PAN AFRICA CHRISTIAN UNIVERSITY

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END OF TERM EXAMINATION

BUA4223: COMPUTERIZED ACCOUNTING

THURSDAY, NOVEMBER 29, 2012

1500HRS – 1800HRS

INSTRUCTIONS

- This Exam Script has **TWO (2) Sections.**
- Answer **ANY TWO** questions in section **A** and the **PRACTICAL** question in section **B.**
- Write your **student number** on the Answer Booklet.
- Read all questions carefully before attempting.

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BUA 4223: COMPUTERIZED ACCOUNTING

INSTRUCTIONS:

The examination has TWO SECTIONS A and B. Answer ANY TWO questions in section A and the practical question in section B.

SECTION A – THEORY (Attempt ANY TWO questions)

QUESTION 1

a. Describe the relationship between accounting theory and accounting applications.

(4 marks)

b. Explain the following application software's:

   i. An application suite (3 marks)

   ii. Enterprise software (3 marks)

c. Explain any five accounting operations that can be computerized.

(10 marks)

QUESTION 2

a. Outline any **four** advantages and any **four** disadvantages of:

   i. Manual accounting systems

   ii. Computerized accounting systems (16 marks)

b. Discuss how flowcharts are utilized in accounting process flow

(4 Marks)

QUESTION 3

a. Explain usage of the following in QuickBooks accounting application package:

   i. Setting up additional users (2 marks)

   ii. Running through the setup interview (2 marks)

b. Explain **ANY FIVE** benefits of a good computer audit.

(10 marks)

c. There are some habits that if performed consistently, may dramatically reduce chances of your accounting information on your computer from being lost or corrupted.

Explain **ANY THREE** ways of protecting your data.

(6 Marks)

SECTION B – PRACTICAL (Compulsory)

QUESTION 4

Music Land Company is a company that deals with selling musical equipments, tapes and cassettes among other things. The company had the following details when they decided to computerize their accounting data.

Using QuickBooks accounting application program, create a new company called Music Land and insert the necessary data. Create a folder with your admission number and name and save the music land data.

a) customers:

Customer	Kamau P.	Smith P.	Musa N.	Sadol P.
Company Name	Mita Copiers	Unilever Co	Avenue H. C	Mita
Mr. / Mrs.	Mr.	Mr.	Mr.	Mrs.
First Name	Kamau	Smith	Musa	Sadol
Last Name	Peter	Muturi	Nelson	Patel
Phone	344433	45232	456768	112233
Account No.	C001	C002	C003	C004
Type	Residential	Commercial	Contract	Commercial
Terms	Credit	Credit	Credit	Cash
Credit Limit	5 000	3500	5000	
Opening Balance	3000	4500	3500	
Date	12/12/2011	12/13/2011	12/11/2011	12/09/2011

(4 Marks)

b) In the same month, their vendors were:

Vendor	J. Otieno	P. Muliro	J. Kamau	K. Koskei
Company name	Voices United	Uniliver Co.	Mitsumi Net	DT Dobie
Mr. / Mrs.	Mr.	Mr.	Mr.	Mrs.
First Name	Joseph	Peter	John	Karen
Last Name	Peter	Muliro	Kamau	Koskei
Phone	344433	231442	2344566	252456
Account No	S001	S002	S003	S004
Type	Residential	Commercial	Contract	Residential
Terms	Credit	Credit	Credit	Cash
Credit Limit	5000	3500	5000	-
Opening Balance	3000	4500	3500	-
Date	12/12/2011	12/13/2011	12/11/2011	12/09/2011

(4 Marks)

c) In August, they had the following items in stock:

Stock Type	Inventory Part	Inventory Part	Inventory Part	Inventory Part
Name	Tables	Chairs	Dinning	Wall Unit

Purchase Information

Description	Table TP	Chairs Large	Dinning Set	Wall Unit -Tek
Cost Price	450	1500	11000	25 000

Sales Information

Description	Table TP	Chairs Large	Dinning Set	Wall Unit -Tek
Sales Price	500	2300	12000	30 000
Income A/C	Other Income	Other Income	Other Income	Other Income

Inventory Information

Re-order Point	15	15	5	5
Quantity on hand	50	50	15	15
Date	12/12/2011	12/13/2011	12/11/2011	12/14/2011

(6 Marks)

d) Place the following purchase orders:

Vendor	J. Otieno	P. Muliro	J. Kamau	K. Koskei
Date	12/05/2011	12/05/2011	12/05/2011	12/05/2011
P.O. No	101	102	103	104
Item	Tables	Chairs	Dinning	Wall Unit
Quantity	5	3	2	3

(3 Marks)

e) Receive the above items and bill against the orders. **(3 Marks)**

f) Create a Nominal Ledger for bank account-checking (the account no. is 1000) with an opening balance of 200 000 date 01/01/2011 and also a savings account – No 1001 opening balance 100 000. **(4 Marks)**

g) Pay bills to J. Otieno and P. Muliro. The payment date is 05/05/2011. **(3 Marks)**

h) The following invoices are due to customers:

Customer Job	Kamau P.	Smith P.	Musa N.	Sadol P.
Date	09/30/2011	12/11/2011	09/09/2011	12/09/2011
Invoice No	10	11	12	13
Item	Tables TP	Chairs Large	Dinning Set	Wall Unit-Tek
Quantity	2	3	4	3

(3 Marks)

i) **Customers Receipt**

Customer	Kamau P.	Smith P.	Musa N.
Date	09/30/2011	12/11/2011	09/09/2011
Amount	1000	6900	48 000
Payment method	Cash	Cash	Cash
Deposit to	Savings	Savings	Savings

(3 Marks)

j) Generate the following reports and save them in the above created folder.
- Standard P & L
- Income by Customer
- Expenses by Vendor
- Balance Sheet summary
- Inventory Stock status by item
- Trial Balance
- Cash flow statement

(7 Marks)