
vii) Annual Report viii) Green Sukuk
6. a) What do you mean by Bank Reconciliation Statement? How is a bank reconciliation statement prepared? 6
b) Prepare a bank reconciliation statement of M/S Abdullah Enterprise as on 31.12.2021 with the following information : 14
i) Bank balance as on 31.12.2021 as per bank statement is Tk.5,350.
ii) At the end of December, bank balance as per cash book is Tk.3,950.
iii) A draft deposited but not credited for Tk.2,800.
iv) Bank directly collected a bill for Tk.5,000 on behalf of the company.
v) A cheque issued to a supplier but was not presented for encashment Tk.2,750.
vi) Bank charges for the month Tk.550 was not recorded in the cash book.
vii) Total Not Sufficient Fund cheque was Tk.3,000.

7. The Trial balance of M/S. Eastern Traders as on December 31, 2021 is stated below:

M/S. Eastern Traders
Trial Balance
As on December 31, 2021

Particulars	Debit (Tk.)	Particulars	Credit (Tk.)
Salary	140,000	Capital	16,00,000
Office Rent	36,000	Accounts Payable	2,00,000
Administrative Expenses	75,000	Bank Overdraft	2,00,000
Export Duty	83,000	Bills Payable	60,000
Audit Fees	27,000	Rent Payable	80,000
Opening Stock	36,000	General Reserve	86,000
Purchase	11,55,500	Provision for Bad Debts	50,000
Accounts Receivable	8,50,000	Retained Earnings	138,500
Drawing	148,000	Return Outward	166,000
Bank Charge	20,000	Dividend Received	25,000
Discount Allowed	15,000	Discount Received	30,000
Bad Debts	58,000	Sales	20,59,000
Furniture and Fixture	180,000		
Motor Car	400,000		
Land & Building	12,00,000		
Sundry Expenses	71,000		
Cash	2,00,000		
Total Tk.	46,94,500	Total Tk.	46,94,500

Adjustment :

- i) The Closing Stock is valued at Tk.20,000.

Required

- i) Prepare a Trading Account for the year ended December 31, 2021;
ii) Prepare Profit and Loss Account for the year ended December 31, 2021 and
ii) Prepare a Balance Sheet as on December 31,2021.

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8. The following Trial Balance was extracted from the books of accounts of Teezarah Islami Bank Ltd. as on December 31,2021.

Teezarah Islami Bank Ltd.
Trial Balance
As on December 31, 2021

Particulars	Debit (Tk.)	Credit(Tk.)
Paid-up Capital		300,000
Share Premium Account		150,000
Al Wadeeah Current Account Deposit		97,000
Mudarab Term Deposit		33,000
Mudaraba Savings Deposit		56,000
Bills Payable		34,000
Statutory Reserve		40,000
Income from Investment		290,000
Income from Share Investment		58,000
Locker Rent		18,000
Other Opening Income		3,000
Cash in Hand	96,600	
General Investment	400,000	
Investment in Share & Securities	100,000	
Balance with Bangladesh Bank	25,000	
Balance with Others Bank	163,250	
Bank Premises and Fixed Asset	70,000	
Profit Paid on Deposits	32,950	
Salaries and Allowances	71,000	
Rent & Insurance etc	4,000	
Postage Bill	3,000	
Stationary	7,000	
Legal Expenses	6,000	
Auditors Fee	6,200	
Salaries and Allowance to CEO	40,000	
Dividend Payable		15,000
Zakat Payable		7,500
Retained Earnings		18,500
Branch Adjustment Account	95,000	
Total Tk.	11,20,000	11,20,000

Additional Information:

- i) Depreciation on premises and fixed asset Tk.5,000.
- ii) Provision for doubtful investment Tk.6,000.
- iii) Provision for Tax Tk.10,000.

Required:

- a) Prepare a Profit and Loss Account for the year ended December 31, 2021 and
- b) Prepare a Balance Sheet as on December 31, 2021.

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The End