



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

CIS305 –COMPUTERIZED ACCOUNTING SYSTEMS

END OF SECOND SEMESTER EXAMINATIONS

JANUARY /MAY 2020

LECTURER: MRS L TEMBANI-FUNDISI

DURATION:3 HRS

INSTRUCTIONS

You are required to answer any **4 questions**

Section A: Answer **All** Questions

Each question carry equal 2 marks

Section B: Answer any **3** Questions

Each question carry equal 20 marks

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

Credit will be awarded for logical, systematic and neat presentations

Section A (Answer all, compulsory section)

1. The components of Computerised Accounting System are:

- (a) Data, Report, Ledger, Hardware, Software;
- (b) Data, People, Procedure, Hardware, Software;
- (c) People, Procedure, Ledger, Data, Chart of Accounts;
- (d) Data, Coding, Procedure, Rules, Output.

2. The Computerised Accounting System refers to:

- (a) Printing of Balance Sheet and Profit and Loss Accounts using computer;
- (b) Processing of accounting transaction through computer and produce records and reports;
- (c) Processing of accounting related data and printing reports;
- (d) None of the above.

3. The components of Computerised Accounting System refers to:

- (a) Business transactions are analyzed, transactions recorded, prepare trial balance, preparation of balance sheet and profit and loss account;
- (b) From data entry to preparation of final statements;
- (c) Transformation of manual accounting system to CAS;
- (d) None of the above.

4. The CAS should be

- (a) Simple and integrated, transparent, accurate, scalability, reliability;
- (b) Complex, Accurate, Transparent, Faster to work;
- (c) Able to transform the manual accounting system to computerized accounting system;
- (d) None of the above.

5. The Grouping of Accounts means the classification of data from:

- (a) Asset, liabilities and capital
- (b) Asset, capital, liabilities, revenue and expenses
- (c) Asset, owners' equity, revenue and expenses
- (d) None of the above.

6. Codification of Accounts required for the purpose of:

- (a) Hierarchical relationship between groups and components
- (b) Data processing faster and preparing of final accounts
- (c) Keeping data and information secured
- (d) None of the above

7. Method of Codification should be:

- (a) such that it leads to grouping of accounts
- (b) An identification mark.
- (c) Easy to understand, cryptic, and leads to grouping of accounts
- (d) None of the above

8. The need of Codification is:

- (a) The Encryption of data
- (b) The Generation of mnemonic code
- (c) To secure the accounts, reports, etc.
- (d) Easy to process data, keeping proper records

9. What is the activity sequence of the basic information processing model?

- (a) Organise data, process data, and collect data
- (b) Collect data, organise and process data, and communicate information
- (c) Process data, organise data, and collect data
- (d) Organise data, collect data, and communicate information

10. What are internal controls designed to do?

- (a) safeguard assets and optimise the use of resource
- (b) Only achieve maximum revenue
- (c) Only safeguard assets
- (d) Only ensure accurate accounting records

11. What is a firm's payment to a supplier for merchandise inventory recorded in?

- (a) Cash payment journal
- (b) Purchases journal
- (c) Sales journal
- (d) Cash receipts journal

12. Where are amounts owed by customers for credit purchases found?

- (a) accounts receivable journal
- (b) general ledger
- (c) sales journal
- (d) accounts receivable subsidiary ledger

13. Which of the following is NOT an advantage of an ERP system?

- (a) better access control
- (b) improved monitoring capabilities
- (c) standardization of procedures and reports
- (d) simplicity and reduced costs

14. Which of the following revenue cycle activities can potentially be eliminated by technology

- (a) sales order entry
- (b) shipping
- (c) billing
- (d) cash collection

15. For good internal control, who should approve credit memos?

- (a) credit manager
- (b) sales manager
- (c) billing manager
- (d) controller

16. Which department should have responsibility for authorizing pay rate changes?

- (a)timekeeping
- (b)HRM
- (c)payroll
- (d)accounting

17. Which of the following procedures is NOT used to detect unauthorized program changes?

- (a)source code comparison
- (b)reprocessing
- (c)parallel simulation
- (d)reprogramming code

18. Which of the following is a characteristic of auditing?

- a. Auditing is a systematic, step by step process
- b. Auditing involves the collection and review of evidence
- c. Auditing involves the use of established criteria to evaluate evidence
- d. All of the above

19. Which document lists the current amount and year –to-date totals of gross pay, deduction, and net pay for one employee?

- a. payroll register
- b. time card
- c. paycheck
- d. earnings statement

20. Which document is used to authorize the release of merchandise from inventory control (warehouse) to shipping?

- a. picking ticket
- b. packing slip
- c.shipping order
- d. sales invoice

Section B: Answer any 3 questions**Question One**

a. Define a computerised accounting system. Distinguish between a manual and computerised accounting system. [20]

Question Two**Scenario**

An auditor found that Mudiwa Investments management does not always comply with its stated policy that sealed bids be used to sell absolute cars. Records indicated that several vehicles with recent major repairs were sold at negotiated prices. Management vigorously assured the auditor that performing limited repairs and negotiating with knowledgeable buyers resulted in better sales prices than the sealed-bid procedures. Further investigations revealed that the vehicles were sold to employees and prices well below market value. Three managers and five other employees pleaded guilty to criminal charges and made restitution.

Required:

- a. List the fraud symptoms that should have aroused the auditor's suspicion? [10]
- b. What audit procedures would show that fraud had in fact occurred? [10]

Question Three

'Accounting software is an integral part of the computerised accounting system' Explain. Briefly list the generic considerations before sourcing an accounting software. [20]

Question Four

'Computerised Accounting Systems are best form of accounting system'. Do you agree? Comment. [20]