



**UNIVERSITI KUALA LUMPUR  
BUSINESS SCHOOL**

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**FINAL EXAMINATION  
OCTOBER 2025 SEMESTER**

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**COURSE CODE** : EAB21203  
**COURSE NAME** : ACCOUNTING INFORMATION SYSTEM 1  
**PROGRAMME NAME** : BACHELOR IN ACCOUNTING (HONS)  
**DATE** : 30 JANUARY 2026  
**TIME** : 03:00PM – 06:00PM  
**DURATION** : 3 HOURS

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**INSTRUCTIONS TO CANDIDATES**

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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 FOUR (4) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.**

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(Total: 100 marks)

**INSTRUCTION: Answer ALL questions.**  
**Please use the answer booklet provided.**

### Question 1

Bright Vision Electronics Sdn. Bhd. is a retail and wholesale company selling consumer electronics. The company's revenue cycle involves multiple departments — sales, credit control, warehouse, billing, and finance.

Currently, the company uses a semi-computerised system, where order entry is digital but other functions remain manual.

The following problems have been observed over the past few months:

1. Some customers received incorrect quantities or duplicate deliveries.
2. Several invoices were found missing or contained pricing errors.
3. Sales orders were processed for customers with outstanding overdue accounts.
4. Cash and cheque payments from customers were not promptly deposited into the bank.
5. Monthly sales and receivables reports were delayed and inconsistent.

Management is considering upgrading to a fully integrated Accounting Information System (AIS) with features such as automated credit approval, e-invoicing, and real-time reporting.

**Required:**

- (a) Explain **FIVE (5)** control weaknesses or risks in Bright Vision's current revenue cycle process.  
(10 marks)
- (b) Recommend appropriate internal control measures or system features to mitigate each weakness identified in (a).  
(10 marks)

- (c) Explain **TWO (2)** major benefits that Bright Vision can achieve by adopting an integrated Accounting Information System (AIS) for its revenue cycle.

(5 marks)

**[25 marks]**

### Question 2

Giant Bike Sdn. Bhd. is a bicycle manufacturing firm founded in 2000 that currently employs 500 people. Each bicycle is tailored to a rider based on a number of different measurements, including height, weight, inseam and arm length. Accordingly, Giant Bike purchases from a cast of hundreds of suppliers, chosen for their commitment to quality and reliability. Demand for Giant Bike's cycles has grown exponentially in recent years. Your firm has been hired as an outside consultant to suggest improvements in the company's accounting procedures. The following paragraphs describe the company's expenditure cycle.

A clerk in the department monitors inventory levels from his personal computer (PC), which is linked to the inventory subsidiary ledger. Once a part needs to be replenished, he creates three hard copies of purchase order. One copy is mailed to the vendor, second copy of the purchase order is sent to the warehouse, and the third copy is filed in the purchasing department.

Typically, within 3 to 5 business days, the warehouse receives the ordered parts and the packing slip from the vendor, which the warehouse clerk reconciles with the second copy of the purchase order. Once the reconciliation is complete, the warehouse clerk prepares a four-part hard copy of receiving report stating the quantity and condition of the items received. One copy of the receiving report is sent to the general ledger department to update the general ledger. The second copy of the receiving report is sent to record accounts payable subsidiary ledger and the third copy is sent to update the inventory subsidiary ledger. The last copy is filed in the department. Within a week, the mail room receives the supplier's invoice, which is immediately sent to the accounts payable department. The accounts payable clerk reconciles the invoice with the receiving report and then records a liability in the accounts payable subsidiary ledger from the department PC.

#### Required:

Prepare Data Flow Diagram (DFD) for the Giant Bike Sdn Bhd.

(25 marks)

**[25 marks]**

**Question 3**

AeroLite Components Sdn. Bhd. manufactures composite panels for aircraft interiors. The company is facing material wastage and reporting delays. The internal audit identified several weaknesses:

1. Excess raw materials are issued to production without proper authorization.
2. Waste and defective materials are not recorded accurately.
3. Production supervisors manually calculate material usage variances.
4. Finished goods are sometimes recorded before quality inspection.
5. Monthly production and waste reports are delayed.

The company plans to upgrade to a Computer-Integrated Manufacturing (CIM) system linked with its Accounting Information System (AIS) to improve efficiency, accuracy, and control.

**Required:**

- (a) Explain **FIVE (5)** weaknesses or risks in AeroLite's conversion cycle.  
(10 marks)
- (b) Suggest **FIVE (5)** internal controls or Accounting Information System (AIS) enhancements to improve accuracy and accountability.  
(10 marks)
- (c) Discuss **TWO (2)** benefits of integrating quality control and inventory management with Accounting Information System (AIS).  
(5 marks)  
**[25 marks]**

**Question 4**

Aerosys Components Sdn. Bhd. is a company that manufactures aircraft spare parts and recently upgraded its Accounting Information System (AIS). The system integrates the General Ledger System (GLS), Financial Reporting System (FRS), and Management Reporting System (MRS).

After six months of operation, several issues have been identified:

1. The journal voucher process is not well controlled, resulting in unauthorised postings to the general ledger.
2. The financial reporting team faces delays and errors when generating financial statements.
3. The management reporting team struggles to produce relevant reports for decision-making, and data redundancy has been detected.
4. The company is considering implementing XBRL (eXtensible Business Reporting Language) to improve data sharing with regulators and stakeholders.
5. Some managers complain about information overload and lack of clarity in performance measurement reports.

**Required:**

- (a) Explain the relationship between the General Ledger System (GLS), Financial Reporting System (FRS), and Management Reporting System (MRS) within an Accounting Information System.  
(6 marks)
- (b) Discuss **FOUR (4)** internal control measures that should be implemented to ensure the reliability and integrity of data in the General Ledger System (GLS) and Financial Reporting System (FRS).  
(8 marks)
- (c) Describe the purpose and process of implementing XBRL in financial reporting and explain **TWO (2)** potential risks related to taxonomy mapping and validation.  
(6 marks)
- (d) Identify **TWO (2)** factors that influence the design of a Management Reporting System (MRS) and how each factor supports effective decision-making.  
(5 marks)

**[25 marks]**

**END OF EXAMINATION PAPER**