

A.I.S. Class 2: Outline

- Review Timetable and Syllabus
- Discuss technical problems with Initial Computer Assignment
- Review use of Blackboard and e-mail
- Learning Objectives for Chapter 1
- Chapter 1: Introduction to A.I.S.
- Enterprises and Information

Timetable

- Topics
- Readings
- Assignments Due
- Examinations
- Schedule Conflicts ?
- Group Work Instruction: September 14

Syllabus

Questions ?

Course Objectives

■ At the conclusion of this course, students should have gained:

- * an enhanced understanding of business enterprises and business processes
- * an awareness of the role of information and accounting systems in business management
- * an understanding of traditional accounting information systems and criticisms of them
- * an understanding of semantic modeling and event driven accounting information systems
- * familiarity with the development, documentation, control and audit of accounting information systems
- * familiarity with the use of database management software in developing modern accounting information systems
- * experience of working in groups
- * an opportunity to practice presentation skills
- * an introduction to accounting software packages and Enterprise Resource Planning systems.

Initial Computer Assignment

Problems ?

Blackboard and e-mail

- Remember you can use “threads”
- Use the Discussion Board for postings:
 - ★ that will reach those who read the Board
 - ★ that remain all semester
 - ★ that you want to be public messages
 - ★ where the reply needs to be seen by everyone
- Send email
 - ★ for less permanent information
 - ★ where you want to be sure everyone receives it
 - ★ where you want a private reply

A Warning . . .

- Use the Reload/Refresh features of your browser to avoid using old versions of Web Pages

Learning Objectives for Chapter 1

- After studying this chapter you should be able to:
 - ◆ discuss the impact of the information revolution on the accounting function
 - ◆ explain the purpose of accounting and the role of the accounting professional in organizations
 - ◆ describe the information customers served by accounting
 - ◆ describe the traditional accounting model and the manual accounting process and the drawbacks of this traditional view

Learning Objectives for Chapter 1

- After studying this chapter you should be able to:
 - ◆ indicate the process of computerized bookkeeping and its advantages and limitations
 - ◆ explain in general terms the database approach to satisfying accounting information and the advantages of the database approach
 - ◆ discuss concepts of events orientation and the enterprise repository
 - ◆ describe the roles that the future accounting professional can play

Introduction to A.I.S.

What are business enterprises,
what do they do, and how do they
use information?

Introduction to A.I.S.

■ Discuss and propose definitions for:

- ★ Manufacture
- ★ Produce
- ★ Industry
- ★ Trade
- ★ Commerce
- ★ Profession
- ★ Practice
- ★ Business
- ★ Organization
- ★ Enterprise

Introduction to A.I.S.

■ Manufacture

- ★ making of goods by manual labor or machinery
- ★ fabrication from materials

■ Produce

- ★ create, make or manufacture
- ★ bring forth, make or cause

■ Industry

- ★ systematic work or labor especially in productive arts or manufacturing

■ Trade

- ★ practice of some occupation, business or profession (often skilled handicraft as opposed to 'learned profession') as a means of livelihood

Introduction to A.I.S.

■ Commerce

- * exchange of products of nature or art

■ Profession

- * vocation requiring knowledge of learning, science or skills

■ Practice

- * exercise or pursuit of a profession

■ Business

- * trade, commercial transactions or engagements
- * activity of providing goods and services involving financial, commercial and industrial aspects

Introduction to A.I.S.

■ Organization ?

Introduction to A.I.S.

■ In “Images of Organization” Gareth Morgan suggests a number of metaphors for organizations:

- ★ machines
- ★ organisms
- ★ brains
- ★ psychic prisons
- ★ cultures
- ★ political systems
- ★ flux and transformation
- ★ instruments of domination

Introduction to A.I.S.

- A working definition:

Organizations are transmutative social entities forming goal-directed structured activity systems

- Can you give some different examples of organizations?

Transmutative

Having the quality of altering or changing in nature, properties, appearance or form

Introduction to A.I.S.

■ Some organizations:

- ★ Johnson & Johnson
- ★ Ernst & Young
- ★ AICPA
- ★ Institute of Management Accountants
- ★ American Accounting Association
- ★ Rutgers: the State University of New Jersey
- ★ Roman Catholic Church

Introduction to A.I.S.

■ So what do organizations do?

★ According to Michael Porter:

- ◆ everything an organization does should contribute to the creation of value for its customers
- ◆ “margin” can be defined as the difference between value and costs; however, this includes ALL value and ALL costs

- ★ For-profit organizations seek to maximize margin: others seek to maximize value within the constraints of their resources

