

“Role of Integrated Accounting Practices in Textile Industry”

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Abstract:

In the present competitive market production companies need to increase their efficiency levels. Integrated accounting system is significantly increase the profitability, decreasing the operation cost and also increase the efficiency level of the production activity. This paper mainly focus on the accounting of benefit of integrated accounting system in textile industries, like productions operation/sales. The functional level of textile industries, determine the main factor for selecting of integrated accounting system, identify the barriers of implementation of integrated accounting system. The production plants influence to take managerial decision and efficiency at the organisational and operational level, and the benefits of integrated accounting systems.

Key words: Integrated Accounting, ERP, Accounting Software, Textile Industry.

Introduction:

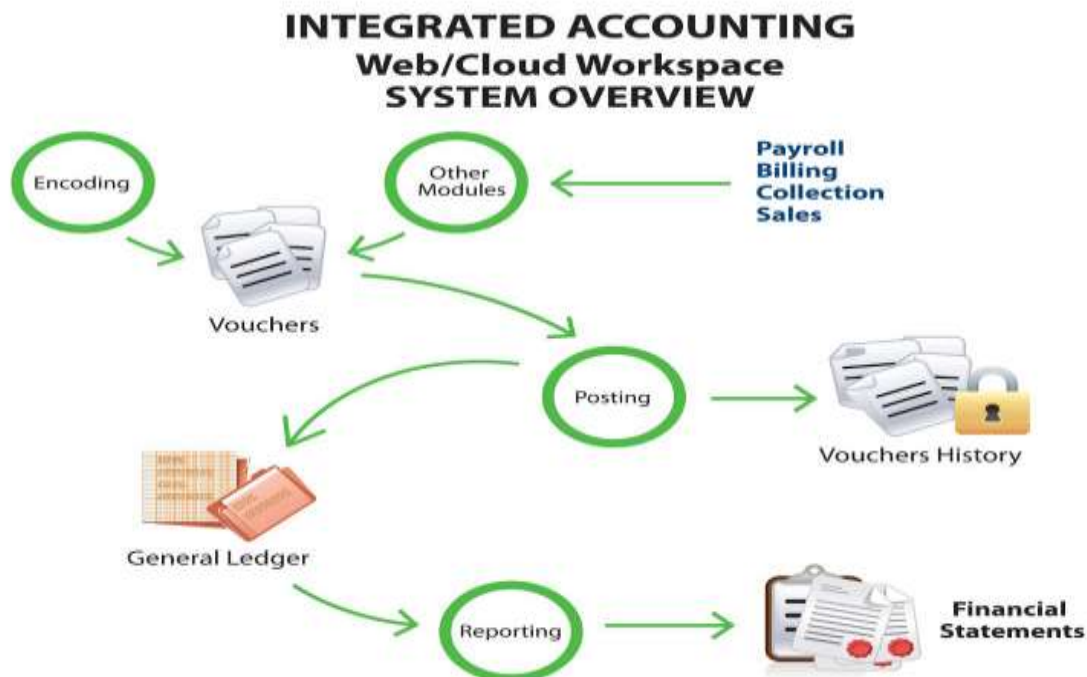
An integrated accounting system is a type of software that combines major financial accounting functions into an application. Replacing several discrete systems or programs eliminates, the need separate books of records for ordering costing and other Management.

Accounting purpose integrating these features help standardized procedure for recording transaction and this mining is maintaining financial information at interconnects the reporting activities of companies different functional areas such as point of sale office and stock facilities.

Integrated accounting system furnish the information regarding the cost of each product job or operation as well as comprehensive information about the profit or loss of entire organisation. This system helps the management to maintain control over operation by enabling companies to determine managerial cost variances and abnormal loss or gain.

Integrated accounting system can be used to element report and monitor a company job cost as well as track and convert the employee time into payroll.

The system also handle additional process such as inventory purchases assembling the sales and sending information like statement in voice customer or vendor.



