



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION AUGUST - 2018

EXAMINATION FOR THE DIPLOMA IN ACCOUNTING & FINANCE
(YR II SEM I)

UNIT CODE: DMAF 1203

UNIT TITLE: COMPUTERIZED ACCOUNTING

DATE: 27TH AUGUST, 2018

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

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

QUESTION ONE

The following balances have been extracted from the accounts of Ross, a sole trader, for the period ended 31 March 2015.

	Ksh. (000)
Sales	427,726
Carriage inwards	476
Wages and salaries	64,210
Carriage outwards	829
Purchases	302,419
Rent and rates	12,466
Heat and light	4,757
Stock at 1 April 2014	15,310
Drawings	21,600
Equipment at cost	102,000
Motor vehicles at cost	43,270
Provision for depreciation	
– Equipment	22,250
– Motor vehicles	8,920
Debtors	50,633
Creditors	41,792
Bank (Credit Balance)	3,295
Sundry expenses	8,426
Cash	477
Capital	122,890

The following information as at 31 March 2014 is also available:

1. Ksh. 350,000 is owing for heat and light

2. Ksh. 620,000 has been prepaid for rent and rates
3. Depreciation is to be provided for the year as follows:
 - a) equipment at 10% on cost and
 - b) motor vehicles at 20% on cost
4. Stock at 31 March 2004 is Ksh. 16,480,000.

Required: Using MS Excel:

- (a) Prepare the trial balance for Ross (before any adjustments) as at 31 March 2015 (6 Marks)
- (b) Prepare the Income statement trading and profit and loss accounts for Ross for the year ending 31 March 2015. (12 Marks)
- (c) Prepare the Statement of Financial position (balance sheet) for Ross as at 31 March 2015. (12 Marks)

QUESTION TWO

The following trial balance have been taken out from the books of XYZ as on 31st December, 2005.

	Dr. (Ksh)	Cr. (Ksh)
Plant and Machinery	100,000	
Opening stock	60,000	
Purchases	160,000	
Building	170,000	
Carriage inward	3,400	
Carriage outward	5,000	
Wages	32,000	
Sundry debtors	100,000	
Salaries	24,000	
Furniture	36,000	
Trade expense	12,000	
Discount on sales	1,900	
Advertisement	5,000	
Bad debts	1,800	
Drawings	10,000	
Bills receivable	50,000	
Insurance	4,400	
Bank balances	20,000	
Sales		480,000
Interest received		2,000
Sundry creditors		40,000

Bank loan		100,000
Discount on purchases		2,000
Capital	<u> </u>	<u>171,500</u>
	<u>795,500</u>	<u>795,500</u>

Closing stock is valued at \$90,000

Required: Using MS Excel:

- a) Prepare the trading and profit and loss account of the business for the year ended 31.12.2005 (10 Marks)
- b) Prepare a balance sheet as at that date. (10 Marks)

QUESTION THREE

Mvuli Traders are a wholesale company in the heart of Nairobi. Here are their transactions for the month of July. (20 Marks)

- July 1. Owner invested Ksh. 500,000 cash along with computer equipment that had a market value of Ksh. 120,000 two years ago but was now worth Ksh. 100,000 only.
- July 2. Paid Ksh. 15,000 cash for the rent of office space for the month.
- July 4. Purchased Ksh. 12,000 of additional equipment on credit (due within 30 days).
- July 8. Completed a work for a client and immediately collected the Ksh. 32,000 cash.
- July 10. Completed work for a client and sent a bill for Ksh. 27,000 to be paid within 30 days.
- July 12. Purchased additional equipment for Ksh. 8,000 in cash.
- July 15. Paid an assistant Ksh. 6,200 cash as wages for 15 days.
- July 18. Collected Ksh. 15,000 on the amount owed by the client.
- July 25. Paid Ksh. 12,000 cash to settle the liability on the equipment purchased.
- July 28. Owner withdrew Ksh. 500 cash for personal use.
- July 30. Completed work for another client who paid only Ksh. 40,000 for 50% of the system design.
- July 31. Paid salary of assistant Ksh. 700.
- July 31. Received PLDT bill, Ksh. 1,800 and Meralco bill Ksh. 3,800.

Required: Using MS Excel:

- (a) Prepare the T accounts (10 Marks)
- (b) Prepare the trial balance for this business. (10 Marks)

QUESTION FOUR

On April 1, 2017, Hassan Store Cash Book showed debit balances of Cash Ksh. 1,550 and Bank Ksh. 13,575. During the month of April following business was transacted.

Using Ms Excel, you are required to prepare Cash Book? (20 Marks)

April 2017

- 02 Purchased Office Type-Writer for Cash Ksh. 750; Cash Sales Ksh. 1,315.
- 07 Deposited Cash Ksh. 500 to bank.

- 10 Received from A. Hussain a check for Ksh. 2,550 in part payment of his account (not deposited).
- 16 Paid by check for merchandise purchased worth Ksh. 1,005.
- 20 Deposited into Bank the check received from A. Hussain.
- 22 Received from customer a check for Ksh. 775 in full settlement of his accounts (not deposited).
- 24 Sold merchandise to sweet Bros. for Ksh, 1,500 who paid by check which was deposited into bank.
- 26 Paid creditor a Salman Ksh. 915 by check.
- 28 Deposited into Bank the check of customer of worth Ksh. 775 was dated 22nd April.
- 29 Paid wages by cash Ksh. 500 and salary Ksh. 1,000 by bank.
- 30 Drew from Bank for Office use Ksh. 250 and Personal use Ksh. 150.