

THE UNIVERSITY AT ALBANY
BACC 381-FINANCIAL INFORMATION SYSTEMS
FALL 2003

Professor: Ingrid E. Fisher, Ph.D., C.P.A.

Office: BA 330

Telephone (442-4948) Email (I.Fisher@albany.edu or iefish119@aol.com)

Office Hours-M-W 12:15-2:00pm, additional appointments available upon advance request.

NOTE: I am on campus almost every day of the week and frequently in my office. Feel free to stop by at any time. If my office door is open, you are welcome to come in.

Should you find the door closed, please respect my need to work at that time.

Required

Textbooks: *Core Concepts of Accounting Information Systems*. Moscovice, Simkin, Bagranoff. 8th Edition. Wiley Publishing.

Course

Description: This course is comprised of four modules, which, in combination, are designed to familiarize students with concepts and tools relevant to the design, implementation and monitoring of financial information systems in the contemporary business environment. A particular emphasis is placed upon electronic means of communication and the impact of the Internet on business transactions. Students are expected to develop working skills in the major technical tools introduced. These skills will be demonstrated through the completion of three group projects (groups of 4-5 persons).

Module I-Traditional Transaction Cycles and Internal Controls (Project #1)

- Module I examines the principal accounting transaction cycles (e.g., the revenue cycle, purchasing cycle, production cycle and payroll cycle). The focus is placed on understanding the business processes that comprise these cycles. Students are expected learn to document these cycles and processes in the form of flowcharts and data flow diagrams. In addition Module I examines the topic of internal control Control activities are discussed in detail. A particular emphasis is placed on controls in an information technology environment. The module ends with an exploration of auditing in an information technology environment with a focus placed on the unique challenges to the audit function, presented by the extensive use of computers in today's businesses. Project #1 requires students to document 2 transaction cycles for a specific business and to both outline and critique the internal controls applied to these cycles.

Module II-Database Systems and Database Design (Project #2)

- Module II consists of a complete examination of the role of databases in the accounting function. Students are guided through database modeling, information organization and data manipulation. Project #2 requires students to create a working database in Microsoft Access that includes at least one cycle from project #1.

Module III-The Internet/Web Page Development (Project #3)

- Module III examines the impact of the Internet on accounting. Students are introduced to mark-up languages with emphasis on the impact of XML and XBRL on financial reporting. The module concludes with an examination of and construction of (accounting) transaction-based web-sites. Project #3 requires students to construct a web-site, that adheres to sound principles of web-design and e-commerce, for their business (the business used in Projects #1 and #2).

Module IV-Electronic Commerce (Project #3)

- Module IV surveys the risks and requirements of conducting electronic commerce. The topics of electronic data interchange, privacy, security (firewalls, encryption) and web assurance services are addressed.

Each group will be required to present an integration of the three projects during the final week of classes.

Course Learning Objectives:

- To be able to prepare flowcharts and data flow diagrams that clearly, concisely and accurately document accounting transaction cycles and related business processes.
- To be able to critically analyze a company’s internal controls and to be able to conduct a cost-benefit analysis for a particular control activity.
- To be able to articulate the challenges of auditing in a computerized environment.
- To be able to construct a database, that adheres to sound design principles, in Microsoft Access.
- To be able to construct a transaction-based web-site that adheres to sound e-commerce principles.
- To be able to articulate the effects of the Internet on the accounting and auditing functions.

Course Grade:

The student’s grade will be comprised of the following components:

1. Module I Project #1-.....	20%
2. Module II Project #2-.....	30%
3. Module III and IV Project #3-.....	15%
4. Three Quizzes/Short Exam.....	20%
5. Presentation.....	15%
TOTAL.....	100%

Each project will be described, in detail, on a separate handout. Late projects are subject to a flat penalty of 20%. Projects more than one week late will not be accepted. The short exams will be given during scheduled class hours and will be primarily objective in format (multiple-choice and short answer questions). The exams will address material contained in the readings and addressed in class discussion. Exam duration will be approximately 25 minutes. All written assignments (i.e., the written portions of the projects) are graded on writing style, clarity and effectiveness.

Groups:

Groups should be comprised of 4-5 individuals. You may self-select, however, please consider selecting individuals with whom you have a compatible schedule and working habits. Once formed, these groups will be maintained for all three projects throughout the semester. If you are unable to self-select, I will form the group for you. Any dysfunctional groups will be required to meet with the instructor for mediation, should the group be unable to self-re-mediate. **NOTE: You must work in a group. Individual projects will not be accepted.**

Academic Dishonesty:

Any incidents of suspected academic dishonesty will be pursued fully in accordance with Accounting Department, School of Business and University at Albany policies. This would include cheating on quizzes, plagiarism in research/writing activities and using the skills of others (not a part of the group) to complete projects. If you are unaware of proper citation

policies for research/writing activities please contact the university writing center (<http://www.albany.edu/writing/>) or 442-4061 (HU 140) or your instructor.

Other

Resources: My website is located at <http://www.albany.edu/~fisherin>. Please review it and visit it frequently. There is a collection of helpful links related to this course. I will also use this site to post other useful course information and assignment/quiz information. You are expected to visit the site at least weekly to monitor course developments.

