UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	**ACCOUNTING INFORMATION SYSTEM**
COURSE CODE	:	**AIS3043**
DURATION	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **FIVE (5)** questions.
2. Answer **ALL** questions in the answer booklet provided.
3. Please check to make sure that this examination pack consists of:
   i. The Question Paper
   ii. An Answer Booklet
4. Do not bring any material into the examination hall.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO : ______________________

ID. NO. : ______________________

LECTURER : ______________________

SECTION : ______________________

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 6 printed pages including the front page

QUESTION 1

a. A business group operates several branch offices that record daily transactions directly into a centralized online Accounting Information System (AIS). Recently, management noticed inconsistent financial reports, occasional system disruptions, and the possibility of unauthorized access to accounting data. These issues have raised concerns about the protection and reliability of the organization's accounting information.

Required:

Explain **FIVE (5)** risks related to centralized online Accounting Information Systems (AIS).

(10 marks)

b. An internal audit report revealed that the organization does not adequately monitor user activities or system modifications within the AIS. Unauthorized actions may occur without detection due to the absence of proper review procedures. Management is therefore seeking ways to improve system oversight.

Required:

Analyse **FIVE (5)** monitoring mechanisms that can be implemented to strengthen oversight and accountability within AIS.

(10 marks)

(Total: 20 marks)

QUESTION 2

a. An organization relies heavily on its Accounting Information Systems (AIS) to process daily transactions and generate financial reports. Recently, several processing errors and system issues were identified, but corrective actions were not implemented promptly. Management is concerned that the same problems may continue to occur and affect the accuracy of financial information.

Required:

Examine **FIVE (5)** corrective controls that can be implemented in Accounting Information Systems (AIS) to rectify identified errors or control weaknesses.

(10 marks)

b. The organization has connected its Accounting Information Systems (AIS) with external parties including suppliers, banks, and tax authorities to enable automated data exchange. While this integration improves efficiency, it also exposes the system to potential external security threats. Management is therefore concerned about cybersecurity risks arising from these connections.

Required:

Analyse **TWO (2)** cybersecurity risks arising from system integration in an Accounting Information Systems (AIS) environment.

(10 marks)

(Total: 20 marks)

QUESTION 3

a. BuildRight Engineering Sdn. Bhd. links its subcontractor billing platform directly with its Accounting Information Systems (AIS) to automate invoicing and payments. Recently, management discovered differences between payment amounts recorded in the AIS and those reported by subcontractors. The company suspects errors or irregular activities within the integrated system.

Required:

Examine how automated reconciliation controls contribute to detecting irregularities in integrated Accounting Information Systems (AIS).

(10 marks)

b. SecureTrust Finance Berhad uses its Accounting Information Systems (AIS) to manage loan approvals and customer account balances. Management is concerned that certain employees may have the opportunity to alter financial records without detection. The organization wants to strengthen controls to prevent internal manipulation.

Required:

Evaluate how segregation of duties reduces the risk of insider fraud and strengthens control over financial records within Accounting Information Systems (AIS).

(10 marks)

(Total: 20 marks)

QUESTION 4

a. LightPay Sdn Bhd operates an online payroll system to process monthly salaries for its employees. Recently, management identified several errors in payroll amounts due to incorrect data input and unauthorized changes to employee records.

Required:

Determine **FIVE (5)** data processing controls that can be implemented to ensure accuracy, completeness, and authorization of payroll data. Give **ONE (1)** example for each control.

(10 marks)

b. Dhania Sdn. Bhd. depends heavily on its payroll system to ensure timely salary payments. Any system failure may result in delayed payments, employee dissatisfaction, and reputational damage.

Required:

Analyse **FIVE (5)** system availability controls that can be implemented to minimize the risk of system disruption. Give **ONE (1)** example for each control.

(10 marks)

(Total: 20 marks)

QUESTION 5

Roseanne Technologies Sdn Bhd, a technology solutions company in Kuala Lumpur, follows the procedures below for its sales and cash receipts cycle.

The sales department prepares a four-part sales order after receiving verbal approval from the supervisor. Two copies are sent to the customer, one copy is sent to the shipping department as a delivery document, and one copy is kept in the sales department for control and follow-up of outstanding orders.

After the products are delivered, the shipping department confirms the delivery on its copy and returns it to the sales department. The sales department files the sales order until payment is received from the customer.

When payment is received, the sales department matches the payment with the sales order. The payment is recorded, given a number, and entered into the payment register. The sales order and payment are then sent to the accounts department.

The accounts clerk prepares a receipt and updates the accounts. The documents are forwarded to the accounting section, where cash receipts are recorded and checked for accuracy. The authorised officer reviews the documents, the invoices are stamped "Paid", and all documents are filed.

Roseanne Technologies Sdn Bhd records revenue on a cash basis. At the end of the month, an adjusting journal entry is prepared to recognise outstanding accounts receivable based on unpaid invoices listed in the payment register.

Required:

a. Illustrate the above process using flowchart techniques to document the business activities.

(10 marks)

b. Explain **FIVE (5)** control measure for each weakness found in Roseanne Technologies Sdn. Bhd. Explain how it reduces fraud and error.

(10 marks)

(Total: 20 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER