



TECHNICAL UNIVERSITY OF MOMBASA
School of Business Studies
DEPARTMENT OF ACCOUNTING AND FINANCE
UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF COMMERCE
BAC 4401: COMPUTERISED ACCOUNTING
SUPPLEMENTARY EXAMINATIONS
SERIES: APRIL 2022
TIME: 2 HOURS

INSTRUCTIONS:

Answer Question **ONE (Compulsory)** and any other **TWO** questions
This paper consists of Four printed pages

Question One

Atonga started a grocery business on 1 January 2005, trading as atonga groceries, with capital of sh. 1,000 in cash and sh. 2,500 at the Bank. He rented premises for sh. 600 per annum, payable quarterly in arrears, the first payment being due on 31 March 2005. Also on 1 January, he borrowed sh.600 cash from a friend, Waakaya, at the rate of 12% per annum.

The following were the transactions of the business for the three months ended 31 March 2005.

- 6 January Purchased a second-hand Ford van for sh.1,300 paid by cheque.
- 9 January Purchased goods on credit from CFC Ghana Ltd sh.350
- 16 January Paid wages sh.24 cash
- 20 January Purchased goods for cash sh. 180 cash
- 24 January Sold goods on credit to Gladys Tawiah sh. 210

30 January Paid wages sh.20 cash
4 February Sold goods on credit to Mrs. Agbenyegah sh.100
6 February Paid CFC Ghana Ltd sh.300 by cheque on account
9 February Gladys Tawiah paid sh.210 cash
13 February Paid wages sh.25 cash
18 February Purchased goods on credit from Chipolopolo sh.1,120
25 February Sold goods for cash sh.60 cash
26 February Received sh.70 in cash from Mrs. Agbenyegah
27 February Paid wages sh.25 in cash
1 March Returned defective goods to Chipolopolo and was credited sh.40
4 March Sold goods on credit to Gladys Tawiah sh.350
12 March Paid wages sh. 30
14 March Received a cheque on account from Gladys Tawiah sh. 200
15 March Sold goods for cash sh.160
18 March Gladys Tawiah paid sh.125 in cash on account and Sold goods on credit to Gladys Tawiah sh.680
26 March Paid wages sh.40 in cash and Chipolopolo by cheque in full settlement
29 March Drew sh.200 in cash from the business
31 March Paid rent sh.150 in cash
31 March Paid quarterly loan interest by cheque
At 31 March 2005 closing stock amounted to sh.750.

Required:

Create the Business profile in QuickBooks and enter the transactions and prepare the following reports.

- (i) Gladys Tawiah's Account (3 marks)
- (ii) Cash Account (4 marks)
- (iii) Bank Account (3 marks)
- (iv) Sales Account (3 marks)
- iv) Trial Balance (5 marks)

- (vi) Trading profit and loss Account (5 marks)
- (vii) Balance sheet (4 marks)
- (viii) Purchases Account (3 marks)

Question Two

- (a) What are the factors to be considered while source accounting software? (5 marks)
- (b) You started work in ABC Company Ltd. The Management is asking you for your input on whether to buy a stand-alone package or an integrated one.
Clearly explain
 - (i) the difference between a *stand-alone* package and an *integrated package* (4 marks)
 - (ii) The advantages and disadvantages of each (6 marks).

Question Three.

- (a) Describe the Five pillars of computerised Accounting System (7 marks)
- (b) What are the advantages of computerised Accounting System (8 marks).

Question Four

- (a) Describe the demerits of ready-made accounting software. (5 marks)
- (b) Briefly explain the demerits of customised accounting software (10 marks)

Question Five

- (a) Describe the advantages of tailor made software (5 marks)
- (b) Describe the problems in adopting a Computerized Accounting System (10 marks)