DPA202-T

PRACTICAL ACCOUNTING DATA PROCESSING

May/June 2008

Duration : 2 Hours

EXAMINERS:
FIRST : MRS JH GILDENHUYS
SECOND : MRS A MCGEE

Use of a non-programmable pocket calculator is permissible.

THIS EXAMINATION PAPER CONSISTS OF NINE (9) PAGES.

PLEASE NOTE:

1. All questions must be answered.
2. Each question must commence on a separate page.
3. Write the main question numbers numerically on the cover of the answer books.
4. Answer books may not be completed in pencil.
5. This paper consists of five (5) questions.
QUESTION 1  (11 marks)

WRITE THE CORRECT ANSWER (A, B, C OR D) NEXT TO THE RELEVANT QUESTION NUMBER.
EACH CORRECT ANSWER COUNTS ONE (1) MARK.

1.1 Which of the following statements relating to databases are true?

(A) Centralised databases are databases stored at the physical centre of each office building
(B) Replicated databases are used to limit data traffic between databases, support read-only queries and ensure quick response time
(C) The main advantage of a hierarchical database structure is the uncomplicated set-up and maintenance of the structure
(D) A data warehouse stores all data relating to a company’s inventory stored at their central inventory warehouse.

1.2 When choosing appropriate combinations of batch, online, real-time and interactive for input, processing and output for their transaction processing system, the following should not be considered by the company:

(A) The experience and training of the accountant
(B) The accuracy of the information required
(C) The volume of the transactions to be processed
(D) The number of master files to be updated by each transaction.

1.3 Which of the following statements relating to the system maintenance of a transaction processing system is not true?

(A) The setup information is entered with the initial installation of the transaction processing system, but can be altered at a later stage
(B) User names, passwords and access levels are specified
(C) Multicurrency settings are specified for companies purchasing from suppliers located outside their own country
(D) The setup information can’t be altered after the initial installation.

1.4 The transaction processing systems will check the following before executing the year-end procedures:

(A) The accountant has supervisor access level
(B) Check the record of reports printed to ensure that all reports that should have been printed, has been printed
(C) All transactions from the previous period of the current financial year have been copied to the new financial year
(D) The retained earnings account exists.

1.5 The following statement regarding personal computer operating systems is not true:

(A) The acronym WIMP is used to describe operating systems based on Windows, icons, mouse and pull-down menus
(B) File types are specified with an extension, preceded by a single dot
(C) Microsoft, Q/32, UNIX and System 9 are popular microcomputer operating systems
(D) A subdirectory is the parent directory of its own subdirectories.
QUESTION 1 (continued)

1.6 The functions of an operating system include:

(A) Providing a command-driven interface as the preferred method to allow the user to communicate with the computer system
(B) Controls the input and output of data into application software
(C) Testing critical hardware and software components
(D) All of the above.

1.7 If an Excel chart plots the actual wages (in red) per employee against the budgeted wages (in blue) per employee on a column chart, the following statement will be true:

(A) The columns in red and blue are called the 'data markers'
(B) The employee names will be shown on the Y-axis
(C) The legend shows the names of the employees
(D) All of the above.

1.8 Which of the following statement(s) relating to sales analysis codes in Pastel is(are) not true:

(A) It can be allocated to other sales criteria, such as geographic areas
(B) It can be used to determine sales commission
(C) It is used to create useful reports for management purposes
(D) A and C.

1.9 Select the source document which has been captured in the correct journal (entry type) in Pastel:

(A) Debit note in the Purchases Returns Journal
(B) Electronic payment made in the Cash Book Receipts Journal
(C) Cash register roll in the Sales journal
(D) None of the above.

1.10 When printing the Customer Age Analysis Report in Pastel, you can specify (amongst others) the following parameter(s):

(A) Where to print the report to
(B) Customer sequence and codes to include
(C) Minimum account balance
(D) All of the above.

1.11 Before taking on balances when converting from an existing accounting software package to Pastel, it is most important that:

(A) The correct balance sheet and income statement accounts are created
(B) The trial balance balances
(C) The bank accounts are reconciled to the bank statements
(D) All year end procedures have been finalised.
QUESTION 2  (11 marks)

INDICATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE. ONLY WRITE
THE WORD "TRUE" OR "FALSE" NEXT TO THE RELEVANT QUESTION NUMBER. EACH
CORRECT ANSWER COUNTS ONE (1) MARK.

2.1 The inventory available balance is a field contained in the inventory transaction file.

2.2 Network, multidimensional and object-orientated refer to different types of database systems.

2.3 A remittance advice is the document sent monthly to a supplier to inform them what we should
pay them.

2.4 All open batches should be updated after all the transactions for the month have been
entered, but before the month end reports are printed.

2.5 Netscape Navigator and Microsoft Internet Explorer are examples of websites used by end
users to access information on the World Wide Web (www).

2.6 An expert system is a computerised information system that allows experts to quickly make
decisions that are comparable to those decisions of other experts in the particular problem
area.

2.7 =PV() is a built in formula that calculates the present value of an investment or loan.

2.8 "Automatically Reverse Journal" – this option is selected in Pastel to ensure that the journal
are automatically reversed in the following financial year.

2.9 You will be able to link a supplier's invoice to a goods received note in Pastel provided that
supplier code, item codes and quantities match, regardless of the period.

2.10 It is optional, but advisable, to have goods received notes set as mandatory in Pastel for
control purposes.

2.11 The accounting staff and their abilities are an important consideration when choosing
accounting software package.
QUESTION 3  (25 marks)

Sweets-Unlimited is a company selling various sweets, cold drinks and party accessories through ten shop outlets, which are distributed over Gauteng. The head office of Sweets-Unlimited is situated in Pretoria.

