



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS MAY - AUGUST 2023 SEMESTER

DIPLOMA IN ACCOUNTING

COURSE CODE: DBAC 012

COURSE TITLE: BASIC ACCOUNTING INFORMATION SYSTEM

DATE: 3 AUGUST 2023

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) Distinguish between Accounting Information System (AIS) and Management Information System (MIS) **[2 Marks]**
- b) Discuss the three sub system of Accounting Information System (AIS)? **[6 Marks]**
- c) Identify and explain the components of an Accounting Information System. **[12 Marks]**

- d) Most business activities are pairs of events involved in a give-get exchange. Most organizations engage in small number of give-get exchanges, however each type of transaction happens many times. Describe the five major transaction cycles. **[10 Marks]**
- e) Discuss Two basic documentation tools used in explaining how Accounting Information System (AIS) operates. **[4 Marks]**
- f) Discuss Three ways in which an accountant can be involved in Accounting Information System. **[6 Marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a) The main objective of an accounting cycle is to ensure the accuracy and conformity of financial statements. Describe the Accounting cycle. **[10 Marks]**
- b) Define what an Enterprise Resource Planning (ERP) system is, then discuss FOUR of its advantages. **[10 Marks]**

Question three

- a) Accountants do not need to understand exactly how computers process the data of a particular accounting application, but it is important for them to understand the documentation that describes how the processing takes place. Discuss FIVE reasons the documentation in System Development is important. **[10 Marks]**
- b) Define what Data Flow Diagrams (DFDs) are, then describe the four basic symbols used in Data Flow Diagrams. **[10 Marks]**

Question Four

- a) Weaknesses in computer center security have a potential impact on the function of application controls related to the financial reporting process. Discuss five control features that contribute directly to computer center security. **[10 Mark]**
- b) A disaster recovery plan (DRP) is a comprehensive statement of all actions to be taken before, during, and after a disaster, along with documented, tested procedures that will ensure the continuity of operations. Discuss the five major disaster recovery strategies. **[10 Marks]**

Question five

- a) Information is data that has been organized and processed to provide meaning besides augmenting decision making. Describe five features of useful information. **[10 Marks]**
- b) Discuss the guidelines for drawing Data Flow Diagrams (DFDs). **[10 Marks]**