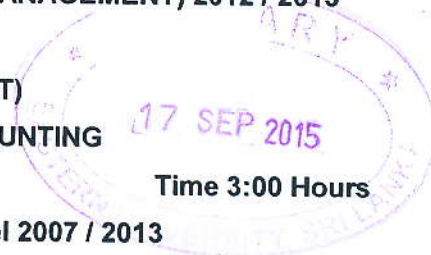


**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**THIRD YEAR FIRST SEMESTER EXAMINATION IN BACHELOR OF BUSINESS**  
**ADMINISTRATION / BACHELOR OF BUSINESS ADMINISTRATION (SPECIALIZATION**  
**IN HUMAN RESOURCE MANAGEMENT/ MARKETING MANAGEMENT) 2012 / 2013**  
**(JULY / AUGUST 2015)**  
**(PROPER/ 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 Pro Plus 2011

**Part I**

01. From the following forecasts of income and expenditure, prepare a cash budget for the months January to April 2015.

Months	Sales (Credit) Rs.	Purchase (Credit) Rs.	Wages Rs.	Manufacturing expenses Rs.	Administrative expenses Rs.	Selling expenses Rs.
2014 Nov.	30000	15000	3000	1150	1060	500
2014 Dec.	35000	20000	3200	1225	1040	550
2015 Jan.	25000	15000	2500	990	1100	600
2015 Feb.	30000	20000	3000	1050	1150	620
2015 Mar.	35000	22500	2400	1100	1220	570
2015 Apr.	40000	25000	2600	1200	1180	710

**Additional information:**

1. The customers are allowed a credit period of two months.
2. A dividend of Rs.10,000 is payable April 2015.
3. The creditors are allowing a credit of 2 months.
4. Wages are paid on the 1<sup>st</sup> of the next months.
5. Lag in payment of other expenses is one month.
6. Balance of cash in hand on 1<sup>st</sup> Jan. 2015 is Rs.15,000.

**(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. Consider the following two projects. Assume a company's cost of capital is 15%. Find the IRR and NPV of each project. Which project adds value to the company? If the company can choose only a single project, which project should it choose?

	Year 1	Year 2	Year 3	Year 4
Project 1	(40)	130	19	26
Project 2	(80)	36	36	36

(05 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)

iv. 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)

(Total 20 Marks)

03. 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 30<sup>th</sup> 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 01.07.2014	5,760	
	<b>176,580</b>	<b>176,580</b>

### Additional information

1. Stock in trade at 30<sup>th</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> June 2015 and Statement of Financial Position as at 30<sup>th</sup> June 2015 [Use the maximum formulas (lookup, etc.) and proper financial statement structures].

**(20 Marks)**

### Part II

#### Instructions:

- Create file in your index number (e.g. MS 456).

Mr. Karu cultivates vegetable in Nuwara Eliya. He sells all vegetables immediately after harvesting (Non-inventory part). The Following trial balance has been extracted from the books of Karu on 01<sup>st</sup> 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
	<b>5,845,000</b>	<b>5,845,000</b>

Details of debtors and creditors are as follows:

**a. Debtors as at 01<sup>st</sup> July 2014:**

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

**b. Creditors as at 01<sup>st</sup> July 2014:**

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

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
- 05.08.2014 paid wages, Rs. 34,000 by cash for labours.
- 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 three crops Rs. 21,000
- 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 Rs. 45,000 by cheque for labours for Carrot, Beans and Potato 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 30<sup>th</sup> June 2015
- ii. Insurance prepaid Rs. 6,000 as at 30<sup>th</sup> 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.

**(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)**