



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, FOURTH SEMESTER EXAMINATION
FOR THE DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY
DBT 1102 – ACCOUNTING SOFTWARE

Date: 05TH December 2023
Time: 2:30PM – 4:30PM

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 pre-packaged software over enterprise resource program (ERP) (6 Marks)

QUESTION THREE (20 MARKS)

- a) You are an information systems consultant in Nairobi town, one of your clients a pharmacy shop with an annual turnover of shs. 10 million, with two branches in the same town and 10 full time employees requests you to help him setup a computerized accounting system. It is on 31st of December and he informs you that the current years set of accounts will be ready by 20th of January the following month, the business accounting year ends on 31st of December every year. Given your knowledge in setting up information processing systems. Write a formal response to your client advising him, On the most suitable accounting software for his business and the available alternatives (5 Marks)
- b) Discuss by giving examples the types of accounting errors that a manual accounting system cannot prevent (6 Marks)

- c) Describe the challenges organizations face when trying to computerize their accounting systems. (5 Marks)
- d) Features of and Accounting Software (4 Marks)

QUESTION FOUR (20 MARKS)

- a) Describe the term computerized accounting software and give three examples accounting software commonly used by small business enterprises in Kenya. (5 Marks)
- b) Describe the process of generating a trial balance in a manual accounting system (5 Marks)
- c) Describe five reports an accountant would expect from an fixed asset software module? (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Describe how you would setup the following accounts in accounting software you are familiar with:
 - i) A supplier account.
 - ii) A customer account
 - iii) A motor vehicle account
 - iv) A petty cash account (8 Marks)
- b) Describe the main transactions accounts in any small business accounting software that you are familiar with. (8 Marks)
- c) What advantages will a computerized information processing system bring to an organization (4 Marks)