

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)

2009 / 2010 (JANUARY 2012)

(PROPER)

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 - Accountant Edition 2011

Part I

01. The following trial balance was extracted from the books of Regal as at 31<sup>st</sup> December 2011.

Details	Debit Rs.'000	Credit Rs.'000
Drawings and Capital	2,148	20,271
Debtors and Creditors	7,689	5,462
Sales and purchases	62,101	81,742
Rent and Rates	880	
Electricity	246	
Salaries and Wages	8,268	
Bad Debts	247	
Provision for doubtful debts as at 31/12/2010		326
Stock in trade as at 31/12/2010	9,274	
Insurance	172	
General Expenses	933	
Bank Balances	1,582	
Motor vans at cost and Depreciation Provision as at 31/12/ 2010	8,000	3,850
Motor Expenses	861	
Freehold premises at cost and Depreciation Provision as at 31/12/2010	15,000	5,000
Rent Received		750
	<b>117,401</b>	<b>117,401</b>



The following matters are to be taken in to accounts.

- i. Stock in trade as at 31<sup>st</sup> December 2011 Rs.9,884,000
- ii. Rates paid in advance as at 31<sup>st</sup> December 2011 Rs.40,000
- iii. Rent Receivable due as at 31<sup>st</sup> December 2011 Rs.250,000
- iv. Electricity due as at 31<sup>st</sup> December 2011 Rs.85,000
- v. Provision for doubtful debts is to be increased to Rs.388,000
- vi. Depreciation is to be charged on vans at the annual rate of 20% at cost.
- vii. Depreciation on building by Rs.500,000

**Required:**

- i. Create a model to extract the Income Statement for the year ended 31<sup>st</sup> December 2011 and Statement of Financial Position as at 31<sup>st</sup> December 2011 [Use the maximum formulas (lookup, etc.) and proper financial statement structures].

(25 Marks)

- ii. Analysis financial performance of Regal sole trader by using profitability and liquidity ratios.

(05 Marks)

02. A graduate recently got a job. He is very interested to pursue Master degree. He is going to take a loan from a bank for continuing his higher study. His capacity to pay monthly installment is Rs.5,000 per month up to 3 years.

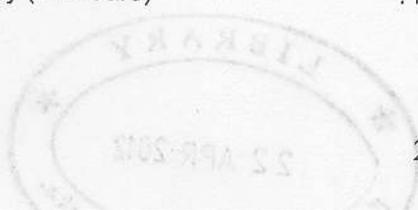
How much will he borrow from a bank when interest rate is 13.5%?

(05 Marks)

03. An Accountant observed that a bookkeeper takes a lot of time for checking travelling claim vouchers. Therefore, he requests to prepare a model in Excel to calculate travelling claim. Following information is given to you.

Travelling claim (allowance)

Less than 6 hours	: No payment
6 hours - Less than 12 hours	: Rs.250
12 hours - Less than 24	: Rs.500
One day (24 hours)	: Rs.625



Name	Departure		Arrival	
	Date	Time	Date	Time
A	09/01/2012	06:00	10/01/2012	05:30
B	12/01/2012	13:00	14/01/2012	14:00
C	16/01/2012	09:00	17/01/2012	10:00

Note: Assume that an employee can take maximum leave 5 days in a journey.

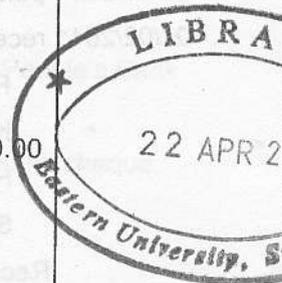
(10 Marks)

### Part II

An institute conducts three educational programs. Balance sheet of the institute as at 31<sup>st</sup> December 2010 is given below.

Institute's name: Your index number

ASSETS	Rs.	Rs.
Current Assets		
Cash	55,000.00	
People's Bank	120,000.00	
Accounts Receivable	15,000.00	
Building Advance	100,000.00	
Total Current Assets		290,000.00
Fixed Assets		
Computer	115,500.00	
Furniture	300,000.00	
Photocopier	75,000.00	
Total Fixed Assets		490,500.00
<b>TOTAL ASSETS</b>		<b>780,500.00</b>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accrued Lecture fee		
Course 1	20,000.00	
Accrued rent	18,000.00	
Total Liabilities		38,000.00
Equity		
Capital	727,500.00	
Net Income	15,000.00	
Total Equity		742,500.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>780,500.00</b>



Accounts receivables as at 31.12.2010

Name	Rs.
Raja	8,000
Rani	<u>7,000</u>
	<u>15,000</u>

Following transactions were occurred during 2011.

