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SUGGESTED SOLUTION
INTERMEDIATE N'18 EXAM

SUBJECT- EIS

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(Date :)

Head Office : Shraddha, 3rd Floor, Near Chinai College, Andheri (E), Mumbai – 69.

Tel : (022) 26836666

- (a) **Risk Assessment:** Risk Assessment is one of the five components that define Internal Control under SA 315. Every entity faces a variety of risks from external and internal resources. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Thus, risk assessment forms the basis for determining how risks will be managed. A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories of operations, reporting, and compliance with sufficient clarity to be able to identify and assess risks to those objectives. Risk assessment also requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.
- (b) **Line Error Control:** Whenever data is transmitted over a communication line in a telecommunication network, an error may occur because of attenuation distortion or noise that occurs on the line. These line errors must be detected and corrected.
- Error Detection: The errors can be detected by either using a loop (echo) check or building some form of redundancy into the message transmitted.
- Error Correction: When line errors have been detected, they must then be corrected using either forward error correcting codes or backward error correcting codes.
- (c) **Money Laundering:** It is defined as the process by which the proceeds of the crime and the true ownership of those proceeds are concealed or made opaque so that the proceeds appear to come from a legitimate source. The objective in money laundering is to conceal the existence, illegal source, or illegal application of income to make it appear legitimate. Money laundering is commonly used by criminals to make 'dirty' money appear 'clean' or the profits of criminal activities are made to appear legitimate.
- (d) To access the data, following options are possible while assigning access to different users.
- Create – Allows to create data
- Alter – Allows to alter data
- View – Allows only to view data
- Print – Allows to print data
- (e) **Virtual Memory:** Virtual Memory is an imaginary memory area supported by some operating systems (for example, Windows) in conjunction with the hardware. If a computer lacks the Random- Access Memory (RAM) needed to run a program or operation, Windows uses virtual memory to compensate. Virtual memory combines computer's RAM with temporary space on the hard disk. When RAM runs low, virtual memory moves data from RAM to a space called a paging file. Moving data to and from the paging file frees up RAM to complete its work. Thus, Virtual memory is an allocation of hard disk space to help RAM.

ANSWER-2

ANSWER-A

Quality & Consistency

- Ensures that every action is performed identically - resulting in high quality, reliable results and stakeholders will consistently experience the same level of service.
- Time Saving
- Automation reduces the number of tasks employees would otherwise need to do manually.
- It frees up time to work on items that add genuine value to the business, allowing innovation and increasing employees' levels of motivation.

Visibility

- Automated processes are controlled and consistently operate accurately within the defined timeline. It gives visibility of the process status to the organization.
- Improved Operational Efficiency
- Automation reduces the time it takes to achieve a task, the effort required to undertake it and the cost of completing it successfully.
- Automation not only ensures systems run smoothly and efficiently, but that errors are eliminated and that best practices are constantly leveraged.

Reliability

- The consistency of automated processes means stakeholders can rely on business processes to operate and offer reliable processes to customers, maintaining a competitive advantage.

Reduced Turnaround Times

- Eliminate unnecessary tasks and realign process steps to optimise the flow of information throughout production, service, billing and collection. This adjustment of processes distills operational performance and reduces the turnaround times for both staff and external customers.

Reduced Costs

- Manual tasks, given that they are performed one-at-a-time and at a slower rate than an automated task, will cost more. Automation allows you us accomplish more by utilizing fewer resources.

(5*1=5 MARKS)

ANSWER-B

Some of the questions auditors should ask during an ERP audit are pretty much the same as those that should be asked during development and implementation of the system:

- Does the system process according to GAAP (Generally Accepted Accounting Principles) and GAAS (Generally Accepted Auditing Standards)?
- Does it meet the needs for reporting, whether regulatory or organizational?
- Were adequate user requirements developed through meaningful interaction?
- Does the system protect confidentiality and integrity of information assets?
- Does it have controls to process only authentic, valid, accurate transactions?
- Are effective system operations and support functions provided?

- Are all system resources protected from unauthorized access and use?
- Are user privileges based on what is called “role-based access?”
- Is there an ERP system administrator with clearly defined responsibilities?
- Is the functionality acceptable? Are user requirements met? Are users happy?
- Have workarounds or manual steps been required to meet business needs?
- Are there adequate audit trails and monitoring of user activities?
- Can the system provide management with suitable performance data?
- Are users trained? Do they have complete and current documentation?
- Is there a problem-escalation process?