Core features of integrated accounting system:

Most integrated accounting system offer core or non- core features models which have the same uses experience and Earth same easily interconnect

Core Models features:

- ☞ Account Receivable and Accounts Payable Ledger
- ☞ Back Reconciliation
- ☞ General Ledger
- ☞ Purchase For Stock Inventory
- ☞ Bills and Bookkeeping

Non- core model optional:

- ☞ Electronical Payment Processing
- ☞ Debt Collection
- ☞ Payroll
- ☞ Timesheet Management
- ☞ Departmental Accounting
- ☞ Support For Multi-Currency
- ☞ Value Added Taxation
- ☞ Customer Relationship Management
- ☞ Inventory Management
- ☞ ERP Systems

OBJECTS:

- ➔ To study on Integrated accounting system
- ➔ Functions of integrated accounting system
- ➔ Cost benefits of integrated accounting system

METHODOLOGY:

Paper based on Primary and secondary data reference to various source such as journals newspaper article websites statutory reports

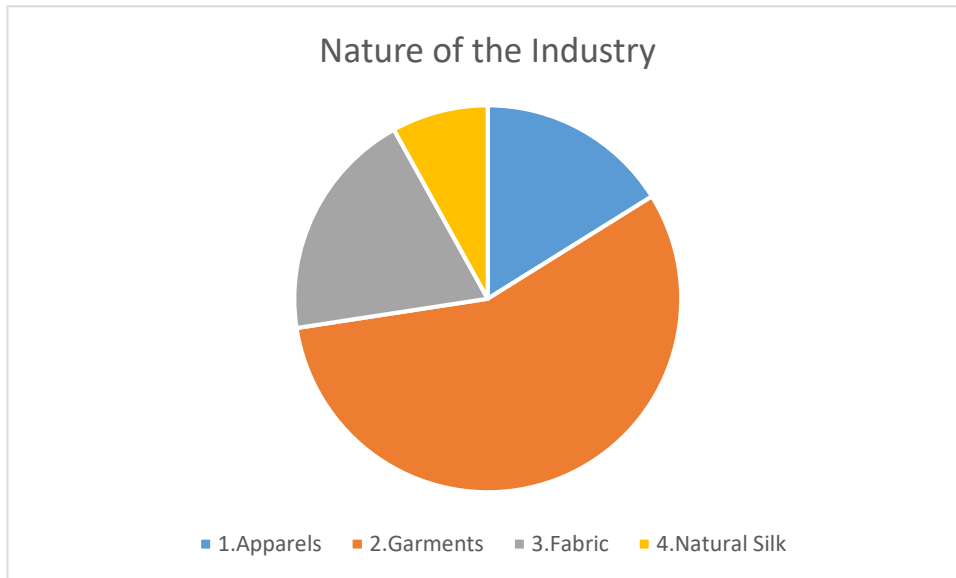


Figure:1

In the above figure the textile industries which are using/implementing the integrated accounting practices, 53% of the garments industries are using integrated accounting practices, 23% fabric industries are implemented integrated accounting practices, Natural skills least companies are implemented integrated accounting practice.

