



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

HBA 2403 COMPUTERISED ACCOUNTING

End of semester exam

DATE: 19TH APRIL 2016

TIME: 9.00.11.00AM

DURATION: 2 HOURS

INSTRUCTIONS

Answer all Questions in section A and any other two from Section B

SECTION A

QUESTION ONE (40 marks)

1. Define computerized accounting and explain its areas of application (5mks)
2. Discuss four challenges encountered during the transition from manual accounting systems to computerized systems (8mks)
3. Discuss three major elements that one will always encounter during accounting. (6mks)
4. Discuss four characteristics of a computerized accounting system (8mks)
5. Mr. Timothy of uzima trading enterprises has given you the following balances as extracted from his books of original entry as at 30th sep 2000

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Cash on hand	1,200
Cash in bank	11,000
Stock 1/9/2000	21,000
Debtors	8,000
Creditors	10,000
Returns inwards	500
Sales	56,000
Purchases	20,500
Capital	14,900
Salaries	4,000
Water and electricity	600
Postage	200
Drawings	900
Stock 30/9/2000	13,500
Furniture and fittings	7,500
Motor van	35,000
Loan ICDC	30,000
Rent received	1,200
Office rent	1,700

Required:

- a) from the above balances, prepare trial balance as at 30/9/2000 (3mks)
- b) prepare his trading, profit and loss account as for the end of the month (6mks)
- c) prepare his balance sheet. (4mks)

SECTION B

QUESTION TWO

- 1) what relationship exist between internal control, computers and computer security (5mks)
- 2) explain the importance of each of the above to an organization (5mks)
- 3) Explain at least three types of information systems that organizations can use for purposes of accounting, giving their characteristics and importance. (5mks)

Question three

- 1) explain eight accounting concepts you are likely to encounter during the accounting period (5mks)
- 2) Choose an organization of your own that is very busy and stands out in this competitive market, and prepare a payroll for one of their employees. note include all components of a payroll and the importance of having a payroll system in an organization (5mks)
- 3) How do organizations manage their assets? (5mks)

QUESTION FOUR

- 1) How is auditing carried out using the computer systems? (5mks)
- 2) Using a well labeled diagram, explain the basic components of a computer system that are used in the accounting process (5mks)
- 3) Citing relevant examples, explain the comparison between computerized accounting system and the manual system of accounting (5mks)