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 spread sheet 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

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

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

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

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)

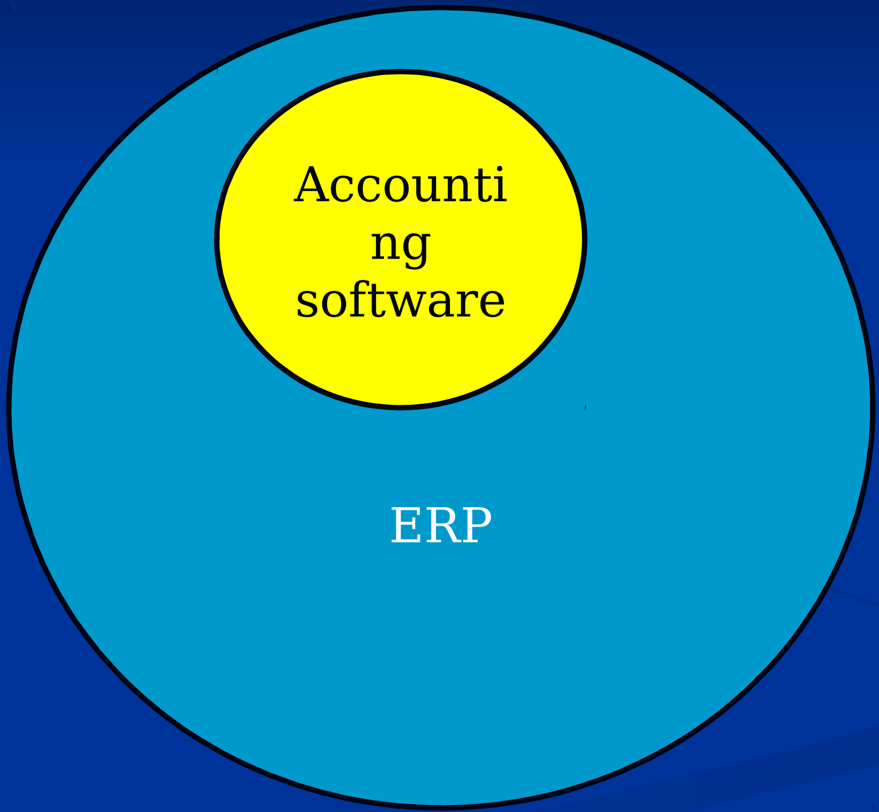
What is ERP System

- 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

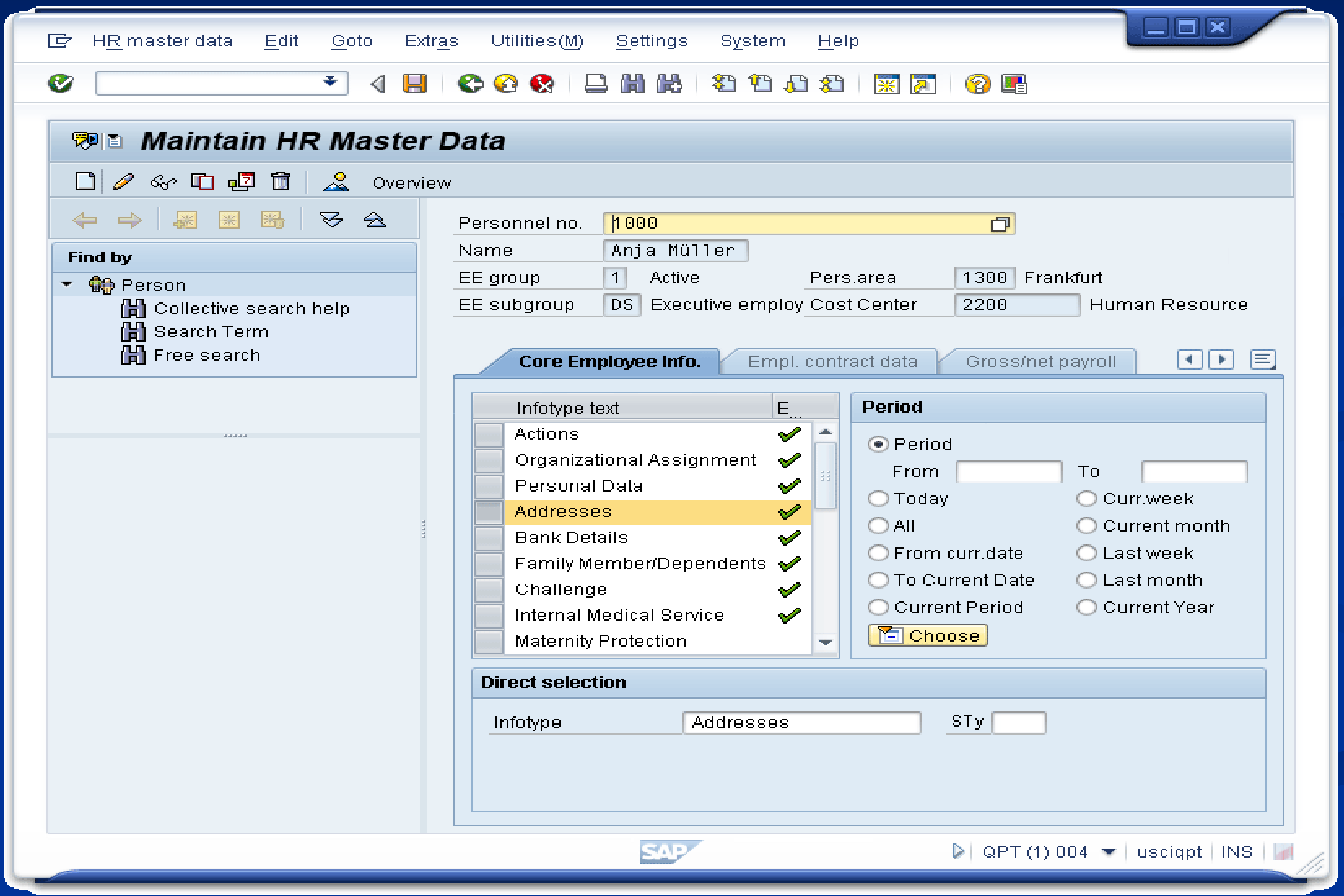
ERP System

Implements functions of order placement, order scheduling, shipping and invoicing.
Sales
Procurement (SRM)
Maximise cost savings with support for the end-to-end procurement and logistics processes
II
II
Customer services (CRM)
Capture and maintain customer relationships, facilitate the use of customer experiences and evaluate the knowledge management.
II
Analyse data and convert to information
II
Business Intelligence
Focus on external strategies
e-Commerce
II
Production (PLM)
Helps in planning and optimising the manufacturing capacity and material resources. It is evolved from the MRP.
Aims to streamline and gain greater control of the corporate services
Efficiently and sustainably manage the entire asset lifecycle, improve asset usage and cut costs with powerful analytics
II
Enterprise asset management
and others...
Control warehouse processes and manage movements in the warehouse and respond faster to challenges and changes in supply and demand
Distribution (SCM)
Corporate performance and governance
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.
II
II ERP II modules

