



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

NMAC 302: ACCOUNTING INFORMATION SYSTEMS

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2022

LECTURER: DR P KORERA

DURATION: 3 HOURS

INSTRUCTIONS

You are required to answer questions as instructed

Answer **any four** questions

Start **each** question on a new page in your answer booklet

Credit will be awarded for logical, systematic and neat presentations

QUESTION 1 (25 Marks)

- (i) What occurs in an accounting information system that classifies accounting transactions? [5]
- (ii) What are the differences between internal reports and external reports generated by the accounting information system? [5]
- (iii) What types of businesses are in the supply chain of an automobile manufacturer? [5]
- (iv) When a company evaluates a supplier of materials, what kinds of characteristics might be evaluated? [5]
- (v) How do you think a company may be able to influence a supplier to meet its business processing requirements? [5]

QUESTION 2 (25 Marks)

- (i) What is the relationship between business processes and the accounting information system? [5]
- (ii) Are manual systems and processes completely outdated? [3]
- (iii) What is the purpose of source documents? [2]
- (iv) What are some examples of turnaround documents that you have seen? [5]
- (v) Why is it true that the accounting software in and of itself is not the entire accounting information system? [5]
- (vi) How is integration across business processes different between legacy systems and modern, integrated systems? [5]

QUESTION 3 (25 Marks)

- (i) Describe how ERP systems enhance efficiency in a business organization. [8]
- (ii) Why is real-time processing essential in an ERP system? [7]
- (iii) Management is held accountable to various parties, both internal and external to the business organization. To whom does management have a stewardship obligation and to whom does it have reporting responsibilities? [5]
- (iv) If an employee made a mistake that resulted in loss of company funds and misstated financial reports, would the employee be guilty of fraud? Discuss. [5]

QUESTION 4 (25 Marks)

- (i) What is the difference between technical feasibility and operational feasibility? [5]

- (ii) How does the analysis of feasibilities in the systems planning phase help to prioritize system changes? [5]
- (iii) What is the advantage of studying the current system during the systems analysis phase? [5]
- (iv) During the systems analysis phase, which two data collection methods help determine user requirements? [5]
- (v) What are the advantages of purchased software when compared with software developed in-house? [5]

QUESTION 5 (25 Marks)

- (i) Why is it important to establish and monitor credit limits for customers? [5]
- (ii) Distinguish between a pick list and a packing slip. [5]
- (iii) How can an effective system of internal controls lead to increased sales revenue? [5]
- (iv) Why should the person responsible for shipping goods to customers not also have responsibility for maintaining records of customer accounts? [5]
- (v) How are sales invoices used (in a manual system) in the preparation of credit memos? [5]
- (vi) How can a security guard in a warehouse be considered an important component of a company's accounting system? [5]

END OF PAPER
