

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**

**EXAMINERS' COMMENTS**

<b>SUBJECT</b>	<b>SESSION</b>
Information Technology	Intermediate Examination - Autumn 2013

**General:**

The paper consisted of short questions which covered a large part of the syllabus. While most candidates demonstrated a basic level of understanding of IT, the incomplete answers also showed that generally there was a lack of preparation and focus with regard to the study of this subject. There were also a few instances where students wasted their time by answering all the three optional questions.

Question-wise comments are as under:

**Question 1 (a)**

Most candidates explained Magnetic Ink Character Recognition (MICR) technology correctly. However, the candidates generally failed to provide three advantages of this technology. Some candidates confused it with bar code information and plastic/payment cards.

**Question 1 (b)**

Students were not able to explain why use of MICR is limited i.e. because MICR can process only 10 digits and 4 specific characters. It cannot process ordinary characters like a,b,c,d. The reason given by majority of the students was that MICR is expensive.

**Question 1 (c)**

In this part, four different methods of data input were given and the candidates were required to identify data input device that is used in each method. A large number of students were able to secure full marks. The most common error was that voice recorder was identified as the data input device. In fact, the microphone installed in the voice recorder is the data input device.

**Question 2 (a)**

Majority of the candidates did not know about the three levels of Management Information System (MIS). Instead, they explained the different types of MIS systems like TPS, DSS, ESS etc. Even those who explained the various levels of MIS correctly were mostly unable to give proper examples of the information generated at each level.

**Question 2 (b)**

In this part, a large majority of students were able to identify six areas where e-commerce is commonly used. However, many students described e-commerce models like B2B, B2C and G2C etc. which were not relevant in the given question.

### **Question 3**

Flowcharts are regular examination topics. For the examinations, candidates are expected to develop the ability to design and present good process flows using appropriate format with correct terminology and formulae. A number of students did not develop flowchart with correct logic. They just put the narration/computation factors in flowchart boxes and connected them without considering logical relationship. In several answers, even where the logic was correct, the flows were inefficient. Many students used incorrect symbols though there are only 4-5 different symbols. Many of the flowcharts were drawn freehand which gave a poor impression.

### **Question 4**

This multi-part question required candidates to demonstrate a good understanding of mobile banking service. This service is in common use and increasing facilities are being offered through it. Accordingly, candidates were required to demonstrate their understanding of the service that was offered by a bank in collaboration with a mobile phone service provider.

Candidates generally performed well on this question and answered all the parts, even though several answers were incomplete.

Surprisingly, some candidates confused this question with online banking and e-commerce, and missed out on some easy marks.

Performance in each part is discussed below:

#### **Question 4 (a)**

Majority of the students were able to list down the types of services that are being offered through mobile banking. However, some students mentioned advertisement of banking services also which is not a mobile banking service.

#### **Question 4 (b)**

Most of the candidates were unable to identify the real challenges to be faced by the mobile service provider while launching mobile banking services in association with a bank. Most of them identified cost as the major challenge. Had they read the question carefully, they should have realized that Knock Tel (KT) had already overcome the cost challenge because of its collaboration with a bank.

#### **Question 4 (c)**

This was quite easy. Most candidates were able to describe the benefits to the bank in launching mobile banking services as these are quite commonly known.

**Question 5 (a)**

In this part, seven different types of controls were mentioned and in respect of each control the candidates were required to identify whether it was a preventive, detective or a corrective control and to justify their choices also. Generally, the candidates were able to classify the controls correctly; however there was some confusion on sub-part (i) "Reviewing credit card bill before payment". Most students identified it as a preventive control whereas reviewing a bill is basically a detection exercise. Moreover, mainly due to lack of writing skills many candidates were unable to provide appropriate justification for their choices.

**Question 5 (b)**

This question on the uses of the Audit trail was quite easy and most candidates scored quite well. However, many candidates gave partial answers and did not correctly identify the required six uses. Some candidates incorrectly stated that the audit trail is used to report accounting and procedural errors.

**Question 6**

The candidate were required to (1) suggest logical access controls for an integrated software (2) identify a security breach which each control is expected to cover. The performance was quite poor as many students mentioned encryption, antivirus, firewalls etc. which are not logical access control. Some candidates mentioned physical access control.

**Question 7 (a)**

Most of the candidates who attempted this question demonstrated that they understood the concept of Hot Site and Cold Site, but many candidates gave incorrect examples of organizations/businesses that would prefer to use them. Moreover, it was disappointing to note that even at this level, there were many who believed that a Hot Site is a website which is frequently visited and a Cold Site is one which is rarely visited.

**Question 7 (b)**

The requirement in this part was to identify **the factors** which determine the extent of costs that would have to be incurred in establishing a Hot Site. Very few students seemed to know the correct answer. Most of the students used guesswork and identified the types of cost rather than the factors which determine the extent of costs.

*THE END*