



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL 02 EXAMINATION - JULY 2026

(2802) DIGITAL TRANSFORMATION & INFORMATION SYSTEMS

• **Instructions to candidates** (Please Read Carefully):

- (1) **Time Allowed:** Reading : 15 minutes.
Writing : 03 hours.

26-07-2026

Morning

[08.45 – 12.00]

No. of Pages : 08

No. of Questions : 07

- (2) **All questions should be answered.**

- (3) **Answers** should be in the **medium** applied for, in the **booklets** provided.

- (4) State clearly assumptions made by you, if any.

- (5) **Action Verb Check List** with definitions is attached. Each question will begin with an **action verb** excluding OTQ's. Candidates should answer the questions based on the **definition** of the verb given in the Action Verb Check List.

- (6) 100 Marks.

SECTION A

Objective Test Questions (OTQs)

(Total 25 marks)

Question 01

Select the most correct answer for question No. **1.1** to **1.10**. Write the number of the selected answer in your answer booklet with the number assigned to the question.

- 1.1** The simulation of human intelligence in machines that are programmed to think and act like a human is known as:

- (1) Blockchain. (2) Artificial Intelligence.
(3) Data Visualization. (4) Crowdfunding.

- 1.2** Which one of the following is a way to promote the ethical use of information systems?

- (1) Transparency. (2) Advanced Security Measures.
(3) Regular Audits. (4) All of the above.

- 1.3** Which one of the following types of analytics is used by a logistic company to recommend the most efficient delivery routes to its drivers using real-time traffic and weather data?

- (1) Descriptive Analytics. (2) Diagnostic Analytics.
(3) Prescriptive Analytics. (4) Predictive Analytics.

- 1.4** Which one of the following correctly differentiates between general-purpose application software and enterprise application software?
- (1) General-purpose application software supports organization-wide integration, while enterprise application software is used only by individuals.
 - (2) Enterprise application software is designed for large-scale organizational processes, while general-purpose application software performs a wide range of common tasks such as word processing and spreadsheets.
 - (3) General-purpose application software can only be used online, while enterprise application software works only offline.
 - (4) Enterprise application software does not require integration with other systems and general-purpose application software requires integration.
- 1.5** A finance company found out that one of its employees has illegally accessed the system using the login belonging to the finance manager of the company. Under which one of the following laws can they prosecute the employee?
- (1) Computer Crime Act No. 24 of 2007.
 - (2) Electronic Transactions (Amendment) Act No. 25 of 2017.
 - (3) Online Safety Act No. 09 of 2024.
 - (4) Right to Information Act No. 12 of 2016.
- 1.6** Which one of the following stands for “ITES” in the context of Business Process Outsourcing (BPO)?
- (1) International Technology-enabled Economic Services.
 - (2) Information Technology Enabled Services.
 - (3) Integrated Technology and Engineering Support.
 - (4) Information Transfer and Exchange Systems.
- 1.7** **Nimal** receives an urgent email appearing to be from his bank, asking him to click a link and verify his login credentials. Which one of the following cybersecurity threats is described in this scenario?
- (1) Ransomware.
 - (2) Phishing.
 - (3) Denial of Service (DoS) Attack.
 - (4) Insider Threats.

1.8 Sensitive personal information, such as home address and phone number, is leaked online, exposing an individual to stalking and potential physical harm. Which one of the following best represents the effect of poor data privacy in this scenario?

- (1) Identity theft and financial fraud.
- (2) Loss of personal security and safety risks.
- (3) Limited digital freedom and privacy violations.
- (4) Business operational disruptions.

1.9 Consider the following disruptive technologies introduced into the Sri Lankan market and the examples for those technologies:

Description	Example
(1) Mobile payment platforms.	(a) PickMe, HelaGo, Uber
(2) Ride-hailing platforms.	(b) eZ Cash, mCash, Frimi
(3) E-commerce market places.	(c) Daraz, Kapruka

Which one of the following relates the description given on the left hand side of the above table with appropriate example given on the right hand side respectively?

- (1) **(a), (b) and (c).**
- (2) **(a), (c) and (b).**
- (3) **(b), (a) and (c).**
- (4) **(c), (b) and (a).**

1.10 Consider the following impacts of Information Systems on employment:

- (a)** Replacement of repetitive manual tasks through automation.
- (b)** Growth of short-term freelance work through digital platforms.
- (c)** Guaranteed job security and long-term employees' benefits.
- (d)** Increased opportunities for remote work.

Of the above, correct impacts of information systems on employment are:

- (1) **(a) and (c) only.**
- (2) **(b) and (c) only.**
- (3) **(a), (b) and (d) only.**
- (4) All of the above.

(02 marks each, 20 marks)

State whether each of the following statements from **1.11** to **1.15** is **True** or **False**. Write the answer (True/False) in your answer booklet with the number assigned to the question.

