

TECHNICAL UNIVERSITY OF MOMBASA

School of business

DEPARTMENT OF ACCOUNTING AND FINANCE

UNIVERSITY EXAMINATIONS FOR DIPLOMA IN ACCOUNTANCY

BAC2214: FINANCIAL ACCOUNTING III

ORDINARY 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 following table relates to sales of ABC Company.

ABC Company Sales Performance in units Report						
Salesman	Target	Qtr1	Qtr2	Qtr3	Qtr4	Total
Albert	750	148	156	171	140	615
Carl	650	122	131	153	118	524
Cornell	800	211	243	246	250	950
Edwin	700	129	150	92	218	589
Francis	1,000	311	270	247	322	1,150

Required:

Using excel program, calculate:

- The total sales in each Quarter if the selling prices were sh.150, 200, 220 and 250 for quarter one to four respectively. (10 marks)
- The total basic salary payable to each employee, if each has a basic pay of sh.15,000, a sales commission of 5% and a house allowance of sh.8,600
(10 marks)
- The net salary payable to each employee, if each suffers an income tax deduction of 15% of the gross pay. (5 marks)

- (iv) Total commission payable if the commission payable is pegged to at least sales of sh.150,000 (5 marks)

Question Two

- (i) Describe the four basic requirements of computerized accounting system. (10 marks)
(ii) Describe the advantages of tailor made software. (10 marks)

Question Three

- (a) Describe the challenges in adopting Computerized Accounting System (10 marks)
b) State and explain any four financial statements (10 marks)

Question Four

- a) Differentiate between cash basis and accrued basic reporting (5 marks)
b) State and explain any five (5) main books of prime entry (10 marks)
c). Briefly explain any five advantages of using a Databases (5 marks)

Question Five

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