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Family Name					
Given Name/s					
Student Number					
Teaching Period	Semester 2, 2017				

ACT304 – Accounting Information Systems	DURATION	
	Reading Time:	10 minutes
	Writing Time:	180 minutes
INSTRUCTIONS TO CANDIDATES		
<p>The examination has three sections</p> <p>Section A: 30 marks - Marks for each question are of equal value ($\frac{2}{3}$ marks each Suggested Time: 105 mins Multiple Choice Questions: Answer ALL (45) questions. Section A must be answered on the Answer sheet provided and must be handed in with your answer booklet. Please ensure that your name and student number are clearly indicated on your Answer Sheet.</p> <p>Section B: 15 marks Suggested Time: 55 mins Short Essay Question: Answer ALL (3) questions</p> <p>Section C: 5 marks Suggested Time: 20 mins System Analysis Question: This section consists of one question that must be answered.</p> <p>Total marks for this examination: 50</p>		
EXAM CONDITIONS		
<p><u>You may begin writing from the commencement of the examination session.</u> The reading time indicated above is provided as a guide only.</p>		
This is a RESTRICTED OPEN BOOK examination		
Any non-programmable calculator is permitted		
No handwritten notes are permitted		
Hard copy, unannotated English translation dictionary only		
ADDITIONAL AUTHORISED MATERIALS	EXAMINATION MATERIALS TO BE SUPPLIED	
No additional printed material is permitted	1 x 8 Page Book 1 x 4-Multiple Choice Answer Sheet	

**THIS EXAMINATION IS PRINTED
DOUBLE-SIDED.**

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LEFT BLANK.**

SECTION A:

Multiple Choice Questions

Total No of Marks for this section: 30

This section should be answered on the Answer Sheet provided. Please ensure that your name and student number have been written on the Answer sheet and place in the completed answer Booklet.

Marks for each question are of equal value ($\frac{2}{3}$ marks each).

Suggested Time allocation for Section A: 105 mins

This section is made up of 45 multiple choice questions. Answer ALL (45) questions. Answers should be clearly marked in pen on the answer sheet provided with this paper by filling in the circle below the appropriate letter.

. e.g.

A	B	C	D
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If a choice for a particular question is subsequently discarded and a new answer chosen, cross out the original answer and remark with the new answer as below. e.g.

A	B	C	D
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SECTION B:

This section consists of three essay style question that must be answered. Commence the answer to each question on a new page of the exam booklet. Additional exam booklets are available if needed.

QUESTION B (15 Marks - Suggested time approx. 55 minutes)

- B 1.** Some people feel that controls in small businesses (typically owner operated with less than 20 employees) are dysfunctional, in that they create resentment and loss of morale without producing much benefit. Employees generally feel that the owner lacks trust in them, the control activities impose additional work, and/or that control procedures result in inconvenient and inefficient work practices. Control procedures implemented in small businesses are generally ineffective and only belong (and only effective) in large organisations where management is separated from the operational activities of the organisation.

REQUIRED:

Do you feel this is a valid statement in respect to the implementation of controls in small businesses? Briefly support your position with reasons. If you feel that you agree with some parts of the statement but not others, briefly discuss the parts you agree and disagree with and provide reasons for your position.

Without limiting your discussion, you should include an explanation of what is meant by a system of internal control, the objectives of a system of internal control, the limitations of a system of internal control, and relate these issues to the question asked.

(5 MARKS suggested time approx. 18 minutes)

- B 2.** What is meant by the term “segregation of duties control” (sometimes referred to as the “separation of duties control”). Discuss fully. In your explanation discuss the “how”, “when”, “where” and “why” of the segregation of duties control, and some of the limitations or disadvantages of this type of control. You can provide examples to illustrate your explanation.

(5 MARKS suggested time approx. 18 minutes)

- B 3.** The four events-processing functions that constitute the segregation of duties control plan are:
- A. Authorizing events**
 - B. Executing events**
 - C. Recording events**
 - D. Safeguarding resources**

Required:

Below is a list of twelve events-processing activities, five relating to the cycle of activities involved in processing a sales event and seven relating to the cycle for a purchase event (the last two i.e. 11 and 12 are provided as examples). Draw up a table in your answer booklet similar to the example provided below. Classify each of the ten activities (numbered 1 to 10) into one of the four functional categories listed above by placing the letter A, B, C, or D against each number. (See the examples for items 11 and 12 below). You should use only one letter for each of the answers.

Do not waste time repeating/rewriting the activity, simply identify the item number and the corresponding function by its letter.

(Continued over)

EXAMPLE OF FORMAT TO BE USED IN YOUR ANSWER BOOKLET

Event-Processing	
<u>Activity</u>	<u>Answer</u>
....	..
....	..
11	D
12	C

**EVENT-PROCESSING ACTIVITIES
(For a sales event)**

1. The order entry department instructs the shipping department to ship goods to a customer by sending an approved document to the shipping department.
2. The shipping department keeps inventory items in a locked storeroom.
3. The billing department prepares and mails a bill to the customer.
4. The invoice in item 3 is added to the customer balance in the accounts receivable master data.
5. The general ledger bookkeeper enters a sales event in a data file.

(For a purchase event)

6. The purchasing department order goods.
7. The inventory control department signs a document requesting that goods be purchased.
8. The purchasing department manager reviews and signs all purchase order documents in excess of \$100.
9. The receiving department processes goods received from the vendor.
10. The receiving department completes the receiving report.

Used as examples for answer booklet format

11. *After being received goods are placed into the locked inventory storeroom.*
12. *A payable is recognized by updating the accounts payable master data.*

(5 MARKS suggested time approx. 18 minutes)

SECTION C:**(5 Marks - Suggested time approx. 18 minutes)**

This section consists of one systems analysis style question that must be answered.

