

WESTERN GOVERNORS UNIVERSITY (WGU) ACCT3360 D217 ACCOUNTING INFORMATION SYSTEMS PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Table of Contents

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

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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. Which responsibility is crucial for an accountant regarding the implementation success?**
 - A. To evaluate user satisfaction
 - B. To ensure that requirements from the design phase are implemented correctly
 - C. To manage system upgrades
 - D. To initiate customer feedback sessions
- 2. What aspect of the COSO framework helps prevent fraud?**
 - A. Data encryption
 - B. Segregation of duties
 - C. Centralized control
 - D. Continuous monitoring
- 3. What condition of the Safe Harbor Agreement pertains to privacy concerns regarding information collection?**
 - A. Organizations must provide individuals with documentation of their data
 - B. Individuals must consent before data collection begins
 - C. Clear notice of the purposes for information collection must be provided
 - D. Data collected must be stored indefinitely
- 4. Which organization is commonly associated with seals of assurance?**
 - A. FBI
 - B. Better Business Bureau (BBB)
 - C. NASA
 - D. IRS
- 5. How does a digital signature function in electronic transactions?**
 - A. It encrypts data for storage
 - B. It serves as a physical authentication method
 - C. It verifies the sender's identity and message integrity
 - D. It replaces the need for passwords

- 6. Which COSO framework component is considered when comparing organization charts over time?**
- A. Control activities
 - B. Risk assessment
 - C. Monitoring activities
 - D. Information and communication
- 7. What does the condition of onward transfer in the Safe Harbor Agreement imply?**
- A. Organizations can freely share data with any third party
 - B. Data can be shared without user consent if it's beneficial
 - C. Only third parties following the Safe Harbor principles may receive shared data
 - D. Data must be anonymized before onward transfer
- 8. What issue is highlighted by the shipping department's outdated billing system?**
- A. The need for real-time data updates.
 - B. The problem of flat-file data management.
 - C. The lack of communication between departments.
 - D. The absence of a proper filing system.
- 9. What does the reasonable assurance modifying assumption entail regarding internal controls?**
- A. All internal controls must be cost-free
 - B. Controls should be effective in a cost-effective manner
 - C. Internal controls require regular external audits
 - D. Internal controls should be visible to all staff
- 10. What is one of the main purposes of implementing controls in accounting processes?**
- A. To enhance operational efficiency
 - B. To ensure compliance with technology standards
 - C. To prevent or detect errors in financial statements
 - D. To improve client satisfaction

Answers

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

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Explanations

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1. Which responsibility is crucial for an accountant regarding the implementation success?

- A. To evaluate user satisfaction
- B. To ensure that requirements from the design phase are implemented correctly**
- C. To manage system upgrades
- D. To initiate customer feedback sessions

An accountant's crucial responsibility regarding the implementation success of an accounting information system is to ensure that requirements from the design phase are implemented correctly. This is essential because the design phase lays the foundational specifications for the system, detailing what functionalities and outputs are necessary to meet the organization's financial reporting needs and compliance standards. By ensuring that these requirements are accurately translated into the implemented system, the accountant helps to guarantee that the system will effectively support financial processes, enhance reporting accuracy, and ultimately, facilitate informed decision-making. Focusing on the accurate implementation of design requirements minimizes the risk of data discrepancies and system inefficiencies, which can lead to erroneous financial reporting and compliance issues. This responsibility bridges the gap between the technical specifications laid out during design and the practical application of those features in the daily operations of the organization. It is a critical task that enhances the overall integrity of financial data management and reporting within the accounting information system.

2. What aspect of the COSO framework helps prevent fraud?

- A. Data encryption
- B. Segregation of duties**
- C. Centralized control
- D. Continuous monitoring

The COSO framework emphasizes the importance of internal controls in organizations to mitigate risks, including the risk of fraud. Segregation of duties is a critical aspect that helps to prevent fraud by ensuring that no single individual has control over all aspects of any financial transaction or process. By dividing responsibilities among different individuals, the framework reduces the opportunity for any one person to commit and conceal fraudulent activities. For example, in a purchasing process, one person may be responsible for ordering goods, while another person is responsible for receiving them, and a third person handles the payment. This division creates a system of checks and balances, making it more difficult for someone to manipulate transactions or misappropriate resources without detection. Hence, segregation of duties is effective in establishing accountability and oversight, which are vital for fraud prevention. The other options, while relevant to overall security and risk management, do not directly focus on fraud prevention in the same manner. Data encryption is primarily focused on securing data rather than on preventing fraud through systemic checks. Centralized control can often lead to a single point of failure and may increase the risks of fraud due to lack of oversight from multiple parties. Continuous monitoring is essential for identifying issues and compliance but does not inherently prevent fraud unless paired with proper controls like segregation of

