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SCHOOL OF ACCOUNTING AND BUSINESS
BSc. (APPLIED ACCOUNTING) GENERAL / SPECIAL DEGREE
PROGRAMME

INTAKE V/VI (EXEMPTION GROUP)
END SEMESTER EXAMINATION – JULY 2016

ICT 30430 Accounting Information Systems with ERP Applications

Date : 24th July 2016
Time : 9.30 a.m. – 12.30 p.m.
Duration : Three (03) hours

Instructions to Candidates:

- Write the Index Number in the space provided at the top of this sheet. Do not write your name anywhere in this question paper.
- Answer **ALL** questions.
- **Restore the given back up file.**
- Enter your **Registration Number** in the **Federal Employer ID field**
- Back up your answer as per the instructions given below:
 - ✓ Access to **‘Z’ Drive**.
 - ✓ Back up your file by giving your **Index Number**.
- The total marks for the paper is 100.

Question: Smiles (Pvt) Ltd

Smiles (Pvt) Ltd is importing few varieties of Jelly and selling them in the local market. The company recently introduced the Sage 50 accounting software package, and plans to use the software package from 01.01.2015. They have already created the following in the Sage 50 package.

- The company profile
- The general ledger and other relevant sub ledgers, namely: Inventory, Customers, Vendors ledgers, with the respective beginning balances.

Smiles (Pvt) Ltd is going to introduce another imported product ‘Jelly - Lemon 50g’ to the market and, entered in to an agreement with a new vendor named “LJ (Pvt) Ltd” located in India, 205, 2nd Floor, Barah Khamba Road, New Delhi. The contact person of this vendor is Mr. Karan. The LJ (Pvt) Ltd has agreed to accommodate a credit limit of Rs.500, 000.

On 02.01.2015, Smiles (Pvt) Ltd. raised the first purchase order (PO100) to LJ (Pvt) Ltd., requesting a stock of 1,000 packets of Jelly – Lemon 50g, at the rate of Rs.60 each. The entire ordered packets were received by the company on 07.01.2015 with the invoice (Invoice number LJ012014).

The price for the new product is set as follows;

- For corporate customers – Cost + 20%
- For supermarkets – Cost + 15%

Two new customers joined the company on 1st January 2015 and their details are as follows.

Name	Billing Address	Contact Person & Delivery Address	Terms	Type
Nectar (Pvt) Ltd	No.10, Thulhiriya	Mr. Harsha, No. 100, Rathnapura	Default terms	Corporate
Ice World (Pvt) Ltd	No. 500, Colombo 10	Ms. Rukshi, No. 250, Galle Road, Galle	Credit limit of Rs.800,000 and other default information	Supermarket

On 04.01.2015, a purchase order (PO101) was placed to order 1,000 packets of strawberry jelly 100g, at a cost of Rs. 140 each from XYZ (Pvt) Ltd. On 10.01.2015, only 500 packets were received by the company (Invoice number 100101). The VAT amount included in the invoice was Rs.8,400.

During the month of January 2015, the following purchases also have been made.

Supplier	Date	Invoice No.	Description	No. of packets	Cost per pack (Rs.)	VAT (Rs.)
Flavors (Pvt) Ltd	05.01.2015	F10040	Jelly – Mango 100g	1,000	105	12,600
Star Packaging (Pvt) Ltd	10.01.2015	SP123230	Jelly – Strawberry 50g	500	85	5,100
Chemi Group (Pvt) Ltd	20.01.2015	C100200	Jelly – Mango 50g	250	65	7,050
			Jelly – Strawberry 50g	500	85	

The following products were returned to the suppliers due to damages.

Supplier	Date	Invoice No.	Description	Units returned	VAT (Rs.)	Credit memo No.
Star Packaging	18.01.2015	SP123230	Jelly – Strawberry 50g	50	510	CR001
Chemi Group (Pvt) Ltd	25.01.2015	C100200	Jelly – Strawberry 50g	25	255	CR002

On 04.01.2015, a sales order (SO 001) was raised for Ice World (Pvt) Ltd, which is a Super Market, to sell 1,000 packets of Jelly Mango 100g, and 1,000 packets of Jelly Strawberry 100g. These ordered goods were dispatched to the customer (Invoice number 41999) on 13.01.2015 charging VAT at 12%. The Smile (Pvt) Ltd. incurred Rs 2,000 as transportation expenses and this has to be borne by the Ice World (Pvt) Ltd.

Another sales order (SO 002) was raised for Nectar (Pvt) Ltd on 08.01.2015 to sell 800 Packets of Jelly Lemon 50g with corporate customer price and these goods were dispatched on 15.01.2015 (Invoice number 42000) charging VAT at 12%.

In addition to the above sales, following sales were also made during the month of January 2015.

