

SOUTH EASTERN UNIVERSITY OF SRI LANKA

SECOND EXAMINATION IN BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY FOR MANAGEMENT STUDIES -2010/2011

SEMESTER-I, JULY/AUGUST-2012

ITMS 2133 COMPUTERIZED ACCOUNTING SYSTEM

Answer all questions

Time: Three Hours

Q-1

- a) Outline the accounting functions and objectives of accounting. (2 Marks)
- b) Briefly explain the meaning of accounting concepts. (3 Marks)
- c) Kangaraj Ltd's income statement for the year ended 31.03.2011 and its balance sheet as at 31.3.2010 and 2011 are as follows.

Particulars	Rs.
Sales	450,000.00
Less: Cost of Sales	<u>(210,000.00)</u>
Gross Profit	240,000.00
Less: expenses	
Depreciation	(9,000.00)
Interest Expenses	(5,400.00)
Administrative Expenses	<u>(98,850.00)</u>
Operating Profit	126,750.00
Other Income	
Interest Income	<u>3,000.00</u>
Profit Before Tax	129,750.00
Less: Taxation	<u>(60,000.00)</u>
Net profit After tax	69,750.00
Retained Profit B/f	<u>20,250.00</u>
	90,000.00
Less: Dividend Paid	<u>(40,500.00)</u>
Profit for the Period	49,500.00

Balance sheet as at		31.03.2011 Rs.		31.03.2010 Rs.
Assets				
Cash and Cash Equivalent		6000		3000
Debtors		27000		18000
Stocks		12000		28500
Investments		37500		37500
Property Plant & Equipment				
Cost	57000		24000	
Less: Depreciation	(21000)	36000	(15000)	9000
		<u>118500</u>		<u>96000</u>
Liabilities				
Creditors		3000		25500
Interest Payable		3000		1500
Tax Payables		6000		15000
Long term loans		34500		15000
		46500		57000
Share Holder's Equity				
Share Capital		22500		18750
Retained Profit		49500		20250
		<u>118500</u>		<u>96000</u>

The following are the additional information.

1. Property plant and equipment sold during the period for Rs. 9000.00, were purchased at a cost of Rs.12000.00. Accumulated depreciation on assets sold amounted to Rs.3000.00.
2. Property plant & equipment purchased during the year amounted to Rs. 45000.00
3. Long term loan obtained during the year amounted to Rs.19,500.00.
4. Rs.3750.00 was raised from the issue of share capital.
5. Interest paid during the year amounted to Rs. 3900.00.

You are required to prepare the cash flow statement using indirect method.

(20 marks)

(Total 25 Marks)

Q-2

From the following information prepare the bank reconciliation statement for the month of 31.03.2012.

1. Bank statement balance was Rs.180,000.00.
2. Bank received rent income and dividend on behalf of its customer Rs. 15000.00 and Rs.22500.00 respectively.
3. Bank made the payment to finance company on behalf of its customer Rs.6000.00.
4. Rs.90000.00 cheque has been deposited but not yet collected by the bank.
5. Bank charges Rs.1500.00 and cheque book payment of Rs.750.00 did not recorded in the cash book.
6. Un-presented cheques are Rs.80,000.00 and Rs.15,000.00

(15 Marks)

Q-3

Write down the step to the following task in QuickBooks 2009/ 2011

- a) Set Up the Chart of Accounts List
- b) Write Checks
- c) Record the Receipt of Items
- d) Sales Receipt

(20 Marks)

Q-4

- a) Explain how does an integrated accounting system contributes to the accounting performance of an organization.

(05 Marks)

- b) Explain the following files in computerized accounting filing system.

- I. Master Files
- II. Transaction Files
- III. Temporary/Work File

(15 Marks)

(Total 20Marks)

Q-5

a) Explain in your own words why it is necessary to code some transactions in QuickBooks and not others.

(8 Marks)

b) Write the steps to the following

a) A new stock line is to be introduced on January 1, 2012: Hockey stick – cost Rs.17500.00 (plus VAT), selling price Rs.25, 000.00 (plus VAT).

b) 9 January, Purchase 20 hockey sticks from Grey Nicholls. Rs.17500.00 (plus VAT)

c) 15 January Sold 6 hockey sticks to Kew Hockey Club, invoice 4473 Rs.29,000.00 (plus VAT)

d) Collections from Debtors (Customers, Receive Payments): 6 January, Alexanders Sports Centre Rs.55,000.00

e) Cheque payments for electricity expenses (Banking, Write Cheques): cheque No007801 Rs.12,500.00 31 Jan, Cash payment for wages Rs.52,100.00

f) Cheque No007500 Motor vehicle expenses to Mobil Service Station Rs.11,720.00 (plus VAT)

(12 Marks)

(Total 20 Marks)