(5 MARKS)

ANSWER-3

ANSWER-A

Data Processing controls:

- **Run-to-run Totals:** These help in verifying data that is subject to process through different stages. For ex: If the current balance of an invoice ledger is 150,000 and the additional invoices for the period total 20,000 then the total sales value should be 170,000. A specific record probably the last record can be used to maintain the control total.
- **Reasonableness Verification:** Two or more fields can be compared and cross verified to ensure their correctness. For example, the statutory percentage of provident fund can be calculated on the gross pay amount to verify if the provident fund contribution deducted is accurate.
- **Edit Checks:** Edit checks similar to the data validation controls can also be used at the processing stage to verify accuracy and completeness of data.
- **Field Initialization:** Fields are only added to a record after initializing it, i.e. setting all values to zero/blank before inserting the information. This is done to ensure that data overflow does not occur, if records are constantly added to a table.
- **Exception Reports:** Exception reports are generated to identify errors in the data processed. Such exception reports give the transaction code and what is the error in processing the transaction. For example, while processing a journal entry if only debit entry was updated and the credit entry was not updated due to the absence of one of the important fields, then the exception report would detail the transaction code, and why it was not updated in the database.

(5*1=5 MARKS)

ANSWER-B

a) Elasticity and Scalability: Gives us the ability to **expand and reduce resources** according to the specific service requirement.

b) Pay-per-Use: We pay for cloud services **only when we use them**, either for the short term or for a longer duration.

c) On-demand: Because we invoke cloud services **only when we need them**, they are not permanent parts of the IT infrastructure, this is a significant advantage for cloud use as opposed to internal IT services. With cloud services there is no need to have dedicated resources waiting to be used, as is the case with internal services.

d) Resiliency: The resiliency of a cloud service offering can completely **isolate the failure of server and storage resources from cloud users**. Work is migrated to a different physical resource in the cloud with or without user awareness and intervention.

e) Multi Tenancy / Sharing: Public cloud service providers often can host the cloud services for **multiple users** within the same infrastructure.

f) Workload Movement: This characteristic is related to resiliency and cost considerations. Here, cloud-computing providers can migrate workloads across servers both inside the data center and across data centers (even in a different geographic area). This migration might be necessitated by cost. **(5 MARKS)**

ANSWER-4

ANSWER-A

Meaning:

- Green IT refers to the **study and practice of establishing/ using computers and IT resources in a more efficient and environmentally friendly and responsible way.**
- Computers consume a lot of natural resources, from the raw materials needed to manufacture them, the power used to run them, and the problems of disposing them at the end of their life cycle. Green computing is the environmentally responsible use of these computers and related resources.

• Develop a sustainable Green Computing plan:

- Involve stakeholders to include checklists, recycling policies, recommendations for disposal of used equipment, government guidelines etc.
- Encourage the IT community for using the best practices.
- On-going communication is required towards continuous commitment of green IT.
- Include power usage, reduction of paper consumption, as well as recommendations for new equipment and recycling old machines.
- Use cloud computing so that multiple organizations share the same computing resources, thus increasing the utilization by making more efficient use of hardware resources. **(5 MARKS)**

ANSWER-B

Some key aspects in-built into architecture of a CBS are as follows:

- **Information flow:** Facilitates information flow within the bank and Improves the speed and accuracy of decision-making. It deploys systems that streamline integration and unite corporate information to create a comprehensive database.
- **Customer centric:** Through a holistic core banking architecture, enables banks to

target customers with the right offers at the right time with the right channel to increase profitability.

- **Regulatory compliance:** It is facilitated by compliance module, it will regularly update regulatory platform that ensures regulatory compliance.
- **Resource optimization:** Optimizes utilization of information and resources of banks and lowers costs through improved asset reusability, faster turnaround times, faster processing and increased accuracy. **(5 MARKS)**

ANSWER-5

ANSWER-A

Business Reporting or Enterprise Reporting is the public reporting of operating and financial data by a business enterprise or the regular provision of information to decision-makers within an organization to support them in their work.

Reporting is a fundamental part of the larger movement towards improved business intelligence and knowledge management. Often implementation involves Extract, Transform, and Load (ETL) procedures in coordination with a data warehouse and then using one or more reporting tools. While reports can be distributed in print form or via email, they are typically accessed via a corporate intranet.