02/01/2011 received arrears cash from following students

Raja Rs.8,000

Rani Rs.7,000

04/01/2011 deposited Rs.25,000 in People's Bank.

16/01/2011 paid Rs.5,000 to Alleviation printers for banner printing by People's Bank cheque no. 222231.

21/01/2011 paid Rs.4,500 to Athavan Printers for printing hand bills.

25/01/2011 paid Rs.5,600 as a salary to marketing people.

01/02/2011 received cash from following students for Course 1.

Ramani Rs.30,000

Kamal Rs.30,000

Haran Rs.15,000

Suresh Rs.20,000

Received cash from above students was deposited at People's Bank.

04/02/2011 paid telephone bill Rs.3,000 by People's Bank cheque no. 222232.

15/02/2011 He started Course 2 and received cash from following students.

Kumar Rs.18,000

Raja Rs.18,000

Rani Rs.8,000

18/02/2011 paid accrued lecture fee and rent.

28/02/2011 paid lecture fee through People's Bank Rs.14,000 and Rs.7,000 for Course 1 and Course 2 respectively (cheque no. 222233, 222234).

12/05/2011 bought pen, pencil and marker Rs.1,200.

10/07/2011 paid royalty Rs.5000 to ABC institute.

05/06/2011 bought 5 paper reams each Rs.450

13/08/2011 He started Course 3 by spending Rs.5,500 as advertisement expenditure. Course fee per subject is Rs.4000. Following students paid course fee according to their choice of subjects.

Name	Number of subject
Rajeewan	2
Ramesh	3
Nerupa	3
Nimal	2



15/08/2011 Received course fee on 13<sup>th</sup> of August 2011 deposited at People's Bank.

01/09/2011 Lecture fee is paid by People's Bank cheque.

Course 1 Rs.10,000 cheque no. 222235

Course 2 Rs.6,000 cheque no. 222236

Course 3 Rs.7,500 cheque no. 222237

10/10/2011 Bought computer Rs.45,000

23/12/2011 paid electricity Rs.6,000 by People's Bank cheque no. 222238.

#### Additional information

a. He pays monthly rent Rs.6,000 following first day of each month by People's Bank cheque.

b. He pays salary Rs.10,000 for clerk end of each month by People's Bank cheque.

c. Electricity payment for December is unpaid Rs.1,450.

d. Receivables

Haran Rs.15,000 for Course 1

Suresh Rs.10,000 for Course 1

Rani Rs.10,000 for Course 2

e. Depreciation of non current assets is given below for 2011.

Computer 15,500.00

Furniture 30,000.00

Photocopier 7,500.00

f. The institute received Bank statement from People's Bank for period of 2011 which is given below

Date	Details	Debit	Credit	Balance
01.01.2011	Balance		120,000	120,000
04.01.2011	Deposit		25,000	145,000
18.01.2011	222231	5,000		140,000
31.01.2011	Debit tax	50		139,950
01.02.2011	Deposit		95,000	234,950

05.02.2011		222232	3,000		231,950
28.02.2011		222233	14,000		217,950
30.02.2011		222234	7,000		210,950
30.02.2011	Debit tax		150		210,800
31.05.2011	Bank charge		500		210,300
15.08.2011	Deposit			40,000	250,300
02.09.2011		222235	10,000		240,300
04.09.2011		222236	6,000		234,300
10.09.2011		222237	7,500		226,800
15.12.2011	BC institute (Royalty)			10,000	236,800
31.12.2011	Bank charge		500		236,300

**Your are required to**

- i. Enter all information in QuickBooks 2011 by using courses as class option.
- ii. Reconcile People's Bank account with Bank Statement as at 31<sup>st</sup> December 2011.
- iii. Export to Excel
  - a. Bank Reconciliation statement
  - b. Profit and Loss A/c
  - c. Balance sheet
  - d. Cash flow statement

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Date	Details	Debit	Credit	Balance
01.01.2011	Balance		120,000	120,000
04.01.2011	Deposit		50,000	170,000
15.01.2011	222231	5,000		165,000
31.01.2011	Debit tax	50		164,950
01.02.2011	Deposit		50,000	214,950