Question Sir

(1) # (a) What do you mean by accounting? Discuss the basic principles of accounting

(b) Distinguish betn Journal and Ledger.

(1) # What is meant by accounting cycle? State its different stages

(1) # Explain the objectives of accounting.

What is meant by double aspect of transaction?

Every debit must have its corresponding and equal credit, explain.

(1) # What is meant by double entry system of accounting?

(1) # What do you mean by the term transaction?

"Transaction and Event are not synonymous". explain.

Define the term "Business Entity."

"Debit and credit amount always be equal". Explain with example.

Define the terms debit and credit. State the rules for debit and credit.

What is transaction? Characteristics? What is meant by journal and its function.

(2) # What is meant by Breakeven point (BEP)?

Distinguish betn fixed cost and variable cost.

BEP of a company is Tk 500000, What would be the total cost at BEP of the company?

What do you mean by margin of safety. What does it indicate?

Discuss the methods that can be used to calculate Breakeven point (BEP).

Reflect on BEP (i) Increase and decrease of variable cost per unit. (ii) Increase and decrease of sale price (iii) Decrease in total physical sales.

Define BEP. What are the components to be used in finding BEP.?

How can you determine it (Margin of safety)?

#"The size of margin of safety is an extremly valuable guide to the strength of the business-" Explain.

(3) # Distinguish betn cost accounting and financial accounting.

What is meant by cost statement? What are its element?

What are the three major elements of product cost in a manufacturing company?

Explain the diff. betn product cost and a period cost.

Define cost accounting. Do you think cost accounting is necessary to manufacturing concern?

Distinguish betn direct cost and indirect cost.

(4) # Distinguish betn double column cash book and triple column cash book.

What is cash Balance? Distinguish betn Debit balance and credit balance.

What is meant by term operating leverage?

[Mam]

(5) # What are the goals of economics?

Discuss the scope of economics.

What is economic and technical efficiency?

What are the three basic questions of microeconomics?

Explain the use of microeconomics.

Briefly discuss the methodology of positive economics for model building and theorization.

State the classical, Neo classical & Modern definition of economics.

Distinguish betn Micro and Macro economics.

What are the basic economic problems of a society.

Explain with criticism and the definition of economics as given by Adam smith.

"Economics and engineering are co-related" - Explain.

"Economics is a study of mankind in the ordinary business of life" - Explain the statement with criticism.

"Economics is a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses" - Explain.

(B)

law & its limitation, schedule & curve, consumer surplus, determinants of demand, Elasticity of demand, classifications, elasticity in a linear demand, Total revenue test, income elasticity, cross price elasticity

What is elasticity of demand? / what is meant by demand?

What is the meaning of demand in economics? How is demand different from desire, want & need?

Distinguish betn elastic demand and inelastic demand. / with the help of diagrams

What/explain is increase and decrease of demand?

Diff. betn elastic and inelastic supply using suitable diagrams.

Draw up a supply curve from the point of origin and determine its elasticity.

What is law of demand and demand schedule?

Define extension and contraction of demand.

Draw up a demand curve from the following demand function: $Q = 10 - 2P$, where Q is quantity demanded and P is price.

(B)

What is cost of production? what is production function?

Define TC, AC and MC? " " MPTS?

why short run average cost curve is U shaped?

show the economic region of production using isoquant map.

what are the causes of inflation?

Classify market on the basis of competition.

What is meant by production in economics.

Explain how equilibrium is determined with the interaction of the forces of demand and supply.

what are the factors of production?
Define fixed cost and variable cost.
why economic planning is so important for a country like Bangladesh?

Explain the concept of market. Give criteria for classification of market.
How a producer can avail least cost combination of inputs to produce a give quality of production?

Discuss the importance of national income in an economy.
Analyse/Explain the different measures to control inflation.
Explain the role of planning in the economy of Bangladesh.
Define national income.
Discuss the various methods of computing national income.
Define GDP, GNP and NNP.
How do the internal and external economics arise in large scale production?
Discuss the problems of implementing development planning in Bangladesh.
Graphically present the fixed cost and variable cost with example.
The minimum point of the ATC occurs to the right of minimum point of the AVC explain
Suppose the cost function $TC = 10 + 6Q - 0.9Q^2 + 0.05Q^3$. Find out the value of TFC, TVC, AFC, AVC, AC and MC.
show the circular flow of national income in two sectors.

Madam topic: Chap-3: diff. betn stock & supply, define supply, supply law & limitations, supply curve
Chap-4: market / general equilibrium, math
Chap-5: cost ; chap-6: National income.

Accounting | Class - 01

Definition & Meaning:

⇒ Accounting may be defined as the collection, compilation and systematic recording of business transactions in terms of money, the preparation of financial reports, the analysis and interpretation of these reports and use of these reports for the information and guidance of management.

Accounting is the process of systematically recording, measuring and communicating information about financial transactions.

Heart of accounting is the double-entry bookkeeping method.

- # Definition & Meaning of Accounting.
- # Objectives of Accounting.
- # Course learning outcome (CLO).
- # Advantages of accounting.
- # Engineering & " "
- # Basic accounting Principles and Guideliness.
- # Business Transaction and its characteristics
- # Capital and Revenue Expenditure.
- # Accounting cycle.
- # Accounting Equation.

debitor (loan (নিয়েছেন)

creditor (ব্যাংকে সেভিং account এ দিলে)

transactions (লেনদেন)

Transactions: Transaction is an event which brings financial change in the business or farm or company.

Event: Any occurance or incidents is called event.

There are two types of events.

(i) financial event. → (টাকা = সরাসরি ভাবে related)

(ii) Non-financial event → (Contract করা বা চুক্তি করা
Contract — যেমন: 7000 টাকার গাড়ি বিক্রয় করব না)

The term business transactions has been defined as any act that alters the financial position of a concern where such alteration can be measured in terms of money.

Transaction হতে হলে দুই পক্ষ লাগবে minimum.
↳ (financial change, financial measurement হবে).

Class - 02

→ দোকানে গেলাম 5 টাকা (শুধু Event)

→ 5 টাকা দিয়ে একটা কিনলাম (Transactions & event)

সব transaction ই event. সব event transaction নয়। transaction-এ টাকা-পয়সা থাকবে।

Characteristics of transactions:

(1) Event must be measureable in terms of money

(2) Financial change must be brought by the event

(3) ~~There~~ They are must have two accounts for parties in each transactions.

