



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business and Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF BUSINESS ADMINISTRATION
BACHELOR OF COMMERCE

BAC 4401: COMPUTERISED ACCOUNTING

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- Answer Question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Four printed pages

QUESTION 1 (Compulsory)

The balance sheet of Mula Ltd as at 1st January 2010 were as follows:

Liabilities		Assets	
Share capital:	Sh. 000		Sh. 000
4000,000 shares of sh. 1.000	400	Freehold premise	350
9% debentures	100	Plants & machinery	100
Creditors	10	Stock	30
Kenya Revenue Authority	30	Debtors	40
Profit & Loss A/c	70	Cash	20
	<u> </u>	Bank (KCB)	<u>70</u>
	<u>610</u>		<u>610</u>

The following details were availed:

- i) Creditors comprised of: Casio Ltd sh. 4,000; White Chalk ltd sh. 2,000; Kangaroo Ent. 1,500 and Kendi Ent. 2,500.
- ii) Debtors analysis revealed the following: Del Ent. 8,500; Aora Ltd 10,000; Mula Ent. 13,50 and LUMIA Ltd 8,000.
- iii) Mamu owed to KRA arose from unpaid Pay As You Earn. The Company's sales are all Tax Exempt.
- iv) On the same date 01-01-2010, the company acquired a QuickBooks package and you are asked to connect these balances to computerized system.
- v) The following transactions took place during January 2010

January 03 Bought furniture by cheque sh. 15,500
05 Bought goods on credit from Casio Ltd worth sh. 50,000
08 Received cheque from Del Ent. And Mula Ent. Of the total balances less 10% discounts.
09 Arora & Lumia Ent. Cleared their balances by cheques after getting 5% dicounts.
15 Sold goods worth 60,000 and 85,000 to Del Ent. & Lumia Ent. Respectively.
18 Bought goods worth 30,000, 35,000 and 25,000 from White Chalk, Kangaroo and Kendi Ltd respectively.
20 Paid Kangaroo & Kenty by cheques of 25,000 and 15,000 respectively.
23 Remitted sh. 30,000 by cheque to KRA
25 Sold goods on credit to: White Chalk, 20,000 & Lumia 16,500.
29 Paid salaries and wages, general expenses and rent of sh. 10,000, 5,600 and 9,800 respectively by cheques

Required:

Enter the above transactions into Quickbooks of the company and print the following reports

- a) Bank account (5 marks)
- b) Balance sheet as at 31st January 2010. (5 marks)
- c) Trading, Profit & Loss A/C (5 marks)
- d) Summary of creditors (5 marks)
- e) Summary of debtors (5 marks)
- f) Trial balance (5 marks)

QUESTION 2

Kamau Ltd sold the following goods to Linturi Ltd.

	Items	Cost per Unit
1.	20 Pockets of red biros	30.15
2.	40 Reems of ruled papers	550
3.	100 Marker pens	255 per reem
4.	15 Casio calculators	12.50 @
5.	20 Folders	50 @

Linturi later returned

5 Reems of Rules papers

15 Marker pens

15 Casio calculator

Required:

- Raise an invoice to Linturi before he returned the items and print this invoice. **(10 marks)**
- Prepare a credit note to effect his returns and the print both the debit note and the details of Linturi's A/C after the returns. **(10 marks)**

QUESTION 3

- Software resources are very input resource in a computerized accounting system. Briefly explain their functions. **(10 marks)**
- Computerized accounting is claimed to be a solution to all accounting problems. Discuss. **(10 marks)**

QUESTION 4

- a) Data processing methods are key to the provision of relevant information for every activity. Briefly describe the methods of data processing. **(5 marks)**
- b) Systems design is key in transforming an idea into reality. Briefly describe the kind of information required to design a system. **(5 marks)**
- c) Bac 4203 Ltd intends to change from manual accounting to computerized accounting. They have asked you to advise them on the change over method.

Required:

Give a detailed explanation on each changeover method citing clearly the merits and demerits of each. **(10 marks)**