

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

PROGRAMME:

Bachelor of Accountancy (Honours) Degree

EXAMINATION PAPER

**PRACTICAL APPLICATION OF ACCOUNTING SOFTWARE PACKAGES
(AC115/AC212)**

TIME ALLOWED: 3 HOURS

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES:

1. This is a practical examination
 2. Answer all questions
 3. No cell phones are allowed in the examination room
 4. Use your registration number as the name of set of books
 5. Use Turbocash setup assistant to set up your company
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EXAMINATION REQUIREMENTS

A computer installed with Turbo Cash version 3.7.5.4

Task 1

Creating a company

Mike, a businessman, opened a Hardware shop in Harare on 01 January 2022. He secured a debenture loan of \$50 000 from Micro Finance company for expansion on the 1st January 2022. The loan attracts an interest of 15% per annum. He went on to buy Mazda 3 for marketing department for \$20 000, and T35 truck for \$ 12 000 which is going to be used for the delivery of products to different places around Harare. Being aware of the latest developments in technology, he did not want to operate on a manual system. So he appointed you as his accountant on 1 January 2022 after you have proved yourself to him beyond reasonable doubt that you are experienced in using Turbo cash.

He presented to you the following information which you are going to use to set up the company.

Company information	
Company name	Label Shop
Address	11 Mbuya Nehanda Street
Postal code	04
E-mail	info@Label.co.zw
Tel	04-465777
Fax	04-465778
Company Reg No	ZZ/01/22
Tax Reg No	99905
Bank	XYZ Bank
Starting date of company	01 January 2022
VAT	Normal VAT registered

Company documents

<u>Document</u>	<u>Title</u>	<u>Document number</u>	<u>Document message</u>
Invoice	Tax invoice	IN001	Thank you, we kindly call you again
Credit note	Credit note	CN001	We care for you very much
Purchases	GRN	GR001	Thank you for support
Orders	Purchase order	PO001	We inform you for any change
Quotation	Quotation	QT001	Valid for 14 days

Purchase returns	Purchase returns	PR001	We sympathise with you
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Allowing reference to increase in each case;

- i. Use GJ01 as your first general journal reference number
- ii. Use IJ01 as your first reference number for inventory journal
- iii. Use SJ01 as your first reference number for sales journal
- iv. Use PJ01 as your first reference number for purchases journal
- v. Use CR01 as your first reference number for cash received journal
- vi. Use CP01 as your first reference number for cash payment journal
- vii. Use RJ01 as your first reference number for receipts journal
- viii. Use PJ01 as your first reference number for payment journal

REQUIRED

Create relevant accounts which enable you to take on opening balances.

TOTAL= 13 MARKS

Task 2

Customer master file

All customers will be processed using open item and tax inclusive. Use the given addresses as the delivery address.

Details	Customer 1	Customer 2	Customer 3
Code	BG001	AT001	AG001
Name	Big Time Wholesalers	Astra Pvt Ltd	Angel Hardware
Address	13 White R/d Bindura	75 Central Ave Harare	52 Julius Nyerere Harare
Telephone	071- 577799	04- 45678	04-45367
Fax	071-577798	04-45679	04-45368
e-mail	beauty@bigtime.co.zw	vincent@astra.co.zw	info@angel.co.zw
VAT Number	5233	9876	9088
Contact Person	Jacob	Shelly	Lorraine
Credit Limit	\$10 000	\$15 000	\$20 000
Terms	30 Days	30 Days	30 Days

REQUIRED:

Create customer master file.

TOTAL = 6 MARKS

Task 3

Supplier master file

All suppliers are processed using open item and tax exclusive method. Use the given address as the delivery address.

Details	Supplier 1	Supplier 2
Code	MM01	MP001
Name	Many More	Met Peech
Address	01 Manyika Harare	15 R/Mugabe R/d Harare
Telephone	04-45657	04-86548
Fax	04-45658	04-86549
e-mail	info@mahammad.co.zw	lenny@metropeech.co.zw
VAT Number	1886	1678
Contact Person	Lucky	Lenny
Credit Limit	\$50 000	\$54 000
Terms	30 Days	30 days

REQUIRED:

Create supplier master file.

TOTAL = 5 MARKS

Task 4

Inventory master file

All prices are tax exclusive

<u>Details</u>	<u>Inventory1</u>	<u>Inventory2</u>	<u>Inventory3</u>	<u>Inventory4</u>	<u>Inventory5</u>	<u>Inventory6</u>
Code	AB001	FD101	CH01	TB001	WF001	TL01
Item	Asbestos	French door	Chamber	Tab	Window frame	Tiles
Unit	Each	Each	Each	Each	Each	Box
SP	\$45	\$250	\$145	\$305	\$120	\$35
Cost price	\$30	\$200	\$105	\$265	\$103	\$28
Preferred supplier	MM01	MP001	MM01	MM01	MP001	MM01
Re-order	50	30	25	15	20	25

REQUIRED:

Create inventory master file.

