

**THE INSTITUTE OF BANKERS, BANGLADESH (IBB)**  
**95th Banking Diploma Examination, 2022**  
**JAIBB**  
**Accounting For Financial Services (AFS)**

Subject Code : 

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Time—3 hours

Full marks—100

Pass marks—50

*[N.B. The figures in the right margin indicate full marks. Answer any five questions including question no. 9. Different parts of a question must be answered in the same place.]*

- |  | Marks |
|--|-------|
| 1. (a) Define Accounting. Why accounting is called an information system.                          | 6     |
| (b) What are the qualitative characteristics of accounting information?                            | 6     |
| (c) Explain the objectives of providing financial information.                                     | 6     |
| 2. (a) Discuss the steps in recording process.   | 4     |
| (b) What types of transactions are recorded in special journal?                                    | 5     |
| (c) What are the purposes of subsidiary ledger?  | 4     |
| (d) Discuss the errors that are committed in recording process.                                    | 5     |
| 3. (a) What is financial reporting? What are the elements of a complete financial report?          | 6     |
| (b) What is work sheet? What are its purposes?   | 6     |
| (c) Distinguish between the accounting process of merchandising concern and manufacturing concern. | 6     |
| 4. (a) Selected transactions for Green Valley Co. are listed below :                               | 8     |
| (i) Made cash investment to start business   |       |
| (ii) Paid monthly rent   |       |
| (iii) Purchased equipment on account   |       |
| (iv) Billed customer for service performed   |       |
| (v) Withdrew cash for owner's personal use   |       |
| (vi) Received cash from customer billed in iv  |       |
| (vii) Incurred advertising expense on account  |       |
| (viii) Purchased additional equipment for cash   |       |
| (ix) Paid cash for equipment purchased on account in iii.  |       |

**Instructions :**

List the numbers of the above transactions and describe the effect of each transaction on assets, liabilities and owner's equity. For example, the first answer is (i) increase in assets and increase in owner's equity.

(b) Monrae started Monrae's Travel Agency on April 1. The following transactions were completed during the month :

- (i) Invested Tk. 15,000 to start the business
- (ii) Paid Tk. 600 cash for April office rent
- (iii) Purchased equipment for Tk. 3,000 cash
- (iv) Incurred Tk. 700 advertisement cost on account
- (v) Performed services worth Tk. 1000 of which Tk. 300 received in cash and the balance on account
- (vi) Withdrew Tk. 600 cash for personal use
- (vii) Paid Tk. 500 of the amount due in transaction iv
- (viii) Received Tk. 400 cash from customer for transaction v.

**Instructions :**

- (i) Prepare a tabular analysis of the above transactions with proper column headings. 8
- (ii) Prove the accounting equation. 2

*[Please turn over*

5. (a) Discuss the internal control principles for cash receipts and cash payments. Marks 8  
 (b) Elizabeth Mary Co. provides you the following cash receipt transactions for the month of July 2021 : 10

- July 3 Cash sales Tk. 58,000 (cost Tk. 34,800).  
 5 Received a cheque for Tk. 63,700 from receivables in full settlement of Tk. 65,000 due from them.  
 9 The owner made an additional investment of Tk. 50,000.  
 10 Cash sales total Tk. 1,25,800 (cost Tk. 82,400).  
 12 Received a cheque for Tk. 72,750 in full payment of Tk. 75,000.  
 15 Received an advance of Tk. 7,000 cash for future services.  
 20 Cash sales total Tk. 1,54,000 (cost Tk. 92,800).  
 25 Received a cheque for Tk. 58,800 in settlement of Tk. 60,000.  
 31 Received cash of Tk. 2,000 for interest earned.

**Instructions :** Record the above transactions in the Cash Receipt Journal.

6. (a) Discuss the necessities of adjustment in accounts. 4  
 (b) What is Suspense Account? When such account is needed? 4  
 (c) The trial balance of Asif and Co. as on 31 December 2021 showed some difference in its debit total and credit total. The difference therefore was met by suspense account for the time being. A study of the books detected the following errors : 10  
 (i) Tk. 1,200 received from Mr. Kalam was debited to his account  
 (ii) Purchases returns of Tk. 600 was debited to purchase account ✓  
 (iii) Discount received Tk. 750 was debited to discount account  
 (iv) Repairs to motor car Tk. 930 was debited to motor car account as Tk. 390  
 (v) Tk. 1,500 paid to Rahmat and Co. was debited to Rahat and Co. ✓

Pass journal entries to rectify the above errors.

