



MANUAL ACCOUNTING SYSTEM AND COMPUTERIZED ACCOUNTING SYSTEM

AKSHITA KOOL, PGDM GLOBAL STUDENT

ST. XAVIER'S COLLEGE, BANGALORE

ABSTRACT

This study aims to determine the performance of manual accounting system and computerized accounting system in every organization. Data was collected by the help of questionnaire which was circulated through emails. The result shows that much organization's using computerized accounting systems which help their employees to perform effectively and efficiently. Computerized accounting system has a more effective impact on organization's working. It is a time saving concept but bit expensive. In manual accounting, there are many chances of mistakes in recording the entries or amount and it is more time consuming process. We will see many advantages and disadvantages of both the system in this paper.

INTRODUCTION

As a result of technology advancement the world find the new way to operate. By the help of technology now people have opportunity to be in touch from across the globe. The e-platforms are now one more medium through which people can enlarge their social networks and form close communal relations.

Now a day's human life is extremely dependent on the technology that human have developed. Through the years technology has advanced and changed the way goods or services are purchased, the living standard of people, that is, by continuous technological advancements, human's has change the way they learn, the way they communicate, the way they travel. As

there is change in human life style and demand the use of numerous technology is high. Thus, more or less everything human use has been redevelops to better standards.

Over the long period of time, there has been a substantial shift from manual to computerized accounting systems. Now employees may never have to make a pen-pencil entry into a journal again, but yes it is important to understand how double entry systems work. Before computerized accounting system, accounts were maintained manually by business owners. Although, now with the help of computers the organization get modern technology and easy access in every work. Automated Accounting Software with advance and effective system is a great help.

Manual accounting implicit that employees execute the accounting manually on a periodic basis: they journalize transactions, calculate trial balances and prepare financial statement etc. These activities take much time, resources and efforts of employees.

In Computerized accounting employees have to record every accounting entry and transactions into the computer which further processes the other steps of cycle automatically or by a request. But there are many complex transactions like, premiums and wages calculations, depreciation calculations, etc. Computers can give accurate calculations and reports but it takes resources, time and efforts too. The computerized system costs more and it requires accountants who can use specific software. We know computer software calculates faster but you have to give a command and tell computer what you need exactly. We can say there is one drawback also of a good computerized accounting system it can cost thousands and even millions of dollars, depending on the size of the organization and complexity of the software.

LITERATURE REVIEW

Computerized Accounting System is a system in which person record business transactions or financial information and can plan their work which can be done in less time. Employee can also organize, analyzed, interpreted, summarized and communicate the financial information to the stakeholders through the help of computers. Computerized Accounting System helps in facilitate the flow of financial information, database recording and report generation.

Main characteristic of computerized accounting system is it saves time and much organization use the software for this particular characteristic only. We can get accurate data from computerized accounting system; accountant can analyze each and every step of their posting and get the accurate data. Accountant did not have to maintain many files to record each transaction, everything can be recorded in one single system or file and he can take backup

easily whenever they need. Computerized Accounting System is most secured system also, it manages everything easily.

RESEARCH METHODOLOGY

To assemble primary data the quantitative research was applied on employees of different companies. The data was collected in January 2022, by questionnaire distributed over the whatsapp and email in the form of Google survey. Thirty employees took part in the survey and finish the questionnaire. The surveyed employees are from different department, levels, age groups and genders.

To inspect the collected quantitative data, descriptive statistics were applied through IBM SPSS (2022) and Microsoft Excel. The end results of data analysis are studied and the conclusions were made.

RESEARCH FINDING

Demographic information of the respondents

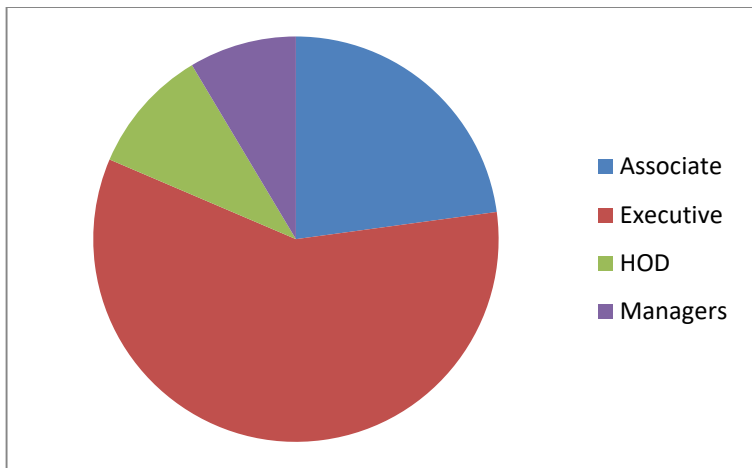
30 Respondents

Age

Age Group	Number of Respondents
20-30	10
30-40	15
50-60	5

Out of 30 respondents which are associates, executives, managers and HOD's of different organization, we have 10 respondents from 20-30 age group, 15 respondents from 30-40 age group, 5 respondents from 50-60 age group.

Occupation

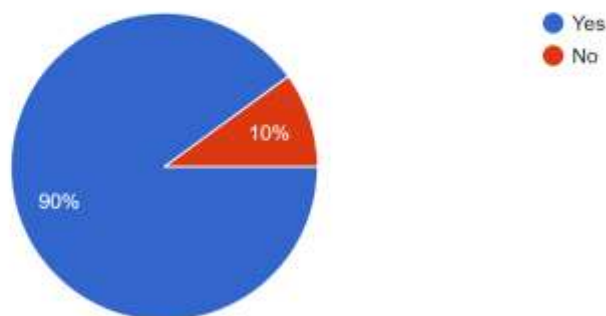


From above pie chart, we can see that major respondents are executives, then associates, then HODs and then managers.

