Debremarkos University

Collage of Business and Economics

Department of accounting and Finance

Accounting Software Application

Project for trainees of the 1st round (50%)

**Transactions during the month of February 2012 were as follows:**

Feb. 1. Issued CK# 136 for Br.1,000 to establish a change fund in the name of Mulatu:- **use write check window.**

 2. Received a check from star supermarket in full settlement of invoice #SI87. CK#S008 and CR#137

 3. Received a check from a cash customer, MAMA, form the sales of 100 pcs of School bags at Br.120/pc. Using CK#M010, CR#138.

 4. Received all the remaining items ordered on PO#071from Gerado Trading on account. PI183

 4. Issued CK#137 to Alem grocery in settlement of PI#176 and PI#178

 4. Bought 480 pcs of Mamco, 32 sheets at Br.2.5/pcs360 pcs of Radical, 50 sheets at Br. 4.5/pcs and 500pcs of Sinar line of 100 sheets at Br. 6.3/pcs on account from Gerado Trading PI#184. No purchase order was issued earlier for this purchase.

 5. Sold on account 600 pcs of Mamco 100 sheet at Br. 7/pcs and 200 pcs of Sinar liner 100 sheets at Br. 8/pcs to Tsega stores on Invoice # SI88, term n/60.

 5. The cash collected from February 1-5, 2012 is deposited by DS5. NB **use select for deposit window**.

 8. Issued purchase order, PO#073 for the following items to Aman PLC.

* 300 bottles of orange 1 liter juice at Br. 26 each
* 200 units of Apple 1 liter at Br 28 each
* 400 bottles of mango 2 liters at Br. 60 each, with terms to all 1/10, n/30 days Good February 16, 2012.

 13. Issued CK#138for Br. 3,000 in buying supplies form Tana stationary of cash vendor.

 13. Declared quarterly dividend of Br. 10,000, which is to be paid at the beginning of the following month Reference JV7/1.

 14. Issued sales order #SO26 to wosen retails for 100 bottles of Red-wine and 150 bottles of white-wine at Br.45 each. Terms 1/10, n/30 days. Ship by date February 19, 2012.

 15. Received A check from Tsega stores in full settlement of invoice #SI88. CK#0018 and CR#139.

 16. Received all the items ordered on PO#073 from AMAn PLC.on account PI185

 19. Ship all the items ordered on sales order # SO26 to Wosen retails SI189.

 20. Issued CK#139 to Aman PLC. in full settlement of PI185.

 20. Sold on account to Tsega stores 500 pcs of calculators, 300 pcs of schools bags at Br.65 and 125 each respectively by receiving a down payment of Br. 3,000 and balance to be collected within thirty days SI 190 Reference CR#140, cash.

20. The cash collected from January 16-20, 2012 is deposited by DS6. **NB use select for deposit window**.

21. Issued CK#140 to Gerado Trading in full settlement of PI182

22. Issued CK#141 for Br. 15,000 to Zone finance Bureau for payment of VAT collected from customers.

23. Issued CK#142 for Br. 5,000 to Alem grocery, as an advance payment for the next purchase.

24. Sold 500 Binders at Br.80/pcs for cash to Zinabu, a sundary customer Reference CK#Z092, CR#141.

26. Issued Credit memo # CM16 for sales allowance of BR.1,000 granted to Tsega stores to compensate for inferior quality items sold on SI190. (Use sales return and allowance account); use the apply to sales tab.

28. Received 100 bottles of Red-wine at Br.35/bottle on account from Alem grocery, it was ordered by PO#072. Invoice#PI86. The amount is chargeable to February 23 advance payment. Use CK#144 as a clearing document.

29. Received a check from Wosen retails in full settlement of SI189. CK#W023, CR#142.

29. Received A check from Alem grocery for Br. 1,500 over payment made earlier, CK#A007, CR#143.

 (You use the payment window, the check is recorded using the cha on hand account, account # 1104).

29. Physical inventory taken as of February 29, 2012 revealed the following:

Inventory of binder and school bags showed shortages of 5 and 3 pcs respectively. Use JV7/3 and JV7/4.

Inventory of Apple juice 1 liter and Mango juice 2 liters showed overages of 6 bottles and 2 bottles respectively. JV7/5, and JV7/6.

**Instruction 5.1: Prepare the following reports and submit in soft copy**

1. Purchase journal for the two months ending February 29, 2012.
2. Cash receipt journal for the two months ending February 29, 2012
3. Combined cash disbursement journal for the period January 1, to February 29, 2012.
4. General ledger and Trial balance
5. A standard income statement for February 29, 2012.
6. An account summary
7. Statement of cash flows
8. Statement of changes in equity
9. A well designed balance sheet as of February 29, 2012.
10. Audit trial report for the two months ending February 29, 2012.

