

CHUKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

**THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF COMMERCE**

BCOM 313: ACCOUNTING INFORMATION SYSTEMS

STREAMS: BCOM Y3S2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 11/4/2012

2.30 P.M. - 4.30 P.M.

INSTRUCTIONS:

Answer Question ONE and any other two questions.

QUESTION ONE

- (a) The General Ledger in an Accounting Information System interacts with all business cycles. Explain this interaction giving diagrammatic illustration of the flow of information into the General Ledger. [18 marks]
- (b) Coding systematically assigns numbers or letters to data items to help classify or organize. Discuss giving examples, the various coding methods. [9 marks]
- (c) Distinguish between data, information and systems. [3 marks]

QUESTION TWO

The current trend in Accounting is the use of Accounting Information Systems that integrate most business cycles. Discuss the merits and demerits of using integrated computerized Accounting Information Systems over manual systems. [20 marks]

QUESTION THREE

- (a) Discuss the 'fraud triangle' by Donald Cressey, in relation to computerized Accounting Information systems within an organization. [10 marks]
- (b) 'Certain measures can significantly decrease the potential for fraud and any resulting losses'. Discuss. [10 marks]

QUESTION FOUR

A well designed computerized Accounting Information System should provide adequate controls. Discuss the various controls that should be inbuilt into AIS in the context of Revenue, Expenditure and Payroll cycles.

[20 marks]