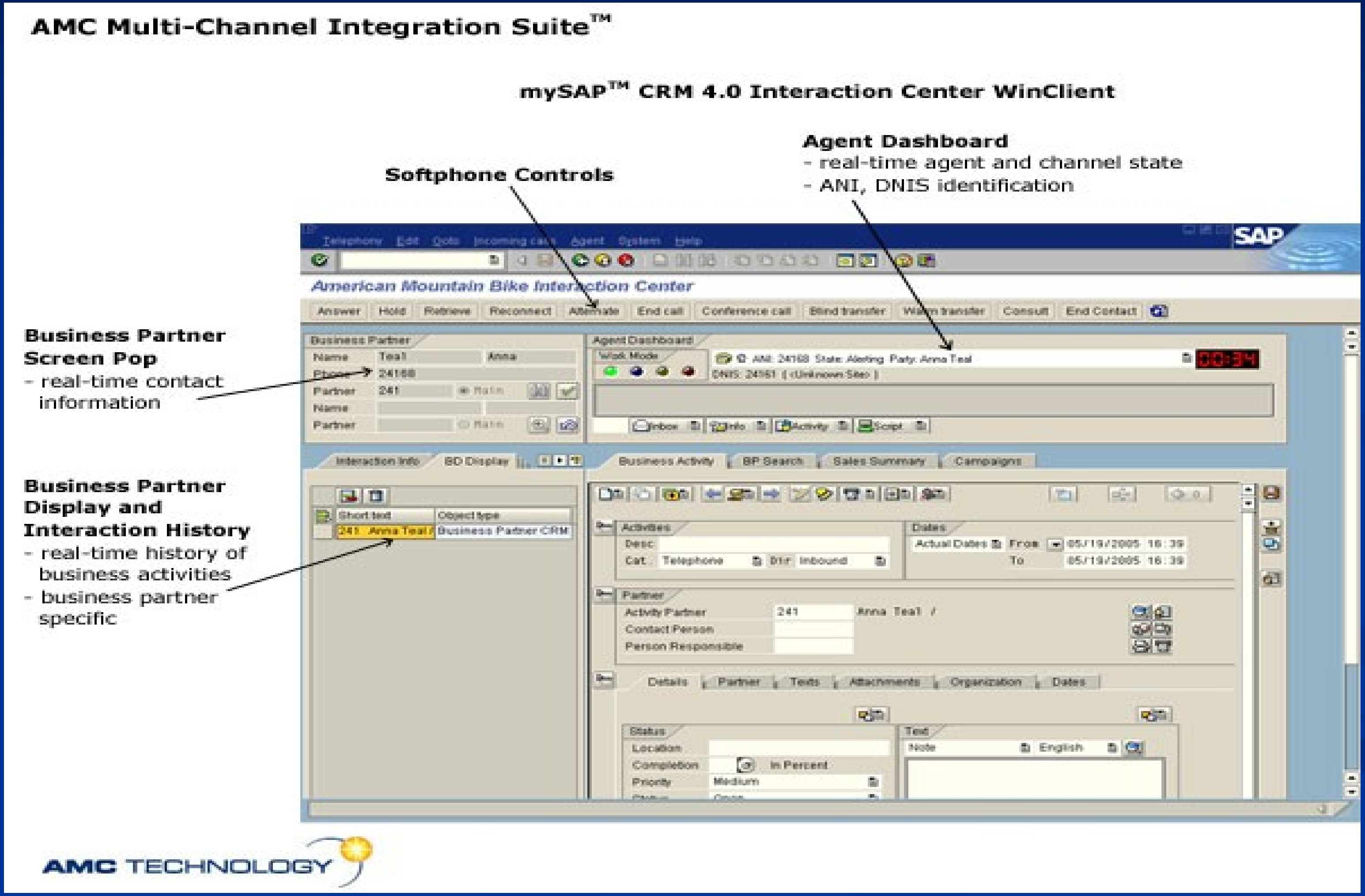
Accounting software Vs ERP



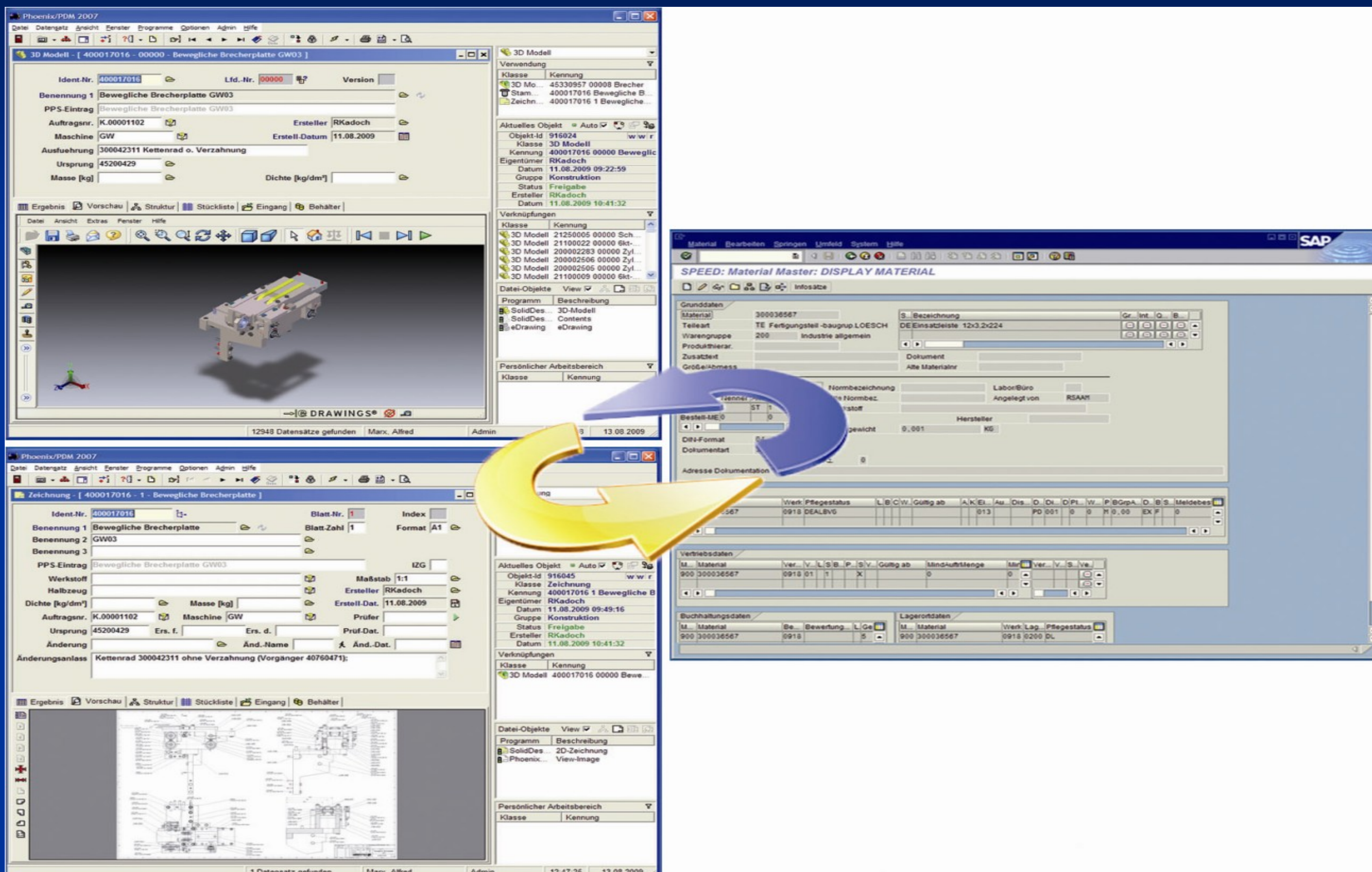
SAP ERP- INTERFACES



SAP ERP- INTERFACES (cont'd)



SAP ERP- INTERFACES (cont’d)



