

The  
Management  
University  
of Africa



Sponsored by the Kenya Institute of Management

**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF COMMERCE**

**ACC 413: ACCOUNTING INFORMATION SYSTEMS**

**DATE: 14<sup>TH</sup> APRIL 2026**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

**QUESTION ONE**

**Read the attached case study below and answer the questions that follow**

Mua owns a hospital and makes use of the intranet. All the personnel carry out their activities in the hospital are served and especially the top management of the hospital, using an information management system and their intra net is built to complement the Information system in the accounts department the (AIS) specifically as means of decision support system application which is used for performance indicators and which aids the top managers of the hospital.

Computer based controls are used to survey the malfunctions of the software and also indicators of performance are initiated so as to state the effectiveness of every department and also the ultimate performance of the entire hospital. It contains queries in the database of the Accounting Information System.

This system does produce a wide range of results in form of reports that include monitors and indicators that analyze medical and also drug resources, debit and credits for the customers, the guidelines of clinic practice, procedures and schedules of surgeries, comparison of the policy of the patient policy on daily basis and also reports and forms that are online, view of each doctor's performance in regard to their patients and the clinics is also made part of the system's output.

Distinguishing between invoiced and the non-invoiced revenues and also analysis regarding of the receivables which are related to patients and also related to institutions of social security and companies of insurance. This is the main data that is found inside the Intranet.

The information system is designed to fit in to the nature of the structure of the hospital that includes that fact that the hospital covers an area of about 55,000 Meter squared, containing clinics and also outpatient service clinics with various specialties, installed within the state-of-the-art equipment, the hospital has about one thousand four hundred employees, of whom two hundred are distinguished physicians and many

leading freelancers. The facility is equipped with about 300 beds within the clinics, 25 rooms of operation, thirty eight ICU beds, twenty four unit beds for offering dialysis and 78 on a day basis nursing beds. Hospital works as a charity, foundation that is non-profit, giving vital care that is both primary and secondary in its society.

With the kind of structure that the hospital has, various information systems that is flexible and also integrated, makes it vital for any given private or even public organization that is in search of offering modern, effective health services and also remain competitive. The hospital has an information system that is separate, connecting to various databases that give support to numerous applications.

**Required:**

- a) In reference to the above case study, assess how DIP can improve operational efficiency

**(5 Marks)**

- b) Systems approach involves systematic approach to problem solving. Examine its application in management and the steps that one would carry out to study a problem of frequent failure of payroll processing system at the hospital.

**(5 Marks)**

- c) Evaluate the critical Software testing stages to be conducted for newly incorporated software in the hospital.

**(5 Marks)**

- d) With developments in end user computing in many organizations, it has become increasingly necessary that organizations have information centers. Examine five services provided by these centers.

**(10 Marks)**

**QUESTION TWO**

- a) Modern banking environments have greatly benefited from developments in Electronic Data Interchange (EDI) and electronic funds transfer. Explain EDI and EFT and show their contribution to better business transactions.

**(10  
Marks)**

b) Explain the procedure of adding a customer in QuickBooks.

**(5 Marks)**

### **QUESTION THREE**

(a) Different organizations have adopted different structures for the IT department. Examine the traditional structure of an IS department

**(10 Marks)**

(b) Describe the procedure of adding items in QuickBooks. **(5**

**Marks)**

### **QUESTION FOUR**

Outsourcing can be defined as the process of turning partially or fully an organization's IT services to external entities.

a) Discuss five merits outsourcing the Information System function in an organization. **(10**

**Marks)**

b) Examine five potential challenges or risks an organization may face when outsourcing its Information System (IS) functions

**(5 Marks)**

### **QUESTION FIVE**

a) Assess four features that would define quality software being developed

**(4**

**Marks)**

- b) With examples, examine the five rules for system testing (11 Marks)**

**QUESTION SIX**

- (a)** Accounting systems are bound to experience more sweeping changes — or advancements in technology that already exist — both this year and in the years to come. Discuss four of these changes. **(8 Marks)**
- (b)** Explain the term feasibility study. **(3 Mark)**
- c) Explore four areas of feasibility study (4 Marks)**