



Accounting in Computerized Environment

Module D: Final Accounts

Accounting in Computerized Environment

Accounting & Finance for Bankers: Computerized Accounting

JAIIB – SUPER NOTES

Contents

Coverage:

1. Computerised Accounting
2. Need and Evolution
3. Core Banking



1.

COMPUTERISED ACCOUNTING

Computerised Accounting - Meaning

- Data is captured in the form of Accounting Entries
- These are used to prepare Financial Statements which are based on Accounting Standards
- This data and the statements are further utilized to prepare various Financial reports

Advantages & Disadvantages

Features:

- Very high speed
- Highly accurate - Error free
- Various Informative Reports
- Economical
- Single Stand Alone Unit or Multiple Users

Advantages

- Accuracy
- Speed
- Low Cost in long run
- Generation of Various Reports
- Automatic formation of all subsidiary books and statements
- Multiple printouts

Disadvantages:

- Requirement of special programs and professionals
- Qualified Staff required for Operations
- Costly computer peripherals and stationery
- Data theft is easy due to easier access
- Regular Back-Up Required
- Threat due to computer viruses

Computerised Accounting vs. Manual Accounting

Computerized Accounting



- Difficult to find out the trail of events
- Modification of original records is difficult to trace
- Multiple Reports can easily be generated

Manual Accounting



- Easier to assess trail of events
- Modification is relatively easy to find out
- Generation of multiple reports is Time and Resource intensive

2.

NEED AND EVOLUTION

Functions of Accounting Software

Various Software Tools: Tally, Accounting software, Bank 2000, B@nk-24CBS, A.U.D.I.T.O.R. & A.U.D.I.T.I.M.E., MEFCOMP Accounting Software for Professionals, QUICK FA are available

