

THIS PAPER IS NOT TO BE REMOVED FROM THE EXAMINATION HALLS

UNIVERSITY OF LONDON

CO 3317 ZA

BSc Examination

**COMPUTING AND INFORMATION SYSTEMS AND CREATIVE
COMPUTING**

Accounting Information Systems

Thursday 22 May 2014 : 10.00 – 12.15

Duration: 2 hours 15 minutes

There are **FIVE** questions on this paper. Candidates should answer **THREE** questions. All questions carry equal marks and full marks can be obtained for complete answers to **THREE** questions. The marks for each part of a question are indicated at the end of the part in [.] brackets.

Only your first **THREE** answers, in the order that they appear in your answer book, will be marked.

There are 75 marks available on this paper.

A hand held calculator may be used when answering questions on this paper but it must not be pre-programmed or able to display graphics text or algebraic equations. The make and type of machine must be stated clearly on the front cover of the answer book.

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Question 1

Describe the major components of a typical Accounting Information System (AIS), and discuss the function of each of these components in providing managerial support. You may find it helpful to illustrate your answer with a diagram showing how the AIS relates to other corporate information systems.

[25 marks]

Question 2

Contrast the differences between financial and management accounting. Include a discussion of the main techniques used in each branch of accounting.

[25 marks]

Question 3

a) What are the key features of a good budgetary control system?

[13 marks]

b) What behavioural factors should be taken into consideration when designing a budgetary control system?

[12 marks]

Question 4

Provide a detailed discussion on the advantages and disadvantages of buying off-the-shelf accounting software.

[25 marks]

Question 5

Sharp Enterprises is considering the purchase of a press machine, as it is felt that this will be cheaper than buying from sub-contractors. The following information is available.

Annual cost of running press:

Year 1	£3,000
Year 2	£3,000
Year 3	£3,800
Year 4	£4,400

Estimated Life	4 years
Purchase cost	£22,000

Estimated resale value at end of Year 4:

Year 4	£2,000
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The annual saving from sub-contractor charges will be £6,000 in year 1, £10,000 in year 2, £15,000 in year 3 and £15,000 in year 4. Sharp Enterprises uses a discount rate of 10 per cent.

- a) Calculate the net present value (NPV) to the nearest 1%. [18 marks]

- b) Advise Sharp on the acceptability of the proposal and briefly outline the assumptions and limitations of each of the two investment appraisal techniques referred to in part a). [7 marks]

END of PAPER