Organizations conduct a wide range of reporting, including financial and regulatory reporting; Environmental, Social, and Governance (ESG) reporting (or sustainability reporting); and, increasingly, integrated reporting.

Organizations communicate with their stakeholders about:

- mission, vision, objectives, and strategy;
- governance arrangements and risk management;
- financial, social, and environmental performance (how they have fared against their objectives in practice). **(2.5 MARKS)**

Importance of Business Reporting

- Effective and transparent business reporting allows organizations to present detailed explanation of their business and helps them engage with internal and external stakeholders, including customers, employees, shareholders, creditors, and regulators.
- It helps stakeholders to assess organizational performance and make informed decisions with respect to an organization's capacity to create and preserve value.
- As organizations fully depend on their stakeholders for sustainable success, it is in their interest to provide them with high-quality reports. For example, effective high-quality reporting reduces the risk for lenders and may lower the cost of capital.
- High-quality reports also promote better internal decision-making.
- High-quality information is integral to the successful management of the business, and is one of the major drivers of sustainable organizational success. **(2.5 MARKS)**

ANSWER-B

ERM consists of eight interrelated components. These components are as follows:

(i) Internal Environment: The internal environment encompasses the tone of an organization, and sets the basis for how risk is viewed and addressed by an entity's people, and the environment in which they operate. The internal environment sets the foundation for how risk and control are viewed and addressed by an entity's people.

(ii) Objective Setting: Objectives in line with entity's mission / vision should be set before management can identify events potentially affecting their achievement.

(iii) Event Identification: Potential events which include risks and opportunities that might have an impact on the entity should be identified. Event identification includes identifying factors - internal and external - that influence how potential events may affect strategy implementation and achievement of objectives.

(iv) Risk Assessment: Identified risks are analyzed to form a basis for determining how they should be managed. Risk assessment is done to identify impact of such risks on the organization objectives and strategy.

(v) Risk Response: Management selects a response strategy or combination of it including avoiding, accepting, reducing and sharing risk.

(vi) Control Activities: Policies and procedures are established and executed to help ensure that the risk responses management selected are effectively carried out.

(vii) Information and Communication: Relevant information is identified, captured and communicated in a form and time frame that enable people to carry out their responsibilities. Information is needed at all levels of an entity for identifying, assessing and responding to risk.

(viii) Monitoring: The entire ERM process should be monitored, and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations of the ERM processes or a combination of the both.

(5 MARKS)

ANSWER-6

ANSWER-A

Environmental Controls: These are the controls relating to IT environment such as power, air-conditioning, Uninterrupted Power Supply (UPS), smoke detection, fire-extinguishers, dehumidifiers etc.

Fire Damage:

1. Hand-Held Fire Extinguishers

- Fire extinguishers should be in calculated locations throughout the area. They should be tagged for inspection and inspected at least annually.

2. Manual Fire Alarms

- Hand-pull fire alarms should be purposefully placed throughout the facility. The resulting audible alarm should be linked to a monitored guard station.

3. Fire Suppression Systems

- These alarms are activated when extensive heat is generated due to fire. Like smoke alarms they are designed to produce audible alarms when activated and should be regularly monitored. In addition to precautionary measures, the system should be segmented so that fire in one part of a large facility does not activate the entire system.

4. Smoke Detectors

- Smoke detectors are positioned at places above and below the ceiling tiles.
- Upon activation, these detectors should produce an audible alarm and must be linked to a monitored station (for example a fire station).

5. Regular Inspection by Fire Department

- An annual inspection by the fire department should be carried out to ensure that all fire detection systems act in accordance with building codes. Also, the fire department should be notified of the location of the computer room, so it should be equipped with tools and appropriate electrical fires.

6. Fireproof Walls, Floors and Ceilings surrounding the Computer Room

- Information processing facility should be surrounded by walls that should control or block fire from spreading. The surrounding walls should have at least a more than one-two-hour fire resistance rating.

7. Strategically Locating the Computer Room

- To reduce the risk of flooding; the computer room should not be located in the basement of a multi-storied building. Studies reveal that the computer room located in the top floor is less prone to the risk of fire, smoke and water.