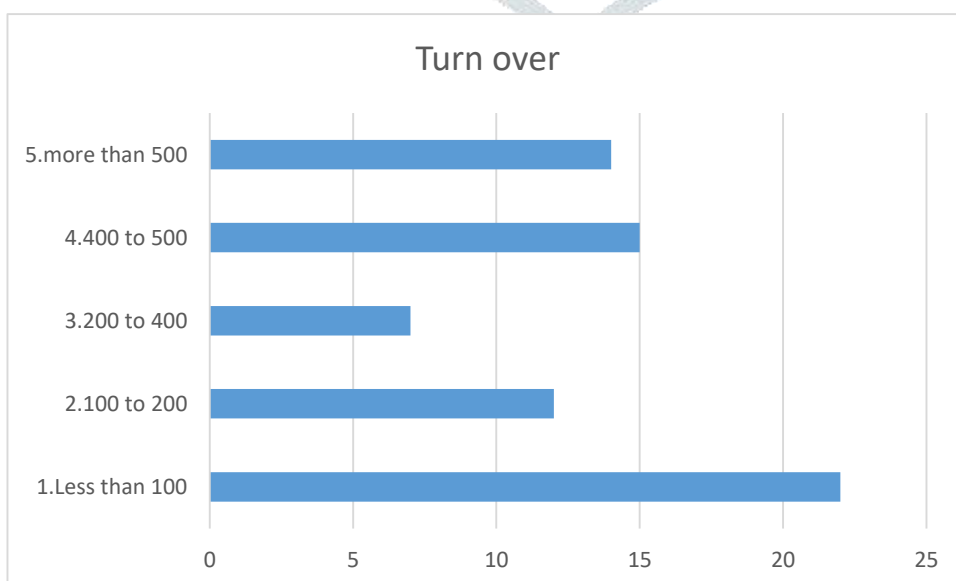


Figure: 2

Turnover of textile industries who are implemented integrated accounting practices, Majority of the, 25 companies out of 70 are comes under less than 100 Cr, 14 industries out of 70 are comes under more than 500 cr's, 200 to 400 crs are the least turnover of the industries who are implemented Integrated accounting practices

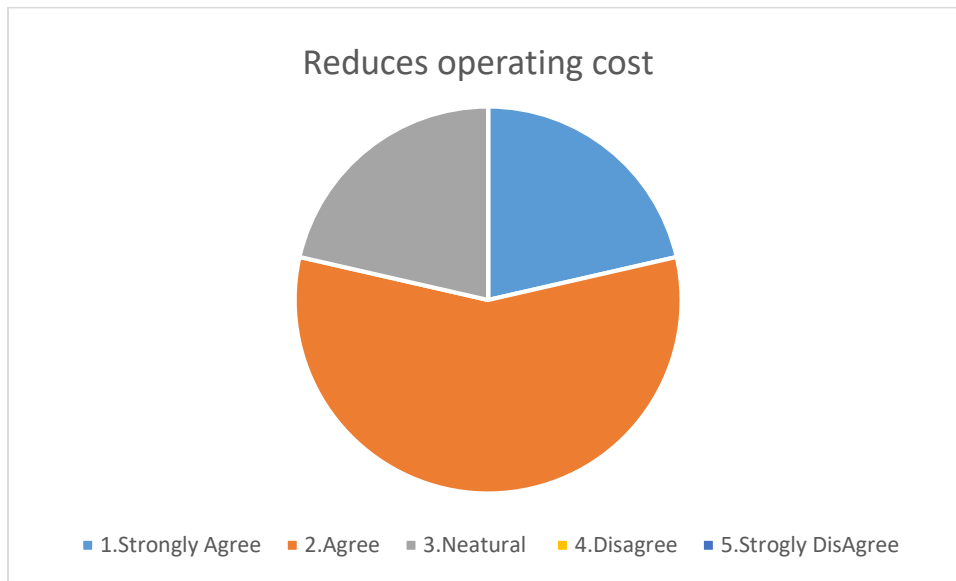


Figure: 3

From the above figure majority of the companies i.e. 56% of the industries are agreed the integrated accounting practices were reduces the cost of the production of the textile industries. 22% of the industries are strongly agreed that it reduces the cost of the production, there is no companies are disagreed and strongly disagreed, because implementation of Integrated accounting Practices reduces the operating cost.

