

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS

**FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT**

DEPARTMENT OF ACCOUNTING & FINANCE

BSC ACC& FIN III SEMESTER TWO 2017/18

COURSE UNIT: COMPUTERISED ACCOUNTING

DATE: Thursday, 10th May 2018

Time allowed: 9:30am-12:30pm

Instructions to Candidates:

Read the following before answering the examination questions.

1. Do not write anything on the question paper
2. Attempt any **3** Questions
3. Question **One** is compulsory
4. All questions carry equal marks
5. Save your work on a CD and indicate your registration number on the Disk

QUESTION ONE

- a) Mention any four errors that are disclosed by the trial balance (8 Marks)
- b) Explain any five uses of a general journal (10 marks)
- c) Why would you advise your organisation to adopt a computerised system of book keeping (10Marks)
- d) Mention any five challenges of using a computerised (5 Marks)

QUESTION TWO

The following balances were extracted from the accounting records of MTK LTD. As at 31st March 2018, a business located in Rushere P.O. Box 456 Mbarara Uganda. Tel: 0776 789900, email: mtk@yahoo.com. Website: www.mtkltd.co.ug

Particulars	Amount \$
Purchases	820,000
Sales	1,200.000
Returns inwards	50,000
Returns outwards	74,300
Stock 1/07/2015	180,000
Wages and salaries	72,000
Rent	15,800
Utility	12,000
Motor vehicles	100,000
Plant	108,000
Bad debts w/o	4,600
Bank current account	8,000
Discount allowed	12,000
Discount received	20,700

Bank savings account	20,900
Drawings	42,400
Debtors	21,800
Creditors	12,000
Capital	420,000
Provision for bad debts	3,000
Furniture	140,000
Land and buildings	120,000

Additional Information:

1. There were provisions for depreciation of \$ 12,000 and \$17,500 on motor vehicles and furniture respectively at the beginning of the year. These have been omitted from the books of accounts.
2. Stock at 08/31/2016 was valued at \$ 32,000
3. Utility expenses of \$9,800 and wages and salaries of \$6,900 had accrued
4. Depreciate motor vehicles by 5% and plant by 6% on straight line basis.
5. Rent of 3,800 was prepaid.

Required: Prepare

- a) Income statement
- b) Balance sheet
- c) Memorize the above statement as accountant

QUESTION THREE

The information below relates to Chandelle General Hardware dealers in building materials a whole sale business located on Masaka Road for the year 30th June, 2018.

The business name is Chandelle General Hardware Ltd P.O.BOX 320 Masaka.

Email: ChandelleGeneral@gmail.com Website: www.ChandelleGeneral.co.ug

Item	Cost price (UGX)	Selling price(UGX)	Stock on hand
Blue triAngle	40,000	62,000	50 bags
Tororo cement	48,000	70,000	30 bags
Expanded Wire	20,000	45, 000	
Wall tiles	40,000	52, 000	
Twisted bars	60,000	90,000	
Angle bars	50,000	72,000	
Iron sheets	120,000	145,000	
Bamburi	50,000	75,000	100 bags
Crest tank	120,000	170,000	10
Windows	80,000	110,000	90

All purchases are on credit and sales are both cash and credit.

All sales attract a VAT of 18%

The following activities took place during the financial year

May 2016

- 1 Chandelle invested UGX 265,000,000 in the Chandelle General Hardware Ltd, a wholesale business depositing the money in the business bank A/C.
- 3 Paid rent by cheque UGX 780,000

