

1. With the fast paced growth of Internet, e-commerce has provided new opportunities to businesses to expand their trade boundaries. It has also provided new tools to the governments to facilitate their citizens.

Required:

- (a) State five ways in which a business can benefit using e-commerce. **(05 marks)**  
(b) List five benefits of e-commerce to consumers. **(05 marks)**  
(c) Identify any four areas where government to citizen (G2C) e-commerce model may be implemented. Specify two key challenges that may be faced by a developing country while implementing G2C strategies. **(04 marks)**

2. While conducting IS audit of Rooney Bank Limited you have observed the following roles/duties assigned to various users:

- (a) Tape Librarian records scheduled backups.  
(b) Application Programmers perform changes in test programs.  
(c) Operational support staff executes changes in batch schedules.  
(d) One of the Application Programmer is also responsible for Security Administration.  
(e) Database Administrator performs data entry tasks during peak load period.

Required:

Analyze each of the above observations and discuss the risk of fraud/weakness, if any, in each case. **(10 marks)**

3. Management of Di Maria Limited is dissatisfied with the performance of the IT function. It has hired you to carry out an objective assessment and recommend suitable measures for improvement. As part of your review you have interviewed key users and have tested the main procedures. The management has also provided you various important documents including strategies and plans, budgets, security policy, business continuity plan and organizational structure of the IT department.

Required:

In respect of each of the above mentioned documents, describe the information that you would be interested in and how would it be used for the purpose of your review. **(10 marks)**

4. Fellaini Industries Ltd. is a company engaged in a business of manufacturing and supply of electronic equipments to various companies in Manchester. It intends to implement E-Governance system at all of its departments. A system analyst is engaged to conduct requirement analysis and investigation of the present system. The company's new business models and new methods presume that the information required by the business managers is available all the time; it is accurate and reliable. The company is relying on Information Technology for information and transaction processing. It is also presumed that the company is up and running all the time on 24x7 basis. Hence, the company has decided to implement a real time ERP

package, which equips the enterprise with necessary capabilities to integrate and synchronize the isolated functions into streamlined business processes in order to gain a competitive edge in the volatile business environment. FIL intends to keep all records in digitized form.

Required:

- (a) What do you mean by system requirement analysis? What are the activities to be performed during system requirement analysis phase? **(05 marks)**
- (b) What are the business risks that an organization faces when migrating to real time integrated ERP system? **(07 marks)**
- (c) What are the points that need to be taken into account for the proper implementation of physical and environmental security in respect of Information System Security? **(07 marks)**

5. Carrick Associates is dealing in the information systems audit and particularly deals with the auditing of controls. Controls are defined as “The policies, procedures, practices and organizational structures designed to provide reasonable assurance that business objectives will be achieved and that undesired events will be prevented or detected and corrected”. The basic purpose of information system controls in an organization is to ensure that the business objectives are achieved and undesired risk events are prevented or detected and corrected. This is achieved by designing and effective information control framework, which comprise policies, procedures, practices, and organization structure that gives reasonable assurances that the business objectives will be achieved.

Required:

- (a) Explain the aspects to consider while reviewing the organizational and management controls in an information system. **(03 marks)**
  - (b) Discuss data processing controls in brief. **(05 marks)**
  - (c) Discuss auditors’ role in application software acquisition/selection process. **(06 marks)**
  - (d) Discuss costs involved in the implementation and operation of the controls? **(05 marks)**
6. Mata Limited has recently set up a data processing centre for one of its clients in a small city. It is in the process of finalizing insurance policy for the information systems processing facilities at its new office. Identify and briefly describe any seven types of risks that may be insured. **(07 marks)**
7. Briefly describe the key contents of an audit charter. **(08 marks)**
8. Your firm has recently been engaged to conduct audit of Herrera Asset Management. The company executes a large number of e-business transactions in real time sharing environment in almost a paperless environment. Being IS Expert of the audit team; you were required to evaluate the operating controls on a continuous basis without disrupting the organization’s normal business operations.

Required:

- (i) Briefly explain any four automated evaluation techniques which you could use to perform the given task. **(06 marks)**

(ii) List down the factors that you would consider while selecting an appropriate continuous online auditing technique. **(02 marks)**

9. De Gea Enterprises Limited (DEL) is in the process of computerizing its payment function. The system would consist of two modules, one pertaining to purchase of goods and the other for all remaining payments. The present system of payments against goods involves the following key processes:

- Purchase Order (PO) is raised by the Purchase Department.
- On receipt of goods a Goods Received Note (GRN) is prepared by the Store In-charge.
- The Accounts Officer processes the supplier's Invoice by matching the quantities purchased and price with GRN and PO and checking arithmetical accuracy of the Invoice.
- The payment voucher and cheque is prepared by Senior Accounts Officer and the cheque is finally signed jointly by the Finance Manager and a Director of the company.

Required:

List the significant controls that SEL should incorporate while computerizing the payment of goods. **(05 marks)**

GOOD LUCK