Maintenance
of Statutory
Books

Report
Generation

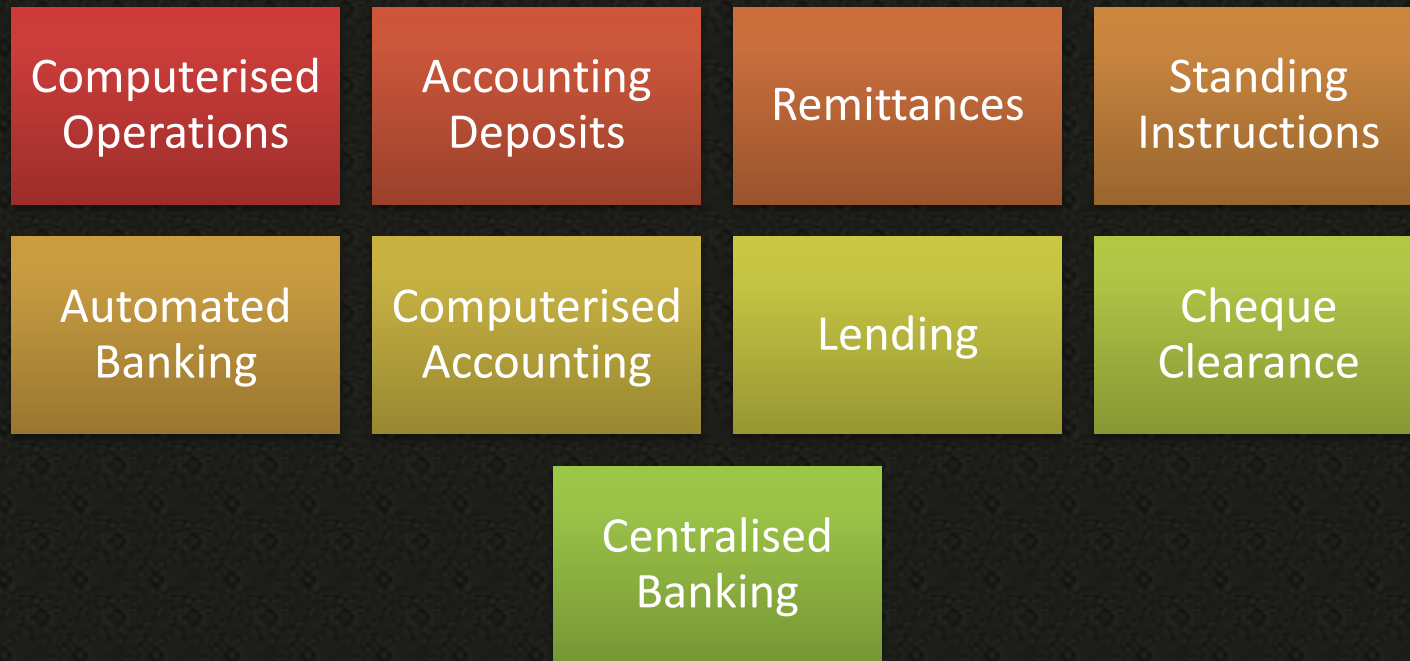
Foreign
Currency
Conversion

Valuation

Maintenance
of Accounts

Planning

Scope and Experiences of Computerisation in Banking



Need and Evolution of Centralised Infrastructure

Decentralised
Banking

Multi-Channel
Banking

Cost Benefits
of Data
Centres

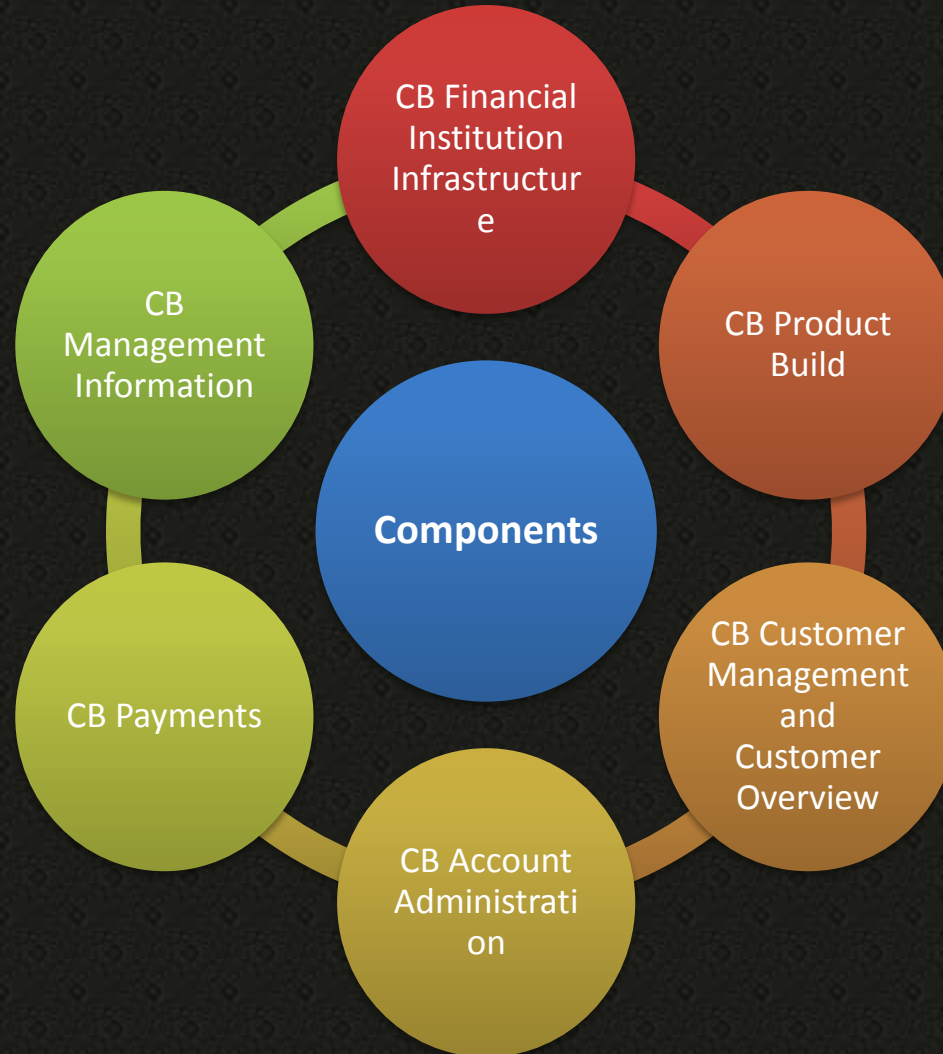
Unified IP
Network

Core Banking

3.

