BACHELOR OF COMMERCE

END OF SEMESTER EXAMINATION

CFN 403: FINANCIAL INFORMATION SYSTEMS

APRIL 2021

ONLINE CLASS

Instructions

i) **This exam paper contains SIX questions containing 10 marks each.**

ii) **Answer Question 1 (COMPULSORY) and any other THREE questions**

iii) **Read each question carefully before attempting.**

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QUESTION ONE

You have been sponsored by your employer to take a course in Financial information systems. On returning to work, the managing director asks you to prepare an illustration of a suitable Financial Information Systems model for the organization with emphasis to;

(a) Explain the main components of a Financial Information System. (6 marks)
(b) Describe the accounts contained in each component. (4 marks)

QUESTION TWO

Discus the objectives of Finance managers in using Financial information systems. (10 marks)

QUESTION THREE

(a) Explain the various actual decisions that Financial Information System are used for. (6 marks)
(b) Describe any TWO primary functions of a Financial Information System. (4 marks)

QUESTION FOUR

Data and Information are inadvertently used as one and the same thing by people out on the street. The two are fodder for Financial Information Systems. You have been trained as a Financial Information Systems specialist.

(a) Define Data. (2 marks)
(b) Explain Information. (2 marks)
(c) With examples explain any FOUR data items for use in the Financial Information System. (4 marks)
(d) Describe any TWO data items that do not go into the Financial Information System. (2 marks)

QUESTION FIVE

From the following transaction;

Photocopier supplies of Ksh 1150 are purchased by the FAST Team in the financial services department.

(a) Explain the questions that must be asked in posting the data in the Financial Information System. (6 marks)
(b) State the origin and destination of the funds in the transaction above. (4 marks)

QUESTION SIX

On examining the Financial Information System, you find it has some general features which Financial managers are keen to ascertain before they buy one.

(a) Explain the general features of a Financial Information System. (7 marks)
(b) Discuss THREE limitations of a Financial Information System. (3 marks)