



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE : EAB41103
COURSE NAME : ACCOUNTING INFORMATION SYSTEM 2
PROGRAMME NAME : BACHELOR IN ACCOUNTING (HONS)
DATE : 10 FEBRUARY 2025
TIME : 9.00 AM – 12.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FOUR (4) Questions**.
4. Answer **ALL** questions.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE SIX (6) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided

Question 1

- (a) RawBuild Sdn Bhd sells building materials that cater peninsula Malaysia market. Its customers include both business to consumers (B2C) and business to businesses (B2B) segments. Consumers usually pay their purchases by cash or credit card, but business customers mostly buy on credit. A credit check is made to all business customers before approving a line of credit.

Sales can be made online or by a hard copy order document that customer mail or fax to the company. When a credit order is received, Amar, the sales clerk verifies inventory availability, prepares a sales order, and sends the stock release copy to Emi, a warehouse employee who picks the goods and arranges the shipment. She then prepares the bill of lading and shipping notices. Mimi, an officer in the billing department receives the shipping notice from Emi and updates the inventory subsidiary ledger to account for the reduction in inventory. Mimi files the stock release, prepares the invoice, and mails the copy of it to the customer. She then updates the sales journal and then sends the invoice, sales order, stock release, and shipping notice to the accounts receivable (AR) department.

Rani in the AR department files the documents that Mimi sends him and updates the AR subsidiary ledger. Faris in the mail room receives remittance advices and customer cheques sent in payment of accounts. He sends the remittance advices to Rani for posting to the AR ledger and sends the cheque to Rose, the cash receipt clerk. At the end of the day, Rose prepares a deposit slip and deposits the cheques into the company's bank account, files the bank receipt, and updates the cash receipts journal.

Cash sales to B2C are handled in a manner similar to the process described here except that cheques or credit card account numbers are submitted with the original order. At the end of each week, Johan an accounting clerk, reconciles all transaction and posts them to the general ledger.

Required:

Prepare the resources, events and agent (REA) model for the sales process of RawBuild Sdn Bhd. Show cardinalities for all associations.

(15 marks)

- (b) You are the CEO of a large organisation that has implemented a data warehouse for the internal analysis of corporate data within the company's Enterprise Resource Planning (ERP) system. Implementing a successful data warehouse involves installing a process for gathering data on an ongoing basis, organising it into meaningful information, and delivering it for evaluation.

Required:

- i. Identify **FIVE (5)** key stages for data warehousing process.

(5 marks)

- ii. Discuss **THREE (3)** implications for internal control and auditing in data warehousing.

(6 marks)

[26 marks]

Question 2

- (a) Internet commerce has enabled thousands of business enterprises of all sizes, as well as millions of consumers, to congregate and interact in a worldwide virtual shopping mall.

Required:

- i. Define the purpose of internet addresses.

(2 marks)

- ii. Identify any **FOUR (4)** internet protocols.

(8 marks)

- iii. Discuss **FOUR (4)** benefits from internet commerce.

(8 marks)

- (b) Cost benefit analysis (CBA) helps management determine whether the benefits received from a proposed system will outweigh its costs. Classify each of the following as either one-time or recurring cost:

- i. Purchase of network control software
- ii. Initial programming and testing
- iii. Personnel costs
- iv. Data conversion from old system to new system
- v. Software and hardware maintenance
- vi. System design

(6 marks)

[24 marks]

Question 3

- (a) Neutral Beauty Sdn Bhd (NBSB) is considering implementing a newly structured Information System (IS) to automate operations, including purchase processing, sales processing, cash receipts, accounts payable, and cash disbursement procedures. Fattah Aman, the Director of Information Technology (IT) at NBSB, sent a memo to all employees to announce the new System Development Life Cycle (SDLC) as below:

MEMO

Attention to: Staff of NBSB
Cc: CEO, NBSB
From: Fattah Aman, Director of IT Department

Subject: Implementation of New Information System

I have contracted with Fazbuluss Consulting Group to conduct system analysis, system selection, and design. The programming and implementation will be handled in-house by our IT department staff. The development process will be unobtrusive for user departments, as the consultant understands the requirements and will work independently in the background. This approach will not disrupt departmental workflows or internal audit processes with time-consuming interviews, surveys, or questionnaires. I believe this is an efficient process that will produce a system appreciated by all.

Thank You.

Required:

As the Head of Internal Control department, you disagree with the approach outlined by Fattah Aman. Draft a reply memo expressing your concerns about this approach, addressing potential risks and suggesting alternative methods to ensure effective implementation and smooth compliance throughout the SDLC.

(10 marks)

- (b) The participants in system development in the SDLC may be classified into three broad categories. Identify the **THREE (3)** categories.

(3 marks)

- (c) Monogram Manufacturing operates in an industry in which frequent changes in market conditions result in a hectic and volatile Information Technology (IT) environment within the company. To keep abreast, Monogram's system development team are engaged in a considerable level of new program development and application change activities. In order to efficiently manage the workload, the director of the IT department has combined the functions of systems development and program change into a single department. This allows programmers of new applications to also maintain those applications. To achieve cross training, programmers also maintain applications originally programmed by other IT personnel. This has resulted in an "open" library policy that allows programmers to access all programs stored in the SPL and download them to personal computers for maintenance. The immediate effect of this policy has been an increase in workflow by reducing the startup time needed by programmers to become familiar with the systems being modified. It also reduces the time spent on system documentation. Since the designer and the maintenance programmer are the same person, highly detailed and standardized documentation is not needed.

Required:

- i. Discuss **THREE (3)** potential risk related to Monogram Manufacturing's program change procedures explained from the case above.

(6 marks)

- ii. Discuss **THREE (3)** controls that would reduce the risks described in (i) above.

(6 marks)

[25 marks]

Question 4

- (a) Inland Revenue Board of Malaysia (IRBM) has introduced the use of digital certificates for e-invoicing, ensuring the authenticity and integrity of digital documents. It serves as an electronic "passport" that establishes the credentials of the sender when performing e-invoicing. It is a secure way to ensure that the sender is who they claim to be and that the information sent on the invoice has not been altered in transit. The use of digital certificates is crucial for maintaining data integrity and authenticity, making it an essential component in the e-invoicing process. A digital signature is created and attached to the e-invoice.

With the implementation of e-invoicing, business has to integrate e-Invoicing technology (MyInvois Portal) with existing systems which has to satisfy many requirements for synchronization. Businesses may choose to upgrade the existing system and to purchase the middleware software or to purchase new readily software that available in market such as IFCA ERP software, Auto Count e-invoice solution that offer direct Application Programming Interface (API) integration with IRBM Myinvois portal. During the process, issues like data corruption, data loss and destruction, degraded computer performance, hardware destruction, violations of privacy could possibly happen to most operating systems.

Required:

- i. Explain the digital signature.
(4 marks)
 - ii. Discuss **SIX (6)** controls and procedures to substantially reduce the threat from destructive programs.
(12 marks)
- (b) Through-the-computer testing employs Computer-Assisted Audit Tools (CAATs) and requires an in-depth understanding of the internal logic of the application under review. Compare the following types of CAATs shown below:
- i. Tracing
 - ii. Integrated test facility
 - iii. Parallel simulation

(9 marks)

[25 marks]**END OF QUESTION PAPER**