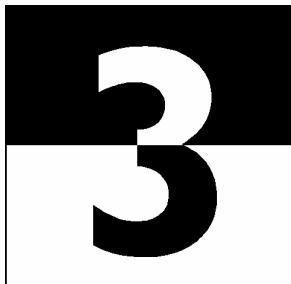




Computerised Accounting



Level 3

Sample Assignment

Effective from 1 March 2004

Computerised Accounting Assignment

Instructions to Candidates

- 1 You will have 2 1/2 hours to complete the assignment. Answer all questions in the assignment.
- 2 Please check that you have MYOB Premier Version 7 or higher on your computer. If you do not see it please inform the invigilator for assistance.
- 3 You are NOT allowed to bring any diskettes or paper into the examination room.
- 4 You are not allowed to communicate with other examination candidates throughout the examination.
- 5 In the event of any unforeseen circumstances e.g. electricity blackout or computer failure, that prohibits the candidate from continuing with the examination, and such event is not the cause of the candidates own action(s), the candidate will be allocated extra time to complete the examination at the discretion of the Invigilator.
- 6 If you should encounter any technical difficulties with the computer during the examination, please inform the invigilator for assistance.
- 7 Non-programmable electronic calculators are allowed for this examination.
- 8 You are required to type/key in your candidate number in the address field when you set up the company data file. Eg. Ho Advertising Co, (ID: <Your candidate number>), followed by the company's address.

Important: Do not type your name on your work sheets, only your candidate number.

- 9 You are NOT allowed to leave the examination room without the permission of the invigilator.
- 10 The assignment and any used or unused paper, must be returned to the Invigilator at the end of the examination.
- 11 You should backup your data from time to time to avoid any unexpected loss of data during the examination.

The Case

Mr John Webber and Mr Richard Ellis are the founding partners of **Webber Ellis & Company**, a home furniture trader that buys furniture from manufacturers and sells them to furniture retailers. The company was set up on 1 July 2003, which is also the first day of commencement of business. The company adopts the standard 12-months financial period, commencing from 1 July 2003.

The company transacts in the local currency (\$) and US Dollars (USD). The USD exchange rates table is found in Appendix A. As a policy, the system's exchange rates table will be updated once a month on the last day of the month.

You may assume that there is no tax for all transactions and accounts.

You are required to use the system to record the transactions below:

- 1 Set up the company data file by selecting the Industry classification: "Retail" and Type of business: "Furniture Dealer" from sample account list provided by the software, with the following company address:

(ID:<Your Candidate No>)
67 Hogget Street
Singapore 034568

[2 marks]

 - Rename the account "**4-1300 Cash Sales**" to "**4-1300 Credit Sales**".

[1 mark]
 - Create the partnership distribution accounts "**3-8001**" for **Mr John Webber** and "**3-8002**" for **Mr Richard Ellis**.

[1 mark]
- 2 The company purchases furniture in US Dollars (USD) from overseas manufacturers and sells them to furniture retailers.
 - Update the exchange rates table for the USD rate on 1 July 2003. Generate the Currency List report.

[2 marks]
 - Create the following accounts: "**1-2201 Trade Debtors – USD**" and "**2-2201 Trade Creditors – USD**". Link these accounts to the USD currency.

[1 mark]
- 3 On 1 July 2003, each partner contributed \$100,000 towards the set up of their furniture trading business. The two amounts of \$100,000 were deposited into the general cheque account. Record this transaction.

[2 marks]

4 An order was placed with **Evertimber Trade Company** for 100 pieces of Dining Chairs (Item No. **DC01**) at USD25.00 each, and 20 pieces of Dining Table (Item No. **DT02**) at USD75.00 each. All goods arrived on 5 July 2003, and the supplier bill was received on the same day.

- Create these two items in the Item List using the following information:
 - Cost of sales account is “**5-1000 Purchases**”
 - Income account for sales is “**4-1300 Credit Sales**”
 - Asset account for inventory is “**1-2300 Merchandise Inventory**”

[2 marks]

- Create a supplier bill (item layout) from **Evertimber Trade Company** for the purchase above. The supplier requires a 50% payment upon delivery, and the balance 50% within 30 days from date of the bill. Record this partial payment to **Evertimber Trade Company**. Generate this supplier bill from the system

[12 marks]

5 The following sales were made during the month of July 2003. Generate the invoices accordingly.

- 7 July 2003. Sold 1 piece of **DT02** and 4 pieces of **DC01** to customer **Trumpet Home Furnishings** at \$250.00 and \$90.00 each respectively. A 14 days credit term is offered.

[5 marks]

- 8 July 2003. Sold 10 pieces of **DC01** to customer **American Dream Homes** at USD75.00 each. A 7 days credit term is offered.

