

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION 2018

TITLE OF PAPER: ACCOUNTING INFORMATION SYSTEMS
PROGRAM: BCOM LEVEL V (IDE)
COURSE CODE: COM301
TIME ALLOWED: THREE (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****RESPONSIBILITY ACCOUNTING**

Family Resorts, Inc., is a holding company for several vacation hotels in the north-eastern and mid-Atlantic states. The firm originally purchased several old inns, restored the buildings, and upgraded the recreational facilities. Vacationing families have been well pleased with the inns because many services are provided that accommodate children and afford parents time for themselves. Since the completion of the restoration 10 years ago, the company has been profitable.

Family Resorts has just concluded its annual meeting of regional and district managers. This meeting is held each November to review the results of the previous season and to help the managers prepare for the upcoming year. Before the meeting, the managers submitted proposed budgets of their district or regions, as appropriate. These budgets are reviewed and consolidated into an annual operating budget for the entire company. The 2015 budget has been presented at the meeting, and the managers accepted it.

To evaluate the performance of its managers, Family Resorts uses responsibility accounting. Therefore, the preparation of the budget was done and all the affected parties are consulted before the changes are incorporated.

Required**Question 1**

- a. Responsibility accounting has been used effectively by many companies, both large and small:
 1. Define responsibility accounting. (5)
 2. Discuss the benefits that accrue to a company using responsibility accounting. (10)
 3. Describe the advantages of responsibility accounting for the managers of a firm (10)

SECTION B

Answer any three questions from this section

1. Identify five risks exposures pertaining to purchasing, explaining clearly their impact and how they can be controlled. (25)
2. Discuss five auditing through the computer techniques. (25)
3. Identify the risks that can affect a cash receivables system and the controls necessary to curb such. (25)
4. Why are commercial software packages usually preferred options for AIS? Are there any setbacks? (25)