Capital Expenditure: (benefits বেশি সময় ধরে পাওয়া যাবে)

Revenue Expenditure: (benefits কম " " " ")

Entity (Real existance থাকতে হবে)

Ledger (খতিয়ান)

Accounting Cycle:

1. Journal/Recoding.
2. Ledger/ Classifying (Balance).
3. Trial Balance/ Summarizing.
4. Financial statement
5. Analysis and Interpretation of Financial statement

Accounting Equation:

AE ~~is~~ ~~considered to be double~~ company on farm are ~~equal~~ equal
shows the total assets of the liabilities & owner's equity.
to the sum of the company

Assets = Owner's Equity + Liabilities [∴ A = OE + L ⇒ OE = A − L]

How much do I have

∴ Owener's Equity = Assets − Liabilties

for profit/loss,

Assets = Owner's Equity + Liabilities + Income − Expenses.

Class-3

Impact of transaction on Accounting Equation: X & Sons.

1. Increase = Increase [loan from bank Tk. 100000]
2. Decrease = Decrease
3. One asset increase another decrease [Purchase a Computer Tk. 50000 for cash]

1. Mr. X started a business with cash TK. 500000.
2. Loan from bank TK. 200000.
3. Purchased a computer for cash TK. 50000. [Comp. + Cash]
4. Salary paid to employee TK. 20000.
5. The business sells goods for cash TK. 100000.
6. Purchased goods for cash TK. 50000.

Impact of Transaction on Accounting equation:

Assets = Liabilities + Owner's Equity + Income − Expenses.

1. 500000 = 0 + 500000 + 0 − 0

The asset "cash" is increased by Tk. 500000 and Owner's Equity is increased by Tk. 500000

2. 700000 = 200000 + 500000 + 0 − 0

The " " " TK 200000 and liabilities " " " TK. 200000

3. 700000 +50000 − 50000 = 200000 + 500000 + 0 − 0

The " "computer" " " " TK 50000 and The assets "cash" is decreased by Tk 50000

4. 680000 = 200000 + 500000 + 0 − 20000

The assets "cash" is decreased by Tk 20000 and The Expenses is increased by Tk 20000

5. 780000 = 200000 + 500000 + 100000 − 20000

The " " " is increased by Tk 100000 and The Income " " by Tk 100000

6. The assets "cash" is decreased by Tk. 50000 and Expenses is increased by Tk 50000

730000 = 200000 + 500000 + 100000 − 70000

730000 = 730000.

Account: An account is simply a place where similar transaction are recorded.

Classification of Account:

1. Personal account – X's A/C; Rahim's A/C, Ruet's A/C, Rupali Bank, LG Ltd.

2. Real/Asset account – Cash, Bank Balance, Investment, furniture; machineries. Equipment. Land & Buildings, Debtor (ধার দেওয়া), Good will, Moto car,

3. Nominal Account – Expenses & Losses, and Income & Gains [Salary, Purchase (goods), sales (goods), Stationery, Advertisement, Wages, T. bill, Rent, Interest, Discount, Carriage, Comission, Depreciation & Bad debits]

Class-4

Rules for debit ~~& credit~~:

Double entry system:

Under double entry system double effect of each transaction is recorded. The double entry system envisages recording of transaction in money or money's worth in its double aspect. the receipt of a benefit by one account and surrender of a similar benefit by another account, the ~~receiver~~ receiver of the benefit is called debit and giver of the benefit is called credit.

Debit & Credit:

Cash paid to Mr. Roy TK. 5000

Mr Roy A/C - Dr. TK 5000

Cash A/c - Cr. TK 5000

Rules for Debit & credit:

a. Golden Rules/ Traditional Rules:

1. Personal Account: Debit the reciever of the benefit
   Credit " giver " " "

2. Real/Asset Account: Debit what comes in (Increase)
   credit what goes out.

3. Nominal Account: Debit all Expenses & losses
   Credit all income & gains.

b. Modern Rule:

Assets = liabilities + Owner's Equity + Income - Expenses.

Assets + Expenses = liabilities + Owner's Equity + Income

Items/Accounts	Debit - Credit
Assets	Increase - Decrease
Expenses	Increase - Decrease
liabilities	Decrease - Increase
Owner's Equity	Decrease - Increase
Income	Decrease - Increase.

Date	Particulars	LF	Dr. Amount	Cr. Amount
2021 Feb. 1	Cash A/C Dr.		500000	
	Mr. x's Equity A/C Cr.			500000
Feb. 2	Cash A/C Dr.		200000	
	Bank (Liability) A/c Cr.			200000
Feb. 3	Computer's A/c Dr.		50000	
	cash A/c Cr.			50000
Feb. 4.	Salary A/c Dr.		20000	
	cash A/c Cr.			~~20000~~ 20000
Feb. 5	Cash A/c Dr.		100000	
	Sales A/c Cr.			100000
Feb. 6	Purchase A/c Dr.		50000	
	cash A/c Cr.			50000
Feb. 7	Purchase A/c Dr.		30000	
	Mr. Zabid A/c Cr.			~~30000~~ 30000

Class-5

Accounting cycle:

Journal → Ledger → Trial Balance → Financial statement → Analysis & Interpretation.

Assets + Expenses = Liabilities + Owner's Equity + Income.

Balance = Total debit Amount − Total credit Amount.

Debit Balance = Debit Amount > Credit Amount (Assets & Expenses).

Credit Balance = Credit Amount > Debit Amount (OE + L + I)

Ledger is the account in which a ~~traders~~ ~~trader's~~ trader's transaction are recorded in a classified permanent form.

Trial Balance is the list or schedule of balances both debit & credit extracted from the leisure account.

