



UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE
Bachelor of Business Administration (Level II – Semester VI) Examination
December, 2018

ACT 2304 – Computer Based Accounting

Three (03) Hours

Answer All (02) Questions

Instructions to candidates

- Edit the Company name by entering your **Index Number** at the end of the Company name only with four (04) digits (Ex. 8019).
- Create a folder on the desktop and rename it with your index number used as above.
- At the end of the allowed time, backup your file by giving your index number in the created folder.

Kandy Flowers (Pvt) Ltd is one of the largest floral buying and selling Company in Sri Lanka. At present, to maintain the quality of the products, the Company purchases only from a renowned flower supplier named “Kandurata Flower Gardens”.

The Company is currently using Sage 50 accounting software package and they have already created the following in the Sage 50 package.

- *Company profile*
- *General ledger and other relevant sub ledgers including Inventory, Customer and Vendor ledgers, with the respective beginning balances*

The following transactions took place at Kandy Flowers (Pvt) Ltd during the month of January 2018.

1. On 1st January, 2018 the Company has built 20 items of FP001 which are Assemblies in order to facilitate the business functions (Reference No. “AB001”).
2. Following items were ordered from Kandurata Flower Gardens during the month of January 2018.

Date	Order No	Product	Quantity	Unit Cost (Rs.)
02 nd Jan 2018	555	Rose	350	100
		Clay Pots	80	500
05 th Jan 2018	666	Red Bloomed Lotus	100	200
		Red Bud Lotus	60	200
10 th Jan 2018	777	White Bud Lotus	150	200
		White Bloomed Lotus	200	180

3. Details relating to received goods were as follows.

Date	Invoice No	Corresponding Order No	Product	Received Quantity	VAT Amount (Rs.)
03 rd Jan 2018	K101	555	Rose	300	18,500
			Clay Pots	70	
06 th Jan 2018	K102	666	Red Bloomed Lotus	100	4,000
			Red Bud Lotus	50	
11 th Jan 2018	K103	777	White Bud Lotus	150	8,400
			White Bloomed Lotus	200	
15 th Jan 2018	K104	N/A	Rose	40	1,200

4. Direct cash purchases details were as follows.

Date	Invoice No	Product	Received Quantity	VAT Amount (Rs.)	Amount Paid
12 th Jan 2018	K105	Rose	250	31,000	Total amount was paid by a HSBC cheque (No:800100)
		Clay Pots	20		
		Red Bud Lotus	120		

5. On 12th January 2018, 20 Clay Pots purchased under Invoice No. K101 were returned due to cracks. This was subjected to VAT amount of Rs. 1,200 (Debit Note No : 02)

6. On 14th January 2018, 30 Roses which were purchased at Rs. 100 were returned to the supplier. However, it was difficult to trace the relevant purchase invoice. The VAT amount included in the above amount was Rs. 360 (Debit Note No: 03).

7. Cheque issues from HSBC to Kandurata Flower Gardens during the month of January 2018 were as follows.

Date	Invoice No	Payment details	Cheque no
04 th Jan 2018	K101	Full amount	800103
08 th Jan 2018	K102	Full amount	800105
12 th Jan 2018	K103	Rs.20,000	800106
20 th Jan 2018	K104	Full amount after deducting Rs. 1000 as a discount	800108

8. Payments relating to expenses during the month of January 2018 were as follows.

Date	Expense	Amount (Rs)	Payment details
02 nd Jan 2018	Salaries	55,000	HSBC (800101)
03 rd Jan 2018	Electricity	2,500	Cash (Voucher No: 222)
03 rd Jan 2018	Promotion	25,000	HSBC (800102)
05 th Jan 2018	Telephone	3,200	HSBC (800104)
26 th Jan 2018	Distribution	5,000	Cash (Voucher No: 223)
	Water	600	

9. On 15th January 2018, the accrued expenses for the year ended 31st December 2017 were paid issuing a cheque from HSBC (Cheque No: 800107).

10. On 14th January 2018, the Company received an order from Royal Flora to supply the following goods. (Order No. 25). 12% VAT was applied.

Product	Quantity	Price Level
Rose	100	Normal
Flower Pots	5	
Red Bloomed Lotus	22	Special

11. On 15th January 2018, the Company received an order from Flora Queen to supply following goods (Order No: 26). 12% VAT rate was applied on this order.

Product	Quantity	Price level
White Bud Lotus	70	Special
White Bloomed Lotus	100	
Clay Pots	35	

12. On 16th January 2018, the Company sold all items ordered by Royal Flora under the Order No: 25 on credit basis (Invoice No: KF 500).

13. On 17th January 2018, the Company sold all items ordered by Flora Queen under the Order No: 26 (Invoice No: KF 501). On the same day, a cheque (Cheque No: 200100) amounting to Rs 40,000 was received and deposited HSBC bank (Deposit Ticket ID: 01) as a part payment for this invoice.

14. On 20th January 2018, the Company sold the following goods to Malki on credit basis (Invoice No: KF 502). 12% VAT rate was applied on this sale.

Product	Quantity	Price level
Red Bud Lotus	105	Normal
Flower Pots	10	

15. On 25th of January 2018 the Company sold 50 number of White Bloomed Lotus under normal price to Smart Flora on cash basis (Invoice No: KF 503). 12% VAT rate was applied on this sale. The total amount was received by a cheque (No: 300500) and it was deposited to the HSBC on the same day. (Deposit Ticket ID: 04, Receipt No. R007).

