

**CBSE Test Paper 01**  
**Ch-13 Computerised Accounting System**

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1. Which is an information system based on the accounting database of an organisation, helping in storage, processing, summarising and reporting information about a organisation?
2. Which accounting reports are prepared upon matters happening as per instructions, conditions or exceptions?
3. Every accounting report must be able to fulfil certain criterion. List any two of them.
4. Briefly explain the need of computers in accounting.
5. Give an example of graphic presentation software.
6. The processing of data is accomplished either through batch processing or real time processing. In the light of above statement, explain batch processing and real time processing.
7. Discuss the evolution of the computerised accounting system.
8. Discuss the various steps involved in designing an accounting report from accounting data.
9. State the various essential features of an accounting report.
10. Diagrammatically show the relationship of the accounting system with the other functional management information systems.

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**Answer**

1. Accounting Information System helps in storage, processing, summarising, and reporting the information.
2. Exception reports are prepared upon matter happening as per instructions, conditions or exceptions.
3. Accounting reports are compilations of financial information that are derived from the accounting records of a business. These can be brief, custom-made reports that are intended for specific purposes, such as a detailed analysis of sales by region, or the profitability of a specific product line. More commonly, accounting reports are considered to be equivalent to the financial statements. Two of the criteria to be fulfilled are Revenue Recognition and Matching Concepts.
4. The advent of globalisation has resulted in the rise in business operations. Every organisation requires well established information system in order to generate information required for decision-making and achieving the organisational objectives. This made information technology, i.e. computer to play vital role in supporting business operations. So computers are used to manage the organisation's accounts.
5. By using M.S. Power Point we can represent graphically the information or data.
6. **Batch Processing :** It applies to large and voluminous data that is accumulated offline from various units i.e., branches or departments. The entire accumulated data is processed in one shot to generate the desired reports according to decision requirement. Batch processing requires separate programs for input, process and output. An example is Payroll and billing system.

**Real-time Processing :** It provides online outcome in the form of information and reports without time lag between the transaction and its processing. The accounting reports are generated by query language popularly called Structured Query Language

(SQL). It allows the user to retrieve report relevant information that is capable of being laid out in pre-designed accounting report.. Real - Time Data Processing is also known as Stream Processing. Example : ATMs, Radar systems.

## 7. Evolution of the Computerized Accounting System:

Manual accounting was the most popular method of accounting until recent times. Businesses had to hire a full-time or part-time accountant or book-keeper for this purpose. They would manually record transactions, generate books and ledgers, and prepare financial statements. They had to do all accounting work manually on paper. Accounting process later moved to computerized systems like billing machines. As we read above, these machines resembled typewriters and calculators and people used them in stores. They performed tasks like calculating net totals, deducting discounts, recording billing information, etc. With the advent of newer technology, modern computerized systems made accounting easier. They enabled users to enter accounting data real-time. Apart from basic outcomes, these technological innovations helped record sophisticated transactions as well.

## 8. The various steps involved in designing accounting reports from accounting data are as follows :-

**Step I Definition of Objectives** : The objectives of the report must be clearly defined, who are the users of the report and the decision to be taken on the basis of the report so it should define all the accounting data in a simple manner.

**Step II Structure of the Report** : The information to be contained therein and the style of presentation.

**Step III Querying with the Database** : The accounting information queries must be clearly defined and the methodology to be adopted while interacting with the database.

**Step IV Finalising the Report** : The report should be complete and should be end with proper analysis and suggestion related to the accounting data so that decision can be made easily and quickly.

## 9. An accounting report must have the following features in it :-

- i. Relevance

- ii. Timeliness
- iii. Accuracy
- iv. Completeness
- v. Summarisation
- vi. Understandability
- vii. Consistency
- viii. Comparability

10. Management information system comprises of the following:

- i. Manufacturing System
- ii. Marketing Information System
- iii. Human Resource Information System
- iv. Accounting Information System

This shows that the management information system has a relationship with all the department within the organization and it is always needed by every organisation to better control over its department.