**NB: Last date for submitting print out of the above reports and buck up CD is April 29, 2013.**

**Instruction 6 Processing Payroll**

Print the payroll register for the pay period ending February 29, 2012 on the basis of the following data. Use CK#s starting from PCK147 for each employee in the payroll entry window. Round decimal places to the nearest two digits. Include the employer’s provident fund contribution in the payroll register.

**Payroll data:** The following payroll data relates to the company’s pay period ending February 29,2012. The company has five employees. The company contributes 15% and employees contribute 10% to the provident fund. The normal working hours of the company is 180 hrs/month. Employees have worked what is expected of them during the month. The labor policy and agreement provides that overtime shall be paid in accordance with the overtime payment of public enterprises as required by the Ethiopian labor proclamation. The company doesn’t have s night shift.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ID | Name | Basic Salary | Allowance (Taxable) | Overtime worked |
| W-001 | Asaminew Kassa | Br.4,200 | Br. 800 | - |
| W-002 | Berhie Moges | 900 | - | 4 hrs (DT) & 10 hrs (WT) |
| W-003 | Demissie Hunegaw | 2,500 | - | 15hrs(DT), 18hrs (HT) |
| W-004 | Nebiat Zemenu | 1,800 | - | 16hrs (WT) & 14hrs (HT) |
| W-005 | Ahmed Seid | 3,600 | 500 | 15hrs (DT) up to 10PM |

DT=Day Time, WT=Weekends time, and HT=Holidays Time

**Additional Information**

* Demissie is employed on a contractual basis and is not entitled to the provident fund benefit.
* Br. 25 is to be withheld from each permanent employee payable to social committee.
* Br. 1,300 is to be deducted from Ato Asaminew for the salary advance he has already taken.

**Instruction 7: Preparing bank reconciliation**

It was known that the bank statement of January 2012 was not issued by the bank and thus was not reconciled. The statement dated February 29, 2012 received by the company revealed the following data:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | DS. No. | Deposits | Date | Ckeck No. | Checks Paid | Balance |
| Jan. 1, 2012 |  |  |  |  |  | 288,400.00 |
| Jan. 5, 2012 | DS#1 | Br.15,750 | Jan.3, 2012 | 129 | Br.4000 |  |
|  10 | DS#2 | 32,700 | 15 | 130 | 8000 |  |
| 20 | DS#3 | 130,000 | 21 | 131 | 2000 |  |
| 30 | DS#4 | 110,428.75 | 22 | 132 | 3200 |  |
| Feb. 5, 2012 | DS#5 | 47,725 | 30 | 133 | 6530 |  |
| 20 | Ds#6 | 9.670 | 30 | 134 | 7000 |  |
|  |  |  | 30 | 135 | 12000 |  |
|  |  |  | Feb.1, 2012 | 136 | 1000 |  |
|  |  |  | 4 | 137 | 56550 |  |
|  |  |  | 13 | 138 | 3000 |  |
|  |  |  | 20 | 139 | 37026 |  |
|  |  |  | 21 | 140 | 7600 |  |
|  |  |  | 23 | 142 | 5000 |  |
|  |  |  |  | PCK149 | 3013.64 |  |
|  |  |  |  | PCK148 | 803.75 |  |
|  |  |  |  | DM#445\* | 275 |  |

DM#445\* is a bank service charge (Miscellaneous expense)

Bank error: Check No. 140 was issued for payment of Br 9,600 but the bank deducted the account of the company by Br.7,600. The company recorded it correctly.

Required: Prepare bank reconciliation as of February 29, 2012 and record the necessary adjustments.

Instruction 8: print and submit the following reports along with a backup soft copy of your company in a CD.

1. Purchase journal for the two months ending February 29, 2012.
2. Cash receipt journal for the two months ending February 29, 2012
3. Combined cash disbursement journal for the period January 1, to February 31, 2012.
4. Statement of bank reconciliation as of February 29, 2012.
5. A well designed balance sheet as of February 29, 2012.
6. Payroll register with column headings of Employee ID, Name, Basic Salary, Position allowance, Transportation allowance, Overtime, and applicable deductions for the pay period ending February 29, 2012.
7. Audit trial report for the two months ending February 29, 2012.

**Last date for submitting print out of the above reports and buck up CD is May 13, 2013.**