

# 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

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**SERIES;** DECEMBER 2016

**TIME;** 2 HOURS

### **Instructions;**

Answer question one and any other two questions.

**Question One.**

- (a) (i) Create a company's records using QuickBook package with the following Details.

Name of the company Luoko company Ltd.

Physical Address; Box 40920-80100 Mombasa - Kenya.

type of business Wholesale and retail. (3 marks)

- (ii) Create the necessary accounts and record the following transactions;

Jan. 01. opened A business with sh. 500,000 in cash and sh. 300,000 in the bank. The

bank was Kenya commercial Bank, Account number being 234-2465-1234

03. Bought Goods for cash worth sh. 85,000

05. Bought goods on credit from Nipe company Ltd worth sh. 116,000

08. cash sales amounted to sh. 42,000.

09. Returned goods worth sh. 28,000 to Nipe company Ltd.

10. Credit sales to Kopesha company Ltd. amounted to sh. 250,000

13. Purchased motor vehicle for sh. 350,000 paying by cash.

15. Withdrew sh. 150,000 from the Bank for office use.

18. Goods worth sh. 45,500 were returned by Kopesha Co. Ltd.

19. Purchased goods for resale worth 235,000 from B. Randu Suppliers.

20. Paid Nipe co. Ltd. by Cash the Amount owed net of 2.5% discount.

21. Received a cheque of sh. 201,000 from Kopesha being full settlement of his credit.

23. Paid rent of sh. 75,000 by cheque.

24. Paid B. Randu suppliers sh. 130,000 after getting a discount of sh. 5,000 by cheque.

25. Purchased goods worth sh. 345,000 from Nipe company Ltd.

26. Purchased goods on credit from B. Randu co. Ltd. worth sh. 86,000.

26 Cash sales sh. 320,000

Purchases of goods worth 215,000 from B. randu on credit.

Took sh. 86,400 from cash and deposited the same in the bank account.

27. Returned goods to B. Randu co.Ltd. h. 23,500 and Paid Randu co. Ltd. sh. 93,300

28. Received Cash from Nipe sh. 85,800

29 .Withdrew sh. 30,000 for his personal use.

Credit sales Kopesha sh. 300,000

30. Paid salaries and wages of sh. 25,650.

31. Sales of sh. 520,000 paid for by a cheque

(iii) Print the following statements/Reports;

(a) Bank statement, ( 5 marks)

(b) B. Randu's Account, ( 4 marks)

(c) Trial Balance, ( 5 marks)

(d) Nipe's Account, ( 4 marks)

(e) Kopesha Account and 4 marks)

(f) Profit and Loss Account. ( 5 marks)

(b) Prepare an invoice sales made to B. Randu for 15,000 units sold at 23.50 taxed at the rate of 15% and print the invoice. ( 5 marks)

(c) Create a credit note to B. Randu to acknowledge the return of 2,500 units sold to B. Randu at sh. 23.50 previously. ( 5 marks)

### **Question Two.**

a) Discuss the Salient features of computerized accounting.

**(10 marks)**

- b) Explain the reasons why Information Technology has become a strategic resource.(5 marks)

**Question Three.**

The continuing development and improvement of Information Technology has revolutionized accountancy functions in most organizations.

**Required:**

Discuss the benefits and dangers of the increasing use of Information Technology to the accounting functions in an organization. (15 marks)

**Question Four.**

- a) State and explain the **FIVE** elements of internal accounting controls in a modern business organization. (5 marks)
- b) Discuss the main accounting control procedures that need to be in place in business organizations that have computerized accounting systems. (10 marks)

**QUESTION Five.**

Most systems are developed through modeling. In accounting, various models are constructed and used to understand, describe and predict the behavior of organization. Discuss the **TWO** categories in which accounting models are classified. (20 marks)