- 4th Purchased 280 Blue triangle, 150 twisted bars, 300 Angle bars, 120 bags of Bamburi and 220 Expanded Wire from GAME Hardware U Ltd.
- 6th Purchased 800 boxes of Wall tiles, 200 Crest tanks, 900 Iron sheets, 280 Windows and 1,800 bags of Tororo cement Magara International Hardware.
- 8th Sold 130 boxes of Wall tiles, 80 twisted bars, 50 Crest tanks and 720 bags of Tororo cement to Cheap Hardware Ltd collecting cash.
- 10th Sold 310 Iron sheets, 105 bags of Blue triangle, 40 Angle bars and 85 Expanded Wires to Lina Construction Co. Ltd.
- 11th Paid amount owing to GAME Hardware U Ltd
- 15th Sold 8 Windows, 200 Iron sheets and 100 boxes of Wall tiles to Jack Hardware Ltd.
- 17th Bought 640 Windows, 1,020 Expanded Wire, 300 bags of Bamburi, 1000 bags of Tororo cement and 100 bags of Blue triangle Star Hardware Ltd.
- 20th Received full payment from Lina Construction Ltd
- 21st Purchased 220 Angle bars and 320 of Wall tile from Star Hardware Ltd.
- 26th Chandelle withdrew UGX 3m for personal expenses
- 26th Sold 1220 Angle bars, 500 boxes of Wall tiles, 410 Windows, 100 Iron sheets and 500 Expanded Wire to Norvik enterprises
- 28th Sold 120 Angle bars, 90 bags of Tororo Cement and 200 Expanded Wire to Marcus Hard ware in cash.
- 29th Purchased 1100 of Tororo cement, 480 boxes of Wall tiles and 500 Expanded Wire from Star Hardware Ltd.
- 30th Sold 1100 of Tororo cement, 740 Expanded Wire, 80 boxes of Wall tiles, 120 bags of Bamburi and 100 Angle bars to Rose U Ltd.
- 31st Received full payment from Norvik enterprises
- June
- 1st Paid utility bills for the month UGX 2,000,000
- 2nd Paid Star Hardware Ltd being payment on account
- 3rd Sold 180 boxes of Wall tiles and 92 Iron sheets to Kyengera Investments Ltd collecting cash.
- 5th Sold 180 bags of Bamburi and 110 Blue triAngles Saints Contractors Ltd in cash.
- 30th Deposited all the cash on the business bank account except for 300,000

Required: Enter the above information in QuickBooks.

QUESTION FOUR

JBK Enterprises sells phones from a lock up at Jinja Road Plot 234 Kampala. Telephone: 070 013245. The business is a sole proprietorship owned by Namagembe Dorothy.

As at 1st may 2018 the following information was available

Stock	Cost price	Selling Price	Stock on Hand	Value
Techno Y2	150,000	180,000	100	15,000,000
Phantom 6	600,000	800,000	10	6,000,000
Infinix	250,000	350,000	40	10,000,000

- The VAT rate is 18%
- The exchange rate is set at 1\$:3500

JBK Enterprises Trial Balance As At 30th April 2018

ACCOUNTS	DEBIT (UGX)	CREDIT (UGX)
Equity		38,000,000
Furniture	5,000,000	
Accumulated depreciation on furniture		1,000 000
Computers	10,000,000	
Accumulated depreciation on computers		2,000,000
Inventory	35,000,000	
Trade receivables	4,500,000	
Trade payables		5,000,000
Loan – equity bank		10,000,000
Loan – DFCU (8 months)		2,000,000
Prepaid rent	500,000	
Bank overdraft		4,000,000

Accrued salaries		1,500,000
Bank – Ugx	5,000,000	
Bank – Usd	3,500,000	
TOTAL	63,500,000	63,500,000

Receivables	Payables
Agnes 2,000,000	Careen 200,000
Mukama 1,500,000	Kamoga 3,000,000
Okiror 1,000,000	

She also made the following transactions during the month:

- 1 Bought 5 Phantom phone from Techno Uganda on credit
- 2 Sold 3 Techno Y2 to Enid on account
- 3 Sold 1 Phantom 8, 2 Techno Y2 and 7 Infinix on cash
- 4 Made an order for 2 Techno Y2 5 Phantom and 3 Infinix from Z phones
- 5 Sold to Fausta 3 Phantom 8 and 1 Techno Y2 to Lochiam on credit
- 6 Received phones order for on 4th
- 7 Enid paid shs 400,000 and the balance was declared a bad debt
- 8 Fausta returned one phantom 8 due defective battery
- 9 Paid wages by cheque shs 200.000

Use quick books to record the above transactions.