

Accounting VD Exercises

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During your training on the Visual Dolphin Accounting module, you are asked to do the following exercises in order to test your skills on using the system transactions and features.

For each exercise, the corresponding menus and screens will be mentioned to assure that you completed your training before starting the exercise.

1 Introduction

AL MANARA is a trading company founded in 1962 by Mr. Hatem. The company started with local market business and after registering a business growth it became an exclusive agent for different French and Italian products.

Today AL MANARA market covers the regional countries. It has two branches, the main branch in Lebanon and a second branch in Jordan.

Due to this business growth and in order to help increasing its profit, AL MANARA decided to organize and standardize its business process.

Mr. Hatem started investigating different ERP solutions, and after three months of several meetings with ERP providers, he decided to choose Visual Dolphin.

The Visual Dolphin System is distributed by Software Design which is responsible to install the whole system at AL MANARA offices computers and to train the company staff.

As an accountant, and after attending several training sessions, you have been chosen to be responsible for maintaining the data entry of the system.

2 Tables

Corresponding menus and screens:

Initialization menu: General Parameters, Companies Parameters, Currencies file, Companies file, Batches, Shipment, Projects, Branches, Cost Center, Sub Cost Center, System administrator parameters, Group of users, users/passwords, users privileges.

- 1- **Create the company file.**

- 2- **Create your own user and give yourself the full privileges.** Then logout from the system and re-login using your own user id and password.

- 3- The company has 2 basic currencies LBP and USD, and deals with multiple currencies. **Set up the currency file.**
 - a. LBP 1
 - b. USD 1507.5
 - c. EUR 1841.26
 - d. DIN 2126.23

- 4- All the accounting transactions will be grouped in one batch. **Create the default batch.**

- 5- The company structure is as follow:
 - a. It has 2 main **branches** Lebanon and Jordan.
 - b. In Lebanon, the head office is located in Beirut, where 2 other offices related to it are located in Zahle and Tripoli
 - c. The head office has 4 main departments which will be considered as **cost centers**:
 - i. Administrative
 - ii. Human Resources
 - iii. Accounting
 - iv. Sales
 - d. The human resources department is divided into 3 other **cost centers**:
 - i. Training
 - ii. Administrative
 - iii. Recruitment

Set up all the necessary tables.

3 Chart of Account

Corresponding menus and screens:

Initialization menu: General Parameters, Companies Parameters, Currencies file, Shipment, Branches, Cost Center, Sub Cost Center, Periods file maintenance, Accounts Type, Chart of Account, Equivalent chart of account, Auxiliaries.

- 1- The fiscal year is divided into 4 periods:
- From the 1st of January till the end of March
 - From the 1st of April till the end of June
 - From the 1st of July till the end of September
 - From the 1st of October till the end of December.

Create the 4 periods.

- 2- Set up the Balance sheet format as follow:

ASSETS

Fixed Assets

Current Assets

TOTAL ASSETS (= Fixed Assets + Current Assets)

LIABILITIES

Capital

Operating Accounts Payable

Non-Operating Accounts Payable

TOTAL LIABILITIES (= Capital + Oper. Acc Payables + Non-Oper. Acc Payable)

- 3- Set up the Profit & Loss format as follow:

PROFIT & LOSS

Revenues

Cost of Sales

NET GROSS PROFIT (= Revenues – Cost of Sales)

Expenses

TOTAL PROFIT & LOSS (= Net Gross Profit - Expenses)

4- Following is the company's chart of account:

Acc. #	Description	BR	CC	Remarks	Linkage to Accounts Type
1	Capital				
11	Reserves				
1110	Legal reserves	Y			Capital
13	Result of financial period				
1310	Result of financial period				
2	Accounts of Fixed Assets				
2120	Establishment Expenses	Y			Fixed Assets
2250	Transport Equipment	Y			Fixed Assets
3	Stocks	Y			
372	Inventory of Goods	Y			Current Assets
4	Third Parties Account				
40	Suppliers				
4011	Invoices – suppliers	Y		Trade Creditors Account	Operating Accounts Payable
4031	Fixed Assets Suppliers	Y		Other Creditors Account	Non-Operating Accounts Payable
41	Customers				
4111	Ordinary customers	Y		Trade Debtors Account	Current Assets
42	Employees				
421	Wages & Salaries	Y	Y		Operating Accounts Payable
5	Financial Accounts				
512	Banks				
51201	Audi Bank 889754-52	Y	Y	USD Account	Current Assets
51202	Audi Bank 889756-52	Y	Y	USD Account. Only specific user might be able to check this account	Current Assets
51203	BLF 6547854	Y	Y	LBP Account – Checks will be automatically generated starting the # 250	Current Assets
51204	BLF 6547999	Y	Y	USD Account	Current Assets
519	PDC	Y	Y	Trade Debtor, Customer	Current Assets

