



**COLLEGE OF BUSINESS PEACE LEADERSHIP AND GOVERNANCE ACCOUNTING  
INFORMATION SYSTEMS & COMPUTER**

**INFORMATION SYSTEMS: MAC302/CIS 305**

**END OF FIRST SEMESTER EXAMINATIONS**

**NOVEMBER 2018**

**LECTURER: Irene Chibanda**

**DURATION: 3 HOURS**

***INSTRUCTIONS***

Answer **ALL** the questions in **Sections A and B**. Total possible mark is **100**.

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Start **each** question on a new page on your answer sheet **for Section B only**.

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The marks allocated to **each** question are shown at the end of the section.



## SECTION A (Each question carries 2 marks)

1. "Bank reconciliations are just an accounting routine that organisations can choose to do or ignore." Comment on this statement.
2. "Corrective controls are more important than preventive controls." Comment on this statement and give an example of each of the controls.
3. What is the most effective control measure in processing journals in your computerised accounting information system (AIS)? Does the control relate to any accounting concepts?
4. Is specific authorisation under monitoring activities for internal controls necessary when staff should be trusted?
5. As a recent graduate recommend two ways that would you assist your organisation in identifying fraud symptoms in employees
6. What would be the most effective control procedures in preventing the addition of a fictitious/ghost employee in the payroll master file?
7. Why is it necessary for internal audit function to have direct access of the audit committee of the board?
8. "Software vendors should provide a facility of deleting an account code created in error after all errors cannot be avoided." Comment.
9. "I do not understand why companies processing bad debts include VAT." As a new graduate help the above individual with his/her query.
10. Why is an Accounting Information System heavily dependent on the use of codes?
11. Describe two considerations useful in the designing of accounting codes.
12. To ensure that the net salary is not altered after processing, identify two measures that you would implement to minimise the possibility of such a threat.
13. What role is played by timely performance reports in your organisation's system of internal controls?
14. Identify and explain two ways in which the aging analysis would aid your organisation in effective management of debtors.
15. Identify two measures that can be applied to minimise theft associated with the use of Electronic Funds Transfer (EFT)
16. How is it possible that a company can make profits but has a huge overdraft at the bank?
17. Distinguish between inherent and detection risk in auditing.
18. "A batch total guarantees accuracy." Comment on this statement.



19. "External auditors must identify fraud in your organisation." Comment on this statement.
20. "Information is at risk due to outsourcing." Comment on this statement.
21. "Regular stock counting is a waste of time and resources." Comment on this statement
22. How does cost benefit analysis assist in implementation of internal controls?
23. Recommend two measures for minimising abuse of credit notes.
24. What are the risks associated with accepting unordered items?
25. What is the importance of segregation of duties in internal controls?

### **SECTION B (Answer all questions)**

1. You are required to provide recommendations in the following situations: -
  - i) Measures to reduce fraud losses. **(4 marks)**
  - ii) How to minimise posting errors to accounts receivables/debtors **(4 marks).**
  - iii) Matters that your colleagues should be aware of on data fraud **(6 marks)**
  - iv) Educate your organisation on issues related to abuse/fraud on use of cards. **(6 marks).**
  - v) Line items to be considered for costs related to purchase and implementation of software **(5 marks)**
2. Your immediate supervisor has requested your guidance in preparing information for your department for them to understand pressure/motivation as part of the fraud triangle. **(25 marks)**

**END OF EXAMINATION PAPER**