

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**MAIN EXAMINATION 2011**

**TITLE OF PAPER: ACCOUNTING INFORMATION SYSTEMS**

**DEGREE AND YEAR: BCOM IV (FULL TIME)  
BCOM V (IDE)**

**COURSE NUMBER: COM 401/IDE COM 401**

**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.**

**TOTAL MARKS: 100**

**SECTION A: *This section is compulsory.*** Read the following case and answer the questions that follow.

Ajax, Inc., recently installed a new computer-based system to process more efficiently the shipping, billing and accounts receivable records. During a review, an auditor determined the following information concerning the new system.

Each major application- that is shipping, billing, cash receipts and so forth- is permanently assigned to a specific computer operator responsible for making program changes, running the program and reconciling the computer log. Responsibility for the custody and control over tapes, files and system documentation is randomly rotated among the computer operators on a monthly basis to prevent any one person from having access to the tapes and documentation at all times. Each computer programmer and computer operator has access to the computer room via a magnetic card containing an individual digital code. The systems analyst and the supervisor of the computer operators do not have access to the computer room.

The system documentation consists of the following items: program listing, error listing, logs and record layouts. To increase efficiency, batch totals and processing controls are omitted from the system.

Ajax ships its products directly from two warehouses, which forward shipping notices to general accounting. There, the billing clerk enters the price of the item and accounts for the numerical sequence of the shipping notices. The billing clerk also prepares daily adding machine tapes of the units shipped and the sales amounts. Shipping notices and adding machine tapes are forwarded to the computer department for processing. The computer output consists of (i) a three-part sales invoice that is forwarded to the billing clerk, and (ii) a daily sales register showing the aggregate total of the units shipped and sales amounts that the computer operator compares to the adding machine tapes.

**Required:**

- a. Identify and explain the control weaknesses in the new system (20)
- b. For each control weakness identified recommend a control procedure to curb the weakness. (30)

**Section B**

Answer any *two* questions in this section.

1. What are the benefits and disadvantages of employing electronic data interchange networks to link with major suppliers? How are cash disbursements handled under such arrangements? (25)
2. Why are issues of computer crime and abuse hard to deal with and what would you suggest as best practice for dealing with such cases? (25)
3. What makes the auditing through the computer technique more attractive than the other computer based auditing techniques. Is it always practically easy to follow the auditing through the computer technique? Justify your answer. (25)
4. Identify eight major threats relating to the expenditure cycle and suggest the applicable control procedures for each one of these. (25)