

\* L15P  
23 AUG 2013

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**THIRD YEAR SECOND SEMESTER EXAMINATION IN BACHELOR OF COMMERCE /**  
**BACHELOR OF COMMERCE (SPECIALIZATION IN ACCOUNTING AND FINANCE)**

2010 / 2011 (JUNE 2013)

(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 2007

Answer All Questions in Part II using QuickBooks Pro Plus 2011

**Part I**

01. The Following trial balance has been extracted from the general ledger of Sam on 31<sup>st</sup> May 2013.

**Trial Balance of Sam as at 31<sup>st</sup> May 2013**

Items	Debit Rs.	Credit Rs.
Sales		12,565,800
Returns	634,100	190,200
Receivables / Payables	1,125,700	798,300
Office Equipment (at cost) / Acc. Depreciation as at 1 <sup>st</sup> June 2012	1,000,000	155,000
Vehicles (at cost) / Acc. Depreciation as at 1 <sup>st</sup> June 2012	350,000	70,000
Purchases	6472,600	
Inventories as at 1 <sup>st</sup> June 2012	500,000	
Carriage inwards	90,800	
Carriage outwards	27,200	
Vehicle Expenses	134,900	
Electricity	180,300	
Wages and Salaries	1,155,000	
Rent and Local business tax	880,000	
Stationery and postages	268,100	
Bank deposit account	1,000,000	
Bank	479,700	
Discount allowed / Discount received	565,200	376,500
Sales tax payable		132,500
Employee income tax payable		45,300

Capital as at 1st June 2012		430,000
Drawings	1500,000	
Loan		1600,000
	<b>16,363,600</b>	<b>16,363,600</b>

**Additional information:**

- i. The value of the inventories on hand as at 31<sup>st</sup> May 2013 was Rs.570,000.
- ii. The bank deposit was made on 01.01.2013. This account earns interest at 8 per cent annum. The balance shown in the ledger is the only deposit made in to this account. Interest is credited on 31 December annually.
- iii. Bank Charges accrued to 31<sup>st</sup> May 2013, are estimated to be Rs.6,000.
- iv. Vehicle expenses include annual vehicle license tax of Rs.12,500 per annum for a vehicle, which expires on 30<sup>th</sup> June 2013, and vehicle insurance of Rs.36,000 per annum which was paid on 01.01.2013.
- v. There is an employee whose gross wage is Rs.105,000 per month. This wage for May 2013 has not yet been entered in the ledgers.
- vi. The balance of the rent and local business tax account includes a payment of rent for the 3 months to 30<sup>th</sup> June 2013 of Rs.120,000 and a payment of a local business tax for the 6 months to 31<sup>st</sup> September 2013 of Rs.400,000.
- vii. Following a review of receivables at the year end, it is decided that a bad debt of Rs.120,700 should be written off, and allowance for receivables made of 2 per cent of receivables.
- viii. Office equipment is to be depreciated at 10 per cent per annum on cost, and motor vehicles are to be depreciated at 20 per cent per annum on cost.
- ix. Loan interest of 10 per cent per annum is to be accrued.

**Required:**

Create a model to extract the Income Statement for the year ended 31<sup>st</sup> May 2013 and Statement of Financial Position as at 31<sup>st</sup> May 2013 [Use the maximum formulas (lookup, etc.) and proper financial statement structures].

**(30 Marks)**

02. You wish to receive Rs. 100,000 at the end of 3 years from your saving deposit in a bank. The interest rate is 5 percent. How much payment should you make each month in your saving deposit account to accumulate Rs. 100,000 after 3 years?

**(05 Marks)**



03. You are required to calculate effective interest rate under multi period compounding as given below.

Investment (Rs)	10,000	10,000	10,000	10,000	10,000	10,000
Simple interest rate	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Compounding/year	1	2	4	12	52	365
Years (n)	1	1	1	1	1	1
Future value (Rs)	?	?	?	?	?	?
Effective interest rate	?	?	?	?	?	?

(05 Marks)

04. Use MS Excel to solve the following Linear Programming problem.

Minimize  $Z = 8x_1 + 4x_2$

Subject to constraints:

$$3x_1 + x_2 \geq 27$$

$$x_1 + x_2 = 21$$

$$x_1 + 2x_2 \leq 40$$

(08 Marks)

05. A company is considering the launch of a 4G mobile phone. Experience from the sale of previous models has shown that the expected life of the new model is four years and life cycle total sales will be 2,500,000 units. Sales volumes over the life cycle of the product will follow the pattern shown below:

- Year 1 20%
- Year 2 40%
- Year 3 30%
- Year 4 10%

An investment of Rs.60,000,000 in a new manufacturing facility will be required at the start of year 1 to put the new model into production. It is expected that the new manufacturing facility will have a residual value of Rs.10,000,000 at the end of four years. The new model is to be marketed initially at a premium price of Rs.300 per unit. The price will remain at Rs.300 for the first year after which prices will be reduced by 20% per each annum. The 4G model will be produced exclusively in the new manufacturing facility. The total fixed manufacturing costs will be Rs.30,000,000 per year excluding depreciation. It is also anticipated that a further Rs.15,000,000 will be spent in each of years 1 and 2 and Rs.10,000,000 in year 3, on further development



and marketing of the new model. The variable cost per unit will be Rs.125 and this is expected to remain the same throughout the life of the model. It is estimated that the launch of the new model will result in a reduction in sales of the current 3G model of 200,000 units in the first year after which there will no longer be a market for the 3G model. It was never anticipated that there would be a market for the 3G model after this period. The contribution per unit of the 3G model is Rs.100.

