



"Investing in Africa's Future"

COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES

ACC1203 ACCOUNTING INFORMATION SYSTEMS

SECOND SEMESTER EXAMINATIONS

APRIL 2026

LECTURER: MR R CHIHOWA

TIME: 3 HOURS

INSTRUCTION

You are required to answer questions as instructed

Answer **all 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)

Maria, the financial manager of **Habari Financial Solutions**, has just returned from a meeting where a manager expressed skepticism about implementing a computerized Accounting Information System (AIS). He argued that AIS is expensive and consists only of software, hardware, and people. He is also not clear with how the software and hardware would be acquired. You are tasked with addressing these misconceptions.

Required:

- a) Discuss at least six primary components of an Accounting Information System (AIS), including their significance. **(6 Marks)**
- b) Discuss at least four major advantages and challenges in adopting a Computer-Based Accounting Information Systems compared to Manual Systems. **(9 Marks)**
- c) Discuss 5 key factors to consider when acquiring accounting software and explain at least 5 major acquisition methods available **(10 Marks)**

QUESTION 2 (25 Marks)

As the financial accountant of **Habari Financial Solutions**, you are preparing a presentation for the management team about the essential terminologies of modern Accounting Information Systems (AIS) and their implications for control and fraud prevention. The management seeks to enhance their understanding of these concepts to improve decision-making and reduce risks.

Required:

- a) Explain the fraud triangle and identify at major controls that can mitigate fraud risks within an organization. **(9 Marks)**
- b) Differentiate between preventive, detective, and corrective controls within the context of internal controls in AIS. Provide at least two examples for each **(6 Marks)**
- c) Define the chart of accounts and explain why it is important within an Accounting Information System (AIS). **(5 Marks)**
- d) Define an audit trail and discuss its significance in an AIS. **(5 Marks)**

QUESTION 3 (25 Marks)

Muzuri Solutions Ltd., a retail company, has recently automated its Accounting Information System (AIS) to handle customer orders more efficiently. However, they are experiencing challenges in the revenue cycle, leading to issues with order fulfillment and customer satisfaction due to a lack of clarity in their processes.

Revenue Cycle Weaknesses: Lack of proper authorization for sales orders, Inadequate invoice matching against customer orders and Insufficient tracking of customer payments.

Additionally, the company faces challenges in managing inventory purchases, where manual processes have resulted in delays in order processing and discrepancies in inventory records. Following a recent audit, it was found that both the revenue and expenditure cycles have several internal control weaknesses, such as:

Expenditure Cycle Weaknesses: Poor segregation of duties in purchasing and receiving, Inadequate documentation of vendor payments and Lack of controls to monitor inventory levels and purchases.

A friend has advised the accountant to make use of process analysis techniques like Data Flow Diagrams. He indicates that there are more techniques used to understand and improve the cycles properly.

Required:

- a) Recommend and explain the key stages, activities, and documents involved in the revenue cycle for Muzuri Solutions Ltd., addressing the identified weaknesses. **(9 Marks)**
- b) Recommend and explain the key stages, activities, and documents involved in the expenditure cycle for Muzuri Solutions Ltd., addressing the identified weaknesses. **(9 Marks)**
- c) Identify at least 4 techniques the Accountant can use to understand and improve the current revenue and expenditure cycles at Muzuri Solutions Ltd. **(7 Marks)**

QUESTION 4 (25 Marks)

Sana Manufacturing is a medium-sized company that makes custom machinery. To improve efficiency, Sana Manufacturing wants to create a new Accounting Information System (AIS) using the Software Development Life Cycle (SDLC) approach. However, the team is worried about ethical issues, such as protecting data, getting user consent, and avoiding bias during development.

After launching the AIS, the company plans to implement an Enterprise Resource Planning (ERP) system to connect all their business processes, like finance and purchasing. However, they are concerned about the risks of ERP implementation.

Required:

- a) Describe the stages of the Software Development Life Cycle (SDLC) as it applies to the development of the AIS and the ethical issues that the development team should consider at each stage? **(12 Marks)**
- b) Define ERP system, and Discuss the 5 major benefits of adopting the ERP to Sana Manufacturing? **(6 Marks)**
- c) Discuss the 5 major potential risks of implementing ERP and the corresponding mitigation strategies **(7 Marks)**

END OF EXAMINATION