53	Cash				
530	Cash LBP	Y	Y		Current Assets
531	Cash USD	Y	Y		Current Assets
532	Cash DIN	Y	Y		Current Assets
6	Expenses account				
6110	Purchases	Y	Y		Cost of Sales
6112	Office Expenses	Y	Y		Expenses
62	External charges				
6261	Telephones	Y	Y		Expenses
01	01-399855	Y	Y		
02	01-399866	Y	Y		
6264	Travel Expenses	Y	Y	20% Marketing Dept. 50% Administrative Dept. 30% Sales Dept.	Expenses
6267	Shipping Expenses	Y	Y	Shipping account	Expenses
01	Clearing			By Value	
02	Transportation			By Value	
03	Customs			By custom	
63	Personnel Expenses	Y	Y		
6310	Personnel Expenses	Y	Y		Expenses
6751	Negative Diff of Exchange	Y	Y		Expenses
7	Income Accounts				
7110	Sales	Y	Y		Revenues
7618	Other Fees	Y	Y		Revenues
7751	Positive Diff of Exchange	Y	Y		Revenues

- You want to manage your charges and revenues by branch. That's why you want all users to define the branch in each charges and revenues transaction with no exception.

Set up the chart of account in the system taking into consideration all the remarks listed above.

4 Third Parties

Corresponding menus and screens:

Initialization menu: General Parameters, Companies Parameters, Currencies file, Country, Third parties activities, Third Parties groups, Third Parties.

1- Below is a sample list of your third parties:

Name	Activity	Country	Salesman	Remark
Ahmad Attieh	Employee	Jordan		03-258855 Mobile
Mounir saleh	Employee	Achrafieh Lebanon		01-998654 Home
Rita Dagher	Employee	Zahle – Lebanon		
Etb. Majed	Production	Bekaa – Lebanon		Trade Supplier
Jammal Trading	Trading	Verdun – Lebanon		Other Supplier & Trade Customer
Distrilabo	Production	France		Trade supplier – Contact: Mr Blanchot 33 2 40 25 16 45
El Morano	Production	Italy		Trade Supplier
Trans Leb	Services	Lebanon		Other supplier
Ste Abi Khalil	Trading	Jdeideh – Lebanon	Rita Dagher	Trade customer
KCCS	Trading	Saida – Lebanon	Mounir saleh	Trade Customer
Ste Ahmad Mansour & sons	Trading	Jordan	Ahmad Attieh	Trade Customer

5 Journal Transactions

Corresponding menus and screens:

Transactions menu: Transactions type, Journal transaction, Batch of transactions

- 1- As a start, you have to **prepare the opening transaction of all accounts.**
 - a. Transaction Type: OP
 - b. Transaction date: 01/01/2004
 - c. Details:

Acc. #	Aux.	Curr.	Amount
1110		LBP	(100.000.000,00)
1310		LBP	(44.405.420,00)
2120		LBP	42.324.999,00
2250		LBP	29.725.383,00
372		LBP	650.000,00
4011	Etb. Majed	LBP	(560.000,00)
4011	Jammal Trading	LBP	(122.000,00)
4011	El Morano	EUR	(5.000,00)
4111	Ste Abi Khalil	USD	215.58
4111	Ste Abi Khalil	LBP	433.000,00
4111	KCCS	USD	7.275,00
4111	Ste Ahmad Mansour & sons	DIN	1.522,00
51201		USD	17.413,00
51202		USD	13.522,00
51203		LBP	7.799.610,00
51204		USD	7.522,00
530		LBP	735.000,00
531		USD	82,00

- *Invoices of each customer per currency will be grouped in 1 doc. having the schedule date on 31/01/2004*

- 2- A new rate value for the currency USD starting 13/01/2004: 1510,00.