Ignore taxation and inflation.

**Required:**

Calculate the net present value (NPV) of the above project.

(12 Marks)

(Total 60 Marks)

**Part II**

**Instructions:**

- Mr. Sun involves vegetable cultivation for several years.
- Enter all information in QuickBooks Pro Plus 2011 by using types of vegetables (Lady's Fingers, Long Beans, Chilies) as class option.
- He sells all vegetables immediately after harvesting (Non-inventory part).
- Create file in your index number (e.g. COM 789).

The Following trial balance has been extracted from the books of Sun on 30<sup>th</sup> April 2012.

Items	Debit	Credit
Land	4,000,000	
Tractor (at cost) / Accumulated Depreciation	2,500,000	50,000
Water pump (at cost) / Accumulated Depreciation	80,000	8,000
Debtors / Creditors	40,000	30,000
15% Bank Loan		1,000,000
Accrued electricity		3,500
Cash	45,000	
Bank (BOC)	430,000	
Net profit		74,000
Capital		5,929,500
	<b>7,095,000</b>	<b>7,095,000</b>



Debtors and Creditors details are as follows:

a. Debtors as at 30<sup>th</sup> April 2012:

Invoice No.	Name	Rs.
1001	Ramesh	12,000
1002	Suresh	6,000
1003	Bandara	22,000
<b>Total</b>		<b>40,000</b>

b. Creditors as at 30<sup>th</sup> April 2012:

Invoice No.	Name	Rs.
2001	Santhun	7,500
2002	Moohamad	18,500
2003	Rifan	4,000
<b>Total</b>		<b>30,000</b>

Following transactions occurred during financial year 2012 / 2013:

- 01.05.2012 bought Sprayer Rs. 20,000 from Sanath by cheque
- 03.05.2012 purchased seeds of lady's fingers Rs. 2,500 and seeds of long beans Rs.1,020 from Raja by cash
- 04.05.2012 received cash Rs.22,000 from Bandara
- 06.05.2012 purchased plants chilies Rs. 2,450 from Arun
- 08.05.2012 bought fertilizers and lime Rs. 6,000 by cash for three crops equally
- 05.06.2012 paid wages by cash for labours for lady's fingers, long beans, and chilies Rs.14,000, Rs.15,000 and Rs.13,500 respectively.
- 15.06.2012 purchased chemicals Rs. 9,800 from Amalan
- 20.06.2012 sold lady's fingers 250 Kgs @ Rs. 80 by cash
- 30.06.2012 sold long beans 200 Kgs @ Rs. 95 to Kelum
- 05.07.2012 paid cash Rs. 7,000 to Santun and received discount Rs.500
- 12.07.2012 sold chilies 500 Kgs @ Rs.120 to Suresh
- 20.07.2012 sold long beans 300 Kgs @ Rs.90 to Ramesh by cheque
- 25.07.2012 paid outstanding electricity by cheque
- 15.08.2012 sold lady's fingers 200 Kgs @ Rs. 88 Bandara
- 01.09.2012 paid insurance by cash for crops Rs. 18,000 for three crops equally
- 16.09.2012 purchased seeds of lady's fingers Rs. 3,000 and seeds of long beans Rs.1,530 from Raja by cheque

- 28.10.2012 sold lady's fingers 250 Kgs @ Rs.80 Bandara  
11.11.2012 settled Rifan outstanding balance by cash  
15.12.2012 paid Rs.3,000 by cheque for transporting chillies  
05.02.2013 paid wages by cheque for labours for lady's fingers, long beans, and chillies  
Rs.16,000, Rs.18,000 and Rs.20,000 respectively.  
16.03.2013 paid Rs. 2,200 for telephone  
12.04.2013 sold long beans 300 Kgs @ Rs.100 to Ramesh by cash  
20.04.2013 Ramesh returned 150 Kgs of long beans @ Rs.100 and it was refunded by  
Sun.

**Additional information:**

- i. Insurance prepaid Rs. 6,000 as at 30<sup>th</sup> April 2013
- ii. Outstanding telephone Rs. 3,400 as at 30<sup>th</sup> April 2013
- iii. Depreciation for Tractor, Water pump and Sprayer is to be provided at 10% on cost.

**You are required to:**

- i. Enter above information in QuickBooks Pro Plus 2011 by using types of vegetables  
(Lady's Fingers, Long Beans, Chillies) as class option

**(35 Marks)**

- ii. Export to Excel
  - a. Profit and Loss A/C Crop wise
  - b. Balance sheet
  - c. Cash flow statement
  - d. Customer balance summary
  - e. Vendor balance summary

**(05 Marks)**

**(Total 40 Marks)**