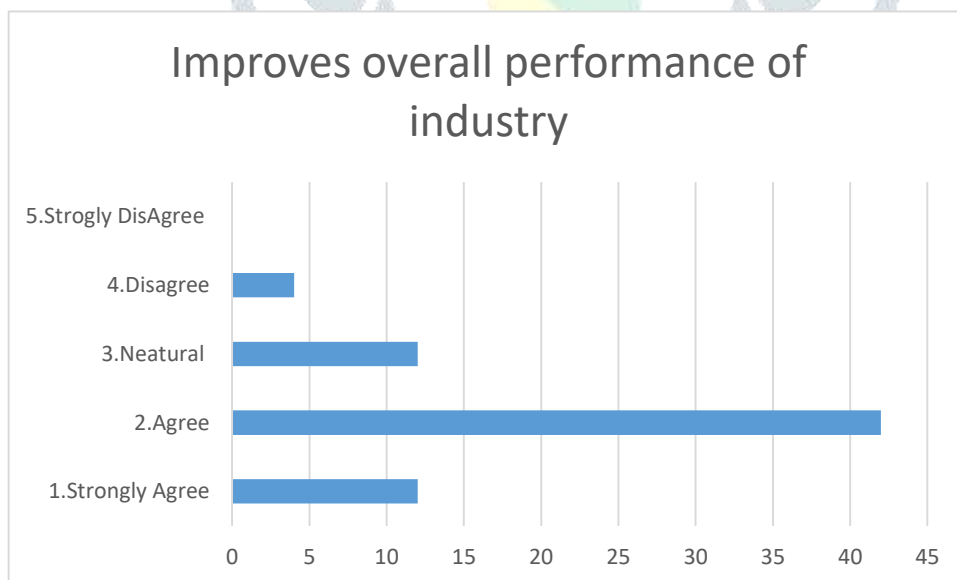


Figure: 4

From the above the figure it says that 43 organisation are agreed that implementation of Integrated accounting system will improves the overall performance of the organisation, only 4 organisation dis agree some of technical issues and upgradation of Software. 12 industries are strongly agreed it will improve the performance of the organisation

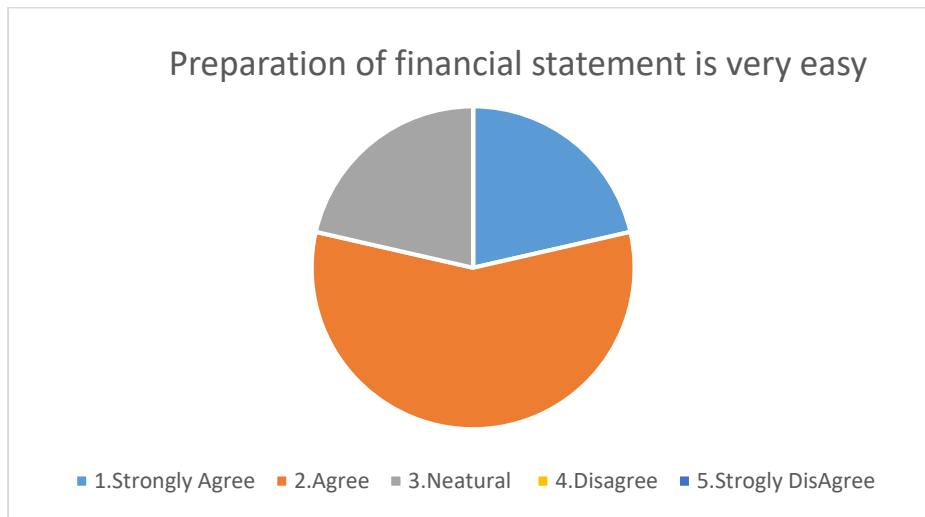


Figure: 6

From the above figure it shows that the preparation of financial statement of the industries, after implementation of integrated accounting system, it's very easy to prepare financial statements agrees by 60% of the industries, none of industries are disagrees and strongly disagree, Hence, After implementation of Integrated Accounting system, it's very easy in preparation of Statements

Conclusion:

If textile companies are integrated with accounting practices. It helps productivity level and it reduces the cost of benefit cost benefits to various aspects and also it helps to spot running of organisation activities. Integrated accounting practices also integrated with supply chain management and business intelligence system. An integrated accounting software will provide solution for a specific industries

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