CHUKA UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF BACHELOR OF COMMERCE

BCOM 316: ACCOUNTING INFORMATION SYSTEM

STREAMS: BCOM Y3S2 ODEL **TIME:2 HOURS**

DAY/DATE: THURSDAY 07/08/2025 **8.30A.M. –10.30 A.M**

INSTRUCTIONS: Answer Question ONE and any other TWO Questions

QUESTION ONE

a) For the last twenty years, different kinds of information systems are developed for different purposes, depending on the need of the business. In today's business world, there are varieties of information systems such as transaction processing systems (TPS), office automation systems (OAS), management information systems (MIS), decision support system (DSS), and executive information systems (EIS), Expert System (ES). Each plays a different role in organizational hierarchy and management operations.

Required

For each of the stated system, describe their characteristics and application in business (20 marks)

b) A small business is planning to implement an information system to manage its sales, inventory, and customer data. Explain the five basic component resources of an information system and how each component will contribute to the business's operations. (10 Marks)

QUESTION TWO

a) A retail store processes its sales transactions using batch processing, while a bank processes customer transactions using real-time processing.

i) Differentiate between batch processing and real-time processing. (6marks)

ii) Explain why each method is suitable for the respective industries (retail and banking) (4marks)

b) ABC company is considering upgrading its current manual accounting system to a computerized system. The company processes a large volume of transactions daily, including sales, purchases, and payroll.

Required:

i) Explain FIVE advantages of using a computerized accounting system over a manual system for this company. (10 Marks)

QUESTION THREE

a) XYZ Ltd is planning to implement a new accounting information system (AIS) to improve its financial reporting and decision-making processes. Discuss the subsystems required by the operational, tactical, and strategic management levels in an AIS, providing examples for each level. (10 marks)

b) A bank has recently introduced a new online banking system that allows customers to perform transactions, check balances, and apply for loans from their smartphones.

Required:

i) Discuss potential threats to the security of the online banking system and suggest ways to mitigate these threats. (10 Marks)

QUESTION FOUR

A company is considering switching from a traditional file-based system to a Database Management System (DBMS).

a) Explain the advantages of using a DBMS over a file-based system. (10marks)

b) Discuss potential challenges the company might face and suggest solutions. (10marks)