Trial balance is the list of debit & credit balance

Specimen of Ledger

Cash A/c

Dr. Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
Feb. 1	Mr. X's Equity A/c		500000	Feb. 3	By Computer's		50000
Feb. 2	Bank loan A/c		200000	Feb. 4	Salary A/c		20000
Feb. 5	Sales A/c		100000	Feb. 6	Purchase A/c		50000
	Total debit Amount		800000		Total credit Amount		120000
	Total Credit Amount		120000				
	Balance (Dr.)		680000				

Computer's A/c

Dr. Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
Feb. 3	Cash A/c		50000				00
	Total debit		50000		Total (Cr.)		00
	Credit Amount		000				
	Balance (Dr.)		50000				

Salary A/C

Dr. Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
Feb. 4	Cash A/C		20000				000
	Total (Dr)		20000		Total (Cr)		000
	Credit Amount		000				
	Balance (Dr)		20000				

Purchase's A/C

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
Feb. 6	Cash A/C		50000				000
	Mr. Zabid A/C		30000				
	Total debit		80000		Total (Cr)		000
	Credit Amount		000				
	Balance (dr.)		80000				

X's Equity A/C

Dr. Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
			00	Feb. 1	Cash A/C		500000
	Total debit		00		Total Credit		500000
					Total debit		000
					~~Debit~~ Balance (Cr)		500000

Bank loan A/C

Dr. Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
			000	Feb. 2	Cash A/C		200000
			000		Total Credit		200000
					Total debit		000
					Balance (Cr)		200000

Dr. Mr. Zabid A/C Cr.

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
			000	Feb. 2	Purchase A/C		30000
			000		Total credit		30000
					Debit Amount		000
					Balance (Cr)		30000

Sales A/c

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
			00	Feb. 6	Cash A/C		100000
	Total debit		00		Total Credit		100000
					Debit Amount		000
					Balance (Cr)		100000

Trial Balance:

Dr. Cr.

Asset & Expenses	Amount	Particulars (OE + L + I)	Amount
Cash A/c	680000	X's Equity A/c	500000
Computer A/c	50000	Bank loan A/c	200000
Salary A/c	20000	Sales A/c	100000
Purchase's A/c	80000	Mr. Zabid A/c	30000
Total	830000	Total	830000

Class - 6

3. Trial Balance:

Particulars	Amount	Particulars	Amount
Assets Expenses		Owners Equity / Capital Liabilities Income	
Total	830000	Total	830000

Trial Balance

Dr. Particulars	Amount	Particulars	Cr. Amount
Assets: Land & Buildings, furniture, Stock (Opening), S/ Debtors Good will, cash in hand Bill Receivable, cash at Bank, Investment, Vehicles, Machineries Equipment. Expenses: Purchases, wages, General Expenses, Depreciation, Carriage in, Rent. Interest paid, Insurance, Salaries ক্ষতি (কাউকে-টাকা দিয়ে না পাওয়া) Bad debts, Discount, Commission carriage out, Import duty, stationery, Advertisement. Others: Return in/sales return, Drawings.		Capital/Owner's Equity Liabilities: Bank overdraft, loan, S/Creditors, Bills payable Income: ~~Commission Received~~ Sales Revenue Interest Received Discount Received Commission " Other. Purchase Return/Return out ~~Reser~~ Reserve Fund	

4. Financial statement: FS is prepared to find out the net result of the buisness and financial position of the buisness.

$\Rightarrow A + E \pm OE + L + I$

a. Income statement: Income − Expenses = Net profit/loss

1. Trading account [Direct income − Direct Expenses]
2. Profit & loss account. [Indi. Income − Indi Expenses]

b. Balance sheet / Statement of financial Position.

Assets = ~~Capital~~ capital + liabilities.

Dr. Trial Balance Cr.

Assets and Expenses		Capital, liabilities and Income	

1. Trading Account

Direct Expenses		Direct Income	
Gross profit/loss			

2. Profit & loss account

Indirect Expenses		Indirect Income	

3. Balance sheet / statement of Financial Position

Capital & Liabilities		Assets	

Class - 7

AB LTD

Trading Account (এই-Account এর Item গুলো fixed)

for the year ended 31st Dec 2018

Dr. Cr.

Particulars (Direct Expenses)	Amount		
Opening stock	25000	Sales - 264000 less: Return in - 2000	262000
Purchases 150000 less: Return out 5000	145000	closing stock	55000
Carriage in	5000		
Wages	15000		
Import duty	3500		
	193500		317000 193500
		Gross profit	123500

Profit & loss Account

Dr. Cr.

		Gross Profit	123,500
General Expenses	3000	Interest	3000
Rent - 4000 less Prepaid - 800	3500	Discount	3000
Insurance	3000		
Salaries - 10000 Add: Due - 1500	11500		
Bad debt	1000		
Reserve for bad debt (20000 X 5%)	1000		
Commission	1000		

Carriage out	1500		
Stationary 6000 less: Unused 1000	5000		
Depriciation – Furniture (20000 × 10%)	2000		
Building (50000 × 5%)	2500		
	35000		129500 35000
		Net Profit	94500

Balanced sheet/Statement of Financial Position

Capital (OE) & Liabilities	Amount (TK)	Assets	Amount (TK)
liabilities		Cash in Hand	5000
S/creditors	25000	Cash at Bank	15000
Bills payable		Bills Receivable	
loan from Bank	40000	Closing stock**	55000
Bank overdraft	10000	Investment	50000
Outstanding liabilities*		Sundry debtors (20000 − 1000)	19000
Salary	1500	Furniture (less depreciation) (20000 − 2000)	18000
Capital/OE:		Machineries (less depreciation)	
Opening Balance 70000		Vehicles (less depreciation)	
Add: Net Profit 94500		Land and Building (less depreciation 50000 − 2500)	47500
Total 164500			
Less: Drawings... 15000	149500	Good will	15000
(মালিক এর প্রয়োজনের জন্য যদি Buisness থেকে টাকা তোলে)		Prepared Expenses*:	
		Rent	500
		stationary	1000
Total	226000	Total	226000

Cost Accounting

Class - 8

Cost Accounting (খরচ হিসাব বিজ্ঞান)

Cost: cost is a sacrifice of resources to obtain a benefit or any other resource. For example in production of a car, we sacrifice material, electricity, the value of machine's life (depreciation), and labor wages etc. Thus these are our costs.

~~Cost Accounting:~~

Objectives of cost Accounting: Primarily objective of cost accounting is to serve the information needs of management for planning, control and decision making.

Cost accounting has three important objectives:

(i) To determine product cost.

(ii) To facilitate planning and control of regular buisness activities.

(iii) To supply information for short and long run decision.

Basis of classification:

Natural/General classification of costs / Elements of cost:

1. Natural/General classification of costs / Elements of cost:
   Material; Labour; Expenses.
2. Degree of Traceability to product.
   Direct cost (D. Material; D. Labour; D. Expenses)
   Indirect cost (Ind. " ; Ind. " ; Ind ")
3. Cost behavior (In relation to changes in output, activity or volume)
   Fixed cost [Output - 5000 units F = 50000; Output - 6000 units F = 50000]
   Variable cost [D. material; D. labour; D. Expenses)
   Mixed cost [Semi variable and semi-fixed cost]

4. Functional classification of costs:

- Manufacturing/Production cost
- Selling and distribution cost
- Administrative cost

5. Costs for decision Making and planning.

Opportunity cost, sunk cost, Relevant cost, Standard cost, Budgeted cost, ~~Diffieren~~ Differential cost, Marginal cost

প্রাসঙ্গিক [illegible] [illegible]

work in process?

Goods available for sales?

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class-9

Q.4 [illegible] → Direct Material cost এর math → 40% Variable এ math

Q4: The following Data are related to the manufacture of a standard product during the month of November 2018. Raw material consumed TK 450000. Direct wage tk. 350000. Factory overhead was 75% of direct wages. Administrative overh

[Cost Accounting এর slide টা print করতে হবে]

NOTE:

Objectives of Accounting:

i) It provides a permanent record of all buisness activities.

ii) It makes possible to determine profit & loss of the buisness. A profit & loss account can be prepared to know the net result of the buisness during a period.

(iii) It makes possible to ascertain the overall financial position of the buisness.

(iv) It makes possible to determine the total debtors & creditors of the buisness.

(v) It helps to control expenditures on different heads.

(vi) It helps to make comparative study of the assets and liabilities.

(vii) It helps eliminate misunderstanding.

(viii) It is useful to determine exact sale price of the buisness enterprise.

(ix) It assists management of the buisness.

Basic Principles and Guidelines of Accounting:

1. Economic Entity Assumption / Entity concept:

The accountant keeps all of the buisness transactions of a sole proprietorship separate from the buisness owner's personal transactions. For legal purpose, a sole proprietorship and its owner are considered to be one entity but for accounting purpose they are considered to be two separate entities.

2. **Monetary Unit Assumption / Money Measurement Concept:**

Economic activity is measured in terms of money, and only transactions that can be expressed in money are recorded. As a result accountants ignore the effect of inflation (মুদ্রাস্ফীতি) on recorded amounts. For example, dollars from a 1960 transaction are combined (or shown) with dollars from a 2018 transaction.

Mr. Zakir started buisness by way of cash Tk. 50000 and Goods 5 tons.

3. **Time Period Assumption / Periodical concept:**

The time period assumption (also known as periodicity assumption and accounting time period concept) states that the life of a buisness can be divided into equal time periods. These time periods are known as accounting periods for which companies prepare their financial statements to be used by various internal and external parties.

4. Double/ Dual Aspect concept: According to this concept every transaction is recorded in its double aspect. This concept recognizes two aspect of accounting - one representing the assets and other representing the claims against the assets. These two aspects are equal to each other. The accounting equation: Assets = Owners Equity/capital + Liabilities, follow from this concept. The central idea of this concept, transaction should be recorded in its double aspect.

Advantages of Accounting:

1. Information about financial position.
2. Ascertainment of profit or loss during a period.
3. Accounting provides better control.
4. Accounting helps in decision making.
5. Accounting records are evidence of acts.
6. Collection and payment of cash.
7. Accounting helps in obtaining loans for buisness.
8. It helps for investors and government & others.

Capital expenditure:

Capital expenditure consists of expenditure, the benefit of which is not fully consumed in one accounting period but spread over several period. It is therefore of non-recurring nature. It include expenses incurred for acquiring fixed assets and increasing the earning capacity - cost of replacing.

Revenue expenditure:

Revenue expenditure consists of expenditure, the full benefit of which also consumed in the same accounting period. It is therefore normally of recurring nature. Such are expenditure does not increase the earning capacity of the buisness nor does it bring into existence an asset. It includes expenses incurred - for acquiring assets for resale.

Example; supposed purchased a computer for cash Tk 50000. This is capital expenditure because the benefit expenditure will be available for a number of years. But purchased goods from cash TK 50000 is a revenue expenditure because the benefit this expenditure will be exhausted within the year.

Characteristics of transactions:

(1), (2), (3) → খাতা দেখবো –

(4) Transaction must be independent.

(5) Invisible event: transaction will be visible it is not necessary. Invisible events may be transaction depreciation.

(6) Hysterical event: An event in order to be transaction need not always be historical.

Accounting cycle:

The sequence of activities beginning with the occurrence of a transaction is known as accounting cycle. In accounting cycle the following process are involved:

1. Journal entries/ Recording of a buisness transaction:

The transaction is recorded in the journal as a debit & credit. It involves identify the transaction and analyze the transaction into debit & credit. The very first process of accounting is to record the buisness transaction chronologically as soon as they take place in either the journal proper or in other books of orginal entry. This process is called journalizing. i. identify the event as a transaction.

ii. determine the transaction amounts and which accounts are affected.

2. Post to the Ledger/ classification of transaction:

(This process involves classification and grouping of similar financial data under similar accounts title) The journal entries are transferred to the appropriate T-accounts in the ledger to find out the effects of transaction. After (the transactions have already been recorded in journal, the transactions are transferred and posted to the principal book, which is called the ledger in order to find out cumulative effect of buisness transactions. The ledger contains all financial records in a classified permanent form.)

3. Trial Balance / Summarizing of transactions:

A trial ~~Ba~~ balance is prepared to verify that the sum of the debits is equal to the sum of the credits. Trial balance is summary of debit balances and credit balances of ledger accounts.

4. Financial statement:

This step of accounting cycle proceeds for the preparation of financial statements to find out the net trading result and financial position of the buisness. Main financial statements are:

Income statement: Prepare from the revenue, expenses, gains & losses.

Balance sheet: Prepare from the assets, liabilities & equity accounts.

Cash flow statement: Prepare from the cash transactions.

Financial statement is prepared using the corrected balances from the adjusted trial balance.

5. Analyze and intepprretation:

After preparation of financial statement interest group like investors, creditors, bankers, government and other parties are interested to know the financial condition of the concern. The financial statement is analyzed and interpreted to find out the performance, progress and position of the buisness by calculating various accounting ratios.

Assets: An assets is a resource with economic value that an individual, corporation, or country owns or contr with the expectation that it will provide a future benef

Assets are anything valuable that your company owns, whether it's equipment, land, buildings or intellectual property. Assets mean anything that a company possesses.

* If it has value, and you own it, it's an asset.

Liabilities: A liability is something a person or company owes, usually a sum of money. liabilities mean everythi that the company owes to other people.

Shareholder's/Owner's Equity: The ownership claim on total assets is known as owner's Equity.

Revenue:

Revenue is the inflow of assets arising out of sale of commodities and services. The influence of revenue or income over accounting equation is started. Generally revenues result from the sale of merchandise, the performance of services, the rental of property and the leading of money.

Expenses:

Amount spent earning is called expenses. Expenses are the cost of assets consumed or services used in the process of earning revenue. They are decreases in owner's equity the result from operation the buisness.

Distinguish betn Journal & ledger:

Journal	Ledger
1. The transaction is recorded first in the journal	1. The transaction in the ledger is transferred from journal to ledger.
2. In a journal, the entry is recorded sequentially.	2. In the ledger, the entry is recorded account wise.

3. The act of recording into the journal is called jounaling.	3. The act of recording into the ledger is called posting
4. In a journal, the narration is a must because otherwise, the entry lose its value.	4. In the ledger, the description is optional
5. In a journal, there is no need for balancing	5. In the ledger, balancing is a must at the end of the period.

What do mean by the term transaction?

⇒ A transaction is a completed agreement between a buyer and a seller to exchange goods, services or financial assets in return for money.

Transaction may be recorded by a company earlier or later depending on wheather it uses cash accounting.

Transaction brings financial change in the buisness or farm or company.

Transaction and events are not synonymous / Difference betn event and transaction:

For 2 marks

Any occurrence or incidence is known as event. There are two types of events i) financial event (ii) non-financial event. Financial event is known as transaction. Financial event are recorded in the books of account as transaction.

~~Also~~ So we can say that transaction and events are not synonymous.

Meaning:

* Any occurrence or incidence is known as event.
* Transaction are those events which have immediate and measureable monetary impact on the books of accounts of the entity.

Exchange:

* Events other than transactions do not involve exchange of value of resources.
* Transactions involve exchange of value of resources.

Measurability:

(i) Events other than transactions are not immediately measurable in monetary value.

(ii) Transactions are measurable in monetary value,

Disclosure in books of accounts:

* Events, other than transactions are not recorded through the books of accounts

* Transactions ~~have immediate monetary impact on the finance of a business~~ are recorded through journal entries in the books of accounts.

---

* All transactions are events. All events are not transactions.

Debit & Credit amount always be equal:

Credit: Credit is a term in accounting that shows an increase in a liability, income or capital or decreases in an assets and expense.

Debit: Debit is a term in accounting that shows an increases in an asset and expense or decrease in a liability income or capital.

~~Assets + Expense = liability/owner's equity~~

Assets + Expenses = Owner's Equity/capital + liabilities + Income

Debit

credit

Debit and credit are basically two aspects of any buisness transaction. In any buisness there will always be a debit and a credit and both debit & credit always be equal.

~~For example~~

~~The totals of the debits and credits~~

for example:

A buisness buys a ~~plat~~ plant for $2000 paying by check. This transaction will be recorded in the form of double entry as:

Dr.	Plant amount	2000
cr.	Bank amount	2000

Here plant ~~amount~~ has been ~~is~~ debited because

It is an asset. Bank account has been credited because it is an asset.

The totals of the debit and credits for any transaction must always equal each other. So the accounting transaction is always said to be "in balance". If a transaction were not in balance, then it would not be possible to create financial statement.

#2

What is meant by breakeven point?

(* The breakeven point is the level of production at which the costs of production equal the revenues for a product.

* In investing, the breakeven point is said to be achieved when the market price of an asset is the same as its original cost.)

* In accounting, the breakeven point is calculated by dividing the fixed costs of production by the price per unit minus the variable cost of production.

formula; * Contribution per unit = Selling price per unit − Variable cost per unit

* BEP (In quantity) = $\frac{FC}{\text{Contribution per unit}}$ or $\frac{FC}{P - VC}$

FC = Fixed cost
VC = Variable cost
P = Average price per unit

Variable cost: A variable cost is an expense that changes in proportion to production or sales volume.

Fixed cost: A fixed cost is a cost that does not change with an increase or decrease in the amount of goods or services produced or sold.

Difference between Variable costs and fixed costs:

Variable costs	Fixed costs
1. Variable costs changed based on the amount of output produced	1. Fixed cost remain the same regardless of production output
2. Variable cost may include labor, commissions and raw materials.	2. Fixed cost may include lease and rental payments, insurance and interest payments.

What are the components to be used finding BEP?

⇒ (i) Fixed cost

(ii) Variable cost

~~(iii) Sales per unit~~

(iii) Sales price per unit

→ This is how much a company is going to charge consumers for just one of the products that the calculation is being done for.

Discuss the methods that can be used to calculate BEP:

⇒ $$BEP(\text{in quantity}) = \frac{FC}{P - VC}$$

FC = Fixed cost
VC = Variable cost
P = Sells price per unit
or Average price per unit

প্রশ্নগুলো BEP equation থেকে Answer দিতে হবে। BEP বাড়বে না কমবে এইটা মন্তব্য করতে হবে

Reflect on BEP:

(i) Increase and decrease of variable cost per unit
(ii) " " " of sells price
(iii) Decrease in total physical sales.

What do you mean by margin of safety? What does it indicate?

⇒ (1) In accounting, the margin of safety, or safety margin, refers to the difference between actual sales and breakeven sales.

Define — (2) The margin of safety is the amount of sales over a company's breakeven point.

(3) The margin of safety is also an important figure because it shows how safe the buisness is in producing products. For example, assume a

manufacture calculates its breakeven to be 100 units. Based on its sales projection, the company anticipates selling 150 units during the next quarter. The margin of safety on this product 50 units.

[① → ② → ③]

Importance of margin of safety?

⇒ It alerts the mangement against the risk of a loss that is about to happen. A lower margin of safety may force the company to cut budgeted expenditure. Generally, a high margin of safety assures protection from sales variations.

How can you determine it? (Margin of safety)

⇒ The margin of safety is the difference the amount of expected profitability and the breakeven point. The margin of safety formula is equal to current sales minus the breakeven point, divided by current sales.

formula:

$$\text{Margin of safety} = \frac{\text{current sales level} - \text{Breakeven point}}{\text{current sales level}} \times 100$$

. Margin of safety formula can also expressed in dollar amounts or number of units:

Margin of safety in Dollars = Current sales − Breakeven point

" in unit = current sales units − Breakeven point

The size of margin of safety is an extremely valuable guide to the strength of the buisness − Explain.

⇒ The size of margin of safety is an extremely valuable guide to the financial strength of a buisness. If margin of safety is large, which indicates that BEP is must below the actual sales, that means buisness is in a sound condition and reduction in sales will not affect the profit of the buisness. On the other hand, if margin of safety is low, any loss of sales may be a serious matter. Thus, efforts need to be made to reduce fixed costs, variable costs or increasing the selling price or sales volume to improve contribution and overall P/V ratio.

Margin of safety = Sales − Breakeven sales

= Sales − {Fixed cost / (P/V) ratio}

$= ((Sales * (P/V) ratio) - Fixed cost) / (P/V) Ratio$

$= (Contribution - Fixed cost) / (P/V) ratio$

$= Profit / (P/V) ratio$

#13

Define cost accounting. Do you think cost accounting is necessary to manufacturing concern?

⇒ Cost accounting is a form of managerial accounting that aims to capture a company's total cost of production by assessing its variable and fixed cost.

Cost accounting has a significant role in the manufacturing activity, as it calculates the product costs accurately, which assists the company in setting product pricing policies, it also has a major role in tightening control over cost elements of direct material costs and direct labour cost.

Financial accounting: Financial accounting is the field of a accounting concerned with the summary, analysis and reporting of financial transactions related to a buisness.

* Transactions are recorded as either a debit or a credit.

Differences Cost Accounting and Financial Accounting:

Cost Accounting	Financial Accounting
Objective is to provided product cost or unit cost.	Objective is to reveal accurate and financial position.
Cost Accounting considers actual as well as estimates	Financial Accounting considers only actual costs
It reports in detail costs and related analysts.	It reports cost, but not in detail
It provides information to determine selling price.	This does not determine the selling price of product
It gives information product wise (Per Product)	It gives overall information on the product
This is necessary when advised by government.	Financial accounting is mandatory by regulations.

What is meant by cost statement?

⇒ A cost statement or cost sheet provides mangement a document that details the costs of conducting a project, running a department or manufacturing a product in terms of goods & services.

Elements of cost

- Material
  - Direct Material
  - Indirect Material
- Labours
  - Direct Labour
  - Indirect Labour
- Expenses
  - Direct Expenses
  - Indirect Expenses

Indirect Material, Indirect Labour, Indirect Expenses → Overheads

- Overheads
  - Production or Factory Overhead
  - Administration Overhead
  - Selling Overhead
  - Distribution Overhead.

Difference betn Direct Costs and Indirect cost :

Direct Cost	Indirect Cost
1. Direct cost affect the product's price and are thus calculated per project or per item.	1. Indirect cost affect the whole buisness and are thus calculated monthly ~~and~~ or annually.
2. The volumn of product affects final product cost.	2. changes in production volumes do not significantly affect indirect costs.

3. Highly variable mainly due to market factors	3. Relatively stable.
4. Include raw material, manufacturing, direct labour and direct fuel costs	4. Include rents, leases, insurance, legal, financial fees, office expenses, maintenance and telecommunication
5. Include in the costs of goods sold section in the income statement.	5. Include in the operational segment in the income statement

Difference betn Product cost & Period cost

Product cost	Period cost
Product costs are only incurred if products are acquired or produced	Period cost are associated with the passage of time, a buisness that has no production or inventory purchasing activities will occur no product cost, but will still incur period cost.
It comprises of manufacturing or production cost.	Non-manufacturing cost, office & administration, selling & distribution etc.
Cost of raw material, production overheads, depreciation on machinery, wages to labour	Salary, rent, audit fees, depreciation on office assets etc.
It is variable ~~cos~~ cost	It is fixed cost.

What are the three major elements of product cost in a manufacturing company?

⇒ In manufacturing companies, a product's cost is made up of three cost elements:

(i) direct material costs,
(ii) direct labour costs, and
(iii) manufacturing overhead costs.

Elements of manufacturing costs:

Direct materials:

Materials that become part of and can be readily identified.

Direct labour:

Labour of employees who work directly on the product manufactured.

Factory overhead:

Includes all costs related to production other than direct materials and direct labour.

#4

what is meant by term operating leverage?

⇒ Operating leverage is a cost-accounting formula that measures the degree to which a firm or project can increase operating income by increasing revenue. A buisness that generates sales with a high gross margin and low variable costs has high operating leverage.

The only difference between two types of cash book is that a double column cash back has two money columns (i.e., cash and Bank) whereas a triple column cash book has three ~~mony~~ money columns (i.e, cash, bank and discount).

A double column cash book allows accountants to keep cash and bank accounts side by side rather than separating them. A three column cash book record both the receipt (Dr) and payment (Cr) sides and discount transactions.

What is cash balance ?

⇒ (A cash balance indicates that a company has cash on hand and can use that cash however it wishes.) Cash can include any other currencies, as well as undeposited cheques and amounts in a current account.

~~[illegible]~~ Distinguish between debit balance & credit balance.

