

TECHNICAL UNIVERSITY OF MOMBASA

School of business

DEPARTMENT OF ACCOUNTING AND FINANCE

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

BAC 4401; COMPUTERISED ACCOUNTING.

END OF SEMESTER EXAMINATIONS

SERIES; MAY 2016

TIME; 2 HOURS

Instructions;

Answer question one and two and any other two questions

Question one compulsory.

BOB LTD is a firm that specializes on hardware products. The activities are stock driven (i.e buys and sells). The business operates four departments which include sales, purchases, finance and administration.

Since its formation in January 2010, the business has been maintaining books of accounts manually. The business financial year begins in 1st January and ends in 31st December. The firm's items are subject to 16% VAT. The company uses Kenyan shilling while transacting. The company has a bank account with the Co-operative Bank of Kenya, the bank account number is **011091415901**, the opening balance as at **1st January 2010** was **Ksh. 50,000.00** The company Manager has hired you to set up and maintain the business books of accounting using QuickBooks accounting system.

Required:

Answer the following questions using the above information. Complete this case using the information provided. Organize and submit a back-up copy of the **BOB Ltd.**

The business uses the following address.

NAME : **BOB LTD (Type student number)**
PO BOX : 70544 80100
TEL : 22234456
E-MAIL : <http://www.bobltd.org/>
CITY : Mombasa
COUNTRY : Kenya

QUESTION 1

- a) (i) Using the above information create the company file in the quick book and open the bank account. **(5 marks)**
- (ii) When creating the NEW COMPANY, do not use or select the following options
- Pass word or access right
 - VAT
 - Enter your student number where require
- b) Enter your student number where required.

- c) The following is a list of the general ledger accounts for BOB Ltd; you are required to create a chart of accounts for BOB Ltd. using the QuickBooks software.
(15 marks)

Chart of Account

Account Number	Account Name	Type
		Asset
101	Furniture & fittings	Fixed assets
102	Motor Vehicle	Fixed assets
103	Computers	Fixed assets
111	Cash	Current assets
112	Bank	Current assets
113	Accounts Receivables	Current assets
		Liabilities
201	Accounts payables	Current liabilities
301	sales	Revenue/Income
401	Purchases	Cost of sales
501	Advertising & Publicity	Expenses
502	Security Services	Expenses
503	Bank charges	Expenses
504	Telephone	Expenses
601	Capital	Equity
602	Retained earnings	Equity

QUESTION 2

- a) Enter the following transactions in the company's cash book for the month of January 2010 and print the following statements;
- Cash book (10 marks)
 - Sales account (3 marks)
 - Purchases account (2 marks)
- On 2nd January, 2010 purchased furniture & fittings from furniture palace paying by

Cheque No. 00001 Kshs. 20,000

- On 3rd January, 2010 Purchased stock for resale from Teddy Company paying by cheque No. 00002 Ksh. 20,000
- On 5th January, 2010 sold the stock to AN Issack receiving cash Kshs. 50,000
- On 15th January, 2010 purchases goods for resale on credit from Derrick, the cost was Kshs. 30,000
- On 20th January, 2010 sold the goods on credit to Kerry, amounting to Kshs. 20,000
- On 28th January paid for security services to Wall Security Company for the month by cash Kshs. 15,000.
- On 29th January, 2010 paid Derrick Kshs. 20,000 by Cheque No. 00003.
- On 30th January, Kerry deposited Ksh. 15,000 to our bank account
- On 30th January, paid for telephone bills by Cheque No. 00004 to Telekom Ltd Kshs. 10,000
- On 31st January, purchases a computer from Millennium for Kshs. 20,000 paying by Cheque No. 00005.

QUESTION 2

- (a) Software resources are part of the resources required in a computerised Accounting. Briefly describe the types of software resources explaining their roles in A computerised Accounting systems. **(7 marks)**
- (b) Computerised Accounting has been regarded as the solution to all Accounting problems. Discuss (8 marks)

QUESTION 3

- (a) Briefly distinguish between the following types of systems;
- (ii) On-line batch system and on-line-real-time systems. (3 marks)
 - (iii) Transformational system and reactive systems. (3 marks)
- (b) Systems design is key in transforming a concept into a reality. Describe briefly what it involves. (9 marks),

QUESTION 4

- (a) Briefly describe systems changer methods giving in each case merits and demerits (12 marks)
- (b) Outline the roles played by human resource in A computerised system (3 marks)