8. Wiring Placed in Electrical Panels and Conduit

- Electrical fires are always a risk. To reduce the risk of such a fire occurring and spreading, wiring should be placed in the fire resistant panels and conduit. This conduit generally lies under the fire-resistant raised computer room floor. **(8*1=8 MARKS)**

ANSWER-B

(2 MARKS)

Digital Library: A Digital Library is a special library with a focused collection of digital objects that can include text, visual material, audio material, video material, stored as electronic media formats, along with means for organizing, storing, and retrieving the files and media contained in the library collection. Digital libraries can vary immensely in size and scope, and can be maintained by individuals, organizations, or affiliated with established physical library buildings or institutions, or with academic institutions. The digital content may be stored locally, or accessed remotely via computer networks. An electronic library is a type of information retrieval system.

ANSWER-7

ANSWER-A

Section 65 Tampering with Computer Source Documents

Whoever

- knowingly or intentionally conceals, destroys or alters or
- intentionally or knowingly causes another to conceal, destroy or alter any computer source code used for a computer, computer program, computer system or computer network, when the computer source code is required to be kept or maintained by law for the time being in force, shall be punishable with
- imprisonment up to three years, or
- with fine which may extend up to 2 lakhs rupees, or
- With both.

(5 MARKS)

ANSWER-B

Risk: Risk is possibility of loss. The same may be result of **intentional or un-intentional action by individuals.**

Risks associated with e-commerce transactions are high compared to general internet activities.

These include the following:

- **Privacy and Security:** Comes in the point of hacking. There are often issues of security and privacy due to lack of personalized digital access and knowledge.
- **Quality issues:** There are quality issues raised by customers as the original product differs from the one that was ordered.
- **Delay in goods and Hidden Costs:** When goods are ordered from another country, there are hidden costs enforced by Companies.

- **Needs Access to internet and lack of personal touch:** The e-commerce requires an internet connection which is extra expensive and lacks personal touch.
- **Security and credit card issues:** There is cloning possible of credit cards and debit cards which poses a security threat.
- **Infrastructure:** There is a greater need of not only digital infrastructure but also network expansion of roads and railways which remains a substantial challenge in developing countries.
- **Problem of anonymity:** There is need to identify and authenticate users in the virtual global market where anyone can sell to or buy from anyone, anything from anywhere.
- **Repudiation of contract:** There is possibility that the electronic transaction in the form of contract, sale order or purchase by the **trading partner or customer** maybe denied.
- **Lack of authenticity of transactions:** The **electronic documents** that are **produced** during an e-Commerce transaction **may not be authentic and reliable**.
- **Data Loss or theft or duplication:** The data transmitted over the Internet may be lost, duplicated, tampered with.
- **Attack from hackers:** Web servers used for e-Commerce maybe vulnerable to hackers.
- **Denial of Service:** Service to customers may be denied due to non-availability of system as it may be affected by viruses, e-mail bombs and floods.
- **Non-recognition of electronic transactions:** E-Commerce transactions, as electronic records and digital signatures may not be recognized as evidence in courts of law.
- **Problem of piracy:** Intellectual property may not be adequately protected when such property is transacted through e-Commerce. **(5 MARKS)**

ANSWER-8

ANSWER-A

- **i) Quicker grasp of relationships** - The relationship between various elements of the application program/business process must be identified. Flowchart can help depict a lengthy procedure more easily than by describing it by means of written notes.
- **(ii) Effective Analysis** - The flowchart becomes a blue print of a system that can be broken down into detailed parts for study. Problems may be identified and new approaches may be suggested by flowcharts.
- **(iii) Communication** - Flowcharts aid in communicating the facts of a business problem to those whose skills are needed for arriving at the solution.
- **(iv) Documentation-** Flowcharts serve as a good documentation which aid greatly in future program conversions. In the event of staff changes, they serve as training function by helping new employees in understanding the existing programs.
- **(v) Efficient coding** - Flowcharts act as a guide during the system analysis and program preparation phase. Instructions coded in a programming language may be checked against the flowchart to ensure that no steps are omitted.