At each shop the individual cash and credit sales transactions are entered on three terminals directly into the accounting software of the shop. (This is the only software installed at the Sweets-Unlimited shop outlets.) Every Friday the shop manager prints all the sales transactions for the week from the accounting software and faxes it to the sales manager at head office.

The recently appointed sales manager at head office complains bitterly that the faxes he currently receives are completely insufficient for decision making purposes. According to him faxes are anyway old-fashioned and result in unnecessary additional data capturing by him.

In addition the sales manager complains that at Sweets-Unlimited's head office it is very difficult to schedule meetings, that his sales team seems to continually miss important deadlines and that it is very difficult to generally get hold of everybody to circulate information. The sales manager is sure this is due to insufficient investment in application software at head office.

Required:

3.1 Give five (5) reasons why Sweets-Unlimited would process their sales data using a computer, rather than processing it manually. (5)

3.2 Use the following table format to answer questions 3.2 a and b (Draw the table in your answer book):

<table>
<thead>
<tr>
<th>a) METHOD</th>
<th>b) PRACTICAL EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) List four (4) ways (methods) in which data can be processed into useful information (use the method column). (4)

b) Give one (1) practical example for each method listed in 3.2a of how Sweets-Unlimited can process their sales data further to help the sales manager at head-office (use the practical example column). (4)


QUESTION 3 (continued)

Required (continued):

3.3 Use the following table format to answer questions 3.3 a and b (Draw the table in your answer book):

<table>
<thead>
<tr>
<th>a) TYPE OF APPLICATION SOFTWARE</th>
<th>b) REASONS WHY PURCHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spreadsheet</td>
<td>In order to put numerical data</td>
</tr>
<tr>
<td>Word Processing</td>
<td>In order to put information that looks like a readable form</td>
</tr>
<tr>
<td>Office Suite</td>
<td>In order to process all the reports in efficient structure office</td>
</tr>
</tbody>
</table>

a) Recommend the three (3) types of application software to be purchased and installed by Sweets-Unlimited at their head-office and/or the shop outlets that would make the greatest difference to solve the current frustrations of their sales manager (use the type of application software column). (3)

b) Give reasons for each type of application software recommended in 3.3a. Your reasons should include a brief description of the application software functions and how this would solve the sales manager's particular problem (use the reasons why purchase column). (3x3=9)
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MachTools (Pty) Ltd: Sales for April 2007:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stock item description</strong></td>
<td>Number of sales transactions for the month</td>
<td>Sales price per unit (excl. VAT)</td>
<td>Sales price per unit (incl. VAT)</td>
<td>Total sales (excl. VAT)</td>
<td>Commission payable</td>
</tr>
<tr>
<td>Angle Grinder</td>
<td>1500</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drill</td>
<td>2345</td>
<td>240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jig Saw</td>
<td>1130</td>
<td>130</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belt sander</td>
<td>739</td>
<td>450</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circular saw</td>
<td>232</td>
<td>2,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spray painter</td>
<td>2379</td>
<td>225</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cost price: (per inventory records)</td>
<td></td>
<td></td>
<td></td>
<td><strong>R 2,612,691</strong></td>
<td></td>
</tr>
<tr>
<td>Gross profit % (based on cost price)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of sales transactions per day</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cheapest item for sale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most expensive item for sale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL GROSS PROFIT FOR APRIL 2007:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission per sales person for April 2007:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added Taxation (VAT) %</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
QUESTION 5 (continued)

Required:

Note: Where it is indicated that your formula will be copied to other cells it should take absolute and relative addresses into account, but only where necessary!

5.1 Which spreadsheet formula should be entered into cell B9 to calculate the total number of sales transactions that took place during the month? (2)

5.2 Which spreadsheet formula should be entered into cell B13 to calculate the average number of transactions sold per day (MachTools is open to the public every day of the week)? (3)

5.3 Which spreadsheet formula should be entered into cell D3 to calculate the sales price per unit (including VAT) for angle grinders? Note: your formula will be copied down for the other items! (4)

5.4 Which spreadsheet formula should be entered into cell D14 to calculate the cheapest item for sale (based on sales price per unit including VAT)? (2)

5.5 Which spreadsheet formula should be entered into cell D15 to calculate the most expensive item for sale (based on sales price per unit including VAT)? (2)

5.6 Which spreadsheet formula should be entered into cell E3 to calculate the total sales (excluding VAT) for angle grinders? Note: your formula will be copied down for the other items! (2)

5.7 Which spreadsheet formula should be entered into cell E9 to calculate the total sales for the month (excluding VAT)? (2)

5.8 Which spreadsheet formula should be entered into cell E11 to calculate the gross profit percentage (based on cost price)? (4)

5.9 Which spreadsheet formula should be entered into cell E16 to calculate the total gross profit for April 2007 (in Rands)? (2)

5.10 MachTools pays 2% commission to the sales team, but only if 1000 or more units of an individual inventory item were sold during the month. No commission is earned on a particular inventory item if less than 1000 units were sold. Which spreadsheet formula should be entered into cell F3 to calculate the commission earned by the sales team for angle grinders? Note: your formula will be copied down for the other items! (4)

5.11 MachTools has 12 sales persons working in their sales team and each one is entitled to share equally in the commission earned by the team as a whole. Which spreadsheet formula should be entered into cell F18 to calculate the total commission per sales person for the month? (3)

5.12 The VAT percentage is shown on the face of the spreadsheet and used in the D column to calculate the sales price including VAT. This was, however, not done for the commission threshold, the commission percentage or the number of sales persons working in the sales team. Explain why it would be better to design the spreadsheet to also show these values on the face of the spreadsheet similar to the VAT percentage. (2)

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