16. On 17th January 2018, Royal Flora returned 20 Rose flowers and 05 Red Bloomed Lotus flowers (Credit Note No: 01). These had been sold under the Invoice No: KF 500).

17. On 25th January 2018, Fresh Flora paid an advance of Rs 60,000 by a cheque (Cheque No: 500258) in view of purchasing some clay pots in the month of March 2018. Fresh Flora is agreed to purchase flowers from Kandy Flowers (Pvt) Ltd in the future as well. The cheque received was deposited to HSBC bank on the same day (Deposit Ticket No: 06; Receipt No: R006).

Billing Address of Fresh Flora: 510, Lower Side Avenue, Gampaha, Sri Lanka; Contact person: Mr. Sumith, Tel No: 033-22587412.

18. Cheques receipts from customers during the month of January 2018 were as follows.

Date	Name	Invoice No.	Receipt details	Amount (Rs.)	Cheque No.	Receipt No.
17 th Jan 2018	Royal Flora	KF500	Part settlement	20,000	444222	R001
20 th Jan 2018		KF500	Part settlement	12,000	444223	R002
21 st Jan 2018	Malki	KF502	Full settlement	Full amount	555201	R003
25 th Jan 2018	Flora Queen	KF501	Full settlement	Full amount	666577	R005

19. The details of cheque deposits to the HSBC account during the month of January 2018 were as follows.

Cheque No.	Deposit date	Deposit ticket ID
444222	18 th Jan 2018	2
444223	21 st Jan 2018	3
555201	23 rd Jan 2018	5
666577	26 th Jan 2018	7

20. On 30th January 2018, the Company sold some old newspapers and received Rs12,000 and deposited to HSBC. (Deposit Ticket ID: 08; Receipt No: R008; Reference No: SCRAP 001).
21. The depreciation charges for property, plant and equipment (PPE) for the month of January 2018 were as follows. The depreciation should be recorded as at 31st January 2018. (Reference No: 055)

Asset	Depreciation Policy	Annual Rate
Building	Straight Line Method	6%
Motor Vehicle	Reducing Balance Method	12%

22. Payable for water for the month of January 2018 amounted to Rs. 5,000 (Reference No: 056)
23. On 29th January, Rs. 20,000 cash was deposited to the BOC account (Reference No: 057)
24. Monthly bank loan interest of Rs.7,500 is needed to be accrued on 31 January 2018 (Reference No: 058). This journal entry should be recurred until 31 December, 2018.
25. Rent income receivable for the month of January 2018 was Rs. 60,000 (Create necessary accounts).
26. On 31st January 2018, late interest was charged on overdue balances of all customers of the Company.
27. With effect from 1st February 2018, VAT rate is to increase from 12% to 15%.

28. The budgeted sales and other income items for the month of February and March 2018 are as follows.

Item	February 2018 Budgeted amounts (Rs.)	March 2018 (Budgeted amounts compared to February 2018)
Sales-Roses	20,000	Increase by 10%
Sales-Lotus	80,000	Decrease by 4%
Sales-Clay Pots	25,000	Increase by 5%
Discount Received	5,000	Increase by 2%
Rent Income	66,000	Increase by 10%
Other Income	15,000	Decrease by 2%
Freight Income	2,000	Increase by 3%
Sales-Flower Pots	100,000	Increase by 5%

29. The bank statement received for the month of January 2018 of HSBC account has been presented as follows.

Bank Statement of HSBC Account as at 31 January, 2018

Date	Description	Debit (Rs.)	Credit (Rs.)	Balance (Rs.)
01 Jan 2018	Balance			500,000.00
02 Jan 2018	Salaries (800101)	55,000.00		445,000.00
03 Jan 2018	Promotion (800102)	25,000.00		420,000.00
05 Jan 2018	Telephone (800104)	3,200.00		416,800.00
08 Jan 2018	KFG (800105)	30,600.00		386,200.00
12 Jan 2018	KFG (800106)	20,000.00		366,200.00
15 Jan 2018	Expenses (800107)	150,000.00		216,200.00
18 Jan 2018	Deposit (1)		20,000.00	236,200.00
03 Jan 2018	KFG (800108)	4,200.00		232,000.00
23 Jan 2018	Deposit (5)		84,843.36	316,843.00
25 Jan 2018	Direct remittances-Royal Flora (444224)-INV No. KF005-2017		50,000.00	366,843.36
25 Jan 2018	Deposit (4)		12,600.00	379,443.36
25 Jan 2018	Deposit (6)		60,000.00	439,443.36
26 Jan 2018	Deposit (7)		23,386.40	462,829.76
30 Jan 2018	Deposit (8)		12,000.00	474,829.76
31 Jan 2018	Standing Order (Telephone) - Ref. SLT001	4,000.00		470,829.76
31 Jan 2018	Bank Charges	2,000.00		468,829.76

You are required to

01. Enter all transactions occurred during the month of January 2018 at Kandy Flowers (Pvt) Ltd.

(60 Marks)

02. Run the duly completed following reports and save them in the system using appropriate names.

a) Income Statement of Kandy Flowers (Pvt) Ltd for the month ended 31st January 2018.

(15 Marks)

b) Statement of Financial Position as at 31st January 2018.

(10 Marks)

c) HSBC Account Bank Reconciliation for the month of January 2018.

(10 Marks)

d) Sales and other Income Budget for the month of February and March 2018.

(05 Marks)

Note: You may disregard the type of currency in the system.
