

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2015/2016**

**YEAR 4 SEMESTER II EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS INFORMATION TECHNOLOGY**

**BBT 2203: ACCOUNTING INFORMATION SYSTEM**

**DATE: August 2016 TIME: 2 HOURS**

**INSTRUCTIONS: Answer Question One and Any Other Two Questions**

**QUESTION ONE (COMPULSORY)**

1. Outline the four levels of activity in the pyramid representing the business organization (4marks)
2. Distinguish between horizontal and vertical flows of information (4marks)
3. Differentiate between AIS and MIS (4marks)
4. What are the roles of internal and external auditors? (4marks)
5. Identify the four areas of ethical business issues. (4marks)
6. Explain the differences between employee fraud and management fraud (4marks)
7. What are the four broad objectives of internal control? (4marks)
8. Explain an audit trail (2marks)

**QUESTION TWO**

1. Illustrate the Accounting information system with its subsystem. (4marks)
2. Describe each of the AIS subsystems mentioned in (a) giving examples of each (9marks)
3. In this age of high technology and computer based information system, why are accountants/auditors concerned about physical (human) controls? (7marks)

**QUESTION THREE**

A procurement agent for a large county building authority threatens to blacklist a building contractor if he does not make a financial payment to the agent. If the contractor does not cooperate, the contractor will be denied future work. Faced with a threat of economic loss, the contractor makes the payment.

1. Describe what type of fraud is this (4marks)
2. What controls can be implemented to prevent the fraud? (8marks)
3. Explain the different types of controls that can be implemented to detect the fraud. (8marks)

**QUESTION FOUR**

1. What is the role of the accounting function in the SDLC? (4marks)
2. Discuss the various feasibility measures that should be considered. Give an example of each. (8marks)
3. Illustrate and describe the five stages of the systems development life cycle. (8marks)

**QUESTION FIVE**

1. With the help of a block diagram, explain the general model of AIS information flows (8marks)
2. Describe the information needs for each element mentioned in (a) above (12marks)