

**Bangladesh Open University**  
MBA Program  
Semester 162 (4<sup>th</sup> Level)

Course: Accounting Information Systems

Due on: October 20, 2017

**Instructions**

- Answer all the questions in your own handwriting on A4 size white paper.
- The assignment must be submitted on the assigned date to the Coordinator of the study center you are attached with.
- Spiral binding is strictly prohibited. Instead, transparent folder or file cover or any other soft binding may be used.

**Questions**

1. (a) Distinguish between responsibility, authority and accountability. Which flow upward and which flow downward?  
(b) What are the advantages and disadvantages of distributed data processing (DDP)?
2. (a) How may batch processing be used to improve operational efficiency?  
(b) What is the objective of SAS 99?
3. (a) Why is it crucial to the integrity of the financial statements that the fixed asset department be informed of asset improvements and disposals?  
(b) What are two operational reports produced by the FRS that provide proof to the accuracy of the process?

*Note: The assignment must be submitted to the Coordinator of the study center you are attached with.*

**Bangladesh Open University**  
MBA Program  
Semester 162 (4<sup>th</sup> Level)

**Course: Accounting Information Systems**

**Due on: December 15, 2017**

**(Assignment is to be presented in own handwriting on A4 size white pages)**

1. (a) What is a data model?  
(b) Are direct input systems (that is, point-of-sale using bar codes) error free? Why or why not?
  
2. Rossco is considering the purchase of a new computer with the following estimated costs: Initial systems design, \$37,500; hardware, \$60,00; software, \$30,000, one-time initial training, \$10,000; system installation, \$10,000; and file conversion, \$10,000. A net reduction of three employees is expected, with average yearly salaries of \$40,000. The system will decrease average yearly inventory by \$150,000. Annual operating costs will be \$30,000 per year.  
The expected life of the machine is three years, with an estimated salvage value of zero. The effective tax rate is 40%. All computer purchase costs will be depreciated using the straight-line method over its three-year life. Rossco can invest money made available from the reduction in inventory at its cost of capital of 10%. All cash flows, except for the initial investment and start-up costs, are at the end of the year. Assume 365 days in a year.  
Use feasibility analysis that performs to determine if Rossco should purchase the computer.  
Compute the following as part of the analysis: initial investment, after-tax cash flows for years 1 -3.
  - a) payback period
  - b) net present value
  - c) internal rate of return
  - d) Interpret your decision from findings

*Note: The assignment must be submitted to the Coordinator of the study center you are attached with.*