

# Accounting Information Systems (QNO1 / PQNO) Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. Validity tests ensure data values conform to what?**
  - A. Accuracy**
  - B. Sequence**
  - C. Unlimited range**
  - D. Specified tolerances**
  
- 2. Which information quality is missing when real-time inventory updates occur but petty theft and difficulty locating items persist?**
  - A. Timely**
  - B. Reliable**
  - C. Complete**
  - D. Relevant**
  
- 3. What is a consequence of the task-data dependency of a flat-file approach?**
  - A. As users' needs change, additional data need to be gathered or recreated.**
  - B. As users' needs change, additional data are readily available.**
  - C. As users' needs change, additional data need to be filtered.**
  - D. As users' needs change, additional data are properly disseminated.**
  
- 4. Which activity represents electronic commerce?**
  - A. Correcting journal vouchers (JVs)**
  - B. Trading stocks**
  - C. Selling real estate**
  - D. Receiving merchandise**
  
- 5. What is a primary advantage of using data coding in accounting information systems?**
  - A. Providing a means of accountability over the incompleteness of the transactions processed**
  - B. Misidentifying unique transactions and accounts within a file**
  - C. Supporting the audit function by providing an ineffective audit trail**
  - D. Concisely representing large amounts of complex information that would otherwise be unmanageable**

- 6. Which information flow supports preparing the financial statements of an organization?**
- A. External horizontal**
  - B. Internal horizontal**
  - C. External vertical**
  - D. Internal vertical**
- 7. Which feature characterizes a detailed and rich audit trail for a general ledger?**
- A. Providing the ability to refer inquiries**
  - B. Providing a means for detecting errors**
  - C. Providing a way to completely destroy files**
  - D. Providing data to the public**
- 8. Which component is used to produce management reports within an organization?**
- A. Transaction processing system (TPS)**
  - B. Financial reporting system (FRS)**
  - C. Management reporting system (MRS)**
  - D. General ledger system (GLS)**
- 9. Which statement best describes an external auditor's responsibility?**
- A. Encouraging incomplete work**
  - B. Hiding invalid accounts**
  - C. Camouflaging instances of inaccurate reporting**
  - D. Determining validity, accuracy, and completeness**
- 10. Vendor-supported systems in cloud computing are exemplified by which service models?**
- A. They are on-premises software only.**
  - B. They refer to custom in-house applications.**
  - C. They are cloud-based offerings like SaaS, PaaS, and IaaS.**
  - D. They are obsolete legacy systems.**

## Answers

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1. D
2. B
3. A
4. B
5. D
6. D
7. B
8. C
9. D
10. C

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## **Explanations**

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## 1. Validity tests ensure data values conform to what?

- A. Accuracy
- B. Sequence
- C. Unlimited range
- D. Specified tolerances**

Validity tests focus on whether data values sit within predefined limits or allowable categories set by business rules. This means checking that numbers fall inside specified tolerances or ranges and that codes or values come from permitted sets. The idea is to ensure what can exist in the system is plausible and permitted, not just that it is measured accurately. For example, an age field might be allowed only from 0 to 120, and a salary field nonnegative and within a realistic cap. If a value lies outside these constraints, it's flagged for review. This is why the concept matches the idea of specified tolerances rather than unlimited ranges, sequence, or mere accuracy.

## 2. Which information quality is missing when real-time inventory updates occur but petty theft and difficulty locating items persist?

- A. Timely
- B. Reliable**
- C. Complete
- D. Relevant

Information reliability is the missing quality. Even when inventory data is updated in real time, you still need the data to be accurate, consistent, and trustworthy. If petty theft continues and items are hard to locate, it signals that the stock information you're relying on isn't dependable—counts may be wrong, locations may be mislogged, or there are inconsistencies between systems. Timeliness (real-time updates) is present, but the data's accuracy and consistency aren't, so you can't rely on it to reflect true inventory, detect shrinkage, or guide efficient item locating. The other dimensions aren't the primary issue here: the data can be current, but if it isn't trustworthy, it won't support effective decisions.

## 3. What is a consequence of the task-data dependency of a flat-file approach?

- A. As users' needs change, additional data need to be gathered or recreated.**
- B. As users' needs change, additional data are readily available.
- C. As users' needs change, additional data need to be filtered.
- D. As users' needs change, additional data are properly disseminated.

Task-data dependency in a flat-file system means the data are created and stored for a specific task and aren't easily reused for other tasks. Because the data are tied to that particular use and aren't organized for flexible sharing, changing user needs usually requires gathering new data or reconstructing data structures to support the new requirements. That's why the consequence is that additional data must be gathered or recreated. The other possibilities imply easy reuse, automatic availability, or seamless dissemination, which don't align with the inflexibility of flat-file designs.

**4. Which activity represents electronic commerce?**

- A. Correcting journal vouchers (JVs)**
- B. Trading stocks**
- C. Selling real estate**
- D. Receiving merchandise**

Electronic commerce means carrying out commercial transactions over electronic networks, typically the internet, including online selling and online payment flows. Trading stocks fits this because modern stock markets operate electronically, with buys and sells executed through online exchanges and broker platforms, and ownership and funds transferred via digital channels. The other activities are not primarily electronic commerce: correcting journal vouchers is an internal accounting task, not a sale or exchange of goods or services; receiving merchandise is an inbound logistics/receiving activity; selling real estate can involve online listings but the actual sale typically isn't conducted as an online commerce transaction.

