

**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya**

**Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.must.ac.ke**](http://www.must.ac.ke) **Email:** [**info@must.ac.ke**](mailto:info@must.ac.ke)

**University Examinations 2015/2016**

THIRD YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE

OF

BACHELOR OF COMMERCE

**BFC 3428: COMPUTERIZED ACCOUNTING**

**DATE: APRIL 2016 TIME: 2 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two***questions.

**QUESTION ONE (30 MARKS)**

1. Describe how you would setup the following in accounts in an accounting software you’re familiar with (6 marks)
2. A suppliers account
3. A customers account
4. Inventory account
5. You are a information systems consultant, in Chuka town one of your clients a juice processing firm with an annual turnover of shs. 20 million, and 30 full time employees, requests you to help him setup a computerized accounting systems, it is on 31st of December and he informs you that the current years set of accounts will be ready by 30th of January the following month, the business accounting year ends on 31st of December every year. Given your knowledge in setting up information processing systems, write a formal response to your client advising him.
6. On the most suitable accounting software for his business and the available alternatives (5 marks)
7. The advantages of a computerized accounting systems over a manual accounting systems (6 marks)
8. The classes of accounts for this types of business (5 marks)
9. The internal controls in a computerized accounting environment (8 marks)

**QUESTION TWO (20 MARKS)**

1. Describe the process of preparing a trial balance in both a manual accounting system and in computerized accounting system. (10 marks)
2. Describe FIVE users of accounting information indicating their information needs (10 marks)

**QUESTION THREE (20 MARKS)**

1. A computerized accounting system has three main components, i.e. hardware, software and human element. What is the role of human element in the system. (4 marks)
2. What factors would an organization consider in selecting a customized accounting package? (8 marks)
3. Describe four reports an accountant would expect from a fixed asset software module? (8 marks)

**QUESTION FOUR (20 MARKS)**

1. Suggest a chart of accounts for any ONE of the following businesses and provide at least three relevant examples (14 marks)
2. A private secondary school
3. A hospital facility
4. A banking institution
5. An Accountancy firm
6. How is customized accounting software different from prepackaged accounting software (6 marks)

**QUESTION FIVE (20 MARKS)**

1. What is the roe of a trial balance in a manual accounting system, how is this role different from the trial balance generated from a software package? (6 marks)
2. Discuss by giving examples the types of accounting errors that a manual accounting system cannot prevent. (6 marks)
3. Describe the various ways computer assisted audit tools enhance the capability of the auditors (8 marks)