

First Semester		Assiut University
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Forth Year		English Program

Accounting Information  
Systems  
Test Bank

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Multiple Choice Questions:

1. A set of two or more interrelated components that interact to achieve a goal is:
  - a) A system
  - b) An accounting information system
  - c) Data
  - d) Mandatory information
  
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3. This results when a subsystem achieves its goals while contributing to the organization's overall goal.
  - a) Goal conflict
  - b) Goal congruence
  - c) Value of information
  - d) Systems congruence
  
4. Goal conflict may result when
  - a) A decision or action of a subsystem is inconsistent with the system as a whole.
  - b) A subsystem achieves its goals while contributing to the organization's overall goal.
  - c) Duplicate recording, storage and processes are eliminated.

- d) The data exceeds the amount the human mind can absorb and process.
5. Goal conflict may result when
- a) A decision or action of a subsystem is inconsistent with the system as a whole.
  - b) A subsystem achieves its goals while contributing to the organization's overall goal.
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  - d) The data exceeds the amount the human mind can absorb and process.
6. Facts that are collected, recorded, stored and processed by an information system
- a) Information
  - b) Data
  - c) Systems
  - d) Mandatory information
7. Which of the following statements below shows the contrast between data and information?
- a) Data is the output of an AIS.
  - b) Information is the primary output of an AIS.
  - c) Data is more useful in decision-making than information.
  - d) Data and information are the same.
8. Information is
- a) basically the same as data.
  - b) raw facts about transactions.
  - c) potentially useful facts when processed in a timely manner.
  - d) data that has been organized and processed so that it's meaningful.
9. Information that is free from error or bias and accurately represents the events or activities of the organization is
- a) Relevant
  - b) Reliable
  - c) Verifiable
  - d) Timely

10. Information that does not omit important aspects of the underlying events or activities that it measures is
- Complete
  - Accessible
  - Relevant
  - Timely
11. The Financial Accounting Standards Board (FASB), in its Statement of Financial Accounting Concepts No. 2, has defined accounting as
- an information identification, development, measurement, and communication process.
  - a way to provide adequate controls to safeguard an organization's assets.
  - being an information system.
  - a way to collect and transform data into useful information.
12. The process of creating value for customers is the result of nine activities (five primary and four support) that taken together form a
- value chain.
  - profitable operation.
  - successful business.
  - support system.
13. The value chain concept is composed of two types of activities known as
- primary and support.
  - primary and secondary.
  - support and value.
  - technology and support.
14. Which of the following is a primary activity in the value chain?
- infrastructure
  - technology
  - purchasing
  - marketing and sales

15. Within the value chain conceptual framework, AIS is shown as a support activity. The AIS is of value to an organization when it provides accurate and timely information to help support the five primary value chain activities. When the AIS provides information in a timely and accurate manner, it stands as an example of
- improved decision making.
  - improving the quality and reducing the costs of products or services.
  - improving efficiency.
  - All of the above
16. An agreement between two entities to exchange goods or services or any other event that can be measured in economic terms by an organization is
- give-get exchange
  - transaction
  - revenue
  - processing cycle
17. Groups of related business activities such as the acquisition of merchandise and payment of vendors are called
- transaction cycles.
  - economic cycles.
  - business events.
  - transactions.
18. The basic "give and take" functions of a business have been grouped into transaction cycles. The cycle that includes the events of hiring employees and paying them is known as the
- revenue cycle.
  - expenditure cycle.
  - human resources cycle.
  - financing cycle.
19. Which of the following is *not* a transaction cycle?
- revenue
  - expenditure
  - human resources
  - general ledger and reporting

20. Transaction cycles can be summarized on a high level as "give-get" transactions. An example of "give-get" in the expenditure cycle would be
- a) give cash, get cash.
  - b) give cash, get goods.
  - c) give cash, get labor.
  - d) give goods, get cash.
21. The operations performed on data to generate meaningful and relevant information are referred to as
- a) general ledger and reporting system
  - b) accounting information system
  - c) financial reporting
  - d) data processing cycle
22. A typical source document could be
- a) in some paper form.
  - b) a computer data entry screen.
  - c) a notepad entry.
  - d) both A and B
23. Which step below is *not* considered to be part of the data processing cycle?
- a) data input
  - b) feedback from external sources
  - c) data storage
  - d) data processing
24. Which of the following documents would be found in the expenditure cycle?
- a) delivery ticket
  - b) time card
  - c) journal voucher
  - d) purchase order
25. The general ledger account that corresponds to a subsidiary ledger account is known as a

- a) dependent account.
- b) attribute account.
- c) entity account.
- d) control account.

26. Pre-numbered checks, invoices and purchase orders are examples of

- a) sequence codes
- b) block codes
- c) group codes
- d) hierarchical codes

27. To be effective, the chart of accounts must

- a) be as concise as possible.
- b) contain only five account categories.
- c) limit account codes to 10 digits or less.
- d) contain sufficient detail to meet the information needs of the specific organization's AIS.

28. Something about which information is stored is

- a) attribute
- b) database
- c) entity
- d) record

29. Related records grouped together form a(n)

- a) field.
- b) entity.
- c) file.
- d) database.

30. Periodic updating of the data stored about resources and agents is

- a) On-line processing
- b) real-time processing
- c) batch processing
- d) data processing

31. The narratives, diagrams, charts, and other written materials that explain how a system works are collectively called

- a) documentation.
- b) data flows.
- c) flowcharts.
- d) schema.

