

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

THIRD YEAR FIRST SEMESTER EXAMINATION IN BACHELOR OF BUSINESS
ADMINISTRATION / BACHELOR OF BUSINESS ADMINISTRATION (SPECIALIZATION
IN HUMAN RESOURCE MANAGEMENT/ MARKETING MANAGEMENT) 2014 / 2015
(AUGUST 2017)

(REPEAT/ RE-REPEAT)

MOC 3082 COMPUTER BASED ACCOUNTING

Number of pages: 05

Time 3:00 Hours

Answer All Questions in Part I using Microsoft Office Excel 2007 / 2013

Answer All Questions in Part II using QuickBooks - Accountant Edition 2011

Part I

01. The following trial balance was extracted from the ledger of Ranjan, a sole trader, as at 31 May 2017 – the end of his financial year.

Details	Debit Rs.'000	Credit Rs.'000
Property, at cost	120,000	
Equipment, at cost	80,000	
Provisions for depreciation (as at 1 June 2016) - on property		20,000
Provisions for depreciation (as at 1 June 2016) - on equipment		38,000
Purchases	250,000	
Sales		402,200
Stock, as at 1 June 2016	50,000	
Discounts allowed	18,000	
Discounts received		4,800
Returns out		15,000
Wages and salaries	58,800	
Bad debts	4,600	
Loan interest	5,100	
Other operating expenses	17,700	
Trade payables		36,000
Trade receivables	38,000	
Cash in hand	300	
Bank	1,300	
Drawings	24,000	
Allowance for receivables		500
17% Long term loan		30,000
Capital, as at 1 June 20X0		121,300
	667,800	667,800

The following additional information as at 31 May 2017 is available.

- (a) Inventory as at the close of business has been valued at cost at Rs.42,000.
- (b) Wages and salaries need to be accrued by Rs.800,000.
- (c) Other operating expenses are prepaid by Rs.300,000.
- (d) The allowance for receivables is to be adjusted so that it is 2% receivables.
- (e) Depreciation for the year ended 31 May 2017 has still to be provided as follows.
Property: 1.5% per annum using the straight line method; and
Equipment: 25% per annum using the reducing balance method.

Required:

Create a model to prepare Ranjan's Income Statement for the year ended 31 May 2017 and Statement of Financial Position as at 31st May 2017 [Use the appropriate formulas (lookup, etc.) and proper financial statement structures].

02. Today you deposit Rs 10,000 in a 5 year fixed deposit with Bank of Ceylon. You earn compound interest rate of 6 per annum on your deposit. How much amount will you receive after 5 years?

03. You expect to receive Rs 50,000 after 5 years as a bonus from your employer. The interest rate is 6 percent. How much is Rs 50,000 worth today?

04. A project has the following cash flows:

Now	1 year	2 year	3 year
-Rs. 5,000	Rs. 3,000	Rs.3,000	Rs. 5,000

If the company's cost of capital is 15%, should they do the project?

05. Mr. Aananth borrows Rs.400,000 on 2 years personal loan with an annual interest rate of 15%. Assuming end of month payments, determine the monthly payment, the amount paid toward principle in first month.

06. Consider the following cash flows.

Year	Cash Flows
1	- 2,500,000
2	600,000
3	700,000
4	800,000

Calculate the IRR of these cash flows?

(08 Marks)

(Total 60 Marks)

Part II

07. Enter the following transaction in QuickBooks Premier - Accountant Edition 2011.

Shop Name : Enter your index number.

Start Date : 01/01/2017

Trail Balance as at 01/01/2017

Account	Debit	Credit
Land and Building	780,000	
Furnitures and fittings	295,000	
Debtors control a/c	80,600	
Cash in hand	263,500	
Bank of Ceylon	380,000	
Stocks	187,500	
Long term loan Sampath Bank 12%		687,500
Creditors control a/c		261,800
Rent Payable		137,500
Electricity payable		28,000
Ordinary Share Capitals		773,279
Retain Profit / Loss A/c		98,521
	1,986,600	1,986,600

Additional information

i. Creditors balance

Invoice No.	Details of creditors	RS.
101	Ram	125,000
102	Ratnam	136,800
		261,800

ii. Debtors balance

Invoice No.	Details of debtors	Rs.
201	Aravinth	38,600
202	Amal	42,000
		80,600

iii. Stocks Items

Items No.	Item name	Purchasing price	Selling price	Reorder qty	Opening qty
110	Sugar	100	110	500	841
120	Rice	65	75	800	1000
130	Biscuit	32	40	400	1200

iv. Following items were purchased in credit on the following dates.

Invoice No.	Date	Creditors	Item name	Qty	Price
105	04-01-2017	Ratnam	Sugar	100	100
106	15-01-2017	Ravi	Rice	200	65

v. Check Purchase through Bank of Ceylon

Invoice No.	Date	Suppliers	Item Name	Qty	Price
B121	06-01-2017	Ram	Biscuit	50	32
B122	12-01-2017	Ravi	Rice	60	60

vi. Credit Sales

Date	Bill no.	Debtors	Item name	Qty	Price
03-01-2017	205	Amal	Sugar	150	110
09-01-2017	206	Aathi	Rice	125	75

vii. Cash Sales

Date	Bill No.	Customers	Item name	Qty
02-01-2017	S211	Aathi	Sugar	70
11-01-2017	S212	Arul	Rice	80
21-01-2017	S213	Aravinth	Biscuit	50

viii. Check Sales and it was Deposited to Bank of Ceylon

Date	Bill No.	Customers	Item name	Qty
04-01-2017	CS301	Amal	Sugar	60
09-01-2017	CS302	Arul	Rice	40

ix. Check payments for credit purchase were made on the following dates through Bank of Ceylon

Date	Bill No.	Creditor name	Rs.	Discount
02-01-2017	SR807	Ram	100,000	-
20-01-2017	SR808	Ravi	12,500	500

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

Date	Bill No.	Creditor name	Rs.	Discount
10-01-2017	CR 601	Aravinth	38,000	600
13-01-2017	CR 602	Amal	35,050	-

xi. Settle the following accruals for the last year by Bank of Ceylon

Payment date	Check No.	Accrual account	Rs.
07-01-2017	384791	Rent Payable	137,500
20-01-2017	384792	Electricity payable	28,000

xii. Pay the General expenses by Cash

Payment date	Accrual account	Rs.
21-01-2017	Traveling and Transport	3682
23-01-2017	Printing and Stationary	4650
28-01-2017	Telephone	2500
31-01-2017	Salary	14,000

(Total 40 Marks)