

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
THIRD YEAR SECOND SEMESTER EXAMINATION IN BACHELOR OF COMMERCE
HONOURS / BACHELOR OF COMMERCE HONOURS IN ACCOUNTING AND FINANCE/
BACHELOR OF COMMERCE HONOURS IN IN BUSINESS ECONOMICS

2017 / 2018 (JANUARY 2020)

(PROPER / REPEAT)

DAF 3084 COMPUTER APPLICATION FOR ACCOUNTING

Number of pages: 06

Time 3:00 Hours

Answer All Questions in Part I using Microsoft Office Excel 2013

Answer All Questions in Part II using QuickBooks Pro Plus 2016

Part I

01. Sandun, a sole trader, provided the following information from his books of account on 30 April 2019.

Details	Rs.
Bank overdraft	112,400
Capital	500,000
Carriage inwards	6,700
Drawings	240,600
Inventory at 1 May 2018	125,000
3% Loan	200,000
Loan interest	500
Motor vehicles	
Cost	320,000
Provision for depreciation	80,000
Office equipment	
Cost	46,000
Provision for depreciation	24,000
Discounts allowed	75,000
Distribution Cost	150,000
Packing materials expense	45,000
Rent	110,000
Stationary	50,000
Telephone	89,900
Wages	100,000
Provision for doubtful debts at 1 May 2018	28,500
Purchases	973,700
Sales	1,650,000
Trade receivables	478,900
Trade payables	216,400

The following information is also available.

- i. An invoice from a supplier dated 28 April 2019 for goods costing Rs. 9,400 has been recorded in the books of account. These goods were unsold at the year-end.
- ii. Inventory was counted at 30 April 2019 and was valued at cost, Rs. 213,400.
- iii. Revenue included goods sold in April 2019 to a credit customer for Rs. 32,000 on a sale or return basis. These goods were invoiced with a mark-up of 60%. 20% of the goods were returned by customer on 5 May 2019.
- iv. During the year, Sandun took goods with a cost of Rs. 2,500 for his own use.
- v. The 3% loan was taken out on 1 August 2018.
- vi. A debt of Rs. 6,900 was considered to be irrecoverable and was to be written off.
- vii. The provision for doubtful debts was to be maintained at 5% of the trade receivables.
- viii. A computer for office use bought on credit on 1 July 2018 costing Rs. 12,000 has been debited to the purchases account.
- ix. Depreciation is to be provided as follows:
 - Motor vehicles 25% per annum using the reducing balance method
 - Office equipment 10% per annum using the straight-line method
 - A full year's depreciation is charged in the year of purchase.

Required:

Create a model to extract the Income Statement for the year ended 30th April 2019 and Statement of Financial Position as at 30th April 2019 [Use the maximum form allowed (lookup, etc.) and proper financial statement structures].

(25 Marks)

02. i. A B.Com graduate recently got a job. He is very interested to pursue a Master's degree. He is going to take a loan from a bank for continuing his higher studies. His capacity to pay monthly installment is Rs.9,500 per month up to 3 years.

How much will he borrow from a bank when interest rate is 12.5%?

(05 Marks)

- ii. XY Limited is creating a sinking fund to redeem its debenture of Rs.5,000,000 to be issued on 4th June 2020 and maturing on 3rd June 2031. The first annual payment will be made on 4th June 2020. The company will make equal annual payments and expects that the fund will earn 12% per year.

How much will be the amount of sinking fund payment?

(05 Marks)

- iii. You will want to take Rs. 3,000,000 for a round the world tour after 10 years. What lump sum do you have to invest now to accumulate the Rs. 3,000,000?

Assume your minimum desired rate of return is 10%, compounded annually.

(05 Marks)

- iv. Find IRR for a project having the given cash flows on the listed dates.

10/07/2016	10/11/2016	25/05/2017	18/07/2017	20/03/2018
-25,000	3,500	6,500	8,800	11,000

01/04/2018	10/1/2019
10,500	3,200

(05 Marks)

(Total 20 Marks)

03. i. Enter the below data in the Excel new sheet.

Date	Salesman	Province	Product	Units	Price/ Unit
25/01/2019	Bandara	Western	Pepsii	2,000	33
14/02/2019	Ganesh	Eastern	Fantaa	3,500	34
16/03/2019	Kapil	Central	Portloo	1,800	31
05/04/2019	Bandara	Western	Pepsii	2,300	33
09/05/2019	Kapil	Eastern	Portloo	2,150	31

Create a pivot table and extract data based on sales by Product, sales by Province, and sales by Quarter in each sheet.

