



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS MAY - AUGUST 2018 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCAC 305

COURSE TITLE: ACCOUNTING INFORMATION SYSTEMS

DATE: 9TH AUGUST 2018

TIME: 3.00 PM – 6.00 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) In detail analyze the applications of accounting information systems. **[15 marks]**
- b) Clearly describe accounting information systems. **[5 marks]**
- c) What are the advantages of using an expert system? **[5 marks]**
- d) Describe the components of accounting information system. **[10 marks]**
- e) Briefly describe any computerized auditing software. **[5 marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

Implementation stage of an accounting information system is very important. It is at this stage where one understands whether the system will operate properly or not. As an expert in the area of accounting information systems:

- a) Describe how the modern accounting information system function. **[15 marks]**
- b) Discuss the factors that affect the efficiency and effectiveness of accounting information systems. **[5 marks]**

Question Three

Information systems can help in any discipline including accounting. It has really enhanced some working methods which used to be tedious and difficult. In respect to this statement:

- a) Define electronic funds transfer and explain how it works **[5 marks]**
- b) What do you understand by online banking? Discuss its advantages and disadvantages. **[10 marks]**
- c) Briefly explain how an accounting information system helps in cash management **[5 marks]**

Question Four

The way the system was implemented, the input data , and the operations of a system will determine the outcome or good results. We say Garbage in Garbage out. In respect to this statement:

- a) Explain in detail how accounting information system is implemented. **[15 marks]**
- b) What are the characteristics of management reporting systems (MRS) **[5 marks]**

Question Five

Planning and control are essential tools in operating systems more so in accounting information systems. A well planned and controlled system will always provide good results.

- a) Explain how Enterprise Resource Planning (ERP) systems work **[5 marks]**
- b) Analyze the two major outcomes of financial strategic planning information systems. **[15 marks]**