JETIR

Is your firm's accounting system computerized?

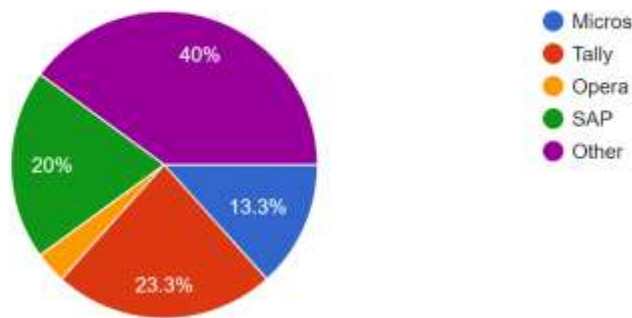
30 responses



According to the survey results, we can see that 90% of respondents say yes they have computerized accounting system and only 10% say they don't have computerized accounting system. From this result we can say that, now a day's majority of the firm's have accounting software.

Which Computerized Accounting Package is used in your firm?

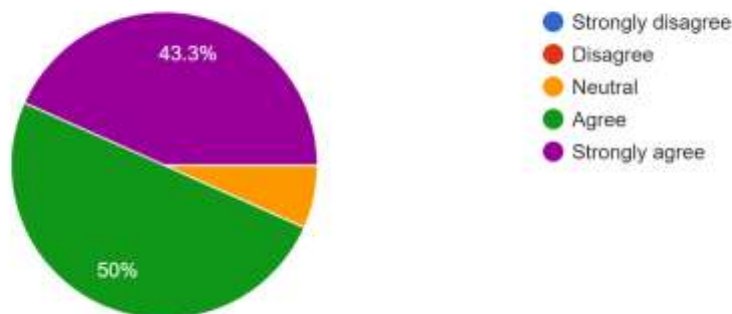
30 responses



According to the pie chart, only 3.3% respondents have opera as their computerized accounting package in their firm, 13.3% of respondents have micros as their computerized accounting package in their firm, 20% of respondents have SAP as their computerized accounting package in their firm and 40% of respondents choose other computerized accounting package in their firm.

Is computerized accounting system beneficial?

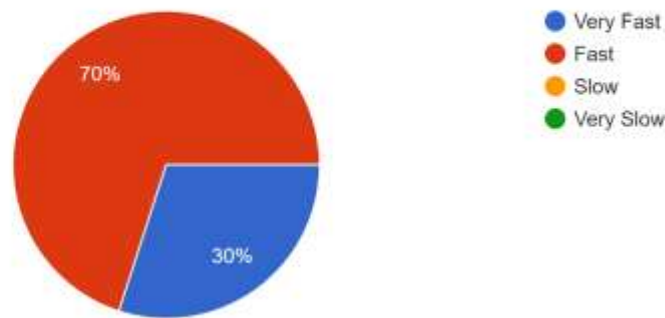
30 responses



From the above pie chart, 50% of the respondents agreed computerized accounting system is beneficial, 43.3% of the respondents strongly agree that computerized accounting system is beneficial and 6.7% of the respondents choose neutral option for this statement.

Timeliness of the computerized accounting system in providing quality financial reports is

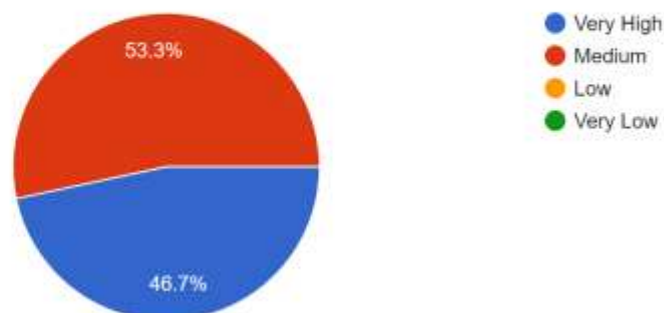
30 responses



According to survey result, we find computerized accounting system is fast in providing financial reports i.e, 70% of the surveyed employees choose fast option as their answer to this statement. 30% of the surveyed employees choose very fast option as their answer to this statement. By these data, conclusion can be made there is need to improvise the computerized accounting system.

What is the Level of Accuracy in processing and reporting of financial information?

30 responses



I wanted to know the employee's opinion on the level of accuracy in processing and reporting of financial information, 53.3% of the employees said there is medium level of accuracy in processing and reporting of financial information and 46.7% of the employees said there is very high level of accuracy in processing and reporting of financial information in computerized accounting system. From the results, we can see that, there is very minor percentage gap between very high and medium level of accuracy in this system. So, on the point of accuracy the computerized accounting system is outstanding.

CONCLUSION

As technology upgrading, most of the organizations have been using their automated accounting system. By the help of computerized accounting system, the employees are able to finish their work in efficient and effective way. The works can be done by the help of this system such as recording information, computing information, and generating accurate solutions and control can be made much faster. The computerized accounting system can be used for maintaining record, finding accurate information with accurate solution and result and to provide best control system. Employees are required to take trainings and seminars to strengthen their competency in using automated accounting systems.

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