

ZIMBABWE EZEKIEL GUTI UNIVERSITY



DEPARTMENT OF ACCOUNTING FINANCE B. COM (HONOURS) ACCOUNTING

COURSE: PRACTICAL ACCOUNTING DATA PROCESSING (CAC208)

DURATION: 3 HOURS

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

Mr Jokes, a businessman, opened a Hardware shop in Harare in the year of 2015. He secured a loan of \$800 000 from CBZ on the 1st of January 2017. The loan attracts an interest of 10% per annum. So he appointed you as his accountant on 15 January 2017 after you have proved yourself to him beyond reasonable doubt that you are experienced in using Turbo cash. She presented to you the following information which you are going to use to set up the company.

Company information

Company name	Comeon Pvt Ltd
Address	100 Harare Street
Postal code	04
E-mail	info@comeon.co.zw
Tel	04-842329
Fax	04-842329
Company Reg No	ZZ/01/17
Tax Reg No	421
Bank	ZB
Starting of computerised	01 January 2017
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, call again
Credit note	Credit note	CN001	Customer is a king
Purchases	GRN	GR001	Thank you for support
Orders	Purchase order	PO001	We inform you for any change
Quotation	Quotation	QT001	Valid for 30 days
Purchase returns	Purchase returns	PR001	We care for you

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 PJ 01 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 exclusive. Use the given addresses as the delivery address.

Details	Customer 1	Customer 2	Customer 3	Customer 4
Code	M01	MH001	ST001	PB01
Name	Me-too shop	Mike Hardware	Search take	Price Better
Address	15 Mutsbvu Bikita	20Chinamano Harare	40 R. Mugabe r/d Harare	89 Nelson Mandela Bulawayo
Telephone	071-45890	04-786322	04- 865356	09-84539
Fax	071-45892	04-644322	04-8653567	04-84533
e-mail	sofi@met.co m	mike@yahoo.com	rey@searchtak e.co.zw	info@pricebetter.co.z w
VAT Number	7658	3456897	15413	65987
Contact person	Sivile	Ketty	Obey	Sandra
Credit Limit	\$5 000	\$9 000	\$3 000	\$7 500
Terms	30 Days	30 Days	30 Days	30 Days

Required:

Create customer master file.

[Total: 13 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	AP01	OK01
Name	Astra Paint	OK Mbare
Address	1 Granite Side Harare	23 Mbare Harare
Telephone	04-878898	04-75688
Fax	04-878899	04-75689
e-mail	info@yahoo.co.uk	reg@okmbare.co.zw
VAT Number	6543	1678
Contact Person	Mendy	Ben
Credit Limit	\$77 000	\$45 000
Terms	30 Days	30 days

REQUIRED:

Create supplier master file.

[Total: 4 marks]

Task 4**Inventory master file**

All prices are tax inclusive

<u>Details</u>	<u>Inventory1</u>	<u>Inventory2</u>	<u>Inventory3</u>	<u>Inventory4</u>	<u>Inventory5</u>	<u>Inventory6</u>
Code	CT001	AB01	ST01	DF001	CD001	RG01
Item	Cement	Asbestos	Nails	Door frame	Cord	Ridge
Unit	Bags	Each	Carton	Each	Metre	Each
Cost price	\$9	\$25	\$8	\$27	\$11	\$25
SP	\$14	\$30	\$15	\$35	\$15	\$30
Preferred supplier	AP001	AP001	OK001	OK001	AP002	OK001
Re-order	150	200	70	200	60	120

REQUIRED:

Create inventory master file.

[TOTAL 5 marks]**Task 5****Required:**

Take on the opening balances for the year 2017 using the information given below.

- i. Trial balance for Comeon as at 31 December 2016 **(8 marks)**

	Dr (\$)	Cr (\$)
Retained income/ accumulated loss		106 455
Capital		25 000
Motor vehicle @ cost	76 000	
Motor vehicle accumulated depreciation		22 000
Property, plant and equipment	86 000	
Property, plant and equipment accum depreciation		28 000
Inventory control		17 980
Receivables control account	31 000	
Payables control account		51 000
NMB current account	21 000	
Petty Cash	475	
	232 455	232 455

- ii. Receivables age analysis for Comeon as at 31 December 2016

Debtor	Acc no	Total	Current	30 days	60 days	+90 days
Medi Shop	M01	5 000	2 000	1 500	1 000	500
Munya Hardware	MH001	7 000	3 000	2 000	1 100	900
Switch Take	ST001	10 000	6 000	3 000	500	500
Price Best	PB01	9 000	4 000	3 000	1 000	1 000
Total		31 000	15 000	9 500	3 600	2 900

