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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FIRST YEAR, FOURTH SEMESTER EXAMINATION
FOR THE DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY
DBT 1102- ACCOUNTING SOFTWARE

Date: 07TH DECEMBER 2022
Time: 11:30 AM – 1:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Briefly state the reasons why a company would not wish to distribute all its profits to its Shareholders. (5 Marks)
- b) The following categories of people are recognized as users of the information contained in financial statements;
- Owners
 - Financial analysts
 - Lenders
 - Employees
 - Customers

For each of the above users of financial statements, identify the kind of information they may require, why they require it and the decisions they make from that information. (10 Marks)

- c) The classes of accounts for this type of business. (5 Marks)
- d) List five users of accounting information and explain their information needs. (5 Marks)
- e) Explain the principles of Financial Accounting. (5 Marks)

QUESTION TWO (20 Marks)

- a) Describe how you would setup the following in an accounting software that you are familiar with. (6 Marks)
- i. A motor vehicle account
 - ii. An equity account
 - iii. Depreciation account
- b) The advantages of a computerized accounting systems over a manual accounting systems. (8 Marks)
- c) The advantages of prepackaged software over enterprise resource program (ERP). (6 Marks)

QUESTION THREE (20 MARKS)

- a) Describe three internal controls in a computerized accounting environment. (6 Marks)
- b) Explain the following terms. (8 Marks)
- i) A trial balance

- ii) Arithmetic logic unit
 - iii) Operating software
 - iv) Prepackaged software package
- c) Discuss by giving examples the types of accounting errors that a manual accounting system cannot prevent. (6 Marks)

QUESTION FOUR (20 MARKS)

- a) What is a computer. (2 Marks)
- b) Describe the process of generating a trial balance in a manual accounting system. (8 Marks)
- c) Describe five reports an accountant would expect from an fixed asset software module? (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Describe the basic steps towards automating an existing manual accounting procedures. (8 Marks)
- b) Describe four telecommunication technology inventions that have enabled managers to transmit accounting information to the users more efficiently and effectively. (12 Marks)