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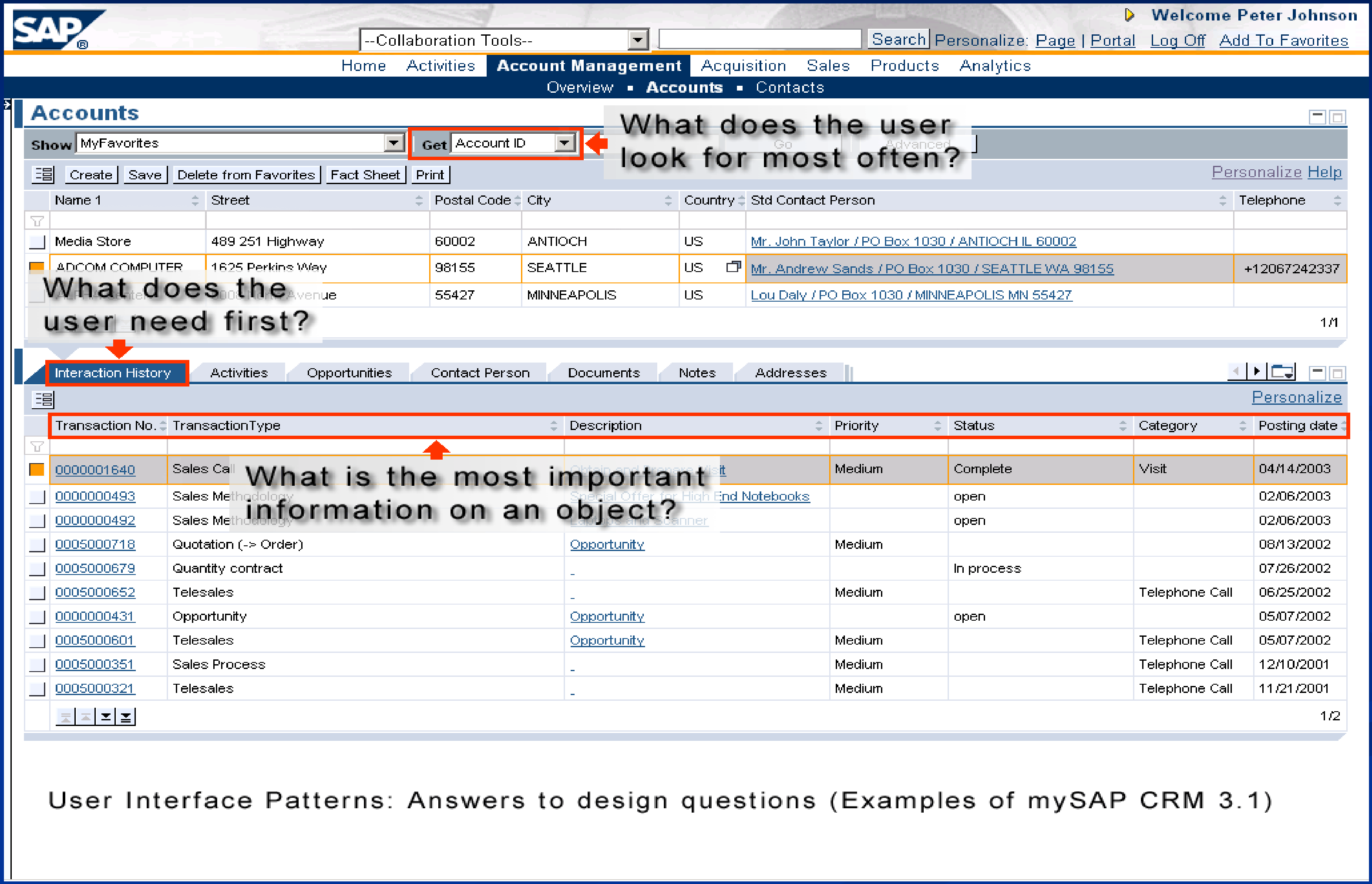


Accounting Software Packages

- 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 purchases 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