(5 marks)

iii. Payables age analysis as at 31 December 2016

Creditor	Acc no	Total	Current	30 days	+60 days
Astra Paint	AP01	31 000	19 000	8 000	4 000
OK Mart	OK01	20 000	8 000	9 000	3 000
Total		51 000	27 000	17 000	7 000

(5 marks)

iv. Inventory valuation as at 31 December 2016 is as follows;

Inventory item	Inventory code	Quantity@ hand	Unit Price	Inventory value
Cement	CT001	620	14	8 680
Asbestos	AB01	55	30	1 650
Nails	ST01	215	15	3 225
Door Frame	DF001	60	35	2 100
Cord	CD001	55	15	825
Ridge	RG01	50	30	1 500
Total				17 980

(5 marks)

[TOTAL 23 marks]

Task 6

(a) Input/ processing

At this point the company has been set up with all relevant accounts in place and you can now start operating from the 1st of January 2017. The following information was presented to you by the shop owner that would help you to prepare the financial statements for the month of January 2017.

Required:

Process the following narrations:

1. Upon your appointment as an accountant, you are told that the company policy is to charge 10% mark-up on all goods sold. (3 marks)
2. On the 1st of January 2017 the Shop owner brought her Mercedes Benz into the business valued at \$10 000 with the intention of it being used in the business by the accountant. (2 marks)

(b) Supplier's Documents

Required:

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

- i. On the 4th of January 2017 Comeon placed orders for the following goods

Item	CT001	AB01	ST01	DF001	CD001	RG01
Quantity	30	35	40	40	25	50

(3 marks)

- ii. The ordered goods were delivered in the following quantities on 5th January 2017.

Item	CT001	AB01	ST01	DF001	CD001	RG01
Quantity	25	35	30	40	25	50

(3 marks)

The shop owner told you that on the 5th of January 2017 upon delivery of the goods, she discovered that 5 items of the AB01 and 2 items of the RG01 were damaged. All damaged items were returned on the 6th of January 2017 and the supplier delivered the right goods on the 7th of January 2017.

(4 marks)

(c) Customer's Documents

REQUIRED;

To process customer's documents and update batches.

- i. The following customers requested the following quotations on the 10th January 2017

Customer	Items requested					
	CT001	AB01	ST01	DF001	CD001	RG01
M01	25	33		22	-	33
MH001	20	18	30	-	-	18
ST001	5	-	7	8	5	13
PB01	-	4	4	-	10	5

(4 marks)

- ii. All of the above customers accepted the quotations and the goods were delivered to them on the 11th January 2017. (4 marks)
- iii. Some of the items sold on cash on 22 February 2017 were 10 CT001 and 10 AB01 on a 5% cash discount allowed. (3 marks)

[TOTAL 26 marks]

Task 7

Receipts and payments

- i. On 20 February 2017, PB001 settled 3/5 of his account by bank transfer so that he could apply for an increase in his credit limit. On the same day MH001 paid \$11 000 and the money was banked intact. (2 marks)
- ii. The following payments to suppliers were made during the month:

Date	Supplier	Cheque number	Amt (\$)
23 February 2017	AP01	024	5 000
24 February 2017	OK01	025	7 000
28 February 2017	AP01	028	4 500
29 February 2017	ZIMRA	030	1 200

(4 marks)

- iii. The shop owner made the following payments during the month:

Date	Description	Cheque number	Amt (\$)
02 February 2017	Water & rates	021	800
05 February 2017	Electricity accrual	022	900
15 February 2017	Loan repayment	023	5 000
25 February 2017	Rentals	027	2500

(2 marks)

- iv. The company paid salaries to its employees on 24 February 2017 amounting to \$12 700 by electronic transfer. (1 mark)
- v. Bank charges from NMB for the month amounted to \$ 200 (1 mark)

- vi. Interest received from a bank amounted to \$50 (1 mark)
vii. You are told that the bank paid \$540 telephone bill to Telone on behalf of MelJokesas Pvt Ltd (1 mark)

[TOTAL 12 marks]

Task 8

Bank reconciliation

Considering all the tasks above you are required to produce a bank reconciliation report for the month of February 2017.

[TOTAL 7 marks]

END OF EXAMINATION PAPER