TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE & BACHELOR OF BUSINESS ADMINSTRATION

BAC 4401: COMPUTERISED ACCOUNTING

END OF SEMESTER EXAMINATION

SERIES: NOVERMBER 2025

TIME: 2 HOURS

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.

(a) Create a company profile in QuickBooks with the name Natembeya Enterprises and record the following transactions for April, 2025

1. Cash in hand sh. 15,700, Cash at Bank sh. 26,400 and Capital Account sh. 42,100.
2. Bought goods for cash for sh. 4,100.
3. Purchased goods from Meera & Co. for sh. 5,800
4. Sold goods to Bedi & Company for sh. 8,900
5. Withdrew sh. 500 from bank for private use
6. Sold goods to Amja for sh. 6,400
7. Sh. 5,000 paid to Meera & Company.

8. Goods worth sh. 400 returned by Amja
9. Purchased goods from Dayal & Company for sh. 8,700
10. Received sh. 4,000 from Amja
11. Sh. 6,000 paid to Dayal & Company by cheque
12. Purchased furniture for sh. 800 from Furniture House on credit.
13. Paid into bank sh. 2,200
14. Goods worth sh. 600 returned to Dayal & Company
15. Goods worth sh. 400 taken by proprietor for his personal use.
16. Paid sh. 500 advertisement by cheque.
17. Paid salaries to staff sh. 1,800
18. Cash sales sh. 21,800
19. Paid into bank sh. 20,000
20. Bought motor van by cheque sh. 2,000
21. Additional capital by proprietor by cheque sh. 20,000

Required:

You are required to enter the above transactions into ledger accounts and prepare:

- **(i)** Bank Account **(4 marks)**
- **(ii)** Sales account **(3 marks)**
- **(iii)** Purchases account **(3 marks)**
- (iv) Cash account (3 **marks)**
- (v) Trial Balance **(3 marks)**
- (vi) A credit note to Amja (3 **marks)**
- **(vii)** A list of debtors. **(3 marks)**

(b) Beliani Co. ltd. And hours worked during the fist week of January 2025

Personal No.	Name	Hours Worked
1001	Kaiba Selina	38
1002	Nambu John	45
1003	Walusi Mike	46
1004	Kagimu Alice	52
1005	Nyango Jane	49
1006	Kiwala Ahmed	48
1007	Ojuuko Lilian	53
1008	Niwama Lorine	38
1009	Rutali Ismael	54
1010	Sempa David	44
1011	Kiseka Grace	36
1012	Katende Eve	54

Additional Information:

(i) The company has a forty hour weekly schedule and each employee is paid sh.100 per hour with overtime being paid at one and half times the normal rate.

(ii) Each employee is paid house allowance at 10% of the basic pay and a medical transport allowance of 15% of the basic pay.

(iii) Employees earnings are subjected to Income tax at 10%, Affordable housing levy at 3% and 5% pension,, all on gross pay.

Required:

Using spreadsheet, prepare a weekly payroll, specifically indicating:

(i) Basic pay for every employee and the totals **(3 marks)**

(ii) House Allowance for every employee **(3 marks)**

(iii) Total amount to be sent to KRA for income tax **(3 marks)**

(iv) Amount due to Affordable Housing Fund **(3 marks)**

(v) Amount payable to employees for the week **(3 marks)**

(vi) If employees numbers1007, 1002 and 1012 had received advance payment of sh. 2,000 , 2,500 and 3,500 respective, how much would total amount payable at the end of the week be? **(3 marks)**

Question Two.

(a) Describe the stages of transaction processing in QuickBooks **(10 marks)**

(b) Explain the role of computers in accounting. **(5 marks)**

Question Three.

(a) The development of AIS undergoes a six-step process called the Systems Life Cycle. Discuss.

(10 marks)

(b) Briefly explain the limitations of using a customized package. **(5 marks)**

Question Four.

a) State and explain the salient features of computerized Accounting. **(10 marks)**

b) Briefly explain the merits of using A customized package instead of ready to use packages. **(5 marks)**

Question Five.

a) Computerised Accounting system has been described as a solution to accounting problems. Briefly discredit this assertion (10 marks)

(b) Explain the concept of Customized Accounting Software. What are the advantages of using it? (5 marks)

(b) What steps do you follow to track accounts payable in QuickBooks (5 marks)

(b) The bank notified you that a customer's check you deposited had bounced. The customer did not have sufficient funds to cover the check. What should you do?
Answer: Record a transaction to show the customer owes you the money and that the checking balance has decreased by the same amount