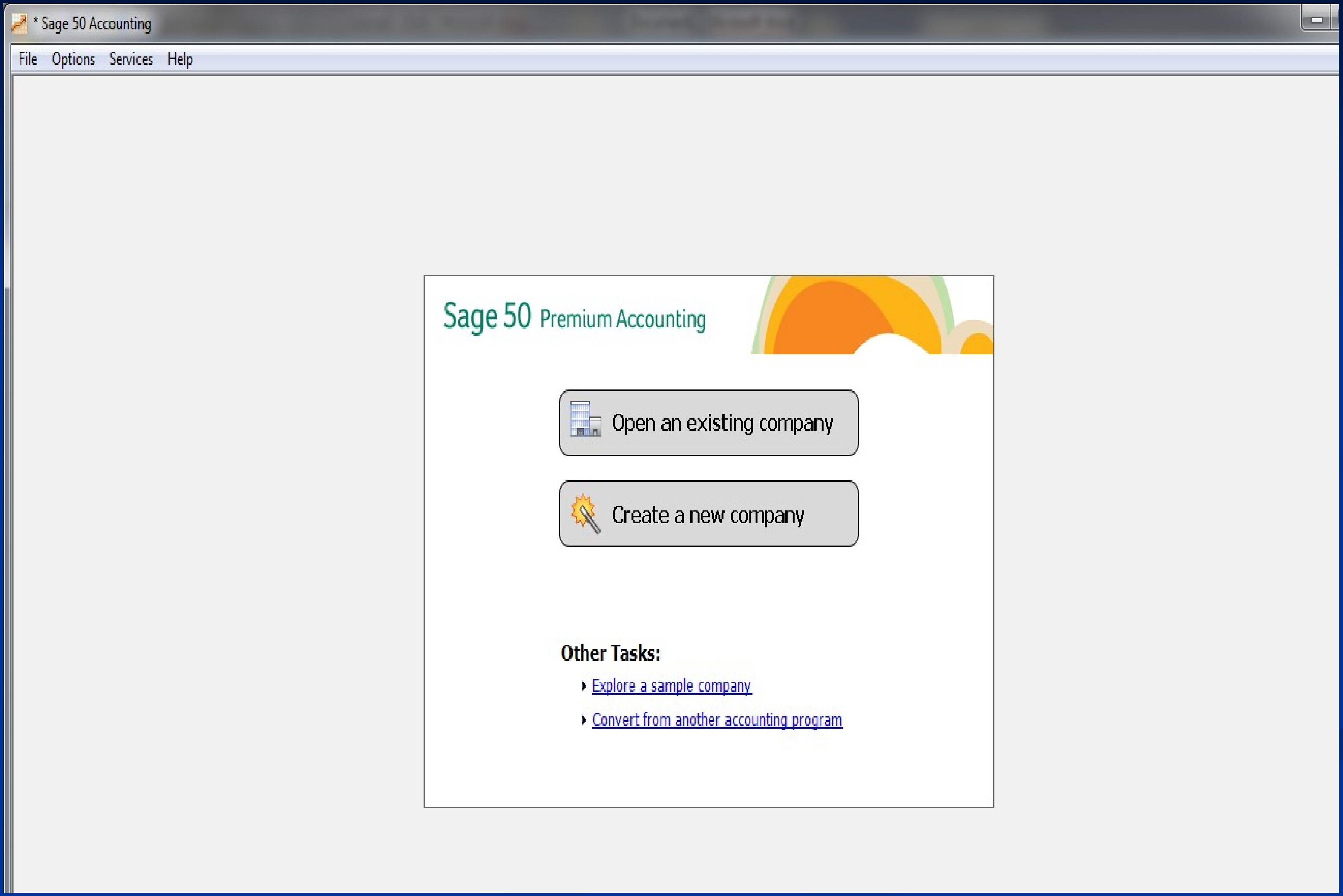
- **From the Taskbar**

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

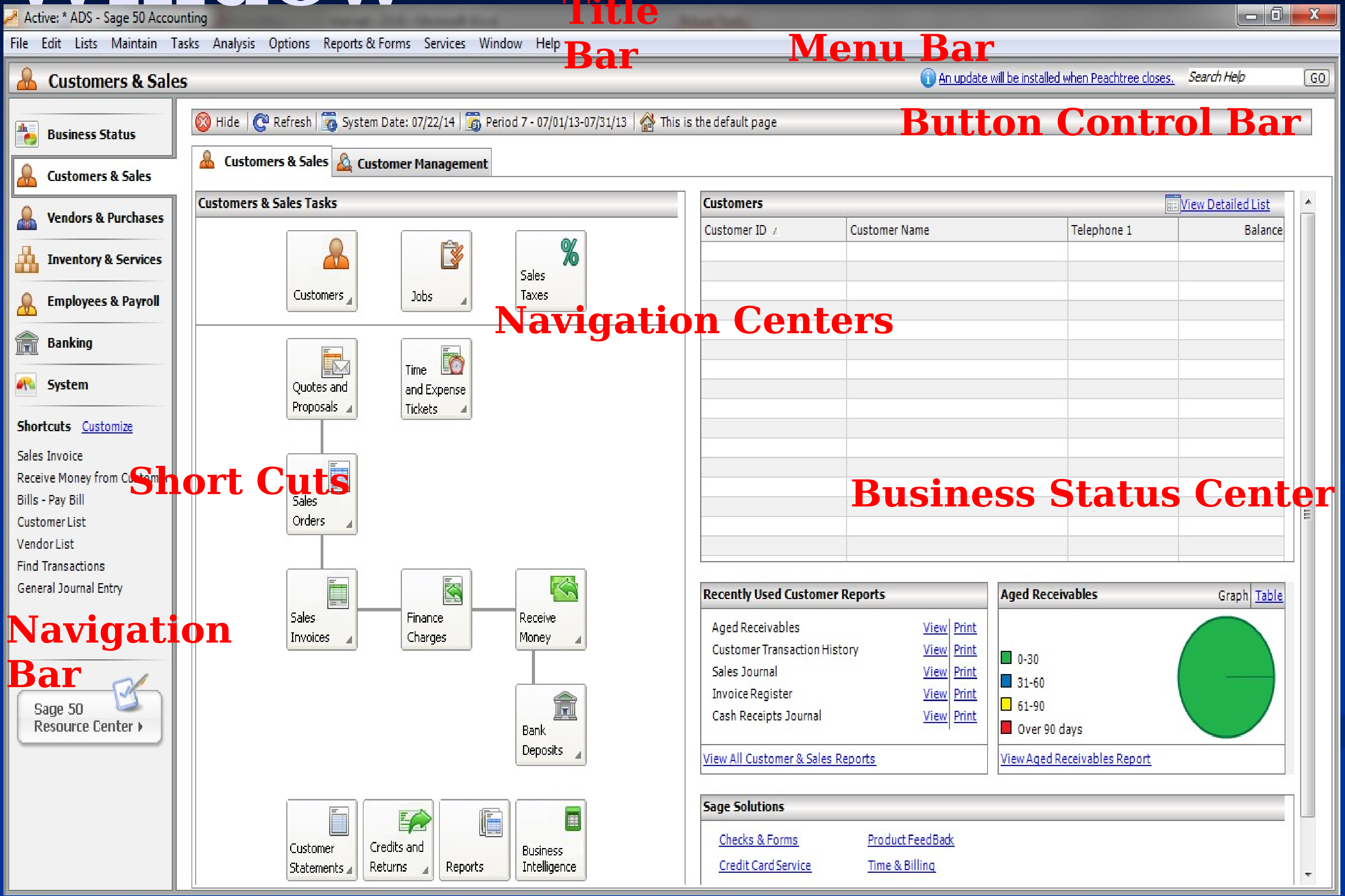
- **From the Desktop**

  Double-click **Sage 50 Accounting 2013** icon

The Start Screen



The Sage 50 Desktop Window



End of the Lesson