



PAN AFRICA CHRISTIAN UNIVERSITY

BACHELORS OF COMMERCE

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: CFN 403

COURSE TITLE: FINANCIAL INFORMATION SYSTEMS

ROYSAMBU CAMPUS

EXAM DATE:

TIME:

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) Explain any two benefits of financial information systems (4marks)
- b) Using examples, distinguish between the following terms:
 - i) A financial model and financial modeling (2marks)
 - ii) Financial reporting and financial forecasting (2marks)
- c) Describe any two advantages of using a computerized system as compared to a manual system (2Marks)

Question Two

Describe how financial information system enables:

- a) Financial reporting (5Marks)
- b) Investment decisions (5Marks)

Question Three

- a) Identify any two financial models in financial information systems (2Marks)
- b) Using an example, describe how each of the two models you have identified is used to produce the desired results (8Marks)

Question Four

- a) Explain any three objectives of financial models (6Marks)
- b) Using a hypothetical example, illustrate how sensitive analysis is used in financial forecasting (4Marks)

Question Five

- a) Explain the following types of financial information systems:
 - i) Transaction processing systems (2marks)
 - ii) Knowledge work systems (2marks)
- b) Identify any three types of financial data used in each of the above (part a) types of financial systems, (6marks)

Question Six

Using examples, describe any five characteristics of a good financial model (10Marks)