MACHAKOS UNIVERSITY

University Examinations for 2017/2018

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF COMPUTING AND INFORMATION TECHNOLOGY

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF SCIENCE (COMPUTER SCIENCE)

SIT 412: ACCOUNTING INFORMATION SYSTEM

DATE: 18/12/2017 **TIME: 2.00-4.00 PM**

INSTRUCTIONS: Answer Question ONE and any other TWO Questions

QUESTION ONE

a) Identify and briefly explain any five users of accounting information in a telecommunication firm. (10 marks)

b) For accounting information to be able to affect the purpose for which it was meant, there are certain attributes that it must fulfill. Describe any three qualities of a good accounting system. (6 marks)

c) Joshua is an astute businessman based in Wote town. He has the following assets and liabilities as at 31 April 2016:

Creditors	63,200
Equipment	184,000
Motor Vehicle	100,640
Stock	98,400
Debtors	92320
Cash at bank	116,480

Cash in hand	640

Additional information

During the first week of May 2016 Joshua:

1. Bought extra equipment on credit for Sh.22,080
2. Bought extra stock by cheque Sh.9,120.
3. Paid creditors by cheque Sh.12,640.
4. Debtors paid Sh.13,440 by cheque and Sh.960 by cash.
5. Moody put in extra Sh.4,000 cash as capital.

Required:

(i) Determine the capital as at 1st May 2016. (5 marks)

(ii) Prepare a statement of financial position after the above transactions have been completed. (5 marks)

(iii) Summarize any four causes of changes in capital in an organization. (4 marks)

QUESTION TWO

a) Discuss any five accounting software's that are used by many firms in Kenya. (10 marks)

b) Before acquisition of an accounting package, an organization should procure software that will suit its unique needs. Describe any five features of a good accounting package. (10 marks)

QUESTION THREE

Dan has the following assets and liabilities as at 30th November 2016:

Creditors	79,000
Equipment	230,000
Motor vehicle	125,800
Stock	123,000
Debtors	115,400
Cash at bank	145,600
Cash in hand	800

Additional information

During the first week of December 2016, Dan:

1. Bought extra equipment on credit for Sh.27,600.
2. Bought extra stock by cheque Sh.11,400
3. Paid creditors by cheque Sh.15, 800.
4. Received from debtors Sh.16,800 by cheque and Sh.1,200 by cash.
5. Put in an extra Sh.5,000 cash as capital.

Required;

a) Compute the balance on the capital account as at 30th November 2016. (5 marks)

b) Record the above transactions in respective accounts. (15 marks)

QUESTION FOUR

Briefly explain the following accounting concepts as used in the accounting information system.

a) Going concern. (5 marks)

b) Accounting period convention. (5 marks)

c) Business entity concept. (5 marks)

d) Monetary principle. (5 marks)

QUESTION FIVE

a) Discuss any six source documents that are useful in an accounting environment in an organization. (12 marks)

b) Identify and explain any four books of original entry in an organization. (8 marks)