CBSE Test Paper 02
Ch-12 Computers in Accounting

1. There are people, who write programmes to implement the data processing system design, name them.

2. What do you understand by the information system?

3. Error in computer-based information system occurs because of poor software programming. Which character of a computer system is shown?

4. What does LCD stands for?

5. Name the term given to the people who interact with the computer and execute the program or software.

6. Computers do not have intelligence of their own and only run on the instructions being given to them and therefore, they suffer from various limitations. Explain them.

7. State the relationship between information and decision.

8. What do you understand by an accounting information system? Discuss the relationship of accounting information system and marketing information system.

9. Explain, the relationship between the organisational MIS and the other functional information system in an organisation. Describe how AIS receives and provides information to other functional MIS.

10. 'Information system is an integrated set of components for collecting, storing and processing data for delivering information, knowledge and digital products'. In the light of this statement, discuss management information system and accounting information system as a part of information system.

Answer

1. System analyst write programmes to implement the data processing system design.

2. Information system, an integrated set of components for collecting, storing, and processing data and for providing information, knowledge, and digital products. Hardware, software, computer system connections and information, information system users, and the system's housing are all part of an information system.

3. Accuracy is shown in the statement.

4. Liquid Crystal Display is the full form of LCD.

5. The "**programmer**" is a person who interacts with the computer and executes the program or software. A programmer is an individual that writes/creates computer software or applications by giving the computer-specific programming instructions. Most programmers have a broad computing and coding background across multiple programming languages and platforms.

6. **Limitations of a Computer System are as follows:-**

   1. **Common Sense:** A computer system does not have common sense of its own like a human being has. Since computers lack in common sense, they only work according to a set of instructions known as program or software.
   2. **Lack of Decision-making:** Decision-making is a complex process involving information, knowledge, intelligence, wisdom and ability to judge. A computer does not possess the quality of decision- making like a human being has. Computers can be programmed to take decisions which are procedure-oriented.
   3. **Intelligence:** A computer system does not possess intelligence of its own. It cannot visualise and think what exactly to do under a particular situation. It operates on the instructions given by human. They give wrong output if the input given by human is wrong.
   4. **No Learning Power:** Computer has no learning power. Computer cannot perform

the tasks without instructions. It cannot read the same instructions again. Once the instruction is given it will work for one time. It can solve problems but it can not learn the problems. It can only work according to the instructions given.

7. As a system, every organisation accepts inputs and transforms them into outputs. All organisational systems pursue certain objectives through a process of resource allocation, which is accomplished through the process of managerial decision-making. Information facilitates decisions regarding allocation of resources and thereby assists an organisation in pursuit of its objectives. Information is provided to get the best decision about the organisation. Manager or owner needs information to make the various reports, documents, analyse and to get prepared for making effective decision.

8. An accounting information system (AIS) is the collection, storage and processing of financial and accounting data used by internal users to report information to investors, creditors and tax authorities. An accounting information system is generally a computer-based method for tracking accounting activity in conjunction with information technology resources. Relationship of accounting information system and marketing information system:

   o Accounting Information System (AIS) is the key department within the organisation as it takes care of the finances.
   o Marketing Information System (MKIS) is a management information system designed to support marketing decision making.

9. Functional Information System is based on the various business functions such as Production, Marketing, Finance and Personnel etc. These departments or functions are known as functional areas of business. Each functional area requires applications to perform all information processing related to the function. The popular functional areas of the business organization are:

   Financial Information System: A financial information system is a sub-system of organizational management information system. This sub-system supports the decision-making process of financial functions at the level of an organization.

   Marketing Information System: This sub-system of management information system provides information about various functions of the marketing system of an

organization. Marketing is another functional area of the business organization, which is engaged in marketing (selling) of its products to its customers.

Production /manufacturing Information System: Manufacturing or production information system provides information on production /operation activities of an organization and thus facilitates the decision-making process of production managers of an organization.

Human Resources Information System: This functional information system supports the functions of human resource management of an organization. The human resource management function, in its narrow sense, it also is known as personnel management.

Accounting Information System: Accounting Information System (AIS) is a computer-based system, which an organization uses to take important financial decisions. An AIS will collect, process, analyze and store financial data of a company. And when called upon it will retrieve and report such data to its users, namely accountants, consultants, financial officers CFO, auditors, government tax authorities etc.

There are three basic objectives of an AIS, which are

- It helps an organization fulfill its statutory obligations of preparing and publishing certain accounting statements and information
- It analyses financial data and provides reliable and accurate financial information to the users of the AIS
- Protects a firms accounting data from breach or theft (which can be a significant problem)

10. **Management Information System**

Management Information System, more commonly known as MIS is a computer-based system. MIS actually helps the organization, especially the managers, to organize and evaluate information and data, and provide information in a timely and efficient manner. This also helps the managers make decisions based on the information and analysis the MIS provides.

As a business grows in size, the management of information and the decisions based

on such data get more complicated. MIS helps organize such information, so decision making becomes easier right from simple low-level decisions to strategic plans made at the top level management.Since it is a computer system, it includes elements of the computer system as well. It has software (that help make the decisions), users (managers), databases, all hardware necessary and applications (people and project management applications) as well. MIS generally focuses on accounting and economic aspects of a firm, analyzing problems and providing solutions

Accounting Information System: An accounting information system (AIS) is a structure that a business uses to collect, store, manage, process, retrieve and report its financial data so it can be used by accountants, consultants, business analysts, managers, chief financial officers (CFOs), auditors, regulators and tax agencies. Like MIS, Accounting Information System (AIS) is also a computer-based system, which an organization uses to take important financial decisions. An AIS will collect, process, analyze and store financial data of a company.