- 1.11** Smartphones enable productivity improvements anytime, anywhere by supporting communication and general-purpose tasks through mobile applications.
- 1.12** An Enterprise Resource Planning (ERP) system allows each department within an organization to operate independently using separate databases in order to increase flexibility and departmental control.
- 1.13** Compliance frameworks require regular risk assessments to prevent cyber-attacks.
- 1.14** Equity-based crowdfunding allows contributors to donate money to social causes without expecting any financial return.
- 1.15** The Online Safety Act No. 9 of 2024 of Sri Lanka aims to protect individuals from harm caused by the communication of prohibited statements online. (01 mark each, 05 marks)
- (Total 25 marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

Suwa Osu Pharmacy is a small retail pharmacy that currently records daily sales, suppliers' orders, and customers' prescriptions manually in books. Due to frequent stock shortages, delayed reporting, and difficulty in tracking customers' purchase history, the pharmacy's management plans to introduce a Computerized Information System.

You are required to:

- (a) **Explain** two(02) elements of an Information System that are most critical for the success of a new system. (04 marks)
- (b) **Explain** two(02) impacts of Information System (IS) and Information Technology (IT) on overall performance of **Suwa Osu Pharmacy**. (04 marks)
- (c) **State** two(02) characteristics of quality information used by **Suwa Osu Pharmacy**. (02 marks)
- (Total 10 marks)

Question 03

Silky Handloom is a small Sri Lankan textile business based in Kandy. It manages its customers' orders, suppliers' details, and financial records manually using paper files and basic spreadsheets. The owner, **Gihan**, has decided to digitally transform the business by setting up a proper database system to manage business's data and obtaining a reliable internet connection to support day-to-day operations.

You are required to:

- (a) **Explain** three(03) key factors to be considered when selecting a database for **Silky Handloom**. (06 marks)
 - (b) **Explain** two(02) factors that **Gihan** needs to be considered when selecting an Internet Service Provider (ISP). (04 marks)
- (Total 10 marks)

Question 04

A large manufacturing company is planning to modernize its operations by implementing novel information systems. The management intends to improve decision-making and to outsource its business processes. Further, the company is planning to outsource certain non-core activities while using data analytics to gain a competitive advantage.

You are required to:

- (a) **Explain** two(02) characteristics and capabilities of an Executive Information System (EIS). (04 marks)
 - (b) **State** two(02) data analytics tools come in several different varieties . (02 marks)
 - (c) **State** four(04) advantages gained by the company using the Business Process Outsourcing (BPO). (04 marks)
- (Total 10 marks)

Question 05

MediTrust Hospital, a rapidly expanding private healthcare institution in Sri Lanka, has implemented an integrated online patient portal to manage electronic medical records, appointments scheduling, laboratory reports, and digital payment services. With the increased digitization of healthcare operations, the management has raised concerns regarding the protection of sensitive personal and medical data from cyber-security threats, the prevention of unauthorized access to information systems, and the need to ensure compliance with both local and international data protection regulations.

You are required to:

- (a) **State** four(04) importances of data privacy to **MediTrust Hospital**. (04 marks)
 - (b) **Explain** two(02) Technical Controls that **MediTrust Hospital** can implement as strategies to mitigate cyber-security risks. (04 marks)
 - (c) **State** two(02) key provisions of the Personal Data Protection Act (PDPA) No. 9 of 2022. (02 marks)
- (Total 10 marks)

Question 06

CeylonPay Solutions is a Colombo-based FinTech startup company that recently launched a mobile payment platform. It targets rural and semi-urban Sri Lankans who have limited access to traditional banking services. The company is now looking to expand its services by using AI-powered chatbot tools.

You are required to:

- (a) **State** two(02) benefits that **CeylonPay Solutions** can gain from this newly introduced mobile payment platform. (02 marks)
 - (b) **Explain** two(02) ways how **CeylonPay Solutions** can gain a competitive advantage by adopting emerging technologies. (04 marks)
 - (c) **State** four(04) prompt engineering techniques that can be used by customers of **CeylonPay Solutions** to generate better and more accurate responses using an AI-powered Chatbot. (04 marks)
- (Total 10 marks)

End of Section B

SECTION C

(Total 25 marks)

Question 07

AgroLink (Pvt) Ltd. is a rapidly expanding Agri-technology company in Sri Lanka that connects rural farmers directly with supermarkets and urban retailers through a digital supply platform. Currently, the company's regional offices operate on standalone systems, with manual coordination among Logistics, Finance and Procurement Departments.

Due to business growth, **AgroLink (Pvt) Ltd.** plans to:

- Establish a centralized IT infrastructure.
- Implement integrated information systems across all management levels.
- Adopt a cloud-based database to manage farmers' records, orders, pricing, and delivery schedules.
- Introduce real-time analytics dashboards for demand forecasting and pricing decisions.
- Strengthen data protection practices.
- Reduce the environmental impact caused by increasing IT usage.

However, the management is concerned about:

- Data privacy and the ethical use of farmers' and retailers' information.
- Digital exclusion of small-scale rural farmers.
- Rising electricity consumption from servers and networking equipment.
- Overdependence on algorithm-driven decisions.

