

E- Content

Computerised
Accounting
Sem- II

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MEANING OF COMPUTERISED ACCOUNTING

- As its name suggests, "computerized accounting" is accounting done with the aid of a computer
- It tends to involve dedicated accounting software and digital spreadsheets to keep track of a business or client's financial transactions.

- Computerized accounting is a beneficial use of current technological advances
- Not only has it revolutionized the traditional paper methods of accounting, but it has also created new types of accounting applications for business
- Companies now create entire accounting information systems that integrate all business operations, including external suppliers and vendors in the value chain

- Computerized accounting systems (or software) have replaced manual-based accounting in virtually all businesses and organizations, providing accountants, managers, employees and stakeholders access to vital accounting information at the touch of a button
- Computerized accounting systems automate the accounting process--improving efficiency and cutting down costs

- Computerized accounting has many advantages over traditional manual accounting
- Computerized accounting tends to be more accurate, is faster to use, and is less subject to error than its manual counterpart

TRADITIONAL / MANUAL SYSTEM OF ACCOUNTING

Data & instructions

Manual
processing

Inforamtion

PROCESS OF COMPUTERISED ACCOUNTING

Data & instructions

- Cheques/Receipts
- Debit Notes
- Credit Notes
- Invoices

Electronic
Processing Through
Computers

- Profit & Loss A/c
- Balance Sheet

FEATUERES OF COMPUTERISED ACCOUNTING

1. Fast, Powerful, Simple and Integrated
2. Complete Visibility Enhanced User Experience
3. Accuracy
4. Speed
5. Scalability
6. Power
7. Improved Business Performance
8. Quick Decision Making
9. Complete Reliability

DIFFERENCE BETWEEN MANUAL ACCOUNTING SYSTEM AND COMPUTERISED ACCOUNTING

- Recording of data
- Data entering
- Classification and processing of data
- Data Storage
- Reporting
- Accuracy
- Lesser paper work
- Codification of data
- Data sharing
- Adujusting entries

ADVANTAGES OF COMPUTERISED ACCOUNTING

- Codification is possible
- Easy control
- Universal application
- Easy to process voluminous data

DISADVANTAGES OF COMPUTERISED ACCOUNTING

- Needs heavy investment
- Problem of security
- Loss of data
- An artificial device
- Possibility of manipulations
- Not suitable for small firms
- Requires training on part of accountants

PROCESS/STEPS IN COMPUTERISED FINANCIAL ACCOUNTING

- Planning and opening of an Accounting System
- Entering of data
- Coding
- Bank reconciliation
- Posting
- Printing of trail balance
- Finalization of Accounts

ADVANTAGES OF THE COMPUTERISED FINANCIAL ACCOUNTING SYSTEM

- Computerized System has a lot of memory, it can record and store the large data in its memory, which is limited one in manual system.
- Due to Coding, it's easy to record and process with the data in case of computerized system.
- The system is flexible.
- The information provided by the computer system is believed to be more accurate, reason being the chances of mistake are less in this.

VARIOUS COMPONENTS OF A COMPUTERISED FINANCIAL ACCOUNTING SYSTEM

- The major components of financial accounting software are as under:
 - General ledger programs
 - Accounts payable program
 - Accounts receivable program
 - Payroll program
 - Fixed assets accounting program
 - Inventory accounting programmes.

PeachTree Version

Version	User Support	Extra Standard Reports	Industry	Planning / Budgeting
Professional	1	⊘	⊘	⊘
Complete	5	⊘	⊘	⊘
Premium	5	●	●	●
Quantum	40	●	⊘	●

by Sage

Rest Things, Like

Accounts Payable/Receivables, Bills Payments, Purchase Orders, Cheques, Invoices, Quotes etc. are same across all 4 versions.

PeachTree Technical Know How

- Database (Backend Engine)
 - Called “Pervasive” - stores and manages data

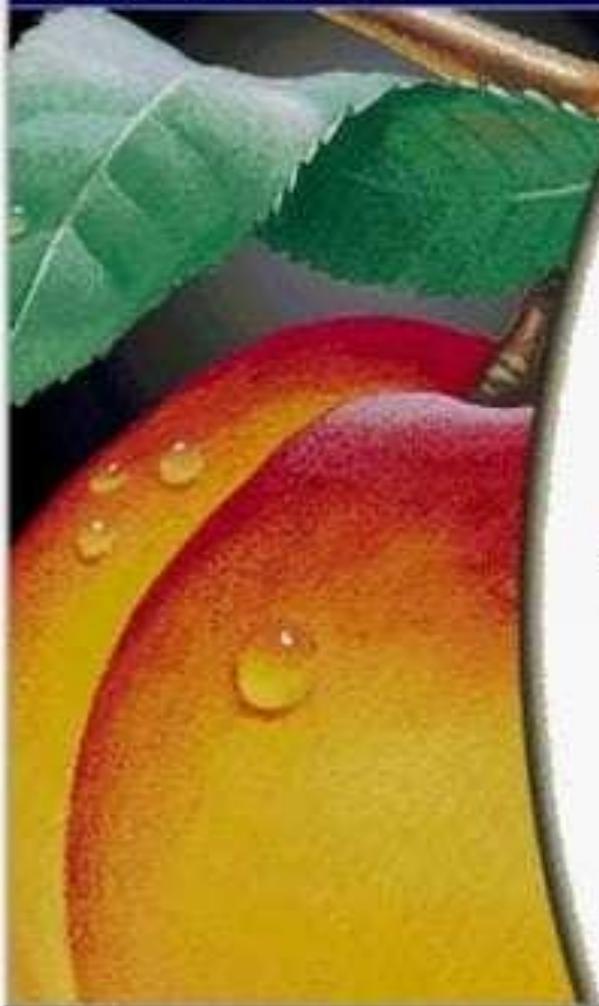


- Mistaken for a Virus
- Compatible with Windows OS
- User Support **NOT** available for Windows 7
 - Does not mean, it will not work on windows 7

Using Accounting Software(s)

- Improved Accuracy
- Improved Efficiency
- Accounting practices without knowing GAAP
- Increased Revenue
- Reporting Flexibility
- Collaboration
- Reduced Costs
- Security and redundancy
- Backups

Peachtree
by Sage



Open an existing company.