Module Learning Objectives:

I. Module #1

1. Be able to define and distinguish between, *systems, information systems, and accounting information systems*.
2. Understand and appreciate the pervasive impact information technology has had upon accounting
3. Understand and be able to explain why documenting accounting information systems is important.
4. Be able to draw basic: (a) document flowcharts, (b) systems flowcharts, and (c) data flow diagrams.
5. Be familiar with and able to use software available for documenting accounting information systems.
6. Know how to analyze an accounting (business) process and to identify the steps in the process.
7. Know the objectives, inputs and outputs of the sales and purchasing processes.
8. Understand the use of source documents, journals and ledgers in processing accounting transactions.
9. Know what an internal control system is and be able to identify the interrelated components of the system.
10. Be able to define and distinguish between preventive controls and detective controls.
11. Be able to identify and explain some of the control activities that should be incorporated in an entity's internal control system.
12. Understand the need for computer controls in an accounting information system.
13. Be able to define "general computer controls" and to provide specific examples.
14. Be able to define "application controls" and to provide examples (e.g., identify specific input controls, output controls and processing controls)
15. Be able to critically analyze basic business process and internal control systems.

II. Module #2

1. Understand the importance of databases to accounting information systems.
2. Be able to define and explain the concepts of data structures, records and keys.
3. Know how to create an entity relationship diagram.
4. Be able to explain the differences between 1st, 2nd and 3rd normal form.
5. Be able to break a series of data elements that are not normalized down into 3rd normal form.
6. Be able to implement a database in MS Access.
7. Understand the importance of security in multi-user databases.
8. Understand the importance of interface design in databases.
9. Understand the importance of query functions and information retrieval from databases.
10. Understand the importance of data update in databases.
11. Be able to write and implement (within the Access database) a series of queries in SQL (structured query language).

III. Module #3

1. Understand how the Internet and the World Wide Web have impacted accounting information systems.

2. Be able to use the Internet and Search Engines as effective tools in the performance of accounting research.
3. Understand the expanding practice of reporting the results of accounting processes and the publishing of financial statements on the Internet.
4. Be able to explain and differentiate between: (a) SGML, (b) HTML, (c) XML and (d) XBRL.
5. Be able to demonstrate the understanding of HTML/XML by designing and publishing a business Web site that includes accounting applications.

IV. Module #4

1. Understand why electronic communication and e-commerce are useful and important to accountants.
2. Understand electronic data interchange (EDI) and its importance to accounting information systems.
3. Be able to clearly differentiate between b2c and b2b e-commerce.
4. Be able to enumerate some of the risks as well as some of the benefits of engaging in e-commerce.
5. Be able to identify some of the privacy and security concerns surrounding e-commerce.
6. Be able to identify the major elements of a “good” (from the stand point of a consumer) privacy policy.
7. Be able to define encryption.
8. Be able to explain the arguments both for and against strong encryption.
9. Be able to analyze the pro’s and con’s of engaging in e-commerce for a particular business.
10. Be familiar with Web Trust along with other services that attempt to provide assurances regarding Web sites.

Good Luck!!

Let’s try to enjoy the semester learning experience and to challenge ourselves in the process.

ASSIGNMENT SCHEDULE

DATE	TOPIC/CHAPTER	ASSIGNMENT
Wed. September 3	Intro to Information Systems	Review Syllabus, Ch. 1
Mon. September 8	Documenting Accounting Info. Systems	Ch. 3
Wed. September 10	“” and Systems and Business Processes	Ch. 3-Ch. 4
Mon. September 15	Intro to Internal Control	Ch. 9
Wed. September 17	Computer Controls-IT Processes	Ch. 10
Mon. September 22	Auditing Computerized Accounting Systems	Ch. 12
Wed. September 24	Auditing Computerized Accounting Systems	Ch. 12
Mon. September 29	Quiz #1	
Wed. October 1	Data Modeling and Database Design	Ch. 7
Mon. October 6-No Class		
Wed. October 8	Data Manipulation	Ch. 8- Project #1 Due
Mon. October 13	Data Manipulation-Access	Ch. 8
Wed. October 15	Access	Handouts/Links
Mon. October 20	Access-Query Design	Ch. 8-Handouts/links
Wed. October 22	SQL	Handouts/Links
Mon. October 27	SQL	Handout/Links
Wed. October 29	Quiz #2	
Mon. November 3	Intro to the WWW and Searching	In Class Presentation/Handout/Video
Wed. November 5	Search Strategies/Mark-up Languages/Intro to XML	
Mon. November 10	Web Page Construction	Links/Class Handouts
Wed. November 12	“”	Links/Class Handouts- Project #2 Due
Mon. November 17	Intro to E-Commerce/EDI and Risk Exposure/Electronic Payment Mechanisms	Ch. 2-Links/Handouts
Wed. November 19	Encryption/Privacy	Ch. 2-Links/Handouts
Mon. November 24	Quiz #3	
Wed. November 26-No Class		
Mon. December 1	E-Commerce Concluded	
Wed. December 3	Wrap-up/Presentation Rules	Project #3 Due
Mon. December 8	Presentations	
Wed. December 10	Presentations	

Note: The schedule above is subject to changes in either content or timing as announced during class.