

Chapter 1: Systems fundamentals – Introduction

Multiple-choice questions

1. The role of the accountant has changed in recent times because:
- a. professional bodies have sought to redefine and reposition the accounting function.
 - b. computer systems have emerged to handle the classification and recording tasks traditionally associated with the accounting function.
 - c. the accounting cycle is too complex and involved to be performed solely by the accountant.
 - d. knowledge workers have increasingly replaced accountants in the performance of recording and classification tasks.

Correct answer: b

Learning objective 1.1 – critically evaluate accounting practices, reflecting on how accounting information systems enrich and extend the role of the accountant.

2. As computer systems have been developed to perform the recording and classification tasks associated with business activities, the nature of accounting and the work of the accountant have also been pushed in a new direction. Increasingly, the role of the accountant is seen to be to:
- a. use computer programs rather than manual journals.
 - b. ensure that businesses invest in new software.
 - c. add value and provide and interpret information for an organisation.
 - d. outsource accounting work to bookkeepers.

Correct answer: c

Learning objective 1.1 – critically evaluate accounting practices, reflecting on how accounting information systems enrich and extend the role of the accountant.

3. The ICAA requires that its members should bring their analytic expertise to several fields. Which one of the following is NOT specified by the ICAA?
- a. Strategic planning and change management.
 - b. Market analysis and compliance.
 - c. The use of information technology.
 - d. Human resource management.

Correct answer: d

Learning objective 1.1 – critically evaluate accounting practices, reflecting on how accounting information systems enrich and extend the role of the accountant.

4. What does ERP stand for?

42. Which of the following activities is not part of the production cycle?
- a. Managing raw materials.
 - b. Planning production.
 - c. Keeping the finished goods.
 - d. Handling variances for standard and actual costs of goods manufactured.

Correct answer: c

Learning objective 1.5 – justify and communicate the role of accounting information in supporting decision makers.

43. Which of the following statements about the HR management and payroll cycle is NOT true?
- a. The cycle involves recruiting employees.
 - b. The cycle involves managing and paying employees.
 - c. The cycle involves dealing with situations where employees leave the organisation.
 - d. Decisions about who to hire will not impact upon the way the other processes are executed.

Correct answer: d

Learning objective 1.5 – justify and communicate the role of accounting information in supporting decision makers.

44. Which of the following activities is NOT part of the general ledger and financial reporting cycle?
- a. Preparing and updating journals and ledger accounts.
 - b. Preparing end-of-period adjusting entries and close the temporary accounts to profit and loss.
 - c. Preparing trial balances and producing financial reports.
 - d. Preparing cheque requisition.

Correct answer: d

Learning objective 1.5 – justify and communicate the role of accounting information in supporting decision makers.

48. The ability to accurately ____ a system is an important skill for both accountants and auditors:

- a. change
- b. document
- c. store
- d. validate

Correct answer: b

Learning objective 1.5 – justify and communicate the role of accounting information in supporting decision makers.

49. Which process drives value throughout an organisation by enabling the alignment of information to best address business needs?

- a. Data categorisation.
- b. Data management.
- c. Data classification.
- d. Data validation.

Correct answer: c

Learning objective 1.5 – justify and communicate the role of accounting information in supporting decision makers.

50. The domain that a system addresses is called:

- a. system scope.
- b. database.
- c. external environment.
- d. IPO model.

Correct answer: a

Learning objective 1.3 – critique and synthesise system concepts, giving examples.

Preview from Notesale.co.uk
Page 15 of 19