Set up a new company.



Learn about Peachtree Accounting through an online tutorial.



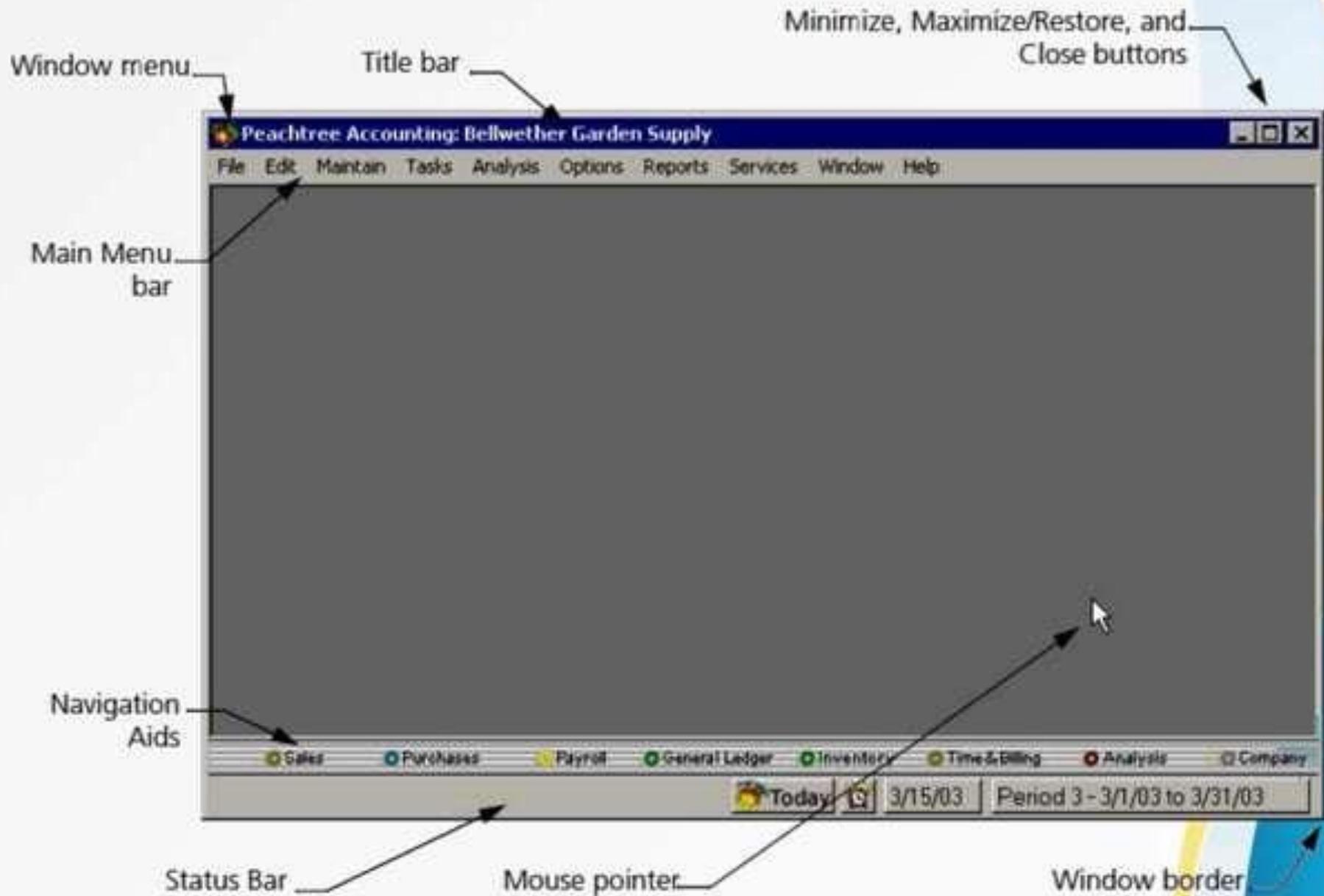
Explore a sample company.



Convert a QuickBooks® company to Peachtree Accounting.



Close this window.



New Company Setup

- One of the first things you'll want to do when you receive your Peachtree Accounting package is set up your company
- To get things started, Peachtree provides the New Company Setup wizard
- When you set up your company, you provide Peachtree with basic information such as name and address

New Company Setup ...

- In addition, you select your chart of accounts, choose your accounting and posting methods, and specify how your accounting periods are set up
- When you complete New Company Setup and select the Finish button, Peachtree presents the setup checklist
- Then, you can start entering default information, record data (such as employee, vendor and customer records), and beginning balances

Set Up a New Company

1. Start Peachtree if it is not already running
2. From the **File** menu, select **New Company**, or choose **Set up a New Company** in the Peachtree Accounting Startup window
3. Select **OK**. Peachtree displays the New Company Setup - Introduction window
4. Read the introductory information
5. To continue setting up your company, select the Next button. Peachtree displays the New Company Setup - Company Information window