

Course No: ACC 4315
Course Title: AIS ENG
Date: 22/11/2014
No. of Questions: (3)
Time: 1 hours
Using Calculator (No)

University of Palestine

Mid Term Exam
1ST Semester 2014/2015
Total Grade:

Instructor Name: Laila Aldaor
Student No.: _____
Student Name: _____
College Name: Business and Finance
Dep. / Specialist: Accounting-English
Using Dictionary (No)

Question One:**(10 Marks) "??"****TRUE/FALSE**

1. The block code is the coding scheme most appropriate for a chart of accounts.
2. Sequential codes may be used to represent complex items or events involving two or more pieces of related data.
3. Auditors may prepare program flowcharts to verify the correctness of program logic.
4. A control account is a general ledger account which is supported by a subsidiary ledger.
5. The most significant characteristic of direct access files is access speed.
6. The flat-file approach is most often associated with so-called legacy systems.
7. The external auditor is responsible for establishing and maintaining the internal control system.
8. Segregation of duties is an example of an internal control procedure.
9. Opportunity involves direct access to assets and/or access to information that controls assets .
10. Cash larceny involves stealing cash from an organization before it is recorded on the organization's books and records.

Question Two:**(10 Marks)****MULTIPLE CHOICES**

1. The term "accounting independence" refers to
 - a. data integrity
 - b. separation of duties, such as record keeping and custody of physical resources
 - c. generation of accurate and timely information
 - d. business segmentation by function
2. Data processing does not involve
 - a. data control
 - b. computer operations
 - c. system maintenance
 - d. data conversion
3. The objectives of all information systems include all of the following except
 - a. support for the stewardship function of management
 - b. evaluating transaction data
 - c. support for the day-to-day operations of the firm
 - d. support for management decision making
4. Motivations for IT outsourcing include each of the following except
 - a. IT's highly technical nature
 - b. Long term contracts in IT outsourcing
 - c. Expense of IT
 - d. Dynamically changing nature of IT

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5. Useful information must possess all of the following characteristics except
- Relevance
 - Precision
 - Accuracy
 - Completeness
6. Accountants play many roles relating to the accounting information system, including all of the following except
- system users
 - system designers
 - system auditors
 - system converters
7. Which of the following is a turn-around document?
- remittance advice
 - sales order
 - purchase order
 - payroll check
8. The order of the entries made in the ledger is by
- transaction number
 - account number
 - date
 - user
9. Subsidiary ledgers are used in manual accounting environments. What file is comparable to a subsidiary ledger in a computerized environment?
- archive file
 - reference file
 - transaction file
 - master file
10. A journal is used in manual accounting environments. What file is comparable to a journal in a computerized environment?
- archive file
 - reference file
 - transaction file
 - master file

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Question Three:

(13 Marks)

ESSAY:

1. Draw the AIS Conceptual diagram and explain the difference between data and information.
2. Why do auditors need to understand the organizational structure of the business?
3. Compare DBMS and Flat-File system and describe the problem of data redundancy in Flat-File system.
4. Distinguish between the AIS and MIS. Then, name and explain the purpose of the three major subsystems of the AIS.
5. What is the audit trail and why it is important?
6. SOX is often recognized as one of the most influential Laws regulating external auditing services and internal control systems. It also had a very significant impact on AIS. Explain in your own words the major reason underlying the enactment of SOX 2002 and how did it affect the provision of attest and advisory services? **Bonus**

Kindly, empty all of your answers in the answer booklet

End of Questions

Good Luck