- **(vi) Program Debugging** - Flowcharts serve as an important tool during program debugging. They help in detecting, locating and removing mistakes.
- **(vii) Efficient program maintenance** - The maintenance of operating programs is facilitated by flowcharts. The charts help the programmer to concentrate attention on that part of the information flow which is to be modified. **(3 MARKS)**

Limitations of Flowchart

- **(i) Complex logic** -Flowchart becomes complex and clumsy where the problem logic is complex.
 - **(ii) Modification** - If modifications to a flowchart are required, it may require complete re-drawing.
 - **(iii) Reproduction** - Reproduction of flowcharts is often a problem because the symbols used in flowcharts cannot be typed.
 - **(iv) Link between conditions and actions** - Sometimes it becomes difficult to establish the linkage between various conditions and the actions to be taken there upon for a condition.
- **Meaning:** It refers to recording or logging of activities at the operating system, network, application software, user & database levels.
 - **Example:** Application logs contain details of who initiated a transaction, which authorized it, date & time and other related details etc. **(2 MARKS)**

ANSWER-B

Objectives of audit trail:

➤ **Detecting unauthorized Access:**

This detection can be either real time detection or after the fact detection. Real time detections are alerts configured to trigger even when unauthorized access is being attempted. These are very effective but require a lot of processing resources & monitoring mechanism.

Ex: An unauthorized user trying a user ID-Password wrong three times would be logged by the system.

➤ **Facilitate reconstruction of events:**

Logs keep track of events leading to system failures, security violation & processing errors. These logs help analyze the error condition & prevent future occurrence. Similarly logs help reconstruct account balances if the files are corrupted.

➤ **Fixing accountability:**

Using logs user's activity can be monitored & this acts as a deterrent against unauthorized access or policy violations by users. **(5 MARKS)**

ANSWER-9

ANSWER-A

XBRL Tagging is the process by which any financial data is tagged with the most appropriate element in an accounting taxonomy (a dictionary of accounting terms) that best represents the data in addition to tags that facilitate identification/classification (such as enterprise, reporting period, reporting currency, unit of measurement etc.). Since all XBRL reports use the same taxonomy, numbers associated with the same element are comparable irrespective of how they are described by those releasing the financial statements. **(2 MARKS)**

Comprehensive definitions and accurate data tags allow preparation, validation, publication, exchange, consumption; and analysis of business information of all kinds. Information in reports prepared using the XBRL standard is interchangeable between different information systems in entirely different organizations. This allows for the exchange of business information across a reporting chain. People that want to report information, share information, publish performance information and allow straight through information processing all rely on XBRL.

Purpose

XBRL is used in many ways, for many different purposes, including by:

(i) Regulators

Financial regulators that need significant amounts of complex performance and risk information about the institutions that they regulate.

- Securities regulators and stock exchanges that need to analyze the performance and compliance of listed companies and securities, and need to ensure that this information is available to markets to consume and analyze.
- Business registrars that need to receive and make publicly available a range of corporate data about private and public companies, including annual financial statements.
- Tax authorities that need financial statements and other compliance information from companies to process and review their corporate tax affairs.

(ii) Companies

- Companies that need to provide information to one or more of the regulators mentioned above.
- Enterprises that need to accurately move information around within a complex group.

(iii) Governments

- Government agencies that are simplifying the process of businesses reporting to government
- Government agencies that are improving government reporting by standardizing the way that consolidated or transactional reports are prepared and used within government agencies and/or published into the public domain.

(iv) Data Providers

- Specialist data providers that use performance and risk information published into the market place and create comparisons, ratings and other value-added information products for other market participants.

(v) Analysts and Investors

- Analysts that need to understand relative risk and performance.
- Investors that need to compare potential investments and understand the underlying performance of existing investments.

(vi) Accountants

- Accountants use XBRL in support of clients reporting requirements and are often involved in the preparation of XBRL reports. **(6*1=6 MARKS)**

ANSWER-B

Internet of Things (IoT): IoT is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction. For example: Washing machines with Wi-Fi networking capabilities can connect themselves to home Wi-Fi. Once these machines are so connected, they can be controlled through machine manufacturer mobile app from anywhere in the world. **(2 MARKS)**

ANSWER-10

ANSWER-A

Placement

The first stage involves the **Placement** of proceeds derived from illegal activities - the movement of proceeds, frequently currency, from the scene of the crime to a place, or into a form, less suspicious and more convenient for the criminal.

Layering

- **Layering** involves the separation of proceeds from illegal source using complex transactions, through several banks involved in transfer of money between different accounts in different accounts in different names in different countries, designed to obscure the audit trail and hide the proceeds.
- The criminals frequently use shell corporations, offshore banks or countries with loose regulation and secrecy laws for this purpose.
- It changes the form of money i.e. from black money to white money by purchasing the assets by utilizing black money such as boats, houses, cars, diamonds etc.