CORE BANKING

Core Banking - Components and Benefits

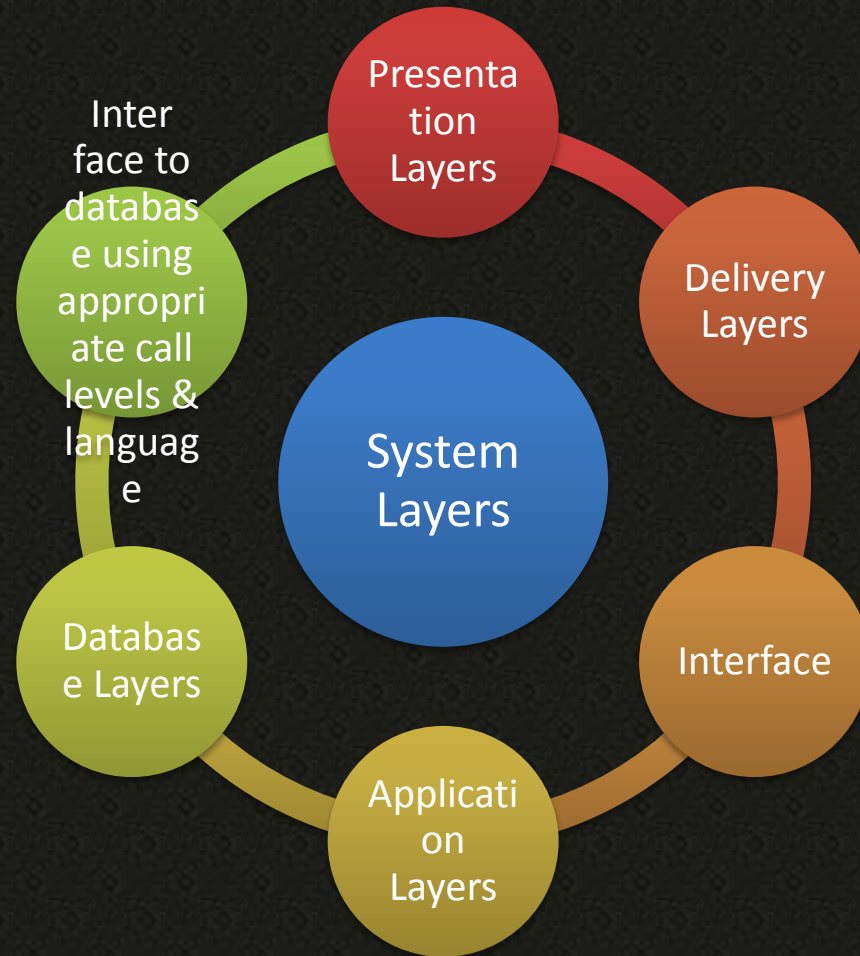


Accounting Systems

- The computerised Accounting system may be on a single stand alone machine or a multi-user system i.e. WAN or LAN.

- Statutory Books, Reports, Connecting branches, converting foreign currency,
- Giving all figures including profits : branch wise area wise. Closing stock values.
- Comp. Banking Operations, Accepting Deposits, lending, Remittances, Clearing of cheques, Standing Instructions, Centralized Banking, Automated Banking.
- EOD & BOD

System Layers



Transaction Processing

- Primary update for Customers transactions
- Secondary updates for transactions like salary (tape or disc)
Batch processing (interest posting)
- Online Processing : Account & Customer creation, Financial transactions & Enquiries Maintenance

Balancing Account

- Balancing Account is used to route the transactions. In batch process. There one Dr. 10000 to be credited to 10 different accounts : Dr. Customer A/c Rs.10000& Cr. Balancing Rs.10000.
- Thereafter Dr. Balancing A/c 10 times @ Rs.1000.

Information Security

- Access Control Systems, Operations, E-mail, Application & System Development, Business Continuity & Disaster, Communication & network, Physical Security Control over Modem, Password secrecy

- Computer language: cobol, foxpro, unix ...etc
- Analog computers : scientific and mech. Field
- Digital computers: computerized accounting
- Data : fact
- Record : group of data
- Data file: data records

Thank You!

Do you have any questions or queries or some feedback to give?

Just mark an email to super.msahluwalia@yahoo.com



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