3. What condition of the Safe Harbor Agreement pertains to privacy concerns regarding information collection?

- A. Organizations must provide individuals with documentation of their data
- B. Individuals must consent before data collection begins
- C. Clear notice of the purposes for information collection must be provided**
- D. Data collected must be stored indefinitely

The correct answer emphasizes the importance of transparency in data collection practices. According to the principles of the Safe Harbor Agreement, organizations are required to provide clear notice to individuals regarding the purposes for which their information is being collected. This requirement addresses privacy concerns by ensuring that individuals are fully informed about how their data will be used, thus allowing them to make informed decisions about whether to share their information. Clear notice serves as a crucial element in building trust between organizations and individuals. When organizations communicate the reasons for data collection transparently, individuals can assess the potential implications of sharing their personal information and can feel more secure in their interactions with the organization. The other choices each touch on aspects of data privacy but do not adequately address this specific requirement. While documentation of data usage and obtaining consent are important practices, the core principle highlighted in this question is about providing clear notice of the purposes for information collection, which directly aligns with the privacy concerns that the Safe Harbor Agreement seeks to alleviate. Storing data indefinitely is generally contrary to best practices for data retention and does not support privacy protective measures.

4. Which organization is commonly associated with seals of assurance?

- A. FBI
- B. Better Business Bureau (BBB)**
- C. NASA
- D. IRS

The Better Business Bureau (BBB) is commonly associated with seals of assurance because it is an organization that helps consumers identify trustworthy businesses. The BBB offers a seal that businesses can display, which signifies that they have met certain standards of trustworthiness and ethical business practices. This seal serves as a form of assurance to consumers that they are engaging with a reputable company, promoting transparency and accountability in the marketplace. The BBB's mission revolves around building trust in the marketplace and ensuring consumers have access to information they need to make informed decisions. By providing these seals of assurance, the BBB enhances consumer confidence as it reflects a commitment to resolving consumer complaints and providing honest business dealings. In contrast, the other organizations listed do not primarily focus on seals of assurance for business integrity. The FBI is involved in law enforcement and national security, NASA is responsible for aerospace and space exploration, and the IRS deals with tax collection and enforcement. Their functions and missions do not revolve around providing consumer trust through business seals.

5. How does a digital signature function in electronic transactions?

- A. It encrypts data for storage
- B. It serves as a physical authentication method
- C. It verifies the sender's identity and message integrity**
- D. It replaces the need for passwords

A digital signature is a crucial component in electronic transactions as it provides a means to verify both the sender's identity and the integrity of the message being sent. It works through cryptographic methods that generate a unique code based on the content of the message and the sender's private key. When a recipient receives a signed message, they can use the sender's public key to confirm that the signature matches. This verification process ensures that the message was indeed sent by the purported sender and that it hasn't been altered during transmission. In the context of electronic transactions, such security measures are essential to establish trust between parties. When a digital signature is present, it assures the recipient that the document has not been tampered with, which is crucial for the authenticity and reliability of the transaction. The other options do not accurately reflect the function of a digital signature. While encryption may be used for data security, it is not the primary function of a digital signature. Similarly, physical authentication methods relate to verifying identities through physical means, while digital signatures operate in a digital space. Lastly, while digital signatures enhance security, they do not replace the need for passwords, which serve a different function in user authentication.

6. Which COSO framework component is considered when comparing organization charts over time?

- A. Control activities
- B. Risk assessment**
- C. Monitoring activities
- D. Information and communication

The component that is considered when comparing organization charts over time is risk assessment. This is because risk assessment involves identifying and evaluating the risks that may prevent an organization from achieving its objectives. When examining organization charts, the changes in structure can highlight shifts in responsibilities, potential gaps in control, or areas where risks may have changed due to realignments or expanded operations. Monitoring activities relate to ongoing evaluations of the controls that are in place, but when specifically analyzing organization charts and how they evolve, it's the assessment of the risks tied to those organizational changes that provides valuable insights. Control activities are the specific actions put in place to mitigate risks, and while they may be influenced by changes in the organization chart, they are not the primary focus when comparing charts over time. Information and communication involves the systems used to share pertinent information throughout the organization, which is also important but not directly related to the evaluation of organizational structure and its impact on risk. Thus, focusing on risk assessment allows an organization to proactively manage changes in its structure for effective performance.

