



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF BUSINESS ADMINISTRATION

HBC 2303: COMPUTERISED ACCOUNTING

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 2013

TIME: 2 HOURS

INSTRUCTIONS:

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

QUESTION 1

Assume that you are a junior staff member attached to the Finance department which is in the process of evaluating an accounting system to replace the manual work, in order to monitor and administrate the collection from debtors and payment to creditors, prepare financial statement and produce reports and schedules for the management.

Discuss on how the computerized system can improve the efficiency and effectiveness of the organization. **(10 marks)**

QUESTION 2

Explain why a phased system change over for a computer development might help employees in a finance department better with technological change. **(10 marks)**

QUESTION 3

Use of computerized accounting softwares has become an essential activity in most organizations, hence storage device important within the organisation.

- a) Explain the use of back-up storage and identify the one type of back-up device widely used in a computer.
- b) Loss of data and information due to damages to computer hardware is an inherited risk. How do you suggest an organisation to store his data and information to minimize the risks.

SECTION B

QUESTION 1

The following are the account balances of XYZ Company limited extracted from its books as at June 2012.

TRIAL BALANCE

Account Number	Description	Debit Kshs.	Credit Kshs.
1000 – 010	Premises	300,000	
1010 – 010	Acc: Depreciation premises		50,000
1001 – 010	Equipment	80,000	
1011 – 010	Acc: Depreciation equipment		24,000
1002 – 010	Motor vehicle	120,000	
1012 – 010	ACC: motor vehicle		68,000
1110 – 010	Bank	174,000	
1210 – 010	Sales		975,000
1310 – 010	Purchases	472,000	
1410 – 010	Wages and salaries	60,000	
1411 – 010	Electricity and gas	18,000	
1412 – 010	Motor vehicle expense	21,000	
1413 – 010	Bad debts	4,000	7,000
1510 – 010	Provision for bad debt		205,000
2000 – 010	Accounts payables		
1610 – 010	Accounts receivable	780,000	
1512 – 010	Loan		20,000
3000 – 010	Share capital account		<u>180,000</u>
		<u>1,529,000</u>	<u>1,529,000</u>

Accounts Payables

Suppliers None	Amount	Account
ALFAUFY Ltd	105,000	
FAHD Ltd	50,000	
	50,000	

Accounts Receivables

Customer Name	Amount	Account
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SAASH Ltd	120,000
JINJA Ltd	70,000
KEMSA Ltd	90,000

QUESTION 4

Create a new company giving your registration number as part of the name of the company i.e XYZ registration No. Then enter the above balances in the new company you created. Save the total balance as at 1st June 2012. (before any adjustments).

QUESTION 5

Make the following adjustment entries and again save the Trial balance after the adjustment. 30th June 2012.

Adjustment entries

1. Wages of Kshs. 5000 are still outstanding as at 30th June 2012. 'IS14'.
2. Kshs. 3000 was prepaid on electricity as at 30th June 2012
3. Provision for doubtful debts is to be provided at 4% of the year end debtor.
4. Provision for depreciation (1414) is to be provided on year and balances at
 - Premises 2% straight line method
 - Equipment 5% straight line method
 - Motor vehicle 10% reducing balance method

QUESTION 6

The Company XYZ sold several goods & services as per the sales chart below. Record each invoices as a service invoice and payment on account should be recorded as receive payment.

XYZ
SALES ITEM LIST

Item	Description	Amount
Land com 1	Commercial landscape maintenance	1500
Landnes 1	Residential landscape maintenance	1000
Pookom 2	Commercial pool service	3000
Poolnes 1	Residential pool service	1000

Record the following transactions:

1. 4th June Billed Pacific Hotel for monthly landscape services (landcom 1) and pool maintenance services (pool com 2) invoice No. 1 the quantity for each item is 1.
2. 6th June billed Dr. Silverman for monthly landscape and pool service at his home.
3. Received a check No. 0001 amounting to Kshs. 1500 from pacific hotel.
4. Save the following reports and export then to excel.
 - Customer balance detail report

- Trial balance, profit and loss and balance sheet