TOTAL = 6 MARKS

Task 5

Take on balances

1. Trial balance for Label Shop as at 31 December 2021

[10 Marks]

	Dr (\$)	Cr (\$)
Retained income/ accumulated loss		94 455
Capital		15 000
Motor vehicle @ cost	66 000	
Motor vehicle accumulated depreciation		12 000
Property, plant and equipment	76 000	
Property, plant and equipment accum depreciation		18 000
Stock control	18 405	
Receivables control account	21 000	
Payables control account		41 000
Bank XYZ current account		1 000
Petty Cash	50	
	182 455	182 455

2. Receivables age analysis for Label Shop as at 31 December 2021

Debtor	Acc no	Total (\$)	Current (\$)	30 days (\$)	+60 days(\$)
Big Time	BG001	11 000	6 000	3 000	500
Astra	AT001	4 000	1 500	2 000	1 000
Angel	AG001	6 000	3 500	2 000	1 500
Total		21 000	11 000	7 000	3 000

[6 Marks]

3. Payables age analysis as at 31 December 2021

Creditor	Acc no	Total (\$)	Current (\$)	30 days (\$)	+60 days (\$)
Many More	MM01	29 000	19 000	7 000	3 000
Met Peech	MP01	12 000	5 000	4 000	3 000
Total		41 000	24 000	11 000	6 000

[5 Marks]

4. Inventory valuation as at 31 December 2021 is as follows;

Inventory item	Inventory code	Quantity@ hand	Inventory value (\$)
Asbestos	AB001	19	8 550
French door	FD101	10	1 680
Chamber	CH01	15	3 225
Tab	TB001	66	2 970
Window frame	WF001	55	825
Tiles	TL01	21	1 155
Total			18 405

[6 Marks]

REQUIRED:

Take on the opening balances for the year 2022 using the above given information.

TOTAL = 27 MARKS

Task 6

Input/ processing Documents

(a) Supplier's Documents

REQUIRED;

Prepare supplier documents and update the batches given the following information:

1. On the 4th of January 2022 Label placed orders for the following goods

Item	LP001	GT101	ST01	BT002	CD003	BY02
Quantity	15	10	15	18	25	20

[3 marks]

2. The ordered goods were delivered in the following quantities on 5th January 2022.

Item	AB001	FD101	CH01	TB001	WF001	TL01
Quantity	10	8	15	18	25	18

[3 marks]

The shop owner told you that on the 5th of January 2022 upon delivery of the goods, she discovered that 3 of the AB001 and 9 of the TL01 had some faults. All faulty items were returned on the 6th of January 2022 and were delivered with right goods on the 7th of January 2022.

[4 marks]

(b) Customer's Documents

REQUIRED;

To process customer's documents and update batches.

1. The following customers requested the following quotations on the 9th January 2022

Customer	Items requested					
	AB001	FD101	CH01	TB001	WF001	TL01
BG001	5	-	7	8	5	13
AT001	-	4	4	-	10	5
AG001	2	5	1	6	8	10

[4 marks]

2. All of the above customers accepted the quotations and the goods were delivered to them on the 10th January 2022. [4 marks]
3. Some of the items sold to AT001 on 22 January 2022 were 8 WF001 and 4 FD101 on a 5% discount allowed. [3 marks]

TOTAL = 21 MARKS

Task 7

Receipts and payments

1. On 20 January 2022, AT001 settled 3/4 of his account by bank transfer so that he could apply for an increase in his credit limit. On the same day BG001 paid \$11 000 and the money was banked intact. [3 marks]
2. The following payments to suppliers were made during the month

Date	Supplier	Cheque number	Amount (\$)
23 January 2022	MM01	026	5 000
24 January 2022	MP001	027	7 000

28 January 2022	MM01	030	4 500
29 January 2022	ZIMRA	032	1 200

[4 marks]

3. The shop owner made the following payments during the month:

Date	Description	Cheque number	Amount (\$)
02 January 2022	Water & rates	023	800
05 January 2022	Electricity accrual	024	900
15 January 2022	Loan repayment	025	5 000
25 January 2022	Rentals	029	2500

[2 marks]

4. The company paid salaries to its employees on 23 January 2022 amounting to \$10 000 by electronic transfer. [1 mark]

5. Bank charges by Bank XYZ for the month amounted to \$ 188. [1 mark]

6. On the 7th of January 2022 shop traded in a Mazda 3 for Mazda B15 twin cab valued to \$21 000. The difference was made by a bank transfer. The twin cab was to be used by marketing manager for the good work he performed last year 2021. [3 marks]

7. You are told that the bank paid \$600 internet charges to Telone on behalf of Label shop on 30 January 2022. [1 mark]

8. On the 13th of January 2022 the company purchased furniture worth \$4 000. [1 mark]

TOTAL = 16 MARKS

Task 8

Bank reconciliation

Considering all the tasks above you are required to produce a bank reconciliation report for the month of January 2022.

TOTAL = 6 MARKS

END OF EXAMINATION PAPER