



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE	: EAB20804
COURSE NAME	: ACCOUNTING INFORMATION SYSTEM
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 26 JUNE 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.
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THERE ARE SEVEN (7) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

- (a) Discuss the differences between data and information within the context of Accounting Information System (AIS).

(4 marks)

- (b) Business transactions with external parties typically involve a “give and get” exchange. Briefly describe the basic business process cycles in relation to this concept.

(5 marks)

- (c) Juicier Lover Bhd is a prominent beverages firm based in Kangar, Perlis. The firm manufactures 24 hours per day, seven days per week, and workers work a standard shift of eight hours and are paid hourly. Workers at the factory are paid weekly, with roughly 80 percent reimbursed by bank transfer and 20% reimbursed in cash; the differing payment methods are because of worker choices, and Juicier Lover has no intentions to modify them. Sales staff and the admin are reimbursed monthly by bank transfer.

Each worker of the factory is given a clock card with a sequential number that includes their name and employee number. Workers swipe their cards at the start and the end of their eight-hour shift, and this procedure is not supervised. Workers are entitled to a 30-minute paid break during their shift, and they are not required to clock out to access the dining area which open to everyone. Clock card data is linked to the payroll system, which automatically computes gross and net pay, as well as any statutory deductions. The payroll supervisor for every payment run checks a sample basis same of these computations to ensure the system is functioning properly.

The Juicier Lover human resources department is responsible for setting up new permanent worker and resignations. Appointments of temporary workers are made by factory production supervisors. Overtime is needed of factory workers, typically to fill gaps caused by worker holidays. Production supervisors receive quarterly overtime reports from the payroll department detailing the amount of overtime done, which they

can evaluate. In order to encourage workers to arrive on time for all shifts, Juicier Lover offers a discretionary bonus every six months to factories workers; the amounts awarded are determined by production managers. The production supervisors inform the payroll department verbally, and a clerk enters the bonus into the system.

When a worker is paid by bank transfer, the payroll manager reviews the last of the payments and validates to the payroll records prior to authorizing the bank payment. If modifications are required, the payroll manager updates the records based on their own judgement. When a worker is paid in cash, pay packets are prepared in the payroll department and given to the worker by a clerk who does not need identification because she knows most of the workers.

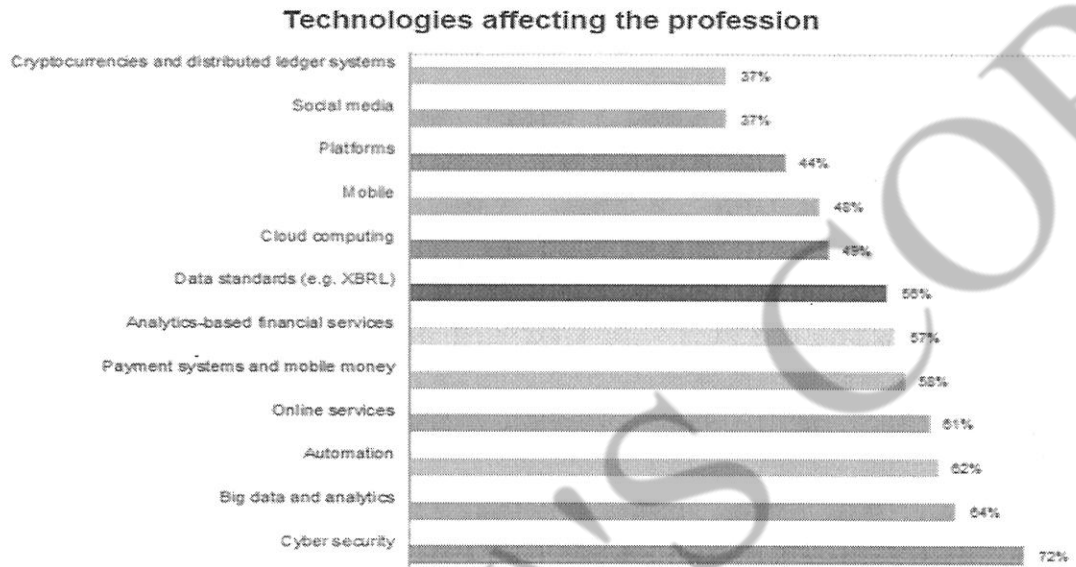
Required:

- i. Identify **FOUR (4)** possible internal control weaknesses or threats that impact the Juicier Lover payroll system.
(8 marks)
- ii. Discuss **FOUR (4)** control procedures to overcome all the payroll system weaknesses at Juicier Lover.
(8 marks)

[25 marks]

Question 2

- (a) The Malaysian Institute of Accountants (MIA) has outlined five guiding principles for accountants to respond appropriately to digital technology, as stated in its MIA Digital Technology Blueprint (2018) article excerpted below.



(Extracted from MIA Digital Blueprint (2018, p. 31))

Required:

- i. Discuss your actions to embrace digital technology based on the guiding principles highlighted by MIA.

(3 marks)

- ii. Explain the effect of any **THREE (3)** technologies listed above on accountancy profession.

