

Chapter-13

Computerised Accounting System

As per Model Examination 2021, expect 6 score from this chapter

1. Find the odd one and state the reason

- a. Tally b. GNU Khata c. Tata Ex. d. Windows

Ans: Windows, others are accounting software

2. An appropriate accounting software for small business organisations having one user and single office location should be.....

- a. Ready-to-use b. Customised c. Tailored d. None of these **Ans: a**

3. List any 4 Advantages of Computerised Accounting System.

1. Speed: Accounting data can be processed very fast in Computerised accounting.

2. Reliability : Computers are highly reliable as compared to human beings.

3. Storage: In computerized accounting system large volume of data can be stored in very small physical place.

4. Retrieval of data: Retrieval of data is very easy in Computerised Accounting.

5. No difficulty in alterations : In computerized accounting, system are updated automatically as and when accounting data are updated and stored.

4. List any 4 limitations of Computerised Accounting System.

1. Cost of training: Huge training cost of staff is a drawback of Computerised Accounting System (CAS).

2. System Failure: The danger of system crashing due to hardware failures is another drawback.

3. Security Issue: There is a cybersecurity threat and it might hinder the whole saved data.

4. Obsolescence: The system is likely to become outdate as technology changes rapidly.

5. Costly: Hardware and software for CAS are costly.

5. Explain shortly: ready-to-use and tailored accounting software

Rady-to-use: Ready-to-use software is suitable for small organisations where volume of transactions are very low. Ready to use software is less costly and number of users is limited. However, this software offer little scope of linking to other information system.

Tailored: The tailored software is designed to meet the specific requirements of the users and it is suitable for large business organisations with multi users and geographically scattered locations.

6. Distinguish between Manual accounting and Computerised accounting

Manual accounting	Computerised accounting
Transactions are recorded manually	Transactions are recorded through computer
Transactions are recorded in volumes of books.	Transactions are recorded in well-designed database
Closing entries are necessary in Manual Accounting	Closing entries are not necessary in computerized Accounting
Possibility of errors are high.	Possibility of errors are less in Computerised Accounting
Journal, ledger, trial balance, financial statements etc. are prepared manually	Once transaction recorded through vouchers, data are processed automatically and ledger, trial balance, financial statements etc. are automatically prepared.

7. Compare different categories of Accounting Packages

Accounting packages can be classified into 3:

1. Ready-to-use
2. Customised
3. Tailored

Basis	Ready-to-use	Customised	Tailored
Suitable for	Small Business	Large and medium business	Large business organization
Cost	Low	Relatively High	High
Number of users	Limited	As per specification	Unlimited
Linkage to other information system	Restricted	Yes	Yes
Training Requirement	Low	Medium	High

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