22515 Computer Based Accounting:

Assignment 3

Due: No later than 5.00pm on Friday 5th June 2009.

As with all assignments in this subject, students MUST incorporate their NAME –
(SURNAME & INITIALS) with the business name. Assignments where students name
appear in hand written form, will attract a zero mark.

Attach the ASSIGNMENT COVER SHEET as the FRONT PAGE of your submission.

Introduction

Corporation law and accounting standards require that companies and other reporting
entities, prepare
financial statements according to prescribed content and format. Such reporting
capabilities are not available
in MYOB and in similar accounting packages. To meet reporting requirements
businesses often use the
services of external accounting firms or have in-house procedures in addition to
their current accounting
software. CASEWARE is one software product that was written for this purpose.

In this assignment you are to simulate a situation, of working for a public practice
accounting firm and the
client has asked you to prepare the necessary statutory reports to meet legal
requirements for a reporting
entity. The client uses MYOB and has supplied you with two years trial balance of
'Student Name Pty
Ltd.' In practice the data supplied by the client is in electrical form (disk),
but in a class situation you are
required to enter the data into MYOB.

Output

You are to provide the following reports:

1. 2007 MYOB

1.1. Chart of accounts

1.2 Profit and loss statement for the period ended 31st December 2006

1.3 Balance sheet as at 31st December 2006

2. 2007 CaseWare

2.1 A.82. Statutory reports – from first page up to and including The Statement
of Cash Flows.

3. 2008 MYOB

3.1 Profit and loss statement for the period ended 31st December 2007

3.2 Balance sheet as at 31st December 2007

4. 2008 CaseWare

4.1 All of A.82 being the Statutory reports.

4.2 A.72 Journal for adjusting entries

4.3 A.91 and A.95 Ratios

You are to number your reports as per the output sequence 1, 2, 3 and 4 and submit
your work in the

order specified and attach the ASSIGNMENT COVER SHEET as the FRONT PAGE of your
submission.

Input

Company data

Student Name Pty Ltd (a reporting entity) (use your name) is located at Student
Address (street # &

name, suburb, state, post code). The A.C.N. (Australian Company Number) is nine
digits long and should

comprise 9XX XXX XXX (with the X's being your student number) and the A.B.N.
(Australian Business

Number) is 11 digits long and should comprise 999 XXX XXX XX (with the X's being
your student

number). The company is a medium sized retail organisation.

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Trial balance

Student Name Pty Ltd Credit balances are

-negative

Credit balances are -

negative

Trial Balance as at

30 June 2007 and June 2008

Debit balances are +

positive

Debit balances are +

positive

2007

('000)

2008

('000)

Sales Revenue - 42,160.00 - 48,640.00

Interest Revenue - 840.00 - 1,280.00

Cost of sales 18,972.00 24,870.00

Accounting fees 360.00 430.00

Audit Fees 140.00 168.00

Advertising 870.00 1,020.00

Bad and Doubtful Debts 1,280.00

Bank charges 260.00 320.00

Cartage and freight on sales 315.00 392.00

Commission on Sales 845.00 930.00

Contract Cleaning Expense 414.00 475.00

Credit card fees 842.00 973.00

Depreciation Exp - Buildings 140.00 164.00

Depreciation Exp - Furniture & Equipment 318.00 346.00

Depreciation Exp – Motor Vehicles 180.00 190.00

Donations 120.00 180.00

Electricity Expense 284.00 318.00

Equipment lease 584.00 676.00

General office expenses 128.00 164.00

Interest Expense 196.00 214.00

Insurance 152.00 196.00

Legal Expenses 118.00 194.00

Motor vehicle expenses 318.00 375.00

Postage's & couriers 144.00 168.00

Repairs – computer equipment 78.00 96.00

Repairs & maintenance 246.00 290.00

Registration and Licences 38.00 56.00

Rent – premises 480.00 528.00

Salaries, wages & allowances 3,642.00 3,988.00

Software updates 246.00 288.00

Staff recruitment 128.00 154.00

Staff training 264.00 298.00

Stationery and supplies 82.00 114.00

Subscriptions – trade journals 12.00 16.00

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Superannuation 328.00 359.00

