Accounting Information Systems with ERP Applications
ICT 30430
Assessment Methods

- Class Tests (8 marks x 5 tests) 40
- Final Examination 60
- Total Marks 100

Class Tests
Will be held during the lecturers. If a student absent for the test, no marks allocated. There will be 5 tests during the semester.
Course Outline

- Introduction to Information Systems
- Introduction to Sage 50 Accounting
- Creating a Company
- Setting up General Ledger
- Entering Budgets, Beginning Balances and Prior Period Adjustments
Course Outline

- Setting up Accounts Payables
- Setting up Inventory
- Setting up Customers
- Using Accounts Payable (Suppliers)
- Using Inventory (Stocks)
- Using Account Receivable (Customers)
Course Outline

- Customer Receipts & Other Income Receipts
- Vendor Payments and Other Payments
- Using General Journal and Banking Tasks
- Accessing Reports/Forms and Running the Year-End
What is Computer Based Accounting?

- Carrying out functions in the accounting process using a computer software.

- There are three ways of computer based accounting.
  - Using a spreadsheet package (e.g. Ms Excel)
  - Using a Accounting Software Package (e.g. Sage)
  - Using an Enterprise Resource Planning System - ERP (e.g. SAP)
What is Computer Based Accounting?

- **Advantages**
  - Accuracy
  - Speed
  - Storage capacity
  - Cost reduction
  - Up-to-date reports
  - Analyzing capabilities

- **Disadvantages**
  - Initial cost
  - Replacement requirements
  - Human errors
  - System errors
Introduction to information systems

- Information systems have become an important part of today's society, particularly in business.
- The term information system (IS) sometimes refers to a system of persons, data records, and activities that process the data and information in an organization.
- As an accountant, you are affected by developments in information technology.
- Information systems collect business data that accountants analyze, and business plans and decisions are made based on such analyses.
Introduction to information systems

- Accountants are concerned not only with the collection and processing of information, but also with its integrity and protection.
- They are often expected to give professional feedback on the adequacy of the information systems.
- It is therefore essential for you to have adequate knowledge in information systems and technology.
What is an information system?

An information system is a specialized type of system designed to collect data and turn them into information.

It consists of interrelated components that perform the following four major activities in sequence:

1. input
2. processing
3. output
Major types of information systems

- **E-business**
  - One of the fastest growing sectors is **electronic business or e-business**. These applications make use of websites and the Internet to facilitate business transactions.

- **Transaction processing systems**
  - These systems were designed to facilitate day-to-day operations of businesses, such as payroll, sales, accounts payable, inventory, and accounting.
Major types of information systems

- **Management information systems and decision support systems**
  - Typically, these systems produce information for middle management in the form of scheduled reports such as summaries and lists

- **Special-purpose information systems**
  - assist senior management to make more effective decisions of a complex nature, in new situations, or for speculation
Justifying computer-based information systems

- Business use of information systems has evolved through a series of three stages:
  - cost reduction and productivity (1960s)
  - competitive advantage orientation (1980s)
  - performance-based (current)
What is ERP System

- ERP, or enterprise resource planning, is an integrated system that allows a company to fully manage the manufacturing process to be able to hold on to less inventory and obtain more data to better manage the situation.

- ERP provides an integrated view of core business processes, often in real-time, using common databases maintained by a
ERP System

- Sales
  - Implements functions of order placement, order scheduling, shipping and invoicing.
- Procurement (SRM)
  - Maximise cost savings with support for the end-to-end procurement and logistics processes.
- Customer services (CRM)
  - Capture and maintain customer relationships, facilitate the use of customer experiences and evaluate the knowledge management.
- Production (PLM)
  - Helps in planning and optimising the manufacturing capacity and material resources. It is evolved from the MRP.
- Business Intelligence
  - Analyse data and convert to information.
  - Focus on external strategies.
  - Efficiently and sustainably manage the entire asset lifecycle, improve asset usage and cut costs with powerful analytics.
- e-Commerce
  - Control warehouse processes and manage movements in the warehouse and respond faster to challenges and changes in supply and demand.
- Enterprise asset management
- and others...
- Corporate performance and governance
- Distribution (SCM)
  - Helps in planning and optimising the manufacturing capacity and material resources. It is evolved from the MRP.
- Human Resource
  - Maintain a complete employee database and to optimally utilise of all employees.
- Accounting
  - Automate any financial operations while ensuring regulatory compliance and gaining real-time insight into overall performance.
- ERP II modules
Accounting software Vs ERP
SAP ERP - INTERFACES
SAP ERP - INTERFACES (cont’d)
SAP ERP INTERFACES (cont’d)

What does the user look for most often?

What does the user need first?

What is the most important information on an object?

User Interface Patterns: Answers to design questions (Examples of mySAP CRM 3.1)
Accounting Software Packages

- General (Tailor-made)
  - MYOB
  - Account Pro
  - Peachtree/Sage 50
  - DacEasy
  - ACCPAC
  - SAGE
  - Tally
  - Quick Book

- Special (Customized)
  - Stock control systems
  - Payroll systems
  - General ledger systems
  - Debtors/Creditors modules
  - Cash books
Accounting Software Packages

- Accounting software packages can be supplied in
  - Individual (stand-alone) or
  - Total Integrated Package

- In a stand-alone system, modules are purchased separately, the transfer of values to the GL or to other modules
  - Printing control total and posting them
  - Creating transfer file for posting

- In an integrated system, all modules are supplied together and operated together
- Information created in one module automatically flows to other modules
Accounting Software Packages

- An accounting package organizes an accounting database comprising a number of files to provide accounting information required by the users.

- These files are fallen into three categories:
  - Master files
  - Transaction files
  - Temporary/ working files
Master Files

- Master files contain relatively static data plus some quantitative values which are periodically updated by entry of transactions
  - Debtors master file
  - Creditors master file
  - General ledger master file
  - Stock master file
  - Fixed asset register
  - Payroll master file
Transaction Files

- Transaction files summarize data available in source documents,
  - Purchase/Sales Orders
  - Invoices
  - Return Notes
  - Receipts
- Normally used to update balances in the master files
Temporary/ Working Files

- Temporary files are short term files, kept for specific purposes, data in which will be deleted when the purpose has been fulfilled.
  - Suspense Account
  - Waiting on Bill
  - Advances Received
Sage 50

- Provides advanced analysis tools and 140+ customizable reports and financial statements
- It is ideal for people who want accuracy and control, so they can achieve better business results.
- It can be installed to the Single/Stand-Alone Computer or a Network
Sage 50

There are several ways to open Sage 50

- **From the Taskbar**
  Select **Start** – Select **Program** – Select **Sage 50 Accounting 2013** - Click **Sage 50 Accounting 2013** icon

- **From the Desktop**
  Double-click **Sage 50 Accounting 2013** icon
The Start Screen
The Sage 50 Desktop Window

Title Bar
Menu Bar
Button Control Bar
Navigation Centers
Short Cuts
Business Status Center

Navigation Bar

Sage 50 Resource Center
End of the Lesson