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 /
ENTERPISE DEVELOPMENT) 2012 / 2013 (JULY / AUGUST 2015)
(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 / 2013

Answer All Questions in Part II using QuickBooks Pro Plus 2011
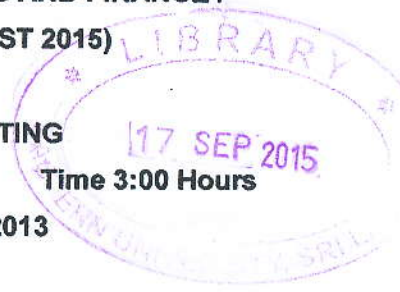
Part I

01. The following trail balance was extracted from the books of Perera trader, whose business was established in July 2014 to deal in the sale of raw materials.

Trail Balance as at 30th June 2015

Details	Dr. Rs. "000"	Cr. Rs. "000"
Capital		71,000
Purchases / Sales	40,680	98,780
Return inward/ Return outward	680	500
Rent	15,210	
Machinery	20,000	
Free hold Land	17,500	
Building	30,000	
Balance at Bank	8,410	
Sundry Expenses	3,000	
Salaries	15,000	
Insurance	600	
Drawings	5,240	
Debtors / Creditors	14,500	6,300
Stock in trade at 01.07.2014	5,760	
	176,580	176,580

Additional information

1. Stock in trade at 30th June 2015 Rs. 6,800,000

2. Machinery is to be depreciated at the rate of 10% and Building at the rate of 20% on cost.

3. Salaries for the month of June, 2015 amounting to Rs. 1,500,000 were unpaid.

4. Insurance includes a premium of Rs. 170,000 per annum on a policy expiring on 31st December, 2015

5. A provision for Bad and Doubtful Debts is to be created to the extent of 5% on Debtors.

Required:

Create a model to extract the Income Statement for the year ended 30th June 2015 and Statement of Financial Position as at 30th June 2015 [Use the maximum formulas (lookup, etc.) and proper financial statement structures].

(20 Marks)

02. **i.** From the following information, calculate the depreciation in SYD and DB methods for each year.

Asset:	Electronic Clipper
Initial Cost:	Rs. 140,000
Salvage Value:	Rs. 10,000
Lifetime:	5 years

(05 Marks)

ii. Enter the below data in the Excel new sheet.

Month	Salesman	Region	Product	No. Customers	Net Sales
Jan-2015	Joseph	North	FastCar	8	100,592
Feb-2015	Chandiga	West	rapidZoo	7	150,088
Mar-2015	Joseph	West	SuperGlue	8	125,680
Apr-2015	Chandiga	North	FastCar	9	142,133
May-2015	Joseph	West	rapidZoo	10	116,610

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

(10 Marks)

iii. You have Rs. 12,280.96 in your bank account. You are able to invest the full amount for 5 years, continuously compounded at a rate of 4%. What is the Future Value of the investment?

(05 Marks)

(Total 20 Marks)

03. i. Ranjan would like to purchase a new house in Batticaloa. The house is listed for sale at Rs.5,477,500. Ranjan has only Rs.1,300,000 available for the down payment. He has planned to settle loan within five years. What is the monthly payment on the balance of the Rs. 4,177,500 loan at an interest rate of 12% per year?

(05 Marks)

ii. AB is an outsourcing company that provides call centre services to a range of clients. As a result of technical advances in telecommunication equipment, the company's existing telephone system is outdated and inefficient and needs to be replaced. A technical consultant, hired at a cost of Rs.80,000, has prepared a report outlining two possible replacement systems. The details of each system are as follows:

Details	System 1	System 2
Initial investment	Rs.600,000	Rs.800,000
Estimated useful life	3 years	5 years
Residual value	Rs.60,000	Rs.50,000
Contribution per annum	Rs.580,000	Rs.600,000
Fixed maintenance costs per annum	Rs.20,000	Rs.40,000
Other fixed operating costs per annum	Rs.360,000	Rs.305,000

All cash flows apart from the initial investment should be assumed to occur at the end of each year. Depreciation has been calculated using the straight line method and has been included in other fixed operating costs. The company uses a cost of capital of 12% per annum to evaluate projects of this type.

