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**
CAMPUS:	**ROYSAMBU**
EXAM DATE:	**TUESDAY, XXXXX/APRIL,2023**
TIME:	**5:30PM-8:30PM**

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.

SECTION A

(Answer ALL questions in this section)

Question 1:

a) Explain two ways how an Accounting Information System provides Management with information for better decision making. **[2 Marks]**

b) Discuss two factors that have made the banking sector embrace technology much more than the other players in the financial sector especially the Insurance industry and Securities trading. **[2 Marks]**

c) State the role of the following people involved in Accounting Systems development; **[2 Marks]**

i. Accountants

ii. Steering committee

d) XYZ Ltd intends to replace its currents financial information system in order to enhance efficiency and accommodate its planned expansion. It has already contracted a Software Development Company to set up a computer-based financial information system. However, they are worried about employees' likely dysfunctional behavior, low motivation and resistance to the new system. Advise the management of XYZ Ltd and the project team on how to overcome such challenge. **[4 Marks]**

SECTION B

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

Question 2:

The auditor of a company with an Electronic Data Processing (CIS) based accounting system should remember that if the quality of the input is controlled, the output will "look after itself".

i. Explain the application of this statement, citing suitable examples. **[4 Marks]**

ii. Describe six major procedural controls which the auditor would expect to find in operation, three relating to input and three to output. **[6 Marks]**

Question 3:

Mineli (k) ltd intends to have a new and modern accounting information system in order to be efficient in processing of financial information. They have approached you to help them carry out systems analysis so as to determine the best options available.

i. Discuss any three techniques you will use in carrying out systems analysis and show the shortcomings of each of the techniques. **[6 Marks]**

ii. Highlight four qualities that the new system of Mineli (k) ltd should have. **[4 Marks]**

Question 4:

"The six components of an AIS all work together to help key employees collect, store, manage, process, retrieve, and report their financial data. Having a well-developed and maintained accounting information system that is efficient and accurate is an indispensable component of a successful business."

i. State the meaning of the terms *efficient* and *accurate*. **[2 Marks]**

ii. Describe any four of these components. **[8 Marks]**

Question 5:

Applying the Value Chain Model, describe how accounting information systems can be used to perform primary and support activities to increase firm's margin. **[10 Marks]**

Question 6:

a) Reliable accounting information systems protect confidential information from unauthorized disclosure. Identify the accounting information systems controls that can be used to do the following:

i. Protect the confidentiality of sensitive information. **[2 Marks]**

ii. Protect privacy of customers' personal information. **[2 Marks]**

iii. Ensure that the system is available when needed. **[2 Marks]**

b) Critically analyze the following statement: "Internal control policies and procedures are intended to provide reasonable but not absolute assurance that management's objectives are attained." **[4 Marks]**

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