

TECHNICAL UNIVERSITY OF MOMBASA

School of business

DEPARTMENT OF ACCOUNTING AND FINANCE

UNIVERSITY EXAMINATIONS FOR DIPLOMA IN ACCOUNTANCY

BAC2214: FINANCIAL ACCOUNTING III

SUPPLEMENTARY/SPECIAL EXAMINATIONS

SERIES; AUGUST 2024

TIME; 2 HOURS

Instructions;

Answer question one and any other TWO questions

Do not write on this paper

Question One

The table below summarizes the performance of Kajuju distributors.

Employee s 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. NJOROGI	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

- i) 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 (5 marks)
 - ii. Compute total sales for the month (5 marks)
 - iii. Compute the net pay for each employee (10 marks)
 - iv. Compute the total commission payable (4 marks)
- b). What is the meaning of each of the following concepts?
- (i). Labels. (ii). Values. (iii). Formula. (iv). Function. (6 marks)

Question Two

- (a) Explain what a database is and its use (4 marks)
- (b) Explain any four (4) security threats in Information Systems (8 marks)
- (c) State any four (4) advantages of using databases in an organisation (8 marks)

Question Three

- (a) State four features of spreadsheets that are useful in financial modelling (6 marks)
- (b) Briefly explain the merits of using a customized accounting software (10 marks)
- (c) Briefly explain the disadvantages of tailor made software (4 marks)

Question Four

- (a) Describe the disadvantages of ready-made accounting software (10 marks)
- (b) Describe the advantages of ready-made accounting software (10 marks)

Question Five

- a) How is auditing carried out using the computer systems? (5mks)
- b) Using a well labeled diagram, explain the basic components of a computer system that are used in the accounting process (8mks)
- c) Citing relevant examples, explain the comparison between computerized accounting system and the manual system of accounting (7mks)