UNIVERSITY OF SWAZILAND

DEPARTMENT OF ACCOUNTING

MAIN EXAMINATION PAPER MAY 2018

TITLE OF PAPER	:	ACCOUNTING INFORMATION SYSTEMS
COURSE CODE	:	ACF 302/COM 301 (M) MAY 2018
TOTAL MARKS	:	100 MARKS
TIME ALLOWED	:	THREE (3) HOURS

INSTRUCTIONS	1	There are two sections A and B.
	2	Section A is compulsory.
	3	Answer any three questions from section B
	4	Begin the solution to each question on a new page.
	5	The marks awarded for a question are indicated at the end of each question.

Note: You are reminded that in assessing your work, account will be taken of accuracy of the language and general quality of expression, together with layout and presentation of your answer.

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR OR SUPERVISOR.

SECTION A

Compulsory

Zwane owns a bookstore at Mbabane and is personally in charge of operations. He has employed one accountant, three bookkeepers, four merchandise order clerks, two inventory managers, one cashier, two stock clerks, three checkout clerks and one steward. Temporary personnel are hired during peak periods, such as at the beginning of the semesters.

The building occupied by the bookstore is leased. However, the four cash registers, store fixtures, desks and related office furniture, typewriters, desk calculators and two small vans are owned.

Merchandise for resale is purchased from over five suppliers. The bookstore buys used textbooks from students at the end of each semester; these used textbooks are then resold to other students or sold to used-book wholesalers.

All merchandise is sold on a cash basis. Funds are also raised by short-term bank loans at the beginning of each semester.

Required:

i. Explain why Accounting Information system (AIS) would be useful for the bookstore. (4marks)

ii. Identify six key transactions conducted by the bookstore. (6marks)

iii. Identify three users of bookstores' AIS outputs. (3marks)

iv Discuss three useful reports that might be generated by the bookstore AIS.
(6 marks)

v. Describe how an understanding of the Zwane's bookstore environment can aid in the design of an accounting information system. (6 marks)

SECTION B

Attempt any three questions

Question one

a. Virtually any task whether pertaining to data capture, processing of stored data or processing of output in a computer based system, can be accomplished either immediately or periodically. Explain these two (periodic and immediate) computer based transaction processing approaches. (10marks)

b. It has been stated that a firm with a strong internal control structure will always succeed in achieving its financial and nonfinancial objectives. Do you agree or disagree with this position. (15 marks)

Question two

a. Discuss security measures that should be employed to ensure the privacy of confidential information in immediate processing. (12 marks)

b. The generalized audit software (GAS) is a popular specialized accounting and auditing software package widely in use during the substantive testing of a firm's records and files. Explain three functions of the GAS package. (6 marks)

c. Point out any three objectives of the general ledger system in transaction processing. (3 marks)

d. State four advantages of having a general ledger that is continually online. (4 marks)

Question three

a. Transactions within the revenue cycle are exposed to several types of risks. Using a firm of your choice, discuss five risks and their consequent exposures to the firm. (10 marks)

b. Describe control procedures that are necessary for a company implementing a web-based purchasing system. (10 marks)

c. Briefly explain the first five phases of systems development life cycle (SDLC). (5 marks)

Question four

a. Explain the following audit approaches and techniques.
   i.   Auditing-around-the-computer (5 marks)
   ii. Auditing-through-the-computer (5 marks)
   iii. Auditing-with-the-computer (5 marks)

b. i. State the objective of operational audits of the information processing department. (2marks)

   ii. Describe the audit processes/stages in operational audits. (8marks)

END