**5. What is a primary advantage of using data coding in accounting information systems?**

- A. Providing a means of accountability over the incompleteness of the transactions processed**
- B. Misidentifying unique transactions and accounts within a file**
- C. Supporting the audit function by providing an ineffective audit trail**
- D. Concisely representing large amounts of complex information that would otherwise be unmanageable**

The main idea behind data coding in an accounting information system is to convert detailed information into compact, standardized codes. This compact representation makes it feasible to store, process, and analyze large volumes of data efficiently. Codes group data into categories, enable quick filtering, sorting, and aggregation, and keep data entry consistent, which reduces errors and speeds up reporting. Because codes come from predefined lists, data integrity improves and auditability becomes clearer, as each coded item has a defined meaning and traceable reference. So the strongest description of the advantage is that coding concisely represents large amounts of complex information that would otherwise be unmanageable. While other options touch on related ideas, coding's primary strength is the efficient, compact representation of vast data.

**6. Which information flow supports preparing the financial statements of an organization?**

- A. External horizontal**
- B. Internal horizontal**
- C. External vertical**
- D. Internal vertical**

Information that moves upward within the organization and stays internal is what connects day-to-day transactions to the financial statements. This internal vertical flow carries data from the point of origin (like sales, purchases, payroll, and other transactions) up through the operating units, into the general ledger, and finally into the financial reports. It's the upward, internal consolidation of data that enables accurate financial statements. External flows involve data exchanged with outside parties, which isn't the process used to assemble internal financial reports. Horizontal flows happen between departments at the same level, which supports operations and coordination but does not by itself converge data into the financial statements. So the internal vertical flow is the pathway that best supports producing the organization's financial statements.

**7. Which feature characterizes a detailed and rich audit trail for a general ledger?**

- A. Providing the ability to refer inquiries**
- B. Providing a means for detecting errors**
- C. Providing a way to completely destroy files**
- D. Providing data to the public**

A rich audit trail in the general ledger is all about traceability—recording who did what, when, and how a transaction changed the data. With detailed timestamps, user IDs, before-and-after values, and the sequence of steps, you can follow a entry from source document through posting and adjustments, making it possible to spot where an error or discrepancy occurred. This capability directly supports detecting errors, which is why it's the best choice. The other options aren't about identifying issues in the ledger. Referring inquiries can help users investigate, but it doesn't define how the trail itself supports accuracy. Destroying files would eliminate the very records needed to examine activity, and making data public isn't related to the audit trail's purpose and raises confidentiality concerns.

**8. Which component is used to produce management reports within an organization?**

- A. Transaction processing system (TPS)**
- B. Financial reporting system (FRS)**
- C. Management reporting system (MRS)**
- D. General ledger system (GLS)**

Management reporting is handled by a system designed to deliver internal, decision-focused information. A management reporting system aggregates data from across the organization—drawing on the general ledger, operations, inventory, and other sources—and translates it into formats managers use to monitor performance, analyze variances from budgets, and plan future actions. It supports standard periodic reports as well as ad hoc analyses, making it flexible for various management needs. This sets it apart from a transaction processing system, which records day-to-day transactions; a general ledger system, which stores accounts and postings; and a financial reporting system, which prepares external financial statements for stakeholders. Because it is built to provide timely, internally relevant insights, the management reporting system is the right choice for producing management reports.

**9. Which statement best describes an external auditor's responsibility?**

- A. Encouraging incomplete work**
- B. Hiding invalid accounts**
- C. Camouflaging instances of inaccurate reporting**
- D. Determining validity, accuracy, and completeness**

The main point is understanding what external auditors are responsible for when examining financial statements. External auditors gather sufficient appropriate evidence and assess whether the financial statements are free from material misstatement and present fairly in accordance with the applicable reporting framework. That process centers on determining validity, accuracy, and completeness of the information in the statements. This is the best description because it captures the core task of the auditor: to verify that the numbers and disclosures are correct, complete, and properly supported by evidence, leading to a fair presentation. The other statements describe actions that would undermine integrity and professional standards—encouraging incomplete work, hiding invalid accounts, or camouflaging inaccuracies—which auditors must avoid and resist.

**10. Vendor-supported systems in cloud computing are exemplified by which service models?**

- A. They are on-premises software only.**
- B. They refer to custom in-house applications.**
- C. They are cloud-based offerings like SaaS, PaaS, and IaaS.**
- D. They are obsolete legacy systems.**

Vendor-supported systems in cloud computing are the cloud-based offerings provided by the provider, with the provider handling hosting, maintenance, and updates. The three service models that exemplify this are Software as a Service, Platform as a Service, and Infrastructure as a Service. In SaaS, you use software applications over the internet that are fully managed by the vendor. In PaaS, you have a ready-made platform to develop, run, and manage your own applications without worrying about the underlying hardware or middleware. In IaaS, you rent computing resources like virtual machines and storage, while the vendor takes care of the infrastructure and basic operations. This shared responsibility and ready-made, externally hosted services are what define vendor-supported cloud systems. On-premises software is hosted and maintained inside an organization's own environment, not by a cloud provider. Custom in-house applications are developed and run internally rather than delivered as cloud services by a vendor. Legacy systems refer to older technology that isn't aligned with current cloud service delivery models.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://acctginfosysqno1pqno.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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