BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

Programme:

Bachelor of Accountancy Honours Degree.

ACCOUNTING INFORMATION SYSTEM (AC213)

EXAMINATION PAPER

TIME ALLOWED: 3 HOURS   (100 MARKS)

INSTRUCTIONS TO CANDIDATES:

1. Answer all questions.
   Section A - 15 multiple choice questions each carries 2 marks
   Section B - Structured questions
2. No cell phones are allowed in the examination room.

1. There are many threats to accounting information systems (AISs). Which of the following is an example of an intentional act.

A. War and attack by terrorists
B. Hardware or software failure
C. Computer fraud
D. Logic errors

2. Which of the following is NOT a characteristic of useful information?

A. Relevant

B. Timely

C. Cost effective

D. All of the above

3. Which of the following would be an example of a data input in an AIS environment?

A. Employee change form

B. Tax report

C. Tax payment

D. Payslip

4. Management of an Macro retail company is concerned about the possibility of computer data eavesdropping and wiretapping and wants to maintain the confidentiality of its information as it is transmitted. The company should make use of

A. Data encryption

B. Redundant servers

C. Input controls

D. Password codes

5. An eXtensible Business Reporting Language (XBRL) document that contains "tagged data" delivered to users is called a(n)

A. Tagged document

B. Balance score card

C. Data document

D. Instance document

6. Which of the following is not a type of basic relationship between entities?

A. One to one (1:1) relationship

B. One to many (1:N) relationship

C. Many to many (M:N) relationship

D. One to two (1:2) relationship

7. Which of the following is NOT an AIS objective?

A. Auditability

B. Complexity

C. Flexibility

D. Reliability

8. Which of the following is not a type of coding common in organisations?

A. Sequential

B. Random

C. Hierarchical

D. Block

9. How often should an AIS be monitored and minor modifications be made?

A. Annually

B. Continuously

C. When technology changes

D. When the competition changes systems

10. Which of the following is not part of the systems implementation process?

A. Converting databases

B. Documentation

C. Systems design

D. Testing and correction

11. Which of the following is not true of unethical behaviour?
A. Hacking is an unethical behaviour that accountants should be concerned about
B. Accountants are often pressured to help commit or cover up unethical behaviour
C. The only category of unethical behaviour for accountants is inflating revenue
D. An accounting information system can be used to cover up unethical behaviour

12. Letgo, director of the project committee has received approval from management for implementation of a new accounting information system. After putting out an RFP the committee settled on a vendor that will deliver all hardware and software required on a lease basis "the committee decided to go with
A. Turnkey software
B. Canned software
C. Case tools
D. Turbo Cash software

13. The combination of the database, the Data Base Management System (DBMS), and the application programs that access the database through the DBMS is referred to as the
A. Data warehouse
B. Database administration
C. Data dictionary
D. Database system

14. Many documentation tools are available to explain how a system works. Which tool provides a graphical description of the sources and destinations of data as well as data flow within the organization and the processes that transform and store that data?
A. Data flow diagram
B. Program flowchart

C. System flowchart

D. Pictorial flowchart

15. In order for an accounting information system to meet the needs of systems users, one must take into account the types of decisions that are made. Decisions vary from repetitive and routine to nonrecurring and non-routine. How would you classify a decision where no framework or model exists for the decision?

A. Structured
B. Semi structured
C. Unstructured
D. Semi unstructured

SECTION B- 70 MARKS

QUESTION 1

PART A

Zhingline Analytics is a financial services consulting firm that assists its clients with financial analyses surrounding proposed business ventures. John Zhing is the firm's founder and project director. As such, he is responsible for preparing most of each client firm's financial analysis and reports, as well as presenting the results to each client's management. Due to the varying numbers of managers who may make up a client's top management, Zhing always prepares at least a dozen report copies so that there are plenty to distribute to all persons in attendance at the presentation.

Data for financial analyses are obtained directly from the accounting and production databases of the firm's clients. Direct queries are prepared by Zhing's staff accountants, and the resulting presentation reports are prepared by the staff and reviewed by Zhing. This is a time consuming process and many of Zhing's clients have demanded more current information. This problem recently led Zhing to investigate the possibility of developing a software package that could produce the financial analyses and reports automatically.

As Zhing considers the significant investment that would be required to program a new system, he is concerned about the loss of control that may be inherent in an automated system. For

instance, he worries about the accuracy and completeness of analyses and reports prepared automatically.

Required:

   (a) Describe the eXtensible Business Reporting Language (XBRL)   (5 marks)

   (b) Evaluate whether XBRL would be more effective and reliable.   (10 marks)

PART B

Explain any **two** types of databases that a company can use.   (10 marks)

[Total: 25 marks]

QUESTION 2

Every Thursday, the time keeping clerk sends employee time cards to the payroll department for processing. Based on the hours worked reflected on the time cards, the employee pay rate and withholding information in the employee file and the tax rate reference file, the payroll clerk calculates gross pay, withholdings and net pay for each employer. The clerk then prepares paychecks for each employee, files copies of the paychecks in the payroll department and posts the earnings to the employee records. Finally, the clerk prepares a payroll summary and sends it and the paychecks to the cash disbursements (CD) department.

The CD clerk reconciles the payroll summary with the paychecks and records the transaction in the cash disbursements journal. The clerk then files the payroll summary and sends the paychecks to the treasurer for signing

The signed checks are then sent to the paymaster, who distributes them to the employees on Friday morning.

Required:

Using the above information prepare:

   (a) a data flow diagram and   (10 marks)

   (b) REA diagram   (15 marks)

[Total: 25 marks]

QUESTION 3

Explain the following terms as they are used in Accounting Information Systems:

    (a) Identity theft   (5 marks)

    (b) Case tools.   (5 marks)

    (c) Spoofing.   (5 marks)

    (d) Business Process Reengineering (BPR).   (5 marks)

                                                       [Total: 20 marks]

*********************END OF EXAMINATION PAPER*******************