

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.

time cards at a time clock, which is located in a remote corner of the factory. This location was chosen so that the time-keeping activities would not interfere with the workflow on the shop floor of the small factory. Each Friday, the time keeper, who is located in a separate administrative building, retrieves the time cards and submit them to the payroll department clerk.

The payroll clerk enters the time and attendance data into the centralized payroll system form the terminal in her office. The system calculates the payroll for each employee, updates the employees payroll records, prints the paychecks, and prints two copies of the payroll register. The clerk sends one copy of the payroll register to the accounts payable department. Finally, the clerk sends the paychecks to the cash disbursement department.

The AP clerk reviews the payroll register and prints a cash disbursement voucher, which he sends to the cash disbursement department. The CD voucher authorizes the cash disbursement clerk to sign the paychecks and send them to thee supervisor for distribution to the employees. Using the terminal in the department, the CD clerk then updates the digital cash disbursement journal for the full amount of the payroll. Finally, both the accounts payable and cash disbursement clerks print and send a summary of transactions to the general ledger department where the GL clerk updates the relevant GL accounts using the terminal in the department.

Required

Question 1

- a. Using the internal control framework, analyse the internal control weaknesses in the system. (10)
- b. Make recommendations for improving the system. (15)

crime. (Limit your discussion to five factors).

(25)

2. How can a GAS package add value to an auditor's work? (25)

3. You have been tasked with reviewing the revenue collecting procedures of a local municipality. Identify the areas you would concentrate on when trying to improve control and state the reasons. (25)

4. Discuss the scheduled managerial reports that should be generated from a computerised AIS under the expenditure cycle, highlighting the importance of each. (25)