

Guideline Answers to Nov 2014 Exam Questions CA Final INFORMATION SYSTEMS CONTROL AND AUDIT

Question 1 is compulsory (**4 × 5 = 20 Marks**)

Answer **any five** questions from the **remaining six** questions (**16 × 5 = 80 Marks**). [Answer any 4 out of 5 in Q.7]

Qn	Question	Answer Reference
1	<p>XYZ Limited is a Multinational Company engaged in providing services worldwide. Most of the transactions are done online. Their current system is unable to cope up with the growing volume of transactions. Frequent connectivity problems, slow processing and a few instances of phishing attacks were also reported. Hence, the Company has decided to develop a more robust in-house software for providing good governance and efficient use of computer and IT resources. You, being an IS Auditor, has been appointed by the Company to advise them on various aspects of project development and implementation. They want the highest levels of controls in place to maintain data integrity and security with zero tolerance to errors.</p> <p>The Company sought advise on the following issues – (5 X 4 = 20 Marks)</p> <p>(a) What are the major Data Integrity Policies you would suggest?</p> <p>(b) What are the categories of tests that a Programmer typically performs on a program unit?</p> <p>(c) Discuss some of the critical controls required in a computerized environment.</p> <p>(d) What are your recommendations for efficient use of Computer and IT Resources to achieve the objectives of 'Green Computing'?</p>	<p>(a) Page No. 4.22 Para 4.6.5</p> <p>(b) Page No. 2.36, 2.37 Para 2.7.1/2.7.2</p> <p>(c) Page No. 4.3 Para 4.1.2</p> <p>(d) Page No.9.12 Para 9.2.4B/9.2.4C</p>
2 (a)	ABC Ltd is a Security Market Intermediary, providing Depository Services. Briefly explain the relevant requirements with respect to annual Systems Audit mandated by SEBI in this regard. (6 Marks)	Page No.8.19 Para 8.4.3
2 (b)	Discuss some of the pertinent objectives in order to achieve the goals of Cloud Computing. (6 Marks)	Page No.9.1 Para 9.1.2
2 (c)	As an IS Auditor, what are the risks reviewed by you relating to IT Systems and Processes as part of your functions? (4 Marks)	Page No.7.2 Para 7.1.4
3 (a)	Modern business uses Information Technology to carry out basic functions including systems for Sales, Advertisement, Purchase, Management Reports, etc. Briefly discuss some of the IT Tools crucial for business growth. (6 Marks)	Page No.1.12 Para 1.4.5
3 (b)	Mr. 'X' has opened a new Departmental Store and all the activities are computerized. He uses Personal Computers (PCs) for carrying out the business activities. As an IS Auditor, list the risks related to the use of PCs in the business of Mr. 'X' and suggest any two security measures to be exercised to overcome them. (6 Marks)	Page No.4.41 Para 4.10.10
3 (c)	What do you understand by IT Governance? Write any three benefits of IT Governance. (4 Marks)	Page No.3.5 Para 3.1.7 & Page No.3.3 Para 3.1.2(4)
4 (a)	AS an IS Auditor, what are the Output Controls required to be reviewed with respect to Application Controls? (6 Marks)	Page No.4.18 Para 4.5.8
4 (b)	You are appointed by a leading Enterprise to assess and evaluate its system of IT Internal Controls. What are Key Management Practices to be followed to carry out the assignment complying with COBIT 5? (6 Marks)	Page No.3.21 Para 3.4.10
4 (c)	Discuss briefly, the four phases of Information Security Management System (ISMS) prescribed by ISO 27001. (4 Marks)	Page No.6.8 Para 6.3A.3
5 (a)	While doing audit or self assessment of the BCM Program of an Enterprise, briefly describe the matters to be verified. (6 Marks)	Page No.5.13, 5.14, Para 5.3.9C, 5.3.9D
5 (b)	What do you mean by an Expert System? Briefly explain some properties that potential applications should possess to qualify for an Expert System Development. (6 Marks)	Page No.1.29 Para 1.8.2 & Page No.1.30 Para 1.8.6

Qn	Question	Answer Reference
5 (c)	What are the repercussions of Cyber Frauds on an Enterprise? (4 Marks)	Page No.4.26 Para 4.7.8
6 (a)	Compared to traditional audit, Evidence Collection has become more challenging with the use of Computers to the Auditors. What are the issues affect Evidence Collection and Understanding the Reliability of Controls in Financial Audit? (6 Marks)	Page No.7.8 Para 7.3.3
6 (b)	Define the Agile Model of Software Development and discuss its strengths. (6 Marks)	Page No.2.12 Para 2.2.7
6 (c)	Explain the objectives of Business Continuity Management Policy briefly. (4 Marks)	Page No.5.7 Para 5.3.1 & Page No.5.9 Para 5.3.4
7	Write short notes on any four of the following: (4 X 4 = 16 Marks)	
	(a) Operating System Security	Page 4.37 Para 4.10.1C
	(b) Internal Controls as per COSO	Page No.4.6 Para 4.2.4
	(c) Risk, Vulnerability and Threat	Page No.3.11 Para 3.3.2, Page No.3.12 Para 3.3.3
	(d) Types of Backups	Page No.5.18 Para 5.5.1
	(e) Design of Database	Page No.2.29 Para 2.5.4