

UGANDA MARTYRS UNIVERSITY NKOZI

**FACULTY OF BUSINESS ADMINISTRATION
AND MANAGEMENT**

DEPARTMENT OF ACCOUNTING AND FINANCE

COURSE: Computerized Accounting

Date: 19th January 2022

Time allowed: 9:30am – 12:30pm

Instructions to Candidates:

1. Attempt any **3** Questions
2. Question **One** is COMPULSORY
3. All questions carry equal marks
4. Snip and save your work as a word document in your **NAME** and **REGISTRATION NUMBER**
5. Indicate the questions attempted at the top of the page where answers will be pasted

QUESTION ONE

- a) Your organization is planning a shift from manual to automated accounting. You have been asked by your boss to orient your colleagues on the basics of using quick books.
- i) Explain to them how they will effectively set VAT since your business is VAT registered. **(10 marks)**
- ii) What challenges do you think you are likely to face in executing the task of transferring from a manual to an automated system? **(8 marks)**
- b) Explain the procedure for creating a budget in quick books **(05 marks)**
- c) Explain any five major preferences you would set for a manufacturing Ugandan company clearly showing the need for each of them. **(07marks)**
- d) Explain the procedure for carrying out bank reconciliation in quick books **(03 marks)**

QUESTION TWO

The following represents the trial balance extracted from the books of your name Ltd, a small business based in Abim. The books are well-maintained and there is no reason to doubt the accuracy of the entries.

	Shs"000"	Shs"000"
Sales		430,000
Purchases	293,500	
Land	150,700	
Carriage inwards	2,100	
Drawings	31,000	
Rent	5,200	
Business rates	2,600	
Insurance	550	
Buildings	235,000	
Provision for depreciation: Buildings		24,400
Postage	250	
5 year 22% Stax Bank Loan		362,700
Stationery	986	
Advertising	250	
Salaries and wages	10,500	
Discounts	3,500	2,100
Interest	39,897	
Bad debts	400	
Provision for bad debts		400
Trade receivables	5,120	
Trade payables		43,497
Cash	120	
Bank	3,257	
Inventory	6,520	
Equipment at cost	150,000	
Provision for depreciation: Equipment		35,000
Capital		43,353

Additional Information

- a) Accruals are necessary for rent (Shs 150,000), business rates (Shs200,000), and stationery (Shs16, 000).
- b) Insurance has been prepaid by Shs150, 000, advertising by Shs50,000.
- c) Stock at the year end is Shs7, 000,000.
- d) Depreciation is to be charged on the equipment at a rate of 10% on cost. Other non-current assets are depreciated at a rate of 5% on reducing balance method
- e) The doubtful debt provision is to be increased to 10% of the year-end balance.
- f) Purchase invoices to the value of Shs12, 000,000 were found in a desk drawer the day before the meeting with you the owner. Half of them have been paid by cheque (but no record made in the cash book) and the rest are outstanding.

Required:

- a) Use quick books to prepare the necessary accounts based on the above information
- b) Memorize the following statements as accountant.
 - i. Trial balance (06 marks)
 - ii. Profit and loss account standard (10marks)
 - iii. Balance sheet (8 marks)
 - iv. Cash flow statement (05 marks)
 - v. General Ledger (4 marks)

(33 marks)

QUESTION THREE

Your name Repairs is a general Service Centre located on plot 12 Kinawa Close Masaka, P.O Box 131 Masaka, Uganda, Tel: +256(0)392-301100.

Fax: +256(0) 392-301101. E-mail:

yourname@service.com. Web Site: www.yournamerepairscentre.co.ug.

Create this company file with easy step interview with Your name Repairs as the company name and Set January 2017 as its financial year start.

Name	Description	Income Account	Rate(\$)
VCR S	VCR Service	1020 Repair Sale	130 per
VCR Repair	VCR Repair	1020 Repair Sales	120 per
Comedy	Comedy Video	2020 Comedy Sales	100 per
Drama	Drama Video	2020 Comedy Sales	180 per
Gas	Gas Refilling	1020 Repair Sales	210 per
Overhaul	Engine Overhaul	1020 Repair Sales	200 per
Service	Motor Service	3030 Miscellaneous Sales	175 per
Mini Overhaul	Part Overhaul	1020 Repair Sales	195 per
Wheel Balancing	Wheel Balancing	4040 Works Sales	600 per
Wheel Alignment	Alignment Services	4040 Works Sales	860 per
Breakdown	Breakdown Services	4040 Works Sales	320 per
Car Washing	Car washing Services	3030 Miscellaneous Sales	300 per
Engine Wash	Engine Wash	3030 Miscellaneous Sales	450 per
Reflexology	Reflexology session	6084 reflexology sales	200 per
Ambulance	Ambulance services	4040 Works	280 per
Boat riding	Boat riding service	6089 riding sales	800 per
Horse riding	Horse riding	6089 riding sales	470 per
Skydiving	Skydiving	6089 riding sales	500 per
Photocopying	Photocopying	5460 Photocopying services	150 per
Weight lifting	Weight lifting	6084 reflexology sales	300 per

Record the following transactions during January 2017:

January 1st, the owner invested \$2,080,000 in a bank account of the business.

