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Course Information

Course Title: Accounting Information Systems #373724

Number of continuing education credit hours recommended for this course:

CPA: 13 (All states)

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

Course Description

The practicing accountant should have a thorough knowledge of the processes within an accounting system. Otherwise, it would not be possible to create a system of controls, write procedures, understand where errors are originating, or develop new systems. The *Accounting Information Systems* course provides the deep background needed to gain proficiency in this area. The course also examines how transactions are recorded and roll up into the general ledger and financial statements. In addition, there is significant treatment of the many controls integrated into accounting systems, as well as how someone could fraudulently penetrate an accounting system. Finally, the course describes the key events in the process of developing and installing a new system. In short, this course is the essential source book for the accountant who wants to understand the core functions of an accounting information system.

Course Content

Publication/Revision date: 11/29/2021.

Author: Steven M. Bragg, CPA.

Final exam: Sixty-five questions (multiple-choice).

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study: Accounting

Level: Overview

Prerequisites: Basic familiarity with accounting practices. Advance Preparation: None

Learning Objectives

- Recognize the components of an accounting information system, and how it can be used.
- Identify the characteristics of data.
- Recognize different types of business processes.
- Describe the nature of a give-get exchange.
- Describe the data processing cycle.
- Recognize different types of source documents.
- Differentiate between the different types of ledgers and their contents.
- Specify where accounts are categorized within the chart of accounts.
- Specify the uses to which a context diagram can be put.
- Identify the best practices associated with the development of data flow diagrams and flowcharts.
- Recognize the different types of data representation in a database.
- State how tables and fields within a database are described.
- Describe the advantages of a relational database.
- Identify the tools used to manipulate and investigate data.
- Describe the legal basis for fraud having been perpetrated.
- Describe the three elements of the fraud triangle.
- Identify the conditions that should be present in order to reduce the incidence of fraud.
- Recognize the different classifications of computer-related fraud.
- Specify the conceptual failings that can interfere with a system of controls.
- Identify the different classifications of controls.
- State the organizations supporting the Committee of Sponsoring Organizations.
- Describe the components of the *Internal Control – Integrated Framework* and the *Enterprise Risk Management* framework.
- Identify the domains included in the COBIT model.
- Recognize the different types of directed attacks to which a system may be subjected.
- Identify the different types of input controls.
- State the privacy principles noted in the Generally Accepted Privacy Principles.
- Describe the different types of data backups.
- Recognize the characteristics of a digital signature.
- Describe the contents of an audit plan.
- Identify the techniques used to collect audit evidence.
- Describe the advantages of using computer-assisted auditing.
- Recognize the components of the sales cycle and the failures that can arise from having incorrect data in it.
- Identify the flow of information through the sales cycle, as well as the use of various documents within it.
- Recognize the components of the expenditure cycle and the failures that can arise from having incorrect data in it.
- Describe the formula for calculating the amount of reserve stock.
- Identify the concepts underlying a just-in-time system.
- Identify the various documents used in the expenditure cycle.
- State the reasoning behind using the target costing system.

- Recognize the components of the production cycle and the failures that can arise from having incorrect data in it.
- Identify the components of the master production schedule.
- Describe the different types of best practices that may be incorporated into an advanced manufacturing environment.
- Identify the key components of an activity-based costing system.
- Recognize the components of the human resources cycle and the failures that can arise from having incorrect data in it.
- Identify the various documents and reports used in the human resources cycle.
- Specify the situations in which the use of incentive compensation software is warranted.
- Describe the responsibilities of an employer and its supplier when payroll is outsourced.
- Identify the contents of the financial statements.
- Recognize the formatting changes that can be used to enhance the relevance of reported information.
- Identify the different types of month-end adjusting entries.
- Describe the advantages of using long-term systems planning.
- Specify the actions that can be taken to improve the odds of completing a system installation.
- Recognize the levels of in-house expertise needed to operate different types of software installations.

Instructions for Taking This Course

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
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- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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Preface

The accountant needs a thorough knowledge of the main processes at work in a business. There are activities related to sales, expenditures, production, and human resources, all of which have an impact on the role of the accountant. In *Accounting Information Systems*, we cover the nuts and bolts of these activities and how the related transactions roll up into the general ledger and financial statements. In addition, the book extensively addresses the controls related not just to accounting systems, but also to the underlying computer systems on which they are built, and the ways in which someone could fraudulently penetrate these systems. In total, the book is designed to give the accountant a thorough grounding in systems, transaction processing, controls, and systems development activities.

You can find the answers to many questions about accounting information systems in the following chapters, including:

- How do subsidiary ledgers interact with the general ledger?
- How can data flow diagrams be used to document a system?
- Under what circumstances will fraud be more likely?
- What is the process for designing a system of controls?
- What preventive controls can be applied to an information system?
- What is the procedure for processing a customer order?
- What are the systems for calculating the amounts of raw materials to be purchased?
- How is a master production schedule derived?
- What presentation formats are available for the financial statements?
- What are the components of the systems development life cycle?

Accounting Information Systems is designed for anyone who wants to obtain a thorough understanding of business processes and the controls that protect them.

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