

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**MAIN EXAMINATION 2014**

**TITLE OF PAPER:** ACCOUNTING INFORMATION SYSTEMS  
**PROGRAM:** BCOM 3 (FULL TIME)  
BCOM 5 (IDE)  
**COURSE CODE:** COM301/ IDE COM 401  
**TIME ALLOWED:** TWO (3) HOURS

**INSTRUCTIONS:**

1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY
3. ANSWER ANY THREE 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**

**This section is compulsory**

Arcade Company of Manzini has established a new division that will manage a chain of video game arcades in 40 locations throughout the country. The locations will be divided into two regions under regional managers. Each location will be assigned a local manager. As many as 60 machines will be available at certain locations, although the average per location will be 35 machines.

Management intends to minimize the number of operating and accounting employees in order to reduce costs. However it plans to hire sufficient maintenance personnel to minimize downtime of machines. The resident manager will be required to collect, count and deposit the quarters from machines in a local bank. Each machine uses an internal mechanical meter for internal control. Access to the mechanical meters and quarters in each machine will be by means of a master key. Weekly the resident manager will reconcile the count of quarters with the count displayed on the mechanical meters. After the two counts are reconciled, the mechanical meters will be reset to zero. Validated deposit slips are to be mailed to the corporate office by the resident manager. Bank statements are to be mailed by the bank directly to the corporate office.

**Required:**

Identify the specific risk exposures that are inherent in the operations of the new division. For each risk exposure, suggest one or more offsetting accounting control activities.(limit your answer to 8 risks) A two column table can be used as follows: (40)

Risk Exposure	Compensating control

**SECTION B****ANSWER ANY THREE QUESTIONS FROM THIS SECTION****Question 1**

- a) Assume that an audit firm is about to conduct an audit of a small firm. How should the audit firm determine whether the firm is auditable? (10)
- b) Why is it important to involve auditors during the development phase of a new information system? (10)

**Question 2**

A bookshop retail outlet with several branches in the country is in the process of developing an accounting information system to help better manage and coordinate its operations in the various branches. Discuss the benefits it would derive from having a general ledger that is continuously on-line, and of processing each accounting journal entry as entered to update the general ledger immediately.

(20)

**Question 3**

In what ways does a cash sale differ from a credit sale especially with regards to documents, files, procedure, and outputs? (20)

**Question 4**

- a) What specific procedures should be followed in order to ensure the effectiveness of the petty cash count? (10)
- b) Explain why there may be gaps in the numerical sequence of paid disbursement vouchers. (10)