

## **WARNING**

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|                 |                  |
|-----------------|------------------|
| Family Name     |                  |
| Given Names     |                  |
| Student Number  |                  |
| Teaching Period | Semester 1, 2017 |

|                                                |                                                                                                                                                        |               |                   |               |                    |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------|--------------------|
| <b>FINAL EXAMINATION</b>                       | <b>DURATION</b>                                                                                                                                        |               |                   |               |                    |
| <b>ACT506 – Accounting Information Systems</b> | <table border="1"> <tr> <td>Reading Time:</td> <td><b>10</b> minutes</td> </tr> <tr> <td>Writing Time:</td> <td><b>180</b> minutes</td> </tr> </table> | Reading Time: | <b>10</b> minutes | Writing Time: | <b>180</b> minutes |
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| Writing Time:                                  | <b>180</b> minutes                                                                                                                                     |               |                   |               |                    |

**INSTRUCTIONS TO CANDIDATES**

The examination has three sections

**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.

**Section B:** 15 marks

Suggested Time: 55 mins

Short Essay Question: Answer ALL (4) questions

**Section C:** 5 marks

Suggested Time: 20 mins

System Analysis Question: This section consists of one question that

must be answered.

Total marks for this examination: 50

**EXAM CONDITIONS**

**You may begin writing from the commencement of the examination session.** The reading time indicated above is provided as a guide only.

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 16 Page Book<br>1 x 4-Multiple Choice Answer Sheet<br>1 x Scrap Paper |

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

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BLANK.**

## Section B

### Short Answer Questions

**Total No of Marks for this section: 15**

This section should be answered in the Answer Booklet provided.

Marks for each question are indicated.

Suggested Time allocation for Section B: 55 mins

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- B 1.** Discuss several factors affecting (negatively or positively) the achievement of systems development objectives.  
(4 MARKS suggested time approx. 15 minutes)
- B 2.** *“As long as we plan a systems development project and carry out the project in an orderly manner, we don’t need a formal, documented systems development methodology.”* Do you agree? Discuss fully.  
(2 MARKS suggested time approx. 7 minutes)
- B 3.** Consider your favourite restaurant. How do you think this restaurant might use Online Transaction Entry (OLTE) to improve its business event data-processing activities? Explain.  
(2 MARKS suggested time approx. 7 minutes)
- B 4.** What is meant by the term “segregation of duties control” (sometimes referred to as the “separation of duties control”). Discuss fully.  
(2 MARKS suggested time approx. 7 minutes)

- B 5.** Examine the narrative provided below. Discuss how this process implements the concept of segregation of duties. Be specific as to which entity (or entities) performs each of the four event processing functions.  
(5 MARKS suggested time approx. 19 minutes)

The Customer Service Representative (CSR) enters a sales order. The system then prompts the CSR to enter the customer number. The system then automatically retrieves certain standing data, such as the customer name, address, and credit terms, from the customer master data.

The customer master data, including credit limits, is initially approved and recorded by the credit department upon initial application by the customer. Changes to the customer master data, including credit limits, must be approved and recorded by the credit department whenever appropriate. The CSR asks the customer to confirm the name and address to ensure that the correct customer record has been retrieved. Next, the CSR enters the other data in the sales order. When the CSR enters data for each item ordered, starting with the part number, the system automatically displays the description and price. Finally, the CSR enters the quantity ordered. If the total amount of the current order, any open orders, and the outstanding receivable balance, exceeds the customer's credit limit, the operator is warned of this fact, the order is suspended, and the credit rejection procedures are initiated. If the total amount falls within the customer's credit range, the processing continues. Personnel (specifically the controller) in the credit department assign credit limits and any exceptions to credit limits. Credit rejections procedures require a review of the customer's credit limit by the controller in consultation with the sales manager, and where the credit limit is confirmed, the customer should be informed by the CSR and the order cancelled. Should the balance shown on the inventory data be less than the quantity ordered, sales back order procedures are initiated.