Commence the answer to the question on a new page of the exam booklet. Additional exam booklets are available if needed.

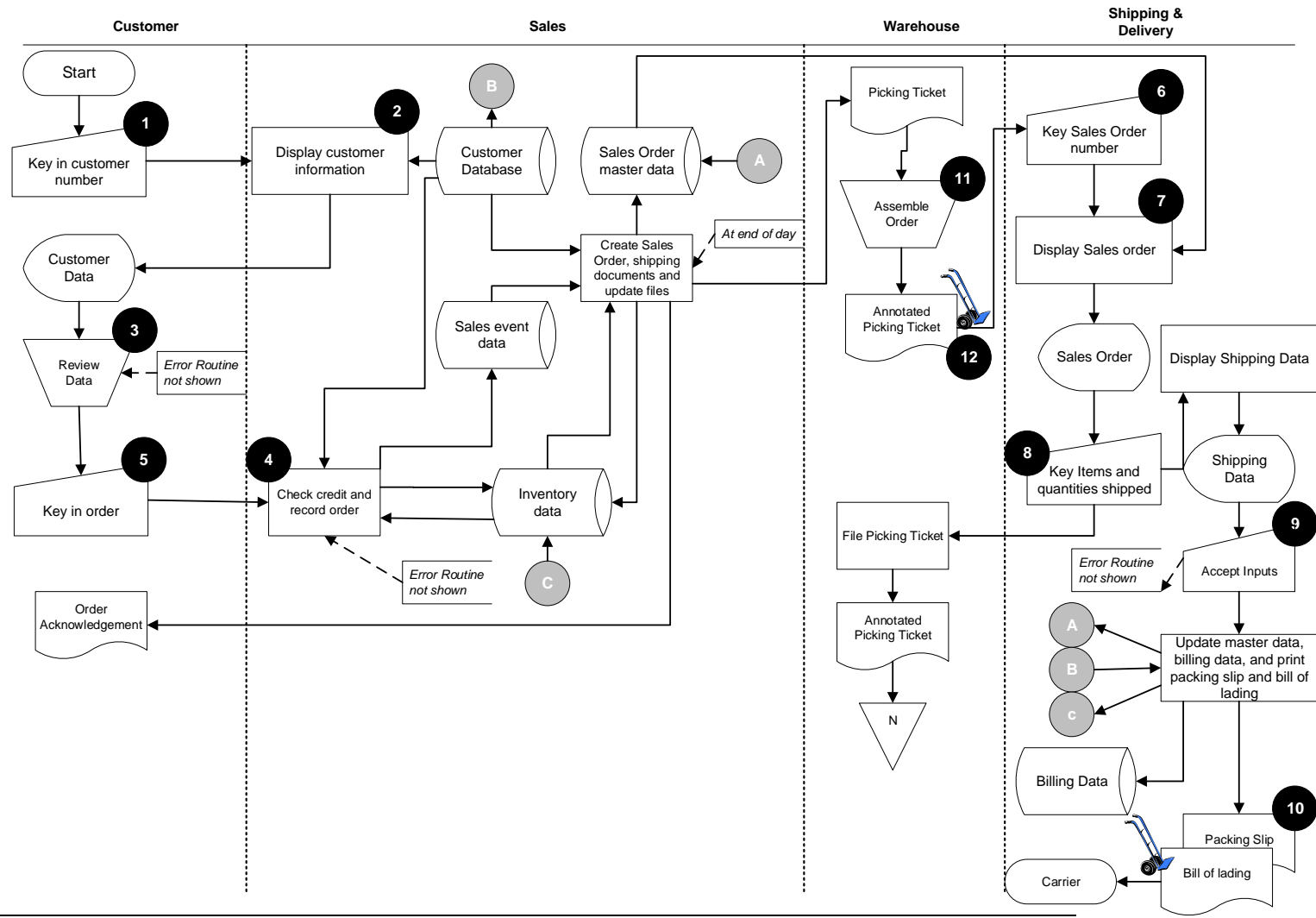
A flowchart on page 7 of this paper is the systems/document flowchart of a Sales System (and associated systems). The flowchart is annotated with 12 points labelled 1 to 12, that represent either a control plan that satisfies one or more control objectives of the system OR a point where a control plan to satisfy one or more control objectives of the system are missing.

Required:

For 10 of the 12 identified control points indicate what control objectives of the system are satisfied or missing. In addition, for each of the MISSING control plans speculate on a control plan that should/could be implemented for each MISSING element.

(5 MARKS)

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THIS CONTROL MATRIX TEMPLATE IS ONLY PROVIDED TO ASSIST THOSE STUDENTS WHO WISH TO USE IT IN THE PREPARATION OF THEIR ANSWER TO PART C. HOWEVER IT IS NOT NECESSARY TO COMPLETE THIS TEMPLATE IN ORDER TO ANSWER PART C. DO NOT PROVIDE THIS TEMPLATE (COMPLETED OR OTHERWISE) AS AN ANSWER TO

Control Matrix

	Control Goals of the Operations System					Control goals for the Information system									
	Ensure effectiveness of operations by achieving the following system goals:					Ensure efficient employment of resources	Ensure security of resources	For input ensure:			For file ensure:		For input ensure:		
Recommended Control Plans	A	B	C	D	E			IV	IC	IA	UC	UA	IV	IC	IA

KEY:

A		IV	Input Validity
B		IC	Input Completeness
C		IA	Input Accuracy
D		UC	Update Completeness
E		UA	Update Accuracy

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