

Understanding Computerised Accounting

Computerised accounting programs are software solutions that are used to manage the income and expenses account of an individual, company or any enterprise. These programs are usually hosted on a virtual server network or are accessed with the help of an internet connection. With the help of these computerised programs, one can record, classify, and report the business transactions in a very streamlined and easy manner. This software mostly comes with the option of customization to set the settings of the program to meet the unique business needs of the person, corporate or the entity that is using it.

In simpler words, a computerised accounting system is a software solution that supports enterprises to maintain significant fiscal transactions, data, financial statements, and records with extraordinary performance & agility including safer efficiency. More dependable quality output, economical working expenses, reliable performance, prominent efficiency, and least transgressions are a few of the benefits of computerised accounting.

What are its Features?

The most striking features of the Computerised Accounting System are its speed, reliability, scalability, reliability, dependability, and flexibility. Most of the accounting software can adjust to the workload, speed, and the need of the enterprise very seamlessly.

The interface of the Computerised Accounting System is now enabled with Artificial Intelligence (AI) technology in some very advanced software where the patterns and data entry practices can be automated with time. You can now manage accounts of all your business offices located anywhere in the world on one single network with the help of the computerized accounting systems.

Importance

In class 11 accountancy, you must have read about manual accounting and automatic accounting. A computerised accounting system helps in the automation of the accounting practices of an individual, firm, or a business. The speed and accuracy are the two prime factors that make the computerised accounting system a need of the hour. It is especially needed by larger enterprises that are dealing in many transactions at different verticals at different times.

Its requirement stems out from its glaring advantages of agility and dependability including a significantly more economic value of supervising the banking activities along with the business transactions. Additionally, it can register a substantial amount of businesses with agility and exactitude. It provides expeditious and quality broadcasting because of its agility and correctness.

Advantages

The data needs very strong surveillance as well as accuracy to keep track of the fast-running economies. Simplicity and reliability are the next big advantages of this amazing chapter computerised accounting system of class 11 accountancy syllabus. Automation of several practices ensures that there is no room left for the inadvertent or any intended human errors to get into the system, thus saving a lot of time and humiliation at the later events. Most of these software programs are very easy to use where with a few clicks here and there, one can get the whole setup running in no time.

Disadvantages

One important issue that can seep in the computerised accounting system is the network breakdown. As already discussed, the Computerised Accounting System runs on a network or internet network. Any breakdown in this network is going to bring down the whole system crashing. Other than network breakdown, data theft and potential fraud are other disadvantages of this otherwise advantageous system of accounting.

Computerised Accounting System vs Manual Accounting

The table mentioned below shows a detailed distinction between CAS and Manual Accounting, that is picked up from the chapter computer accounting system.

Characteristic	Computerised Accounting	Manual Accounting
Data Entry	Very fast	Subject to the speed of the accountant
Speed	Very speedy	Not very speedy

Accuracy	Very accurate	Prone to errors
Security	Highly secure	Relatively less secure

A Computerised Accounting System is better than a Manual Accounting System because it provides faster data entry, quicker data processing, and a much faster generation of the reports needed for the analysis of the overall account of the enterprise. It can automate the process of collating all the bills in no time. You can get the invoices, print orders, payrolls, etc. to be printed at a much faster rate.

Limitations of Computerised Accounting System

The Computerised Accounting System comes with some practical limitations in the real world. It is not worrying because every system has its limitations. One such limitation is the cost of the accounting system and knowledge of the existing experts with your selected accounting system. Business enterprises need to assess whether they can afford the cost associated with the use of the accounting system and the training cost associated with the instructional exercise needed to train the staff to use the system accurately.