INSTRUCTIONS TO MODERATOR

1. ALL questions must be answered on the exam sheet provided.
2. The paper has two Sections (A and B); questions in both sections must be answered.
3. When answering questions you should be led by the allocation of marks (approximately one mark per minute). Do not give too few or too many facts in your answer.
4. There are no books, notes or any other printed aids allowed.

*Please note: ALL questions to be answered.*
SECTION A: Multiple choice questions [Marks 10]

1. An AIS must be able to perform which of the following tasks?
   a. Collect transaction data
   b. Process the data
   c. Provide adequate controls
   d. All of the above

2. The primary focus of an AIS course, as opposed to other IS courses, is on...
   a. Application of information technology.
   b. Use of accounting software.
   c. Understanding how information technology can be used to improve AIS processes.
   d. Preparation of financial statements.

3. Which of the following types of networks is used to provide trading partners with limited and controlled access to internal operating data?
   a. Intranet
   b. Extranet
   c. DDP
   d. WAN

4. Digital signatures and message digests provide assurance that...
   a. Data is encrypted.
   b. Data sent has not been altered by the time it reaches its intended receiver.
   c. A credit card number is valid.
   d. None of the above.

5. Communications software provides sets of rules by which data can be sent and received from other systems. These sets of rules are called:
   a. Procedures
   b. Controls
   c. Macros
   d. Protocols
6. A DFD is a representation of which of the following?
   a. Relationship among input, processing, and output of an AIS.
   b. Flow of data in an organization.
   c. Decision rules in a computer program.
   d. Computer hardware configuration.

7. Which of the following statements is false?
   a. A flowchart is an analytical technique used to describe some aspect of an information system in a clear, concise, and logical manner.
   b. Flowcharts use a standard set of symbols to describe pictorially the flow of documents and data through a system.
   c. Flowcharts are easy to prepare and revise when the designer utilizes a flowcharting software package.
   d. A system flowchart is a narrative representation of an information system.

8. An entity that sends or receives data used or produced by the system is called a
   a. Data source or destination (entity)
   b. Data store
   c. Data flow
   d. Data transformation

9. Which document is used to establish a contract for the purchase of goods or services from a supplier?
   a. Vendor invoice
   b. Purchase requisition
   c. Purchase order
   d. Disbursement voucher
10. A potential, adverse occurrence or unwanted event that could be injurious to the AIS or the organization is referred to as a(n)
   a. Control
   b. Threat
   c. Exposure
   d. Loss

SECTION B: Essay and Discussion [80 Marks]

Question 1

Below is a summary of a process for ordering goods. Read it carefully and answer the questions that follow.

When an order comes in, the order processing clerk checks the customer’s credit file to confirm credit approval and ensure that the amount falls within the credit limit. If either of these conditions is not met, the order is sent to the credit department. If an order meets both conditions, the order-processing clerk enters it into the system on a standard order form. The information on the form is used to update the company’s customer file (in which the name, address, and other information are stored), and the form is placed in the company’s open order file. When the credit department receives a rejected order, the credit clerk determines why the order has been rejected. If the credit limit has been exceeded, the customer is notified that the merchandise will be shipped when payment is received. If the customer has not been approved for credit, a credit application is sent to the customer along with a notification that the order will be shipped as soon as credit approval is granted. Before preparing a packing slip, the system checks the inventory records to determine whether the company has the products ordered on hand. If the items are in stock, a packing slip is prepared and sent to the warehouse. Once notification of shipped goods has been received from the warehouse, a customer invoice is prepared. A copy is filed by the order processing department, another is sent to the customer, and another is sent to the accounting department so that accounts receivables can be updated. A note is placed in the customer file indicating that the invoice has been sent.

Required:
Question 2

a) What is a business process? Give two examples of processes for functional areas of the business and one example of a cross-functional process. [6 marks]

b) What are customer relationship management systems? How do they benefit business? [4 marks]

c) What are the five types of TPS in business organizations? What functions do they perform? Give example of each. [10 marks]

Question 3

a) When choosing an accounting system several aspects ought to be considered. In a well-structure answer, explain these aspects with examples: [10 marks]

b) List and briefly explain the five steps in the systems development life cycle [10 marks]

Question 4

a) Explain four characteristics of a reliable system [8 marks]

b) What four steps are followed when performing a risk based audit? [8 marks]

c) The Internet has created demand for specialized types of payment systems. Discuss two electronic payment methods. [4 marks]