

University of Palestine



Course No: ACC 4315  
Course Title: Accounting Information Systems  
Date: 26/11/2016  
No. of Questions: (4)  
Time: 1 hours  
Using Calculator (No)

Midterm Exam 2  
First Semester 2016/2017  
Total Grade: 15

Instructor Name: Dr. Mohammed Qeshta  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

• **Answer all Questions**

First Question: True or False	No. of Branches (5)	(05/30)
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1. Segregation of duties is an example of an internal control procedure. (-----)
2. Preventive controls are passive techniques designed to reduce fraud. (-----)
3. The bill of lading is a legal contract between the buyer and the seller. (-----)
4. In real-time processing systems, routine credit authorizations are automated. (-----)
5. A remittance advice is a form of turn-around document. (-----)

Second Question: Multiple Choice	No. of Branches (5)	(05/30)
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1. When duties cannot be segregated, the most important internal control procedure is
  - A. Supervision
  - B. Independent verification
  - C. Access controls
  - D. Accounting records
2. The four principal types of fraud include all of the following except
  - A. Bribery
  - B. Gratuities
  - C. Conflict of interest
  - D. Economic extortion
3. Copies of the sales order can be used for all of the following except
  - A. Purchase order
  - B. Credit authorization
  - C. Shipping notice
  - D. Packing slip
4. Which department is least likely to be involved in the revenue cycle?
  - A. Credit
  - B. Accounts payable
  - C. Billing
  - D. Shipping
5. The revenue cycle utilizes all of the following files except
  - A. Credit memo file
  - B. Sales history file
  - C. Shipping report file
  - D. Cost data reference file

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**Third Question: Essay Questions**      **No. of Branches (2)**      **(10/30)**

1. What is the objective of re-engineering?

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2. For each of the following documents, describe its purpose, the functional area preparing it, and the key data included: sales order, bill of lading, credit memo.

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**Fourth Question: Essay Questions**      **No. of Branches (2)**      **(10/30)**

Al-manar books Inc., is the fastest growing book distributor in Gaza. Al-manar Books's sales process begins when a customer places an order with a sales representative by phone or fax. A sales department employee prepares manually multiple copies of sales orders. One copy of the sales order is sent over to the warehouse to be used for the purpose of inventory record keeping. Another two copies of the sales order, the shipping notice and stock release, are sent to the shipping department. A sales department employee files the original copy of the sales order in sales department. In the shipping department, clerk reviews the documents and picks the books and sends them to customer along with the stock release. He then manually records the appropriate decrease in inventory in the hard-copy inventory subsidiary records that are maintained in the shipping department.

**Required**

1. Create a system flowchart for the existing system?
2. Analyze the internal control weaknesses in the system (at least 3)?

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**End of Questions**  
***Good Luck***