



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC2133 ACCOUNTING INFORMATION SYSTEM**
Semester & Year : JANUARY – APRIL 2021
Lecturer/Examiner : MR.RAVINDRAN RAMAN
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists:
PART A (100 marks) : 4 compulsory questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorised materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 4 (Including the cover page)

PART A : COMPULSORY QUESTIONS (100 MARKS)

INSTRUCTION (S) : There are **FOUR (4)** questions in this section. Write your answers in the Answer Booklet(s) provided.

Question 1

(a) Explain the following terms:

- i. Cloud Computing (4 marks)
- ii. Shared-Services (4 marks)
- iii. E-Business (4 marks)

(b) Third parties such as regulators, accountants, auditors, tax departments and business consultant would want to use qualitative data and information from the Accounting Information System (AIS). Describe **FOUR (4)** qualitative characteristics that makes this information useful in a business environment.

(8 marks)

(Total 20 marks)

Question 2

Companies conducts business transaction between internal and external stakeholders. Therefore, the Accounting Information System (AIS) captures the flow of information between these two users for various business transactions in order to make key decisions in their business process.

Required:

(a) Draw a diagram and illustrate the process flow between both stakeholders.

(10 marks)

(b) Discuss the various type of transactions conducted in the AIS.

(10 marks)

(Total 20 marks)

Question 3

(a) Define an Enterprise Resources Planning (ERP) system in a business environment.

(4 marks)

(b) Explain **FOUR (4)** advantages for companies anticipating in ERP in conducting their business.

(8 marks)

(c) Discuss the business process integration, automation and optimization of ERP for a firm which employs the ERP system.

(8 marks)

(Total 20 marks)

Question 4

Instruction(s): Read the short case provided below and answer the questions given at the end.

Rabo Bhd is a swimming suit manufacturing firm founded in year 2016, which currently employs 400 staffs. The company produces swimming suits in its factory located in Vietnam. Each suit is tailored to a rider based on a number of different measurements, including height, weight, inseam and arm length. These measurements are taken at 50 professional swimming suit shops around Vietnam which are certified to size Rabo Bhd suits. Rabo only accept orders through authorized dealers, the company ensures that each suit matches its rider precisely. They swim suits are considered extremely high quality, and the company takes pride in using only the best components sourced from around the world. Accordingly, the company purchases from various suppliers, chosen for their commitment to quality and reliability. Demand for the swim suits has grown gradually in recent years. The surge in demand was somewhat unexpected and the company's factory has been operating at capacity for over a year. As a result, current orders face a production delay of approximately 4-5 weeks. Rabo Bhd's operations have been further problem due to severe inefficiencies and control weaknesses attributed to its old and manual accounting system. You have been appointed as a consultant to suggest improvements in the company's accounting procedures. The following paragraphs describe the company's revenue cycle.

Revenue Cycle

Sales Order System

The sales order process begins when an authorized dealer faxes a completed customer order and measurement form to the sales department. When the fax is received a sales representative calls the dealer to confirm the order details and generate a quote based on the complexity of the order. The sales clerks then enter the measurement and quoted price into his personal computer terminal, which automatically generates a sales order form. The clerk prints three hardcopies of the sales order form. The first copy is sent to the billing department and the second is sent to the factory. The clerk files the third copy along with the customer order in the sales department's open customer order file.

The billing department clerk uses the first copy of the sales order to compute the final sales price and manually prepares two copies of the customer invoice. One copy of this invoice is sent to the customer, while the second is used by the billing clerk to update the sales order journal and account receivable subsidiary from his terminal. At the end of each day the clerk prints out a hard-copy summary of the account receivable ledger and the sales journal and forwards them to the general ledger department. When the second copy of the sales order is received in the factory, it is forwarded to the production planning clerk for scheduling. The clerk sets a production date and manually prepares one copy of the materials requisition form and two copies of the production order. The first copy of the production order is sent to the sales department and filed in the open customer order file to inform the customer of the intended date of production order form and materials requisition form are temporarily filed in the factory. At the beginning of each day the factory production line manager accesses the temporary production file and pull the production order to be completed for the day. He then forwards the materials requisition form to the warehouse to obtain the raw materials and components needed for production. Once the materials have been forwarded to the production department, the warehouse clerk updates the digital inventory subsidiary account from his terminal. At the end of every day the clerk prints a hard copy journal voucher and sends it to the general ledger department. When production of a suit is completed, the suit and the second copy of the production order form are sent to the warehouse to await shipping. The warehouse clerk receives a suit and its accompanying production order, and he/she packs the suit for shipping. The clerk then manually prepares a stock release document from the production order document. Finally, the warehouse clerk forwards the packaged suit, along with the stock release document, to the shipping department. On the

date the suit is due to be shipped, the shipping clerk uses the stock release document to prepare three copies of the bill of lading and one copy of the packing slip from the department PC. From this PC he updates the company's shipping log. Two copies of the bill of lading and the packing slip are forwarded along with the packaged suit to the carrier. The third copy of the bill of lading is sent to the sales department to close the open customer order file.

At the close of business each day when the general ledger department clerk receives journal vouchers and the AR summary, he updates the general ledger accounts from the PC in the department. The AR summary and vouchers are filed in the department.

Cash Receipts System

Customer payments are processed in Rabo Bhd's mail room along with other mail received by the organization. A mail room clerk selects and opens customer remittances envelopes and reviews the cheques and remittance advice. Next, the clerk manually prepares three copies of remittance list. The first copy of remittance list is sent, along with the cheques to the cash receipt department. Once the clerk there receives the remittance list, he reconciles the cheques and remittance list, and updates the cash receipt journal from his PC. He then prints two copies of the deposit slips, which are sent along with the cheques to the bank. The second copy of the remittance list, along with the remittance advice, is sent to the billing department. The clerk reconciles these documents and update the accounts receivable subsidiary account to reflect the payment received. The third remittance list is sent to the general ledger department, which uses it to update the accounts receivable control and cash accounts.

Required:

- (a) Create a data flow diagram using ERP integration which would enable Rabo Bhd to overcome their delays and improve to be more efficient in their business manufacturing process.

(20 marks)

- (b) Analyze **FIVE (5)** physical internal control weaknesses in the system according of the physical controls activities and provide **FIVE (5)** recommendations of using IT controls.

(20 marks)

(Total 40 marks)

END OF QUESTION PAPER