January 2nd paid \$ 15,800 by cheque for rent.

January 3rd, bought Furniture and fittings, \$20,500 paying by cheque from Glorious Furniture Ltd to set up.

January 5th Bought engine oil for \$12, 300 cash from Mandela (U) Ltd.

January 6th, Received cash from Kalinaki Investments for washing 18 cars, refilling gas in 12 vehicles, 52 weight lifters, 15 Skydivers and overhauling 4 engines.

January 7th issued invoice: 1806 for 300 comedy revelers, 62 boat riders, and 150 people for drama video 300 pages photocopied and Breakdown services for 6 cars to NRM campaignmanager.

January 12th Presented Comedy show to 52 people, Drama attended by 52 people, provided VCR Service to 30 motor vehicles and 50 VCR Repair to Uganda Fisheries Institute during their annual students' gala.

January 15th Overhauled 8 engines, serviced 15 motor vehicles, performed wheel alignment of 20 motor vehicles and washed 12 motor vehicles and billed Uganda in-flight services.

January 20th paid \$15,000 for the monthly water bills to National Water & Sewerage Corporation

January 24 Refilled 12 cars with gas, performed mini overhaul on 4 cars, and balanced 22 wheels in respect of Matooke Tours receiving a cheque.

January 25th Serviced 20 motor vehicles, performed VCR repairs on 15 motor vehicles and provided breakdown services for 4 cars collecting cash from Victoria Transporters.

January 28th Paid electricity bills for the month to UMEME Ltd, \$12,600

January 30th overhauled 25 engines, serviced 12 cars, refilled 8 cars with gas and performed wheel alignment on 30 cars billing MTN (U) Ltd.

January 31st Received full payment from MTN (U) Ltd.

Required:

Memorize:

- a) the bank register (7 marks)
- b) item list (5 marks)
- c) customer balances (5 marks)
- d) supplier balances (5 marks)
- e) profit or loss standard (06 marks)
- f) balance sheet standard (5 marks)

(33 marks)

QUESTION FOUR

The following information relates to Your name Appliances for the period starting 1st January 2021.

The business sells the following products:

Item	Cost (UGX)	Selling price (UGX)	Quantity
Techno phantom 12	500,000	650,000	50
Iphone x	1,200,000	1,500,000	20
Samsung galaxy note 10	950,000	1,000,000	15
Infinix note 12	800,000	900,000	25
Redmi 11	300,000	450,000	15
Oppo F11	650,000	750,000	05

At the start of the year, the following monthly projections of income and expenses were made:

Item	Budget Amount (UGX)
I phone X sales	15,000,000
TECHNO sales	6,500,000
Samsung galaxy note sales	5,000,000
Infinix note 12	9,000,000
Redmi sales	900,000
Airtime and data	200,000
Oppo F11 sales	1,500,000
Lunch expense	300,000
Rent	250,000
Salaries	200,000
Transport	120,000

The following information is available:

- Rent expenses are expected to increase to 350,000 after 3 months of operation. This figure shall be compounded by the land lord due to inflationary tendencies
- Salaries are expected to increase to 350,000 after March since a new sales person will join the shop
- Lunch expense will increase to 400,000 since the team will now be made of more people after March non compounded

- Airtime will increase by 2.5% monthly after the 1st quarter and will reduce by 2% compounded after the 3rd quarter

During the month of January the following transactions were made:

1. Invested capital worth 20,000,000 on the boutique bank account
2. Sold 10 Techno Phantom to Sylvia on credit
3. Sold 10 I phone x, 2 Oppo F11 and 20 infinix note 12 by cash
4. Paid transport 80,000 by cash
5. Paid for airtime by cash 100,000
6. Sold 07 Redmi phones to Male, half paid for by cash and balance left as a balance on Male's account
7. Bought 15 techno phantom, 5 iphone x and 05 Redmi phones from Emma appliances on credit
8. Sold 1 iphone x, 2 redmi, and 10 techno phantom by cash
9. Paid a nearby restaurant (Mama Mukadde restaurant) money for lunch 300,000
10. Paid rent by cheque 500,000
11. Bought 10 Oppo f11, 10 infinix note 12, and 05 iphone x
12. The stock taking that was done at the end of the month revealed the following

Item	Quantity on Hand
Techno phantom	45
Iphone x	18
Samsung galaxy note 10	15
Redmi	12
Infinix note 12	20
Oppo f 11	13

Snipe the following

1. The stock record after stock taking has been done (8 marks)
 2. The budget vs. actual report (7 marks)
 3. Item list (5marks)
 4. The budget projection for 12 months (6 marks)
 5. Customer and supplier list (7 marks)
- (33 marks)**