Customer	Date	Invoice No.	Description	Price level	VAT (%) & Freight charges income
Nerctar (Pvt) Ltd	17.01.2015	42001	Jelly – Strawberry 100g, 2,000 packets	Corporate	12%, no freight charges
Happy Shopping Supermarket	19.01.2015	42002	Jelly – Strawberry 50g, 2,100 Packets	Supermarket	12%, Rs.2,000
Star Group of Hotels	25.01.2015	42003	Jelly – Strawberry 50g, 1,500 packets Jelly – Mango 50g, 1,000 packets	Corporate	12%, Rs.2,000
Smiles Super Market	27.01.2015	42004	Jelly – Mango 50g, 1,000 packets	Supermarket	12%, no freight charges
Leisure Hotels	29.01.2015	42005	Jelly – Strawberry 100g, 2,000 packets	Corporate	12%, Rs.2,500

On 30.01.2015, 250 packets of Strawberry 100g were sold to Ice World (Pvt) Ltd (Invoice No.42006) on cash basis charging VAT at 12% (Reference number CS100) and cash collected to the cash in hand account.

The details of sales returns are as follows.

Date	Invoice No.	Returned Quantity and the product	VAT	Customer
20.01.2015	42001	100 packets of Jelly Strawberry 100g	12%	Nerctar (Pvt) Ltd
25.01.2015	Cannot find	150 Packets of Jelly Mango 50g	12%	Smiles Super Market

The following payments were received from the customers. It was revealed that except for the cheque received on 25.01.2015, all the other cheques were deposited in the bank on the date on which the cheques were received. The cheque received on 25.01.2015 has been deposited on 29.01.2015.

Bank	Customer	Date	Cheque No.	Amount (Rs.)	Invoices settled partly/ fully
BOC	Happy Shopping Super Market	21.1.2015	695695	350,000	41885 fully 42002 part
BOC	Leisure Hotels	22.1.2015	795285	100,000	41516,
HNB	Nectar (Pvt) Ltd	22.1.2015	825117	Settled in full subject to any discounts	
HNB	Smiles Super Market	25.1.2015	900912	600,000	40750,41675

The following payments were made for vendors.

Bank	Vendor	Date	Cheque No.	Amount (Rs.)	Remarks
BOC	Chemi Group (Pvt) Ltd.	06.1.2015	200101	250,000	Inv. no. CG1001
BOC	Flavours (Pvt) Ltd	15.1.2015	200102	200,000	Inv. no. F10023 and part payment from F10025
HNB	Star Packaging (Pvt) Ltd	20.1.2015	300300		Paid in full to settle the account
HNB	XYZ (Pvt) Ltd.	28.1.2015	300310	200,000	Discount given Rs.15,000 to settle Inv.no. X100100, and balance for the invoice no. X100120

The following expenses were paid during the month.

Date	Description	Amount (Rs.)	Paying account	Cheque No./ Payment voucher No.
10.1.2015	Water Expenses	2,000	Cash in hand	PV150
13.1.2015	Rent	100,000	HNB	300301
15.1.2015	Insurance	150,000	BOC	200103
18.1.2015	Delivery Expenses	65,000	BOC	200104
	Electricity	186,000		
20.1.2015	Refreshments	5,000	Petty cash expenses	PCV50
	Postage	2,000		
	Stationery	3,000		

The following additional information for the month of January 2015 is also provided.

- Rs.10,000 is to be transferred from BOC to petty cash on the first day of each month for a period of twelve months starting from 01.01.2015, Reference No. JE001 (recurrent journal entry)

- Rs.1,000 was received to HNB account on 15.01.2015 as the interest income for the month on the saving account. Reference No. JE002
- The salaries and wages to be paid for the month of January through the HNB bank account on 25th January were Rs 120,000. Reference No JE003
- On 31.01.2015, the Company purchased a motor vehicle for Rs.2,100,000 on credit basis to be paid in 5 years from Kaya International. Reference No. JE004
- Company received a commission income of Rs.350, 000 to BOC bank account on 31st January 2015. Reference No JE005
- On 31.01.2015, the management of the company decided to write off the outstanding balance of Smiles Super Market as at 31.01.2015 as bad debts. Reference BWO001
- The January telephone expenses of Rs. 2,500 were accrued as at 31.01.2015. Reference No. JE006

A stock count was taken on 31.01.2015 and variations of the following items were identified. These variations should be updated.

Stock Item	No. of units to be adjusted	Reference
JM50	+4	AD001
JS100	-8	AD002

You are required;*

- To process the above transactions and events for the month of January 2015 using the Sage 50 accounting package.
- Obtain the Income Statement for the month ending 31st January 2015 and the Balance Sheet as at 31st January 2015 (save these two files in MS Excel format in the folder named with your index number).
- Backup your data with your index number and save it in the folder named in your index number.

****Note: you are required to enter meaningful relevant reference codes and create ledger accounts where necessary.***