You are required to:

- (a) **State** two(02) key IT infrastructure components **AgroLink (Pvt) Ltd.** must develop or upgrade to implement its centralized digital platform successfully with one example for each. (04 marks)
- (b) **Identify** a type of information systems used at the each level of management (Operational, Tactical, and Strategic) of **AgroLink (Pvt) Ltd.** and a type of decision taken at each level. (06 marks)
- (c) **Explain** two(02) ways that digital transformation initiatives can significantly impact organizational efficiency and innovation. (05 marks)
- (d) **Explain** two(02) ethical issues related to the use of information systems by **AgroLink (Pvt) Ltd.** (04 marks)
- (e) **Explain** three(03) sustainable practices that can reduce e-waste and extend the life cycle of IT equipment. (06 marks)
- (Total 25 marks)

End of Section C

Action Verbs Check List

Level	Action Verb	Definition	Detailed Instructions for Students
REMEMBER Recalling facts, terms, basic concepts, or answers without necessarily understanding what they mean.	Identify	Recognition of someone or something.	Find and name key parts of the topic.
	Define	Meaning of a word or concept.	Provide a clear meaning of a term or concept.
	Recognise	Awareness of something seen before.	Spot and acknowledge something from previous learning.
	State	Clear and concise expression of information.	Express key facts or concepts in a straightforward way.
	List	A series of names, numbers, or items.	Write down key points in an organized manner.
	Record	Entry of details into a system (not accounting).	Enter relevant details clearly and accurately.
UNDERSTAND Comprehending the meaning of informational materials and being able to interpret or explain it.	Construct	Formation of something by combining elements.	Bring together different parts into a meaningful whole.
	Differentiate	Recognition of differences between two or more things.	Highlight distinctions between concepts or items.
	Discuss	Consideration of different ideas and opinions about a topic.	Explore various perspectives and provide insights.
	Explain	Clarification of something in greater detail.	Provide a logical and detailed description.
	Illustrate	Use of examples, charts, or visuals to clarify a point.	Support explanations with appropriate examples or visuals.
	Interpret	Explanation of the meaning of information or actions.	Explain what something means in your own words.
	Describe	A detailed account of something.	Provide relevant details in a structured manner.
APPLY Using learned material in new and concrete situations. It requires the practical application of knowledge and skills.	Summarise	A brief statement of the main points.	Present key information concisely.
	Apply	Use of knowledge, skills, or rules in a situation.	Utilise relevant knowledge or techniques to achieve an outcome.
	Calculate	Determination of a value through mathematical or logical methods.	Use numerical or logical processes to reach a solution.
	Determine	Establishment of something through research or calculation.	Find out or conclude something after calculation or research.
	Demonstrate	Display of a process or method.	Show a clear example through structured steps.
	Prepare	Organisation of materials or information for use.	Arrange necessary details before engaging in a task.
	Use	Application of a concept, tool, or method for a purpose.	Implement relevant knowledge or resources appropriately.
ANALYSE Breaking down information into its components to understand its structure and relationships.	Present	Sharing of information effectively.	Deliver key insights clearly and professionally.
	Analyse	Detailed examination of something to understand its components.	Break down information into key parts for better understanding.
	Compare	Examination of similarities and/or differences.	Point out the key commonalities and distinctions.
	Distinguish	Recognition of unique characteristics.	Identify what makes things different from each other.
	Examine	Inspection of something to determine its nature.	Look at something closely to understand it better.
	Outline	Summary of the main points.	Provide an organised overview of key aspects.
	Conduct	Organisation of elements for an experiment, survey, or study.	Follow structured steps to carry out a task systematically.
EVALUATE Making judgments about the value or quality of ideas or materials based on criteria or standards.	Report	Structured presentation of findings.	Present analysed information in a clear and logical format.
	Advise	Offering of suggestions or recommendations.	Provide informed guidance based on analysis.
	Evaluate	Critical assessment of value, effectiveness, or impact.	Judge the quality or relevance of something based on criteria.
	Formulate	Development of a structured approach or plan.	Create a well-defined method or strategy.
CREATE Combining elements in novel ways to form a coherent or functional whole; the ability to generate new ideas, products, or ways of understanding.	Recommend	Suggestion of a suitable course of action.	Propose an approach backed by logical reasoning.
	Create	Generation of something new.	Develop something original and purposeful.
	Assess	Estimation or evaluation of quality, ability, or nature.	Provide a reasoned judgment based on available information.
	Develop	Expansion or refinement of an idea, product, or concept.	Strengthen and improve an idea over time.
	Propose	Suggestion of a plan or concept for consideration.	Present an idea or structured recommendation.
	Synthesis	Combination of different elements to form a coherent whole.	Integrate multiple ideas or insights into a meaningful conclusion.
	Design	Creation of a structured plan for something	Formulate a detailed structure for a product or process.
	Compile	Assembly of information from various sources.	Organise collected data into a comprehensive format.