



The Co-operative University of Kenya

EXAMINATION FOR THE DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY

UNIT CODE: DCIT 1209

UNIT TITLE: BUSINESS ACCOUNTING SOFTWARE

DATE:

TIME:

INSTRUCTIONS:

- **Answer question ONE (compulsory) and any other TWO questions**

QUESTION ONE(30 Marks):

- Define and explain key terms and concepts related to financial accounting. (5 marks)
- Describe the process of creating and modifying various lists (charts of accounts, vendors, customer/job, items, classes, etc.). (3 marks):
- Explain the significance and usage of different list items. (2 marks):
- Explain the different types of sales forms (invoices, credit memos, cash sales receipts) and their formats (service, professional, product, custom). (3 marks):
- Discuss the process of creating and managing billing statements. (3 marks):
- Describe how taxes are handled in sales transactions, including deductions, remittances, exemptions, and handling credit card transactions. (4 marks):
- Provide examples of journal entries for special transactions. (2 marks):
- Explain how special transactions are recorded in accounting software. (3 marks):
- Describe various types of reports (balance sheet, collections report, customer balance detail, inventory reports, profit and loss reports, tax summary, etc.) and their purposes. (3 marks):
- Explain the process of reconciling a checking or credit card account in the software. (2 marks)

QUESTION 2

- Discuss the steps involved in setting up and managing different types of lists (e.g., vendors, items, classes) in the accounting software. (10 marks)

- b) Provide examples of scenarios where specific list modifications are necessary and explain how to implement these changes. (10 marks)

QUESTION 3

- a) Explain the entire process of sales transactions, from creating invoices to handling credit memos and cash sales receipts. (10 marks)
- b) Provide a detailed explanation of how tax calculations are applied in different sales scenarios. (5 marks)
- c) Discuss best practices for ensuring accuracy in sales transactions. (5 marks)

QUESTION 4

- a) Analyze sample reports (balance sheet, profit and loss, customer balance detail) and interpret the financial data presented. (5 marks)
- b) Discuss how these reports can be used for financial analysis and decision-making in a business context. (5 marks)
- c) Provide examples of specific situations where these reports can aid in making informed business decisions. (10 marks)

QUESTION 5

- a. Explain the importance of reconciling financial accounts and outline the steps involved in the reconciliation process. (5 marks)
- b. Discuss common errors that can occur during reconciliation and provide methods for identifying and correcting these errors. (5 marks)
- c. Provide examples of reconciliation scenarios and how discrepancies are resolved. (10 marks)