32. The graphic description of the flow of data within an organization is called a

- a) systems flowchart.
- b) data flow diagram.
- c) context diagram.
- d) document flowchart.

33. A graphical description of the sequence of logical operations that a computer performs is called

- a) a data flow diagram.
- b) a document flowchart.
- c) a system flowchart.
- d) a program flowchart.

34. The passage of the Sarbanes Oxley Act

- a) Made documentation skills even more important.
- b) Requires public companies to prepare an annual internal control report.
- c) Means that auditors must be able to prepare, evaluate and read documentation tools such as flowcharts.
- d) All of the above.

35. In a DFD, a square box represents

- a) data sources and destinations.
- b) data flows.
- c) transformation processes.
- d) data stores.

36. In a DFD, a circle represents

- a) data sources and destinations.
- b) the direction of data flows.

- c) transformation processes.
- d) data stores.

37. A data flow diagram (or DFD) has four basic elements. The flow of data between processes, data stores, and data sources and destinations is known as

- a) data sources and destinations.
- b) data flows.
- c) transformation processes.
- d) data stores.

38. In general, a data destination will be shown by

- a) an arrow pointing away.
- b) an arrow pointing in.
- c) arrows pointing both ways.
- d) no arrows, only two horizontal lines.

39. How should control processes and control actions be represented in a data flow diagram?

- a) using a square to represent a data source and destination
- b) using a circle to represent a transformation process
- c) using two horizontal lines to represent a data store
- d) control processes and actions should be ignored in a DFD

40. The term used to refine a high-level or summary view data flow diagram into successively lower levels to provide greater amounts of detail is

- a) expand.
- b) explode.
- c) implode.
- d) enlarge.

41. An analytical technique that uses standard symbols to graphically represent an information system in a clear, concise, and logical manner is called a

- a) data flow diagram.
- b) flowchart.
- c) schema.



d) narrative.

42. What should be the first thing the creator of a flowchart does before beginning a flowchart?
- a) understand the system to be flowcharted
  - b) identify the entries to be flowcharted
  - c) design the flowchart so that it proceeds from left to right and top to bottom
  - d) use standard flowcharting symbols
43. When designing either a DFD or a flowchart, a good rule to follow is
- a) to proceed from left to right.
  - b) to proceed from top to bottom.
  - c) to proceed from left to right and top to bottom.
  - d) to identify exception procedures by using a rectangle.
44. Which type of flowchart is an excellent vehicle for describing information flows and procedures within an AIS?
- a) a program flowchart
  - b) a document flowchart
  - c) an internal control flowchart
  - d) a system flowchart
45. In a program flowchart comparison of one or more variables, the transfer of flow to alternative logic paths is represented by
- a) a terminal.
  - b) data/information flow.
  - c) computer operation.
  - d) decision diamond.
46. What is the most popular type of database?
- a) hierarchical
  - b) relational
  - c) object-oriented
  - d) network

47. Using a file-oriented approach to data and information, data is maintained in

- a) a central database.
- b) many interconnected files.
- c) many separate files.
- d) a decentralized database.

48. Which statement is true regarding file systems?

- a) Transaction files are similar to ledgers in a manual AIS.
- b) The proliferation of master files creates problems in the consistency of specific data stored in different files.
- c) Transaction files are permanent.
- d) Individual records are never deleted in a master file.

49. A set of interrelated, centrally coordinated files is called

- a) a database.
- b) a master file.
- c) a transaction file.
- d) a multiple-records grouping (MRG).

50. The person responsible for the database is the

- a) Data coordinator
- b) Database administrator
- c) Database manager
- d) Database master

51. All of the following are benefits of database technology *except*:

- a) Data integration and sharing
- b) Decentralized management of data
- c) Minimal data redundancy
- d) Reporting flexibility

52. The logical structure of a database is described by the

- a) dictionary.
- b) schema.
- c) subschema.

d) internal level.

53. Schemas are used in designing database systems. The schema that provides an organization-wide view of the entire database is known as

- a) the external-level schema.
- b) the internal-level schema.
- c) the conceptual-level schema.
- d) the logical view of the database.

54. Accountants may be involved in several aspects of database development. In which area below would an accountant least likely have involvement when developing a database system?

- a) the conceptual-level schema
- b) the external-level schema
- c) the internal-level schema
- d) the logical view of data

55. Which of the following would *not* be found in a data dictionary entry for a data item?

- a) records containing a data item
- b) the physical location of the data
- c) the source of the data item
- d) the field (data) type

56. Reports produced using the data dictionary could include all of the following *except*

- a) a list of all programs where a data item is used.
- b) a list of all synonyms for the data items in a particular file.
- c) a list of all outputs where a data element is used.
- d) a list of all the schemas included in a database.

57. The DBMS language that is used to build, initialize, and describe logical views for users is called the

- a) DDL.
- b) DML.
- c) DQL.
- d) DBA.

58. Each row in a relational database's table is known as a

- a) data model
- b) relation
- c) schema
- d) tuple

59. An attribute in a table that is a primary key in another table.

- a) primary key
- b) secondary key
- c) foreign key
- d) anomaly

60. The problem of inability to add new data without violating the basic integrity of the database is referred to as the

- a) update anomaly.
- b) insert anomaly.
- c) integrity anomaly.
- d) add anomaly.