⇒ The main difference between these two balances is that, a debit balance will appear on an account that is an asset, expense or loss, and a credit balance will appear on an account that is a liability, income or capital account.

$$\underbrace{\text{Asset} + \text{Expense}}_{\text{Debit balance}} = \underbrace{\text{Liability} + \text{Capital} + \text{Income}}_{\text{credit balance.}}$$

Mam's lecture

(ম্যাডামের sheet (পরীক্ষার আগে ~~[illegible]~~ দেখে পড়তে হবে))

Class - 1 : Introduction of Topics

Class-2

Demand

~~[illegible]~~ desire (আকাঙ্ক্ষা) ; ability (সক্ষমতা) ; (টাকা থাকলে হবে না, দেওয়ার ইচ্ছে হবে)

Law of demand:

Price rises — demand fall
Price fall — " rise

অন্যান্য উপাদানকে constant ধরে — Price এর সাথে বিপরীত।

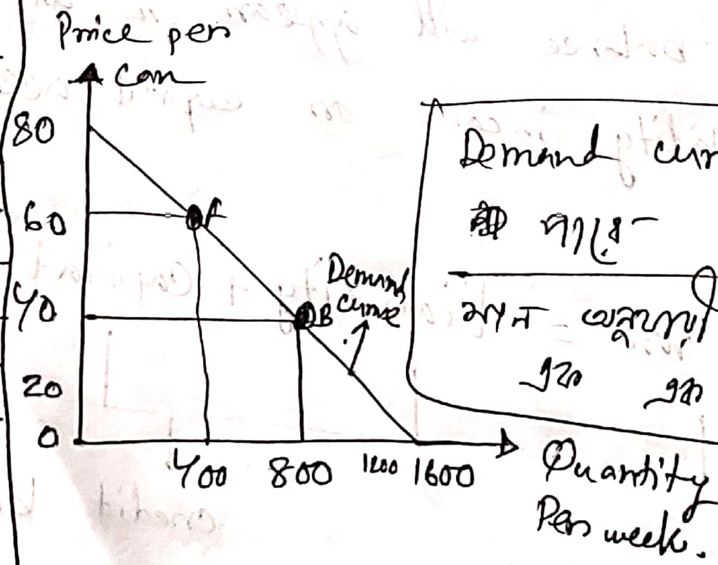
ঃ Limitations of law কারণ হচ্ছে উপাদানকে constant ধরা হয়;

$Q_d = 1600 - 20P$

Demand curve
→ graphical representation of demand law.

Demand schedule:

Price	Quantity Demand
80	0
70	200
60	400
50	600
40	800
30	1000
20	1200
10	1400
0	1600



Demand curve straight হতেও পারে না ও পারে;

মানুষ অনুযায়ী একেক একেক সময় একেক একেক রকম হয়—

Class-3

Price demand → Price এর উপর নির্ভরশীল

Income " → Income " " "

Cross " → একটি পণ্যের জন্য অন্য একটি পণ্যের demand change হওয়া

Substitute product :

Dettol — Savlon

Sanitizer — Handwash

Pepsi — Coca-cola

Sprite — Mountain-Dew

complementary product :

- \# ink and pen
- \# mobile and charge
- \# Camera " lens
- \# ~~Car~~ Car " fuel
- \# Notebook & Pen

একটি পণ্যের সাথে অন্য একটি পণ্য Related

\# Income বাড়লে → Demand বাড়ে

" কমলে → " কমে।

\# Discuss the determinance of demand এবং Limitations of demand law এর Point গুলো হলো সাথে অন্য একটি Point যুক্ত হবে ; # Price of the ~~commodity~~ commodity

\# পয়েন্টটি - হলো

Demand schedule: Demand schedule is the ~~neumero~~ neumerical presentation of demand law.

why demand curve slopes downward?

(1) The law of diminishing marginal utility:

যদি আমি ৩টা বার্গার খেতে পারব, কিন্তু আমাকে খেতে দেওয়া হল 10 টা বার্গার, তাহলে ৩টা বার্গার পর marginal utility ক্রমান্বয়ে হ্রাস পাবে। এই slope downwards.

(2) The Income effect: আমার Income আগের মত। যদি কোনো পণ্যের দাম কমে যায়, তাহলে সমান টাকা দিয়ে আমি অন্য একটি পণ্য Extra কিনতে পারবো। এটাই Income Effect.

(3) Substitution effect: একটি পণ্যের দামের উপর অন্য একটি পণ্য নির্ভর করে।

Extension & contraction of demand:

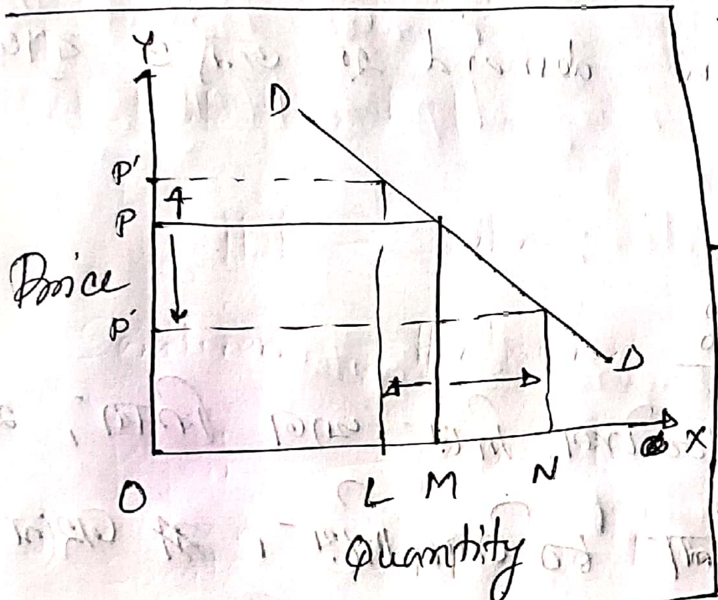
↳ It based on demand law.

Price বাড়লে Demand কমে & viceversa

Demand law: There is $\boxed{\text{negative relation}}$ price and demand, if other things remain constant.

If demand rises due to fall of price.
↳ Extension of demand

If 〃 〃 fall 〃 〃 rise of price is called contraction of demand.