- 3- You have purchased products from Ets. Majed having the following details:
 - a. Purchase supplier Reference: 10052
 - b. Purchase date: 15/01/2004
 - c. Purchase cur: LBP
 - d. Purchase Amount: 1.625.000,00
 - e. Payment schedule:

550.000,00	25/02/2004
550.000,00	25/04/2004
525.000,00	25/06/2004

Create the purchase transaction in accounting with all the necessary details.

6 Payables

Corresponding menus and screens:

Transactions menu: Transactions type, Journal transaction

Payables menu: Payments, Payments Preparation, Payments Preparation Monitoring, Advance allocation, Transaction Physical Allocation.

- 1- After checking your warehouses in Lebanon, you detected missing French products. You ordered them from Distrilabo. This latter required an advance payment of 5.000,00 EUR before doing the shipment. You transferred the amount from Audi Bank 889754-52 on 22/01/2004

Create the payment transaction.

- 2- A new rate value for the currency USD starting 25/01/2004: 1512,25.

- 3- On 27/01/2004, you started to prepare the salaries payments of Lebanon:

- a. Mounir Saleh: 1.130.625,00 LBP
- b. Rita dagher : 1.055.250,00 LBP

Use the payment preparation to create the above payments.

Start by creating the payroll transaction from the journal transaction screen.

- 4- **By the end of the month (31/01/2004), you issued the salaries payments by checks from BLF 6547854.**

- 5- A new rate value for the currency EUR starting 02/02/2004: 1833,65.

- 6- On 06/02/2004, you received the French products with the supplier invoice (Distrilabo) having the following details:

- a. Purchase supplier Reference: 53321
- b. Purchase date: 25/01/2004
- c. Purchase curr: EUR
- d. Purchase Amount: 12.242,00
- f. Payment schedule:

5.000,00	23/01/2004
5.000,00	25/02/2004
2.242,00	25/04/2004

Create the purchase transaction in accounting with all the necessary details.

- 7- **Allocate the previous payment done to Distrilabo to its proper purchase.**

- 8- The shipped products were handled by Trans Leb. You had a deal with this supplier to pay 50% of the amount on the invoice date and the remaining 50% after 30 days starting the invoice date.

After 3 days (13/02/2004) you received the Shipment expenses invoice from Trans Leb. It cost you the following amounts:

- a. Clearing: 120.000,00 LBP
- b. Transportation: 150,00 USD
- c. Customs: 450.000,00 LBP

Create the new shipment code and allocate the necessary amounts to this shipment.

Create the proper schedule for this invoice.

Create the payment voucher of the first 50% to Trans Leb.

- 9- On 15/02/2004 you received the telephone bill of the previous month:

- a. 01-399855 cost 75.000,00 LBP
- b. 01-399866 cost 63.000,00 LBP

Create the proper payment from BLF 6547854 and allocate its expenses to the previous month.

- 10- Mr. Hatem traveled to Jordan on 17/02/2004 in a business trip. The travel expenses were evaluated to 1.822.352,00 LBP paid from the "Cash" account.

Transfer 1.300.000,00 LBP from BLF 6547854 to the "Cash" account to be able to pay the expenses.

Create the proper expenses payment.

- 11- A new rate value for the currency EUR starting 20/02/2004: 1840.70.

A new rate value for the currency USD starting 22/02/2004: 1509,5.

- 12- On 22/02/2004, you prepared the payments that you have to issue on 25/02/2004 to your suppliers:

- a. Etb. Majed: 550.000,00 LBP
- b. Distrilabo : 5.000,00 EUR

Use the payment preparation to create the above payments from BLF 6547999 and confirm it on 25/02/2004.

7 Receivables

Corresponding menus and screens:

Transactions menu: Transactions type, Journal transaction

Receivables menu: Receipts, Global Receipt, Advance allocation, Transaction Physical Allocation.

- 1- Different invoices were issued during January as follow:

Date	Customer	Amount	Schedule	Branch
17/01/2004	Jammal Trading	75.000,00 LBP	On Credit - Full amount on 23/01/2004	Zahle
18/01/2004	Ste Abi Khalil	75,00 USD	Paid to the "Cash" account.	Tripoli

Create the invoices transactions with their respective schedules.

- 2- During this month, you collected the following amounts. **Prepare the proper receipt for each customer:**

Date	Customer	Amount	Details
23/01/2004	Jammal Trading	75.000,00 LBP	Cash – Paid on invoice 17/01/2004
27/01/2004	KCCS	1.500,00 USD	Post dated Check - date 31/01/04 – Paid on opening balance

- 3- On 28/01/2004, you sent the post dated check of KCCS to Audi Bank 889754-52.

