

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

THIRD YEAR SECOND SEMESTER EXAMINATION IN BACHELOR OF BUSINESS  
ADMINISTRATION / BACHELOR OF BUSINESS ADMINISTRATION (SPECIALIZATION  
IN HUMAN RESOURCE MANAGEMENT/ MARKETING MANAGEMENT) 2009 / 2010

(JANUARY 2012)

(PROPER)

MOC 3082 COMPUTER BASED 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
	117,401	117,401



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:**

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 Mark)

02. If you order up to 500 units of products, you pay Rs.15 per unit. If you order between 501 and 1200 units, you pay Rs.12 per unit. If you order between 1201 and 2000 units, you pay Rs.10 per unit. If you order more than 2000 units, you pay Rs.9 per unit.

You are required to find out the purchase cost as a function of the number of units purchased by using IF command for given table below.

Order Size	Purchase cost
600	?
2000	?
2010	?
300	?
1500	?

(05 Mark)

03. 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.5000 per month up to 3 years.

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

(05 Mark)

04. XYZ company provides you following information relating to its Non Current Assets

	Rs.
Cost of Asset	300,000
Estimated salvage value	25,000
Estimated useful life in years	5



You are 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.

(05 Marks)

05. 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)

06. A plastic manufacturer has under consideration the proposal of production of high quality plastic glasses. The necessary equipment to manufacture the glasses would cost Rs.80,000. The production equipment would last 5 years with no salvage value. The glasses can be sold at Rs.3 each. Regardless of the level of production, the manufacturer will incur cash cost of Rs.25,000 each year if the project is undertaken. The variable cost is estimated at Rs.2 per glass. The manufacturer estimates it will sell about 75,000 glasses per year. The straight line method of depreciation will be used; the ordinary tax rate is 55%. Should the proposed equipment be purchased? Assume 10% as the cost of capital.

(10 Marks)

## Part II

An institute conducts three educational programs. Balance sheet of the institute as at 31 December 2010 is given below.

Institute's name: Your index number

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

Accounts receivables as at 31.12.2010

	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.

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

Cash received from above students was deposited at People's Bank.

04/02/2011 paid telephone bill Rs.3,000 by People's Bank cheque.

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 cheque Rs.14,000 and Rs.7,000 for Course 1 and Course 2 respectively.

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

LIBRARY  
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

Course 2 Rs.6,000

Course 3 Rs.7,500

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

23/12/2011 paid electricity Rs.6,000 by People's Bank cheque.

### Additional information

- He pays monthly rent Rs.6,000 following first day of each month by People's Bank cheque.
- He pays salary Rs.10,000 for clerk end of each month by People's Bank cheque.
- Electricity payment for December is unpaid Rs.1,450.
- Receivables

Haran Rs.15,000 for Course 1

Suresh Rs.10,000 for Course 1

Rani Rs.10,000 for Course 2

### Your are required to

- Enter all information in QuickBooks 2011.
- Export to Excel
  - Profit and Loss A/c
  - Balance sheet
  - Cash flow statement

(40 Mark)

Name	Number of subject
Rajwari	2
Ramesh	3
Vijaya	3
Nimai	2