(10 Marks)

- ii. A farmer can plant up to 8 acres of land with wheat and barley. He can earn Rs.5,000 for every acre he plants with wheat and Rs.3,000 for every acre he plants with barley. His use of a necessary pesticide is limited by government regulations to 10 gallons for his entire 8 acres. Wheat requires 2 gallons of pesticide for every acre planted and barley requires just 1 gallon per acre.

Required:

Formulate a linear programming model that can aid in this decision making process. Solve the above problem by using Excel. Explain the optimal strategy and the optimal value of the objective function.

(10 Marks)

(Total 20 Marks)

Part II

04. Trial Balance and other details of Supper (pvt) Ltd. are given below.

Shop Name : Enter your index number.
Start Date : 01/01/2020

Trial Balance as at 01/01/2020

Account	Debit	Credit
Land and Building	625,000	
Furniture and Fitting	175,000	
Motor cycle	120,000	
Debtors control a/c	75,250	
Cash in hand	127,500	
Commercial bank	450,000	
Stocks	187,500	
Long term loan bank of Ceylon 12%		687,500
Creditors control a/c		291,906
VAT output A/C 12%		152,500
VAT input A/C	55,000	
Rent Payable		187,500
Electricity payable		44,000
Ordinary Share Capitals		375,000
Retain Profit / Loss A/c		76,844
	1,815,250	1,815,250

Additional information

i. Creditors balance

Invoice No.	Details of creditors	RS.
101	AA (10% Discount within 10 days, Max due 45 days)	135,000
102	BB (5% Discount within 14 days, Max due 60 days)	156,906
		291,906

ii. Debtors balance

Invoice No.	Details of debtors	Rs.
201	YY (15% Discount within 10 days, Max due 45 days)	40,200
202	ZZ (5% Discount within 10 days, Max due 45 days)	35,050
		75,250

iii. Stocks Items

Items No.	Item name	Purchasing price	Selling price	Reorder qty	Opening qty	Total value
110	Sugar	100	110	500	841	84,100
120	Rice	65	75	800	1,000	65,000
130	Biscuit	32	40	400	1,200	38,400
						187,500

iv. Following items were purchased in credit on the following dates (VAT 12%).

Invoice No.	Date	Creditors	Item name	Qty	Price
105	05-01-2020	BB	Sugar	100	100
106	12-01-2020	CC	Rice	200	65

Creditor or Suppliers

CC

DD

Discount Term

5% discount, 14days, 30days

7% discount, 7days, 21 days

v. Check Purchase through Commercial Bank (VAT 12%)

Invoice No.	Date	Suppliers	Item Name	Qty	Price
B121	02-01-2020	AA	Biscuit	50	32
B122	13-01-2020	DD	Rice	60	60

vi. Credit Sales (12% VAT)

Date	Bill no.	Debtors	Item name	Qty	Price
03-01-2020	205	ZZ	Sugar	150	110
09-01-2020	206	WW	Rice	125	75

Debtors or Customers

WW

XX

Discount Terms

5% Discount, 10 Days, 30 Days

5% Discount, 10 Days, 30 Days

vii. Cash Sales (12% VAT)

Date	Bill No.	Customers	Item name	Qty
02-01-2020	S211	WW	Sugar	70
11-01-2020	S212	XX	Rice	80
20-01-2020	S213	YY	Biscuit	50

viii. Check Sales and it was Deposited to Commercial Bank (12% VAT)

Date	Bill No.	Customers	Item name	Qty
04-01-2020	CS301	ZZ	Sugar	60
09-01-2020	CS302	XX	Rice	40

ix. Check payments for credit purchase were made on the following dates through Commercial bank

Date	Bill No.	Creditor name	Rs.	Discount
02-01-2020	SR807	AA	100,000	-
20-01-2020	SR808	CC	13,000	5%

x. Check receipts for Credit Sales were received on the following dates and it was deposited to Commercial Bank

Date	Bill No.	Creditor name	Rs.	Discount
10-01-2020	CR 601	YY	40,200	15%
13-01-2020	CR 602	ZZ	35,050	-

xi. Settle the following accruals for the last year by Commercial bank

Payment date	Check No.	Accrual account	Rs.
05-01-2020	384791	Rent Payable	187,500
10-01-2020	384792	Electricity payable	44,000

xii. Pay the General expenses by Cash

Payment date	Account	Rs.
08-01-2020	Traveling and Transport	3,550
10-01-2020	Printing and Stationary	2,000
12-01-2020	Telephone	1,175
14-01-2020	Salary	5,000

Required:

- i. Enter the above transactions in QuickBooks Pro Plus 2016
- ii. Export to Excel
 - a. Profit and Loss A/C
 - b. Balance Sheet
 - c. Vendor Balance Summary
 - d. Customer Balance Summary
 - e. Inventory Valuation Summary