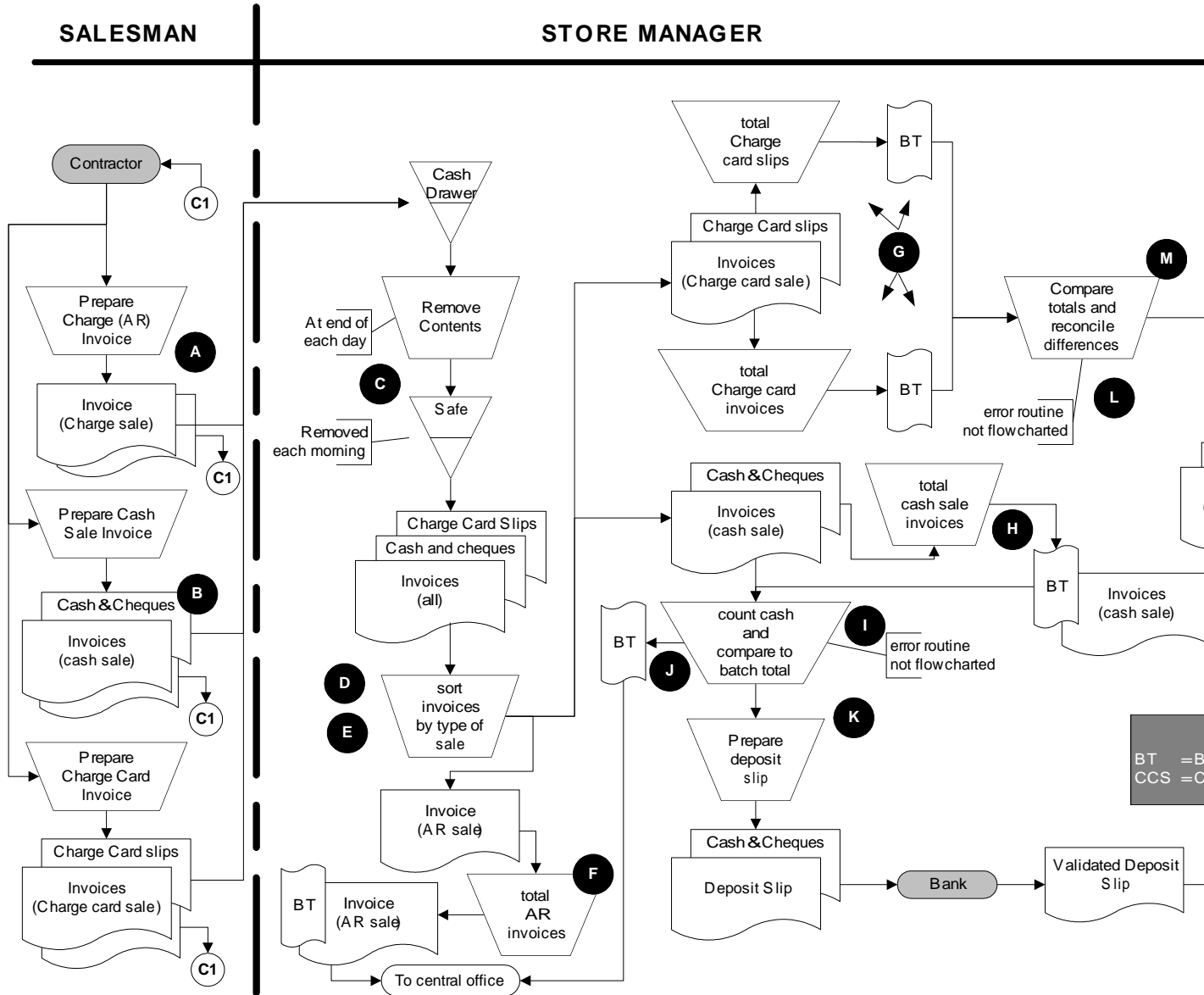
After the CSR has finished entering the order data, the computer creates a sales order record, updates the inventory master data to allocate the inventory to the sales order, and gives the CSR a sales order number that the CSR relays to the customer. Simultaneously, a picking ticket, containing a bar code of the sales order number, is printed in the warehouse.

As each item is picked, warehouse personnel insert the picked quantities on the picking ticket. When all the goods have been picked, warehouse personnel compare the goods to the picking ticket, sign the ticket to accept transfer of the goods, and then move the goods and the completed picking ticket to the shipping department. . Billing is advised and a Sales Invoice is generated and sent to the customer, and the customer's Accounts Receivable balance is updated automatically.

Shipping personnel scan the bar code on the picking ticket to bring the sales order up on their computer screen. After they confirm that this is the correct order and that the quantities are correct, they select the option to record the shipment. This action causes the computer to update the sales order, inventory, and general ledger master data to reflect the shipment and to print a packing slip and bill of lading. The goods are packed, with the packing slip inside, the shipping label (bill of lading) is attached to the box, and the box is given to the carrier for delivery. The completed picking ticket is discarded.

From time to time, personnel other than the warehouse personnel (e.g. controller) conduct a physical count of the inventory held in the warehouse and compare this with the recorded amounts. Any discrepancies are investigated and recorded values updated in the system to reflect the actual quantities held.





is the systems/document flowchart for a Sales and Cash Receipts system. The flowchart is annotated with 15 points labelled A to O, 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

Whilst a Control Matrix Template is provided on page 7, to assist those students who wish to use it in the preparation of their answer to part C, **DO NOT** include the template as part of your answer.

**Required:**

- C 1.** Identify five of the 15 annotated points provided that satisfy one or more control objectives of the system.  
(1 MARK suggested time approx. 4 minutes)

- C 2.** For each of the 5 identified control plans indicate what control objectives of the system are satisfied.  
(1 MARK suggested time approx. 4 minutes)
- C 3.** Identify **five** of the 15 annotated points provided that indicate **MISSING** control plans for this system.  
(1 MARK suggested time approx. 4 minutes)
- C 4.** For each of the 5 identified MISSING control plans indicate what control objective is not being satisfied and speculate on a control plan that should/could be implemented for each MISSING element.  
(2 MARKS suggested time approx. 8 minutes)

TOTAL (5 MARKS)



**SALESMAN**

**STORE MANAGER**