(6 marks)

- (b) Langit Deco Bhd is Malaysia's largest producer of household and office decoration accessories. The Langit Deco main manufacturer, located in Datuk Keramat, has been operating since 1999. Furthermore, the company has been dealing with production planning and operations struggles for many years, which might lead to low production cycle efficiency. In order to maintain long-term competitiveness in the market, Langit Deco is currently working to enhance internal control over the production cycle, specifically with regard to production planning and operation.

The raw materials used to make lamps at Langit Deco include glass, ceramics, and wood. Each glass, ceramics and woods have a barcode. The master production schedule and open production orders are reviewed by Gaia, a clerk in the raw material department, each day to determine which items should be sent in for production. Each worker on the production line has a personal workstation with access to all the equipment's needed for assembling the Langit Deco goods. Every time a worker has to use one of the machines at the workplace, he must scan the employee card, containing information about that specific worker. When the worker's card is scanned, the worker's details are paired with the exact product being produced, and the time it takes to produce the product has been recorded. The glass, ceramic and wood bar codes are scanned when each production worker uses the raw materials.

When a good is finished, it is packaged, and the last machine controlled by a production worker prints the product barcode, which is attached to the packaging. The finished products are delivered to the warehouse, where distribution takes place. The master production schedule, which details the styles and quantities to be created over the next week, is prepared by the production planning department using current inventory levels and sales estimates. The production order preparation program has access to the master production schedule as well as the operations list. The production database contains both the master production schedule and the operations list, which are used to generate production orders for each product that will be produced. Every new production order must be added to the open production order master file, which is saved on disk.

Required:

- i. Describe **FOUR (4)** weaknesses or problems in the production planning and operation that Langit Deco and other firms may have encountered.

(8 marks)

- ii. Explain any **FOUR (4)** control procedures that Langit Deco should incorporate into production planning and operations.

(8 marks)

[25 marks]

Question 3

- (a) System Analysis and Design (SAD) plays a crucial role in the development of effective Accounting Information Systems (AIS). Define the term SAD and explain its importance in AIS development.

(5 marks)

- (b) Accountants are increasingly involved in the development and implementation of accounting systems through SDLC. Describe **THREE (3)** important roles that accountants should demonstrate throughout the SDLC process.

(6 marks)

- (c) NJM Corporation, a multinational manufacturing company, has decided to upgrade its outdated accounting system to a modernized AIS to streamline financial processes, improve reporting accuracy, and enhance data security. The project is critical for NJM Corporation as it aims to align financial management with the industry's best practices and regulatory requirements. Furthermore, the project will contribute to better decision-making, compliance with regulatory standards, and overall efficiency in financial management within the organization.

Required:

- i. Identify **THREE (3)** key individuals involved in managing a system development project and briefly explain the role each of them plays in ensuring project success.

(6 marks)

- ii. Briefly discuss any **FOUR (4)** key factors that contribute most significantly to the success of an accounting information systems project development.

(8 marks)

[25 marks]

Question 4

- (a) The Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework is widely used to assess and strengthen internal control systems within an organization. Briefly explain the **FIVE (5)** key elements of the COSO internal control framework.

(10 marks)

- (b) AdamHawa Company has 25 stores chain in the Southeast that sells phone and accessories. The business records every transaction using electronic cash registers. At the start of their shift, the salesperson enters their ID number. The item's description, unit price, and quantity are displayed after the salesperson rings up the order by scanning the bar code of each item (each item must be scanned). Every transaction is automatically assigned a sequential number by the cash register. A sales receipt with the amount, any discounts, the sales tax, and the grand total is printed by the cash register.

Once payment has been received, the salesperson delivers the customer the receipt and either makes arrangements for delivery with the shipping department or directs the customer to the warehouse to pick up the things they have ordered. Salespeople are in charge of utilizing the system to approve transactions made with credit cards or with cheques. The cash registers provide totals for sales made with cash, credit cards, and cheques at the end of each day. They also print a list of sales receipts arranged in a sequential manner. The cash in the cash register, the total of the sequentially numbered sales invoices, the return slips, and the cash register tapes are all reconciled by the assistant manager. A daily reconciliation report is prepared by the assistant manager and reviewed by the store manager.

The manager prepares the daily bank deposit and reviews the sales made using credit cards, cheques, and cash. The manager files the verified deposit slip after physically making the deposit at the bank. The manager completes the bank reconciliation at the end of each month. Files from every store are processed at corporate headquarters together with cash register tapes, sales invoices, return slips, and reconciled reports on daily basis. Every week, each store manager receives a Sales and Commission Activity Report from corporate headquarters to analyze.

Required:

- i. Discuss any **THREE (3)** control strengths in AdamHawa's revenue business process procedures.

(6 marks)

- ii. Based on the control procedures implemented in (i) above, explain the risks mitigated.

(6 marks)

- iii. Discuss how Enterprise Risk Management (ERM) processes can be continuously monitored and improved so that deficiencies are brought to the management's attention.

(3 marks)

[25 marks]

END OF EXAMINATION PAPER