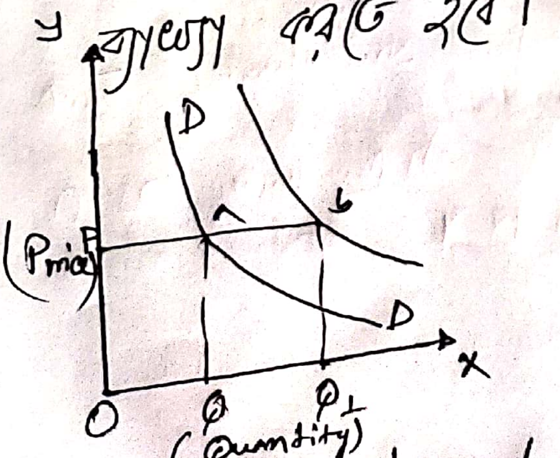


→ Extension & contraction of demand curve.

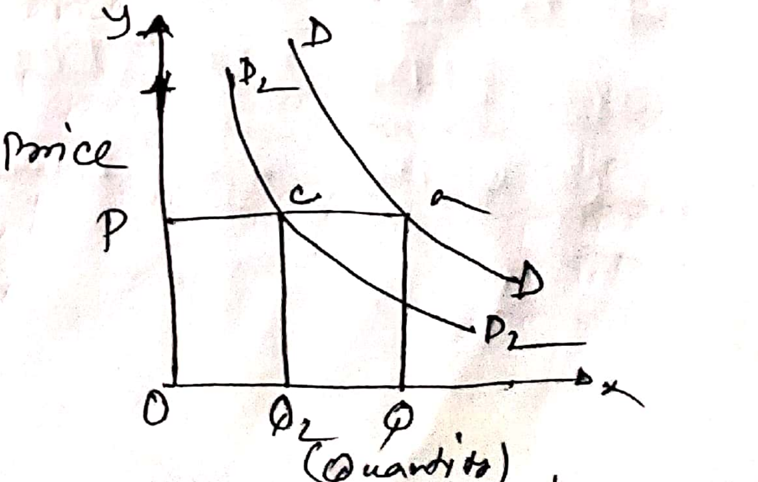
Increase and Decrease of demand:

$\left[\begin{array}{l}\text{Income বাড়লে } d\uparrow \\ 〃 \text{ কমলে } d\downarrow\end{array}\right]$

যদি diagram ~~~~ পরিবর্তন আসে তবে Deffination আঁকতে হবে এবং diagram সমান ও এর পর diagram ব্যাখ্যা করতে হবে।



Increase in demand



Decrease in demand

for Increase in income Price same, Due to increase ~~in come~~ income demand curve shift DD to D_1D_1. and the demand increase OQ to OQ_1. So old demand OQ and new demand OQ_1.

এভাবে Decrease in demand এর জন্য ও ব্যাখ্যা লিখতে হবে।

~~Cosumer~~ Consumer surplus:

ধরো তুমি 100 টাকা দিয়ে একটা কিনবা; আসলে গিয়ে একটা কিনলা 80 টাকা দিয়ে। বাকি 20 টাকা বেঁচে গেলো, এটাই consumer surplus.

Elasticity of demand:

Class-4:

Supply [Madam এর Slide থেকে পড়ে নিও]

Supply is positively related to price.

* stock থেকে ~~মজুদ~~ বিক্রয় করার জন্য আসলেই যত দিয়ে গেলে ঐ পরিমাণ supply হলো।

Difference between supply and stock:

Law of supply:

function, $Q_x^S = \phi\,(P_x,\ Tech,\ S_i,\ F_n,\ X_i, \ldots)$

\# Equation এর উপর schedule তৈরি করে, schedule থেকে curve তৈরি করতে হবে।

General pricing system, Production

How can you determine the price of a product?

surplus = supply > Demand

Shortage = " < "

Production

Definition
Production of function:

MPL ⇒ 1 জন labour বাড়ালে বাড়তি Product তাকে
বলে- marginal product (MP).

Factors of production:

(1.) Land, (2) Labour (3) Capital.
(4) Entrepreneurship.

Efficiency of labour depends on:

~~Product~~ উৎপাদন বাড়লে,
যে সুবিধা পায় (Economies).
যে অসুবিধা হয় (Diseconomies).

Class - 5 : (Xm এর আগে class টা দেখতে হবে)

Cost Production

AVC & AFC curve ও আগের টা & ব্যাখ্যা সহকারে নাও, Defination, formula & Diagram আঁকতে হবে।

MC - 1 unit বাড়লে অতিরিক্ত cost ~~বৃদ্ধি~~ বাড়ে সেটাই Marginal cost (MC)

A cost function is given: $TC = 15x - 6x^2 + x^3$

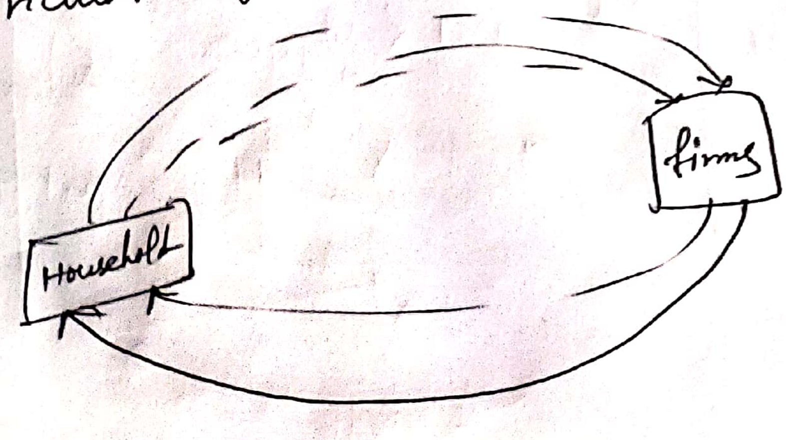
~~Engineering~~ Modern Economics এর বই - 1 আছে math টা (লেখক K.K dutt)

chapter: Theory of cost

Class: 6

National Income

circular flow of national income:



GDP is the ~~total~~ value of all final goods and services Produced in the geographical country.

\# what is double counting?

Small i = interest
Capital I = Investment

\# Past-এ কিছু math আছে?

Class-7: **Inflation**

$$\text{Inflation rate} \; (i) = \frac{CPI_2 - CPI_1}{CPI_1} \times 100$$