7. (a) What do you mean by cost volume profit relationship. 3  
 (b) What are the circumstances that cause changes in breakeven point? 3  
 (c) Tulip Enterprise has the present annual sales of 20,000 units at Tk. 20 per unit that earns a net profit of 5% on sales incurring variable cost of Tk. 15 per unit. The management considers the result to be unsatisfactory. To improve the situation, the following two alternatives are proposed : 12  
 (i) Increase volume of sales (units) by 20% reducing selling price by 5%.  
 (ii) Increase selling price by 10% that will reduce units sold by 5%.

Each of the above two proposals should be evaluated by calculating separately :

- (i) The profit to be earned  
 (ii) Percentage of profit on sales ✓  
 (iii) Breakeven point in units ✓  
 (iv) Margin of safety in Taka and MS ratio. ✓
8. (a) Discuss the impact of the items of the three major activities of the statement of cash flow. 6  
 (b) Following are the comparative Balance Sheets of Velo Company : 12

**Velo Company**  
**Comparative Balance Sheets**  
 December 31

Assets	2021 Taka	2020 Taka
Cash	63,000	22,000 ✓
Accounts receivable	85,000	76,000
Inventory	1,70,000	1,89,000
Land	75,000	1,00,000
Equipment	2,70,000	2,00,000
Accumulated depreciation—Equipment	(66,000)	(32,000)
<b>Total=</b>	<b>5,97,000</b>	<b>5,55,000</b>

**Liabilities and stock holders' Equity :**

	2021	2020
	Taka	Taka
Account payable	39,000	47,000
Bonds payable	1,50,000	2,00,000
Common stock	2,16,000	1,74,000
Retained earnings	1,92,000	1,34,000
<b>Total=</b>	<b>5,97,000</b>	<b>5,55,000</b>

**Additional information :**

- (i) Net income for 2021 was Tk. 93,000.
- (ii) Cash dividend declared and paid Tk. 35,000.
- (iii) Bonds payable were redeemed for cash at the book value.
- (iv) Common stock were issued at par for cash.
- (v) Land was sold at cost.

**Instructions :** Prepare a statement of cash flow for 2021 using indirect method and compute free cash flow.

9. The Trial Balance of Warren Roofing on December 31, 2021 was as follows :

**Warren Roofing**  
**Trial Balance**  
December 31, 2021

Accounts Title	Debit Taka	Credit Taka
Cash	45,000	
Accounts receivable	32,000	
Supplies	20,000	
Equipment	1,10,000	
Accumulated depreciation—equipment		12,500
Accounts payable		25,000
Unearned service revenue		5,500
Owner's capital		1,29,000
Owner's drawings	11,000	
Service revenue		63,000
Salaries and wages expense	13,000	
Miscellaneous expenses	4,000	
	<u>2,35,000</u>	<u>2,35,000</u>

**Other data :**

- (i) Supplies on hand at December 31, Tk. 4,800
- (ii) Depreciation of equipment Tk. 2,500
- (iii) Unearned revenue Tk. 2,600 at December 31
- (iv) Accrued salaries are Tk. 7,000.

- (a) Prepare a work sheet. 10
  - (b) Prepare an Income Statement, Owner's Equity Statements for the year ended December 31, 2021 and a classified Balance Sheet as at December 31, 2021. 8
  - (c) Journalize the adjusting entries. 4
  - (d) Journalize the closing entries and prepare the post closing trial balance. 6
10. Write short notes on any six of the following : 3×6=18
- (a) Periodic Inventory System
  - (b) SYD Method of Depreciation
  - (c) Teeming and Lading
  - (d) Principles of Revenue Recognition
  - (e) Capital Gearing Ratio
  - (f) Fictitious Assets
  - (g) Provision for Doubtful Debts
  - (h) ICAB.

