

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

SUPPLEMENTARY EXAMINATION 2007

TITLE OF PAPER: ACCOUNTING INFORMATION SYSTEMS

DEGREE AND YEAR: BCOM IV & BCOM V (FULL TIME)
BCOM LEVEL V & LEVEL VII (IDE)

COURSE NUMBER: COM 401/AC 507

TIME ALLOWED: TWO (2) HOURS

INSTRUCTIONS: 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)

2. THE CASE STUDY SECTION (A) IS COMPULSORY

3. ANSWER ANY TWO QUESTIONS FROM SECTION B.

Note MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A: COMPULSORY

The internal audit department of Swazi Bread, a local confectionary, is considering the purchase of computer software that will aid the auditing process. Swazi Bread's financial and manufacturing control systems are completely automated on a large mainframe computer. Zweli, the director of internal auditing, believes that Swazi Bread should acquire computer audit software to assist in the financial and procedural audits that his department conducts. Zweli is considering the following types of software packages:

- A generalised audit software package that assists in basic audit work such as the retrieval of data from large computer files. The department would review this information using conventional audit techniques. More specifically, the department would perform criteria selection, sampling, basic computations for quantitative analysis, record handling, graphical analysis and printing output (i.e. confirmations).
- An ITF package that uses, monitors and controls dummy test data as they are processed by existing programs. It also checks the programs and the existence and adequacy of program data entry and processing controls.
- A flowcharting package that graphically presents the flow of information through a system and pinpoints control strengths and weaknesses.
- A parallel simulation and modelling package that uses actual data to conduct the same tests using another program, a computer logic program developed by the auditor. The package can also be used to seek answers to difficult audit problems (involving many comparisons) within statistically acceptable confidence limits.

CASE STUDY QUESTIONS:

- A. Evaluate the options available to the auditor, stating the extent to which each one of these options can assist the auditor in better performing his functions.
- i. Generalised Audit Software package (10)
 - ii. Integrated Test Facility Package (10)
 - iii. Flowcharting package (10)
 - iv. Parallel simulation and modelling package (10)
- B. In the case presented would there be any justification for a data processing operational audit? Why or why not? (10)

SECTION B:

ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION 1

- a. Discuss the approaches that an organisation can use in systems development, highlighting the benefits and limitations of each approach. (16)
- b. Discuss the options for conversion to a new system that an organisation can use. (9)

QUESTION 2

Discuss the general controls applicable to the revenue cycle (limit your response to five categories). (25)

QUESTION 3

Discuss the major security measures that need to be put in place for an organisation's database. (25)