PAN AFRICA CHRISTIAN UNIVERSITY

BACHELORS OF COMMERCE

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: CFN403

COURSE TITLE: FINANCIAL INFORMATION SYSTEMS

EXAM DATE: FRIDAY

TIME: 8.00AM – 11.00AM

INSTRUCTIONS

- This examination script consists of **six(6)** questions.
- Answer question ONE and ANY other three Questions.
- Show all your workings
- Read all questions carefully before attempting.

Write your **student number** on the answer booklet provided.

QUESTION ONE

a) Distinguish between the following terms:

i) A computerized system and a manual system (2marks)
ii) A financial model and financial modeling (2marks)

b) Using relevant examples, explain any three benefits of financial models (6marks)

QUESTION TWO

a) Using relevant examples, explain any two functions of financial information system (4marks)
b) Discuss any three features/qualities of a good financial information system (6marks)

QUESTION THREE

a) Explain any two application of financial models (4marks)
b) Distinguish between the three types of financial information systems (6marks)

QUESTION FOUR

a) Using relevant examples, distinguish between sensitivity analysis and scenario analysis (4marks)
b) Explain any three forecasting methods in financial information systems (6marks)

QUESTION FIVE

a) Identify one financial model that you know (1Marks)
b) Describe how the model identified in part a) is applied in financial Information Systems (9marks)

QUESTION SIX

The following data has been provided:

	Sh '000'
Sales	230
Cost of sales	(122)
Gross Profits	108
Expenses	(118)
Net Loss	(10)

Required

a) Enter the above data into the excel spreadsheet (4marks)
b) Determine the net profit/loss if sales increased by 12%, cost of sales increased by 10% and expenses decreased by 8% during the following financial year (6marks)