- 4- On 30/01/2004, you collected the following checks from different customers. **Prepare a Global receipt.**

Customer	Amount	Details
Ste Abi Khalil	205.000,00 LBP	Check – date 30/01/04 – Paid on opening balance to BLF 6547854
Ste Ahmad Mansour & sons	73,00 DIN	Check – date 29/01/04 – paid on opening balance to BLF 6547854

- 5- Different invoices from both branches (Lebanon and Jordan) were issued during February as follow:

Date	Customer	Amount	Schedule	Branch
10/02/2004	KCCS	532.000,00 LBP	On Credit: - 250,000.00 LBP on 15/03/2004 - 282,000.00 LBP on 15/04/2004	Zahle
12/02/2004	Ste Ahmad Mansour & sons	122,00 DIN	On Credit – Full amount on 12/03/2004	Jordan

Create the invoices transactions with their respective schedules.

- 6- After detecting some defected items delivered to Ste Ahmad Mansour & sons, **you agreed on issuing a credit note on 15/02/2004 of 22,00 DIN on the last invoice issued to this customer.**

8 Auditing Transactions

Corresponding menus and screens:

Transactions menu: Account Reconciliation, Foreign Exchange Evaluation, Locking Transactions.

- 1- By the end of January, you received the bank statement of account BLF 6547854.
To do the account reconciliation before locking the transactions.

Date	Details	Debit	Credit	Balance
01/01/2004	Opening Balance		7,799,610.00	7,799,610.00
29/01/2004	Check Ste Ahmad Mansour & sons		155,065.14	7,954,675.14
30/01/2004	Check Ste Abi Khalil		205,000.00	8,159,675.14
31/01/2004	Check Al Manara	1,130,625.00		7,029,050.14
31/01/2004	Check Al Manara	1,055,250.00		5,973,800.14
Total on 31/01/2004				5,973,800.14

- 2- Mr Hatem decided to close the bank account BLF 6547999 and transfer the remaining amount to Audi Bank 889754-52. The BLF 6547999 must not be used anymore in any transaction.
- 3- By the end of February, you need to do the salaries transaction again. **Use the system feature that allows you to copy the same transaction done on the charges in the previous month.**
- 4- **Lock all the transactions till the end of January (31/01/2004)**
- 5- **Calculate the difference of exchange till the end of January.**

9 Budgeting

Corresponding menus and screens:

Initialization menu: Budgets, Financial Budgets.

1- You were asked to prepare the Expenses budgeting for the current year.

Purchases: 20,500,000.00 LBP

Office Expenses: 5,650,000.00 LBP

External charges: 10,000,000.00 LBP

10 Reporting and Inquiry

Corresponding menus and screens:

Reports and Inquiry menus

- 1- Adjust the system to be able to show on your reports the manual reference and the journal voucher sequence.
- 2- Print the statement of account for the customer "Ste Abi Khalil" in LBP showing all the transactions done for this customer in all currencies.
- 3- Print the unsettled transactions for the customer KCCS according to the schedule dates.
- 4- Print the trial balance for the locked transactions of branch Lebanon and export it to excel.
- 5- Print the trial balance of the current period.
- 6- Check the past due transactions of your customers from the 15th of February.
- 7- Check your result till the end of February.
- 8- Check your cash flow projected by month.

11 Tools

Corresponding menus and screens:

Tools menu

- 1- Run the diagnostic and send the result by email to Software Design support department.
- 2- After discussing your chart of account with your audit firm, you were asked to create a new account "7111" for your sales and move all the transactions from the old account to the new one.
- 3- Add the new field "Birth date" to your customer table.
- 4- Close your expenses and revenues accounts.
- 5- Open a new year 2005, and Login to this year.

12 Solutions

Balance sheet:

ASSETS	B1	+
Fixed Assets	B11	+
Current Assets	B12	+
TOTAL ASSETS		
LIABILITIES	B2	+
Capital	B21	+
Operating Accounts Payable	B22	+
Non-Operating Accounts Payable	B23	+
TOTAL LIABILITIES		

Profit & Loss

PROFIT & LOSS	P	-
NET GROSS PROFIT	P1	-
Revenues	P11	-
Cost Of Sales	P12	-
TOTAL NET GROSS PROFIT		
Expenses	P2	-
TOTAL PROFIT & LOSS		