[Please turn over



## [বাংলা অনুবাদ]

**দ্রষ্টব্য :** ডান পাশের সংখ্যা প্রশ্নের পূর্ণমান জ্ঞাপক। ৯নং প্রশ্নসহ মোট পাঁচটি প্রশ্নের উত্তর দিন। একই প্রশ্নের বিভিন্ন অংশের উত্তর একই স্থানে লেখা আবশ্যিক।

	নম্বর
১। (ক) হিসাববিজ্ঞানের সংজ্ঞা দিন। হিসাববিজ্ঞানকে একটি তথ্য ব্যবস্থা বলা হয় কেন?	৬
(খ) হিসাববিজ্ঞান তথ্যের গুণগত বৈশিষ্ট্য কী কী?	৬
(গ) আর্থিক তথ্যাবলি সরবরাহের উদ্দেশ্যসমূহ বর্ণনা করুন।	৬
২। (ক) লেনদেন লিপিবদ্ধকরণের ধাপসমূহ আলোচনা করুন।	৪
(খ) বিশেষ জাবেদায় কোন ধরনের লেনদেন লিপিবদ্ধ করা হয়?	৫
(গ) সহায়ক খতিয়ানের প্রয়োজনীয়তা কী?	৪
(ঘ) লেনদেন লিপিবদ্ধকরণ প্রক্রিয়ায় সংঘটিত ভুলসমূহ আলোচনা করুন।	৫
৩। (ক) আর্থিক প্রতিবেদন উপস্থাপন কী? একটি পূর্ণাঙ্গ আর্থিক প্রতিবেদনের উপাদানসমূহ কী কী?	৬
(খ) কার্যপত্র কী? কার্যপত্রের উদ্দেশ্যসমূহ কী কী?	৬
(গ) উপপাদনকারী প্রতিষ্ঠানের হিসাবপদ্ধতি ও ক্রয়-বিক্রয়কারী প্রতিষ্ঠানের হিসাব পদ্ধতির মধ্যে পার্থক্য নির্দেশ করুন।	৬
৪। ইংরেজি অংশ দেখুন।	$৮+৮+২=১৮$
৫। (ক) নগদ প্রাপ্তি ও নগদ প্রদান সংক্রান্ত অভ্যন্তরীণ নিয়ন্ত্রণ নীতিমালা আলোচনা করুন।	৮
(খ) ইংরেজি অংশ দেখুন।	১০
৬। (ক) হিসাবে সময়ের প্রয়োজনীয়তা আলোচনা করুন।	৪
(খ) অনিশ্চিত হিসাব কী? কখন এরূপ হিসাব প্রয়োজন হয়?	৪
(গ) ইংরেজি অংশ দেখুন।	১০
৭। (ক) ব্যয়, পরিমাণ, মুনাফা সম্পর্ক বলতে কী বুঝেন?	৩
(খ) কী কী পরিস্থিতিতে সমচ্ছেদ বিন্দু পরিবর্তন হয়?	৩
(গ) ইংরেজি অংশ দেখুন।	১২
৮। (ক) নগদ প্রবাহ বিবরণীর প্রধান তিনটি কার্যাবলির উপাদানসমূহের প্রভাব আলোচনা করুন।	৬
(খ) ইংরেজি অংশ দেখুন।	১২
৯। ইংরেজি অংশ দেখুন।	২৮
১০। সংক্ষিপ্ত টীকা লিখুন (যে কোনো ছয়টি) :	$৩ \times ৬ = ১৮$
(ক) কালান্তিক মজুদ গণনা পদ্ধতি	
(খ) অবচয়ের SYD পদ্ধতি	
(গ) টিমিং এ্যান্ড লেডিং	
(ঘ) রাজস্ব স্বীকৃতির নীতিমালা	
(ঙ) মূলধন গিয়ারিং অনুপাত	
(চ) অলীক সম্পদ	
(ছ) সন্দেহজনক পাওনা সঞ্চিতি	
(জ) আইসিএবি।	