



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING & FINANCE

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE &

BACHELOR OF IN BUSINESS ADMISTRATION

BAC 4401: COMPUTERISED ACCOUNTING.

SPECIAL/SUPPLEMNTARY EXAMINATION

SERIES:JULY, 2025

TIME: 2HOURS

DATE: DECEMBER, 2024

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

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 One

- a) (i) Using the above information create the company file in the quick book and open the bank account. **(3 marks)**

- b) 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. **(5 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

Record the following transactions in the company's cash book for the month of January 2010

- 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. (10 marks)

Required:

- i. Bank Account (3 marks)
- ii. Cash Account (3 marks)
- iii. Purchases Account (3 marks)
- iv. Sales Account (2 marks)
- v. Trial balance (3 marks)
- vi. Trading Profit and Loss (3 marks)

(b) The table below summarizes the performance of Kajuju distributors.

Employees number	Name	Hours worked	Rate per hour	SALES		
				H.DENSITY	M.DENSITY	L. DENSITY
SELLING PRICE PER MATTRESS				20,000	15,000	10,000
BMD0020	J.P. OYUGA	180	500	40	60	60
BMD0021	M.K. NJOROGE	190	600	50	65	70
BMD0022	K.N. ONYANO	200	450	58	63	66
BMD0023	J.T. MULI	185	650	45	62	70
BMD0024	T.M. MUNYAO	196	600	40	55	58
BMD0025	C.M. KAMAU	180	550	50	58	62
BMD0026	F.I. OTIENO	200	450	54	58	64
BMD0027	J.M. OPIYO	195	500	56	60	64
BMD0028	D.A. KOLA	188	600	50	62	58
BMD0029	H.L. DOLA	194	550	35	49	63
BMD0040	D.A. MOLA	200	450	40	50	60

Additional information:

Each employee gets a house allowance of 15% of the basic pay, Transport allowance of 10% of the basic pay and sales commission of 3% if total sales is at least 3,000,000

Each employee suffers Income tax deduction of 15%, 2% housing levy and 2.5% NSS, all on the gross pay

Required:

- i) Compute basic pay for each employee (4 marks)
- ii) Compute total sales for the month (4 marks)
- iii) Compute the net pay for each employee (4 marks)
- iv) Compute the total commission payable (3 marks)

Question Two

- 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 Three

Briefly distinguish between the following types of systems;

- (i) On-line batch system and on-line-real-time systems. (3 marks)
 - (ii) 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 Four

- a) Explain any five accounting concepts you are likely to encounter during the accounting Period (5 mks)
- b. Briefly describe any five challenges in using computerized accounting system (10 marks)

Question Five

- (a) Describe the challenges in adopting Computerized Accounting System (7 marks)

b) State and explain the importance of financial statements **(8 marks)**

