

**PAN AFRICA CHRISTIAN UNIVERSITY
EXAMINATIONS PAPER**



PAN AFRICA CHRISTIAN UNIVERSITY

BACHELOR OF BUSINESS INFORMATION TECHNOLOGY

END OF SEMESTER EXAMINATION

DEPARTMENT: COMPUTING AND INFORMATION TECHNOLOGY

COURSE CODE: BIT403

COURSE TITLE: ACCOUNTING INFORMATION SYSTEMS

EXAM DATE: TUESDAY 3rd, DECEMBER, 2019

TIME: 2 HOURS

INSTRUCTIONS

- This exam script has **TWO (2)** sections.
- Read all questions carefully before attempting.
- Answer All questions in Section **A** and any other Three questions in Section **B**.
- Write only your **student number** on the answer booklet provided.
- None programmable calculator permitted
- Calculators on phones, tablets and computers are NOT permitted in Theory Papers

SECTION A

(Answer ALL questions in this section)

Question 1:

- a) Discuss any how accounting information system can add value to an organization
(4 marks)
- b) Once business activity data have been entered into the system, they must be processed to keep the databases current. Identify **FOUR** different types of data processing activities, referred to as CRUD.
(4 marks)
- c) ERP systems are modular, with each module using best business practices to automate a standard business process. Mention **THREE** significant disadvantages of Enterprise resource planning.
(3 marks)
- d) Some individuals argue that accountants should focus on producing financial statements and leave the design and production of managerial reports to information systems specialists. What are the advantages and disadvantages of following this advice? To what extent should accountants be involved in producing reports that include more than just financial measures of performance? Why?
(7 marks)
- e) Discuss **THREE** documentation tools and ways in which information professionals interact with documentation tools and the various levels of understanding. (6 marks)
- f) Write short notes on the following: (6 marks)
- i) OLAP
 - ii) Business intelligence
 - iii) Data Dictionary

SECTION B

(Answer any THREE (3) questions in this section)

Question 2:

- a) Discuss the concept of a system and the issues of goal conflict and goal congruence **(4 marks)**

- b) Last year the Diamond Manufacturing Company purchased over \$10 million worth of office equipment under its "special ordering" system, with individual orders ranging from \$5,000 to \$30,000. Special orders are for low-volume items that have been included in a department manager's budget. The budget, which limits the types and dollar amounts of office equipment a department head can requisition, is approved at the beginning of the year by the board of directors. Discuss **THREE** special ordering system functions involved. **(6 marks)**

Question 3:

- a) Flowcharts use a standard set of symbols to describe pictorially the transaction processing procedures a company uses and the flow of data through a system. Outline **FOUR** categories of Flowcharting symbols. **(4 marks)**

- b) A Stockholm-based medicine company wishes to reduce kickbacks. For kickbacks to make economic sense, the supplier must find a way to recover the money spent on it. This usually is accomplished by inflating the price of subsequent purchases or by substituting goods of inferior quality. Describe any **THREE** processes to prevent kickbacks **(6 marks)**

Question 4:

- a) Discuss any **FOUR** benefits of using database in an organization. **(8 marks)**

- b) Highlight any **THREE** commonly used batch totals **(3 marks)**

- c) An audit is planned so the greatest amount of audit work focuses on the areas with the highest risk factors. Evaluate **TWO** types of audit risks in accounting information system. **(4 marks)**

Question 5:

- a) Auditors analyze development, operating, and program documentation as well as a printout of the source code. Explain any **THREE** software packages. **(6 marks)**
- b) Once the need to purchase has been identified, the next step is to select a supplier. Discuss **TWO** factors should be considered when selecting suppliers **(4 marks)**

Question 6:

- a) Give an example of how an Accounting Information system can improve decision making, and describe the multistep activities involved in the process. **(4 marks)**
- b) Explain any **TWO** cases and scenarios where Going Concern does not work **(2 marks)**
- c) State any **FOUR** levers that help management reconcile conflicts between creativity and controls according to Robert Simons **(4 marks)**

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