7. What does the condition of onward transfer in the Safe Harbor Agreement imply?

- A. Organizations can freely share data with any third party
- B. Data can be shared without user consent if it's beneficial
- C. Only third parties following the Safe Harbor principles may receive shared data**
- D. Data must be anonymized before onward transfer

The condition of onward transfer in the Safe Harbor Agreement indicates that only those third parties that adhere to the Safe Harbor principles are permitted to receive the shared data. This provision is crucial for ensuring that the data privacy standards established under the Safe Harbor framework are consistently upheld, even when data is passed from one entity to another. When data is transferred, it is essential for organizations to ensure that any third parties with whom they share personal data are also committed to the same level of protection for that data. This creates a chain of responsibility and ensures that the privacy rights of individuals are maintained throughout the data sharing process. By requiring that third parties comply with the Safe Harbor principles, organizations help to safeguard sensitive information and mitigate the risks associated with data transfer and handling. This understanding reflects the importance of maintaining ethical data practices and compliance with established privacy frameworks, emphasizing the necessity for all parties involved in data handling to adhere to defined standards of protection.

8. What issue is highlighted by the shipping department's outdated billing system?

- A. The need for real-time data updates.
- B. The problem of flat-file data management.
- C. The lack of communication between departments.**
- D. The absence of a proper filing system.

The issue highlighted by the shipping department's outdated billing system revolves around the lack of communication between departments. An outdated system often hampers the seamless exchange of information, which is crucial for departments such as shipping and billing to function effectively. When the billing system does not integrate well with other departments, such as sales or inventory, it creates breakdowns in communication that can lead to errors in shipping, delays in billing, and ultimately, customer dissatisfaction. Effective communication is essential in ensuring that all departments within an organization are aligned. When one department, like shipping, operates on an outdated system, it may not accurately reflect current order statuses or customer information, creating gaps in the information shared with the billing department. This disruption can lead to invoicing issues, miscommunication about order fulfillment, and other operational inefficiencies that undermine overall productivity and service quality. The key takeaway is that a robust, updated billing system can significantly enhance collaboration and information flow between departments, thereby improving overall organizational efficiency.

9. What does the reasonable assurance modifying assumption entail regarding internal controls?

- A. All internal controls must be cost-free
- B. Controls should be effective in a cost-effective manner**
- C. Internal controls require regular external audits
- D. Internal controls should be visible to all staff

The reasonable assurance modifying assumption regarding internal controls emphasizes that controls must be effective while also being cost-efficient. This concept recognizes that while organizations should strive to implement strong internal controls to mitigate risks and ensure the accuracy of their financial reporting, they must also consider the costs associated with those controls. Implementing highly effective controls can sometimes be prohibitively expensive, making it impractical for many organizations. Therefore, the goal is to find a balance where internal controls are sufficiently effective to reduce risks to an acceptable level without incurring excessive costs. This principle helps organizations allocate resources wisely while still maintaining a reasonable level of assurance in their financial reporting and operational processes. In contrast, other choices do not capture this balance. For instance, stating that all internal controls must be cost-free is not feasible nor realistic since some level of investment is typically required for effective controls. The notion that internal controls require regular external audits is not universally applicable, as audits can vary in frequency depending on the organization's needs and regulatory requirements. Finally, the visibility of internal controls to all staff may enhance awareness but does not inherently relate to the effectiveness or cost-effectiveness of those controls.

10. What is one of the main purposes of implementing controls in accounting processes?

- A. To enhance operational efficiency
- B. To ensure compliance with technology standards
- C. To prevent or detect errors in financial statements**
- D. To improve client satisfaction

Implementing controls in accounting processes primarily serves the essential purpose of preventing or detecting errors in financial statements. Accurate financial reporting is crucial for stakeholders who rely on this information for decision-making. Controls, such as reconciliations, segregation of duties, and verification processes, are instituted to minimize the risk of inaccuracies or fraud. These controls help ensure that transactions are recorded correctly and that financial statements reflect a true and fair view of the organization's financial position. By identifying discrepancies promptly, companies can take corrective actions in a timely manner, ultimately enhancing the integrity of financial reporting. Other aspects like operational efficiency, compliance with technology standards, and client satisfaction are important but are generally secondary to the fundamental goal of ensuring the accuracy and reliability of financial information presented in statements.

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.

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

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

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