Telephone 326.00 365.00

Travel 244.00 333.00

Loss on Sale of Non Current Asset 86.00 148.00

Profit on Sale of Non Current Asset – 146.00

Income tax expense 2,990.00

Retained earnings at start of year – 930.00 – 7,216.00

Dividends paid 690.00 740.00

Cash on Hand – Petty Cash 230.00 280.00

Cash at Bank 1,260.00 1,580.00

Accounts Receivable 3,360.00 3,740.00

Provision for Doubtful Debts – 120.00 – 120.00

Inventory 2,540.00 2,960.00

Prepaid expenses 115.00 196.00

Accrued Interest Receivable 96.00

Other receivables (Due within 12 months) 240.00 396.00

Buildings 3,406.00 4,450.00

Accumulated depreciation – Buildings – 562.00 – 726.00

Office Furniture and equipment 3,180.00 3,960.00

Accumulated depreciation – Office Furn & Equip – 1,480.00 – 1,796.00

Motor Vehicles 1,025.00 1,340.00

Accumulated Depreciation – Motor Vehicles – 490.00 – 680.00

Land 3,800.00 5,180.00

Investments (Long term) 2,960.00 4,260.00

Goodwill 674.00 1,042.00

Accounts payable - 2,150.00 - 2,280.00

Accrued expenses - 86.00 - 98.00

Interest Bearing Liabilities (Short Term) - 480.00 - 540.00

Accrued Salaries and wages - 70.00

Accrued Interest Payable - 78.00

GST Collected - 342.00 - 365.00

GST Paid 184.00 295.00

Provisions Employee Entitlements - 296.00 - 414.00

Provision for income tax - 2,990.00

Provision for Dividend - 540.00

Interest Bearing Liabilities (Long term) - 2,150.00 - 1,760.00

Share capital - 3,840.00 - 4,020.00

Asset Revaluation Reserve - 180.00 - 280.00

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Assignment 3

Adjusting Journal entries - 30th June 2008

These journal entries are to be entered using CaseWare for the year ended 30 June 2008.

1. Create a Provision for dividend amounting to $2,500.

2. Accrued salaries and wages at the end of 2008 amount to $246.

3. Accrued Interest Payable at the end of 2008 is $116.

4. Create a Provision for Annual Leave $180.

5. Accrued Interest Receivable at the end of 2008 is $164

6. Create a Provision for Income Tax $2,700 for the year ended 2008.

7. Bad debts to be written off amount to $165

8. Adjust the provision for doubtful debts to 4% of Accounts receivable

Transaction period

The reports to be generated are for the financial years ending 30th June 2007 and 30th June 2008.

Process

To go from input to output the following steps are suggested:

For 2007 - MYOB

1. Set up the business using MYOB (Remember to put your name after the company name, i.e., enter

your actual name as the user ID, and save your file - ABN number = 999 Student No.)

2. Create / modify the chart of accounts using your own account numbers.

3. Enter trial balance via general journal entries.

4. Print financial statement reports.

For 2007 - CaseWare

1. Set up the client.

2. Import client's chart of accounts and trial balance from MYOB.

3. Map client's chart of account numbers (assign mapping numbers to clients account numbers).

4. Print out financial reports as per output requirement.

For 2008 – MYOB

1. Close off 2007.

2. Enter trial balance ADJUSTING entry via general journal entries for 2008.

3. Print financial statement reports

For 2008 – CaseWare

1. Perform an end of year close for 2007.

2. Import client's 2008 trial balance from MYOB.

3. Enter adjusting journal entries.

4. Print out financial reports as per output requirement.

5. Generate analytical reports detailing key financial ratios.

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How To

To achieve the requirements of this assignment, students will need to know how to complete tasks using:

MYOB and completing the activities:

1. Enter Journal entries covering the business activities for the year 2007 and 2008.

2. Do an end of year close. Refer handout 'Starting a New Financial Year'

3. Link to CaseWare. Refer to handout "Exporting Data"

CaseWare and completing the following activities:

1. Access CaseWare on the 'network'

2. Set up a new client – using the 'template option'. (Section 1, 2 & 3 - Caseware Notes)

3. Import the client's data – chart of accounts and trial balance. (Section 7 – Caseware Notes)

4. Map client's account numbers to CaseWare account numbers. (Section 9 – Caseware Notes)

5. Input adjusting journal entries. (Section 11 – Caseware Notes)

6. Perform analytical review using the financial ratio document. (Section 12& 13 – Caseware Notes)

7. Produce financial statements. (Section 14 – Caseware Notes)

8. Perform a year-end close. (Section 15 – Caseware Notes)

Reference: Lab Notes: CaseWare.

Students are provided course notes and handouts containing instructions to enable the completion

of the task. It is recommended that students consult the handouts before attempting a given task,

plus access CaseWare's on-line Help facility, in addition to lecturer support given in class.

Assignment Submission Requirements

You are to hand in the following reports:
1. 2007 MYOB
1.1. Chart of accounts
1.2 Profit and loss statement for the period ended 31st December 2006
1.3 Balance sheet as at 31st December 2006
2. 2007 CaseWare
2.1 A.82. Statutory reports.
3. 2008 MYOB
3.1 Profit and loss statement for the period ended 31st December 2007
3.2 Balance sheet as at 31st December 2007
5. 2008 CaseWare
4.1 All of A.82 being the Statutory reports.
4.2 A.72 Journal for adjusting entries
4.3 A.91 and A.95 Ratios
Reports are to be numbered and submitted in the order as listed above.
Ensure that your name and student number is embedded electronically on all
reports submitted.
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Assignment 3
Financial Statement Presentation
The completion of this assignment requires the completion of both the Balance Sheet
and the
Income Statement in both MYOB and CaseWare.
It is important that students correctly present and classify the components that
make up these
financial statements in both MYOB Reports and CaseWare Reports in that:
   The Balance Sheet is properly classified with accounts being listed under the
correct
headings, namely, Current Assets, Non-Current Assets, Current and Non Current
Liabilities
and Shareholders Equity with sub-totals for each category.
   The income statement is correctly formatted and classified with a clear separation
of
Operating and Non Operating Revenues and Expenses.
Where there has been a misclassification or poor presentation, marks will be
deducted.