

EASTERN UNIVERSITY, SRI LANKA
 FACULTY OF COMMERCE AND MANAGEMENT
 FINAL YEAR SECOND SEMESTER EXAMINATION IN BACHELOR OF BUSINESS
 ADMINISTRATION / BACHELOR OF BUSINESS ADMINISTRATION (SPECIALIZATION IN HUMAN
 RESOURCE MANAGEMENT / MARKETING MANAGEMENT) 2009 / 2010 (DECEMBER 2011)
 (REPEAT)

MGT 403 COMPUTER BASED ACCOUNTING FOR MANAGEMENT

Time 3:00 Hours

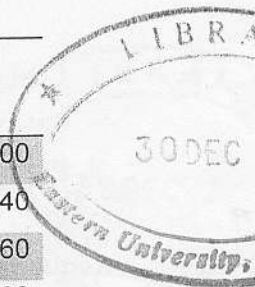
Answer All Questions in Part I using Microsoft Office Excel 2007

Answer All Questions in Part II using QuickBooks - Accountant Edition 2004 / 2011

Part I

01. Following are the budgeted values for the years ended 31st December 2012 of the AB plc.

Details	2011 Rs.
Credit Sales	793,800
Opening Inventory	22,040
Purchases	488,160
Closing Inventory	121,392
Selling expenses	88,560
Administrative expenses	36,720
Depreciation	54,000
Interest	27,000
Income tax expenses	38,880
Retained profit at the beginning the year	268,704
Dividends paid	12,852
Accounts Receivable	378,000
Cash at Bank	186,840
Prepayment at the end of the year	49,248
Short term investment	117,720
Buildings	587,520
Goodwill	12,960
Patents	142,560
Plant	205,200
Land	432,000
Accounts Payable at the end of the year	618,516



Wages payable at the end of the year	106,920
Provision for the income tax for the year	38,880
Loan	453,440
Paid up capital	700,000

Required:

Create a model to extract the Budgeted Income Statement for the year ended 31st December 2012 and Budgeted Statement of Financial Position as at 31st December 2012 (Use the maximum formulas (lookup, etc.) and proper financial statement structures).

(Marks 25)

02. BC company provides you following information relating to its Non Current Assets.

	Rs.
Cost of Asset	266,000
Estimated salvage value	20,000
Estimated useful life in years	5

Required

- To develop a model to calculate the depreciation expenses for next 5 years using Straight Line Method, Sum of Years Digit Method, and Declining Method.
- Accumulated depreciation for next 5 years using Straight Line Method, Sum of Years Digit Method, and Declining Method.

(Marks 10)

03. After earning a BBA, a student will begin working at an Rs.80,000 a year job on January 1, 2012. He expects to receive a 5% raise each year until he retires on 31st December, 2047. If the cost of capital is 8% a year, determine the total present value of his before tax earnings.

(Marks 10)

04. Consider the following set cash follows over a four year period:

Year	1	2	3	4
	-600	550	-680	1,000

Determine the NPV of these cash follows if cost of capital is 15% and cash follows occur at the end of the year.

(Marks 05)

05. Consider a project with the following cash flows. Determine the projects IRR. If the annual cost of capital is 20%, would you undertake this project?

Year1	Year2	Year3
-4000	2000	4000

(Marks 05)

06. You have planned to borrow Rs.250,000 on 2 years educational loan with an annual interest rate of 13.5%. Assuming end of month payments, determine the monthly payment, interest payment, and amount paid toward principle in first month.

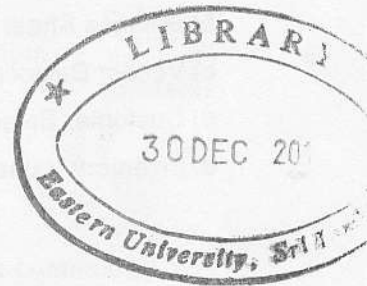
(Marks 05)

Part II

07. Enter the following transactions in QuickBooks Premier - Accountant Edition 2004 / 2011.

Shop Name : Enter your index number.
 Start Date : 01/01/2011

- 01.01.2011 : Mr. Pragash started a business with Rs.300,000.
- 02.01.2011 : bought Land and Building Rs.50,000 by cash.
- 03.01.2011 : bought Furniture Rs.25,000 by cash.
- 04.01.2011 : deposited Rs.50,000 and opened current a/c in Commercial Bank.



He planned to purchase following goods and fixed following reorder levels for each goods.

<u>Item</u>	<u>Reorder level</u>
Rice	500 Kg
Sugar	200 Kg
Dahl	200 Kg
Milk powder	50 Kg

- 05.01.2011 : bought Rice 300 Kg @ Rs.40 by cash and 300 Kg @ 42 from Mohamad on credit.
- 06.01.2011 : bought Rice 200 Kg @ Rs.40 by cheque from Salim.
- 07.01.2011 : bought Sugar 100 Kg @ Rs.60 by cash and 200 Kg @ 62 from Kamal on credit.
- 08.01.2011 : sold Rice 50 Kg @ Rs.50 to Kumar on credit.
- 09.01.2011 : bought Dahl 150 Kg @ Rs.30 and Milk powder 75 Kg @ Rs.180 from Bandara on credit.

- 10.01.2011 : bought Dahl 80 Kg @ Rs.30 by cash from Suriya.
11.01.2011 : sold Dahl 20 Kg @ Rs.35 and Sugar 25Kg @ Rs.65 to Rajan on Credit.
12.01.2011 : paid rent Rs.10,000 by cash.
13.01.2011 : sold Milk powder 20Kg @ Rs.200 to Jaroshan on Credit.
14.01.2011 : paid Rs.12,000 to Mohamad by cheque and discount received Rs.600
15.01.2011 : received cheque Rs.2,300 from Kumara which was deposited in Commercial Bank and discount allowed Rs.200.
20.01.2011 : sold Rice 50Kg @ Rs.50 to Ravi by cheque which was deposited in Commercial Bank.
25.01.2011 : paid salary to employees Rs.12,000 by cash.
31.01.2011 : paid electricity Rs.1000 by cash.

You are required to export following reports to Excel.

- a) Profit and Loss A/C
- b) Balance Sheet
- c) Vendor Balance Summary
- d) Customer Balance Summary
- e) Inventory Valuation Summary

(Marks 40)