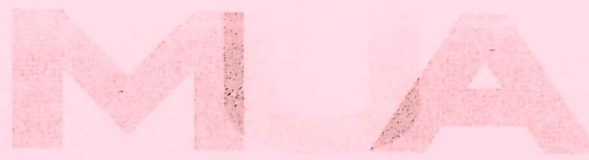


The  
Management  
University  
of Africa



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: 8<sup>TH</sup> AUGUST 2024**

**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**

- a) You are an intern at Cavingtong Plc, a retail business that operates multiple stores. The company recently implemented a new accounting information system to streamline its financial processes. However, you have discovered evidence that some employees are engaged in unethical practices by overstating sales in the system. Analyze the following scenario and answer the questions that follow:

**Scenario:**

1. The sales team receives incentives and bonuses based on the reported sales figures.
2. Certain employees have been entering fictitious sales transactions into the system to artificially inflate sales figures.
3. These fraudulent entries are not supported by actual sales and result in inaccurate financial statements and misleading information.

**Required:**

- i) Discuss the ethical implications of overstating sales in the accounting information system. **(10 marks)**
  - ii) Identify the potential consequences for the employees involved in this unethical behavior and the company as a whole. **(10 marks)**
- b) Evaluate the main challenges companies face when integrating an ERP system with existing legacy systems? **(5 marks)**

**QUESTION TWO**

- a) Analyze the different testing strategies and techniques employed during system analysis and design **(10 marks)**
- b) Discuss five ways in which companies can effectively manage data migration and ensure data integrity during ERP implementation. **(5 marks)**

**QUESTION THREE**

- a) Discuss five key criteria for evaluating and comparing different hardware options for system development. **(10 marks)**
- b) Assess five ways on how you can use historical data and trends to inform financial projections in a model. **(5 marks)**

**QUESTION FOUR**

- a) Explain the importance of risk assessment in the context of designing an internal control system for system development. **(10 marks)**
- b) Discuss how companies handle the challenge of change management when introducing an ERP system to employees and stakeholders. **(5 marks)**

**QUESTION FIVE**

- a) Discuss five roles of stakeholders in system analysis and design. **(10 marks)**
- b) Analyze five key objectives of an internal control system during system development. **(5 marks)**

**QUESTION SIX**

- a) Describe five ways in which you can ensure that there are proper checks and balances in place to prevent unauthorized access, fraud, and misuse of the system. **(10 marks)**
- b) Discuss the roles of documentation in system analysis and design and its importance for future system maintenance and enhancements. **(5 marks)**