Integration

- **Integration** involves conversion of illegal proceeds into apparently legitimate business earnings through normal financial or commercial operations.
- For e.g. false invoices for goods exported, domestic loan against a foreign deposit, purchasing of property. **(5 MARKS)**

ANSWER-B

Systems Development Management Controls:

System development includes the activities for developing a new system and system development processes follow the **System Development Life Cycle (SDLC) steps**. Thus, system development controls are mainly controls related to SDLC.

1. System Authorization Activities

- All new systems requests must be properly authorized, to ensure that their **economic and other feasibilities** are evaluated.
- As with any transaction, system's authorization should be formal and in writing.

2. User Specification Activities

- Users must be actively involved in the systems development process.
- User involvement should not be ignored because of a high degree of technical complexity in the system.
- A **user specification document** should be created by the joint efforts of the user and systems professionals.

3. Technical Design Activities

- The technical design activities in the SDLC translate the user specifications into a set of detailed technical specifications of a system that meets the user's needs.
- The scope of these activities includes **general systems design and detailed systems design**.

4. Program Testing

- All **programs must be thoroughly tested** before they are implemented.
- The results of the tests are then compared against predetermined results to identify programming and logic errors.

5. User Test and Acceptance Procedures

- Just before implementation, the individual modules of the system must be **tested as a unified whole**.
- A test team comprising user personnel, systems professionals, and internal audit personnel subjects the system to rigorous testing.
- Once the test team is satisfied that the system meets its stated requirements, the system is formally accepted by the user departments.

6. Internal Auditor's Participation

- The internal auditor plays an important role in the control of systems development activities, particularly in organizations whose users lack technical expertise.
- Auditor's involvement should be continued throughout all phases of the development process and into the maintenance phase. **(5 MARKS)**

ANSWER-11

ANSWER-A

- **Prevent organizational costs of data Loss:** Data is a critical resource of an organization for its present and future process and its ability to adapt and survive in a changing environment.
- **Prevent loss from incorrect decision making:** Management and operational controls taken by managers involve detection, investigations and correction of out-of-control processes. These high-level decisions require accurate data to make quality decision rules.
- **Prevent loss of Computer Hardware, Software and Personnel:** These are critical resources of an organization which has a credible impact on its infrastructure and business competitiveness.
- **Prevent from high costs of computer Error:** In a computerized enterprise environment where many critical business processes are performed a data error during entry or process would cause great damage.
- **Safeguard assets from un-authorized access:** The information system assets (hardware, software, data files etc.) must be protected by a system of internal controls from unauthorized access.
- **Ensure data integrity:** The importance to maintain integrity of data of an organization depends on the value of information, the extent of access to the information and the value of data to the business from the perspective of the decision maker, competition and the market environment
- **System Effectiveness Objectives:** Effectiveness of a system is evaluated by auditing the characteristics and objective of the system to meet substantial user requirements.
- **System Efficiency Objectives:** To optimize the use of various information system resources (machine time, peripherals, system software and labour) along with the impact on its computing environment. **(5 MARKS)**

ANSWER-B

- It is a system which provides accurate, timely and meaningful data to managers for decision making.
- MIS systems automatically collect data from various areas within a business. These systems can produce daily reports that can be sent to key members throughout the organization.
- Most MIS systems can also generate on-demand reports. On-demand MIS reports allow managers and other users of the system to generate an MIS report whenever they need it.
- It provides various types of sales reports i.e. month wise, quarter wise etc.
- It is user friendly system.

Benefits / criteria of MIS

• **Relevant** - MIS reports need to be specific to the business area they address. This is important because a report that includes unnecessary information might be ignored.

• **Timely** –It provides information to the manager as and when it is required by him. An example of timely information for your report might be customer phone calls and emails going back 12 months from the current date.

• **Accurate** –It should provide accurate information to the manager. Managers and others who rely on MIS reports can't make sound decisions with information that is wrong. Financial information is often required to be accurate to the decimal. In other cases, it may be OK to round off numbers.

• **Structured** - Information in an MIS report can be complicated. Making that information easy to follow helps management understand what the report is saying. Try to break long passages of information into more readable blocks or chunks and give these chunks meaningful headings.

(5 MARKS)