Required:
Prioritise the two systems using an Annualised Equivalent approach. You should ignore taxation and inflation.

(15 Marks)
(Total 20 Marks)

Instructions:

- Enter all information in QuickBooks Pro Plus 2011 by using types of vegetables (Carrot, Beans, Potato) as class option for the trader, Mr. Karu cultivates vegetable in Nuwara Eliya and he sells all vegetables immediately after harvesting (Non-inventory part).
- Create file in your index number (e.g. COM 456).

The Following trial balance has been extracted from the books of Karu on 01st July 2014.

Items	Debit Rs.	Credit Rs.
Land	5,000,000	
Sprayer pump (at cost) / Accumulated Depreciation	40,000	4,000
Equipment (at cost) / Accumulated Depreciation	500,000	5,000
Debtors / Creditors	20,000	10,000
12% Bank Loan		500,000
Accrued electricity		4,000
Cash	55,000	
Bank (Sampath)	230,000	
Net profit		61,000
Capital		5,261,000
	5,845,000	5,845,000

Details of debtors and creditors are as follows:

a. Debtors as at 01st July 2014:

Invoice No.	Name	Rs.
101	Ganesh	4,000
102	Kannan	8,500
103	Rathnayake	7,500
Total		20,000

b. Creditors as at 01st July 2014:

Invoice No.	Name	Rs.
2001	Partheepan	2,000
2002	Jifry	4,500
2003	Kumara	3,500
Total		10,000

Following transactions occurred during financial year 2014 / 2015:

01.07.2014 bought Water pump Rs. 40,000 from Niroshan by cheque

04.07.2014 purchased seeds Carrot plant Rs. 5,500 and seeds of Beans Rs.2,100 from Romesh by cash

05.07.2014 received cash Rs.7,500 from Rathnayake

07.07.2014 purchased seeds Potato Rs. 9,450 from Amal

08.07.2014 bought fertilizers and lime Rs. 9,000 by cash for three crops equally

05.08.2014 paid wages by cash for labours for Carrot, Beans and Patato Rs.10,500, Rs.11,000 and Rs.12,500 respectively.

14.08.2014 purchased chemicals Rs. 7,800 from Suman

21.08.2014 sold Carrots 150 Kgs @ Rs. 160 by cash

30.08.2014 sold Beans 200 Kgs @ Rs. 140 to Ganesh

06.09.2014 paid cash Rs. 1,750 to Partheepan and received discount Rs.250

11.09.2014 sold Potato 400 Kgs @ Rs.150 to Kannan

24.09.2014 sold Beans 280 Kgs @ Rs.140 to Rajan by cheque

28.09.2014 paid outstanding electricity by cheque

12.10.2014 sold Carrots 200 Kgs @ Rs. 165 Rathnayake

01.11.2014 paid insurance by cash for crops Rs. 21,000 for three crops equally

16.11.2014 purchased seeds Carrot plant Rs. 2,800 and seeds of Beans Rs.1,700 from Romesh by cheque

28.12.2014 sold Carrots 250 Kgs @ Rs.160 Rathnayake

07.01.2015 settled Kumara outstanding balance by cash

09.12.2015 paid Rs.4,000 by cheque for transporting Potato

04.04.2015 paid wages by cheque for labours for Carrot, Beans and Patato Rs.15,000, Rs.14,000 and Rs.16,000 respectively.

10.05.2015 paid Rs. 2,450 for telephone

21.06.2015 sold Beans 280 Kgs @ Rs.140 to Rajan by cash

22.06.2015 Rajan returned 110 Kgs of Beans @ Rs.140 and it was refunded by Karu.

Additional information:

i. Outstanding telephone Rs. 2,800 as at 30th June 2015

ii. Insurance prepaid Rs. 6,000 as at 30th June 2015

iii. Depreciation for Sprayer pump, Equipment and Water pump 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 (Carrot, Beans, Potato) 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)