[5 marks]

- 12 July 2003. Sold 1 piece of **DT02** at \$280.00 to customer **Kelly's Homes**, and it has been agreed with the customer that this will be traded-in with 1 piece of used dining table valued at \$50.00. The outstanding balance was settled by the customer on delivery.

You should create a new account “**1-9990 Contra Cheque Account**” and inventory items “Used Dining Table (Item No. **UDT**)” and “Trade-in Item”, to record this transaction and generate this invoice. (Note: Please use the Cash method to handle this transaction)

[11 marks]

6 On 15 July 2003, the partners decided to place one dining table (**DT02**) and four dining chairs (**DC01**) with **Howard's Showroom** for display. It was also agreed that these items will be held on a consignment basis until they are sold at the usual price of \$250 and \$90 each of **DT02** and **DC01** respectively. Use the following information to record this transaction:

- Create new inventory items **DC01-C** and **DT02-C** to track the corresponding items issued on consignment.
- Create a new asset account “**1-2399 Consignment Stock**”.
- Transfer the appropriate quantities and cost of the items on consignment from the trading stock to the consignment stock.

[7 marks]

All the items consigned to **Howard's Showroom** were sold on 25 July 2003. Create an invoice to record this sale on a 14 days credit term. Generate this invoice.

[6 marks]

- 7 On 20 July 2003, the company supplied 10 pieces of **DT02** at \$220 each and 50 pieces of **DC01** at \$80 each to **Midera Resort**. Record this sale on a 30 days credit term, create a new job code "**M01**" to track all income and expenses relating to this account, and generate the invoice. **[8 marks]**

Record the following payments from the Cheque Account pertaining to this job:

- Paid \$800 for an advertisement in the local newspapers on 7 July 2003.
- Paid \$300 for freight charges on 21 July 2003.
- Paid \$4,000 for the wages and salaries of workers on 25 July 2003, but only \$1,000 was to be allocated to this job.

[4 marks]

Generate a Job Profit & Loss statement for this job only as at 31 July 2003.

[1 mark]

- 8 On 13 July 2003, the company sold 1 unit of **DT02** to **Evergreen Gardening** at \$250.00. **Evergreen Gardening** also supplied potted plants to the company for \$120.00 (to be charged to **6-1500 Office Supplies**). It was agreed that **Evergreen Gardening** would pay the difference in 30 days. Record this contra entry accordingly, and generate the sales invoice after recording the contra entry. (Note: Please use the Credit Note method to handle this transaction.) **[7 marks]**

- 9 It was reported on 28 July 2003 that **Trumpet Home Furnishings** became insolvent. The partners of the company decided to write off the outstanding amount owing by this customer as bad debts, and this would be charged to the account "**6-2000 Bad Debts**". Record this entry accordingly. **[4 marks]**

Update the USD Exchange Rates as at 31 July 2003, and generate the Currency Unrealised Gain/Loss report.

[1 mark]

The Company analyses the debtors within the following ranges: 7 days, 14 days, 30 days and over 30 days. Generate the **Receivables Reconciliation Detail** report that shows the aging of debtors as at 31 July 2003 in the local currency. **[4 marks]**

The partners decided to set a general provision for bad debts based on 10% of the total trade debtors balance as at 31 July 2003 in local currency. Record this entry accordingly on 31 July 2003. **[2 marks]**

- 10 On 1 July 2003, the partners purchased an insurance health and safety policy from **AXON Insure** at \$1,200 per annum. Full payment was made on 1 July 2003. The policy will be effective for 1 year, commencing on 1 July 2003. Create a new account "**6-5200 Insurance**" and record the entry on 1 July 2003.

Record the entry on 31 July 2003 to recognise the insurance expense for July 2003.

[3 marks]

11 Generate the following financial reports:

(a) Accounts List Detail, showing balances (including accounts with zero balances) as at 31 July 2003
[1 mark]

(b) Profit & Loss Multi-Period Spreadsheet for the Quarter from 1 July to 30 September 2003.
[1 mark]

(c) Balance Sheet Multi-Period Spreadsheet for the Quarter from 1 July to 30 September 2003.
[1 mark]

(d) The following reports from 1 to 31 July 2003:

- General Journal
- Sales & Receivables Journal
- Purchases & Payables Journal
- Item Register (Detail)
- Cash Receipts Journal
- Cash Disbursements Journal.

[3 marks]

12 Assuming that it is now 30 June 2004, and the net profit for FY 2004 is \$30,000. Record the general journal entry to distribute the profit equally among the partners. Generate the General Journal report for June 2004.

[3 marks]

Appendix A

USD Exchange Rates (local currency to 1 unit of USD)

1 July 2003	1.70000
5 July 2003	1.72000
7 July 2003	1.72800
8 July 2003	1.75000
12 July 2003	1.73000
15 July 2003	1.74000
25 July 2003	1.72000
28 July 2003	1.73000
31 July 2003	1.75000
1 August 2003	1.74500

-- End of assignment --