



**MURANG'A UNIVERSITY OF TECHNOLOGY**  
**SCHOOL OF COMPUTING AND INFORMATION**  
**TECHNOLOGY**

**DEPARTMENT OF INFORMATION TECHNOLOGY**

**UNIVERSITY ORDINARY EXAMINATION**

**2024/2025 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR**  
**OF BUSINESS INFORMATION TECHNOLOGY**

**SIT 307– COMPUTERIZED ACCOUNTING**

**DURATION: 2 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

1. Answer question ONE and any other two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

## **SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION**

### **QUESTION ONE (30 MARKS)**

- a) Give a brief description of each of the following documentation techniques and state its applicability:
  - i. Systems Flowcharts (2 marks)
  - ii. Data flow diagrams (2 marks)
- b) Describe how you would set up the following in an accounting software that you are familiar with:
  - i. A supplier account (2 marks)
  - ii. An office equipment account (2 marks)
- c) Discuss by giving examples one type of accounting errors that a manual accounting system cannot prevent. (2 marks)
- d) Describe any THREE Factors that an organization would consider in selecting an integrated computerized System. (6 marks)
- e) Automation of systems is being embraced by making companies. Explain any FIVE potential benefits to be derived from changing a manual accounting system to computerized system. (6 marks)
- f) Every system has its controls set in place for optimum functionality and security. Describe FOUR internal controls in computerized accounting environment. (4 marks)
- g) Discuss FIVE importance of computerized exams (5 marks)

## **SECTION B– ANSWER ANY TWO QUESTIONS IN THIS SECTION**

### **QUESTION TWO (20 MARKS)**

- a) Describe the following THREE types of reports: (6marks)
  - i. Balance sheet and network report
  - ii. Customer and Vendor report
  - iii. Income and expenses report
- b) You are an information system consultant at Murang'a Town and one of your clients with an annual turnover of Ksh. 12 million, with three branches within the same town and full time employees has requested you to help setup a computerized system. It is on 31<sup>st</sup> December and he informs you that the current year set of accounts will be ready by 20<sup>th</sup> of January the following month. The business accounting year ends on 31<sup>st</sup> of December every year. Given the knowledge in setting up information processing systems. Write a formal response to the client advising on:
  - i. The most suitable accounting software for his business and stating its (2) advantages. (6 marks)
  - ii. Requirements for computerized accounting systems to be set up. (8 marks)

### QUESTION THREE (20 MARKS)

- a) Input checks are mandatory in computerized accounting, briefly explain giving example how each input check could be used to ensure data computerized by the administrator clerk is valid, accurate and complete.
- i. Source document (3 marks)
  - ii. Turnaround document (3 marks)
  - iii. Well-designed document (3 marks)
  - iv. Pre-numbered documents (3 marks)
- b) Explain the process of generating a trial balance in a computerized accounting system using software application. (4 marks)
- c) Discuss FOUR reports an accountant except from a payroll software accounting module. (4 marks)

### QUESTION FOUR (20 MARKS)

- (a) Every organization is currently adopting technology. Discuss (3) Main challenges organizations face when automating their systems. (6 marks)
- (b) Auditing is a very significant aspect in financial accounting. Discuss SDS difficulties encountered during audit process.
- (c) Mathai's Trading Enterprise has given you the following balance as extracted from their books of original entry as at 31<sup>st</sup> August 2024.

Description	Shs.
Cash at hand	1,200
Cash in bank	11,000
Stock 1/9/2024	21,000
Debtors	8,000
Creditors	10,000
Returns Inwards	500
Sales	56,000
Purchases	20,000
Salaries	30,000
Postage	200
Drawing	900

#### Required

- i. Prepare his Trading and Loss account for the end of the month of August 2024. (4 marks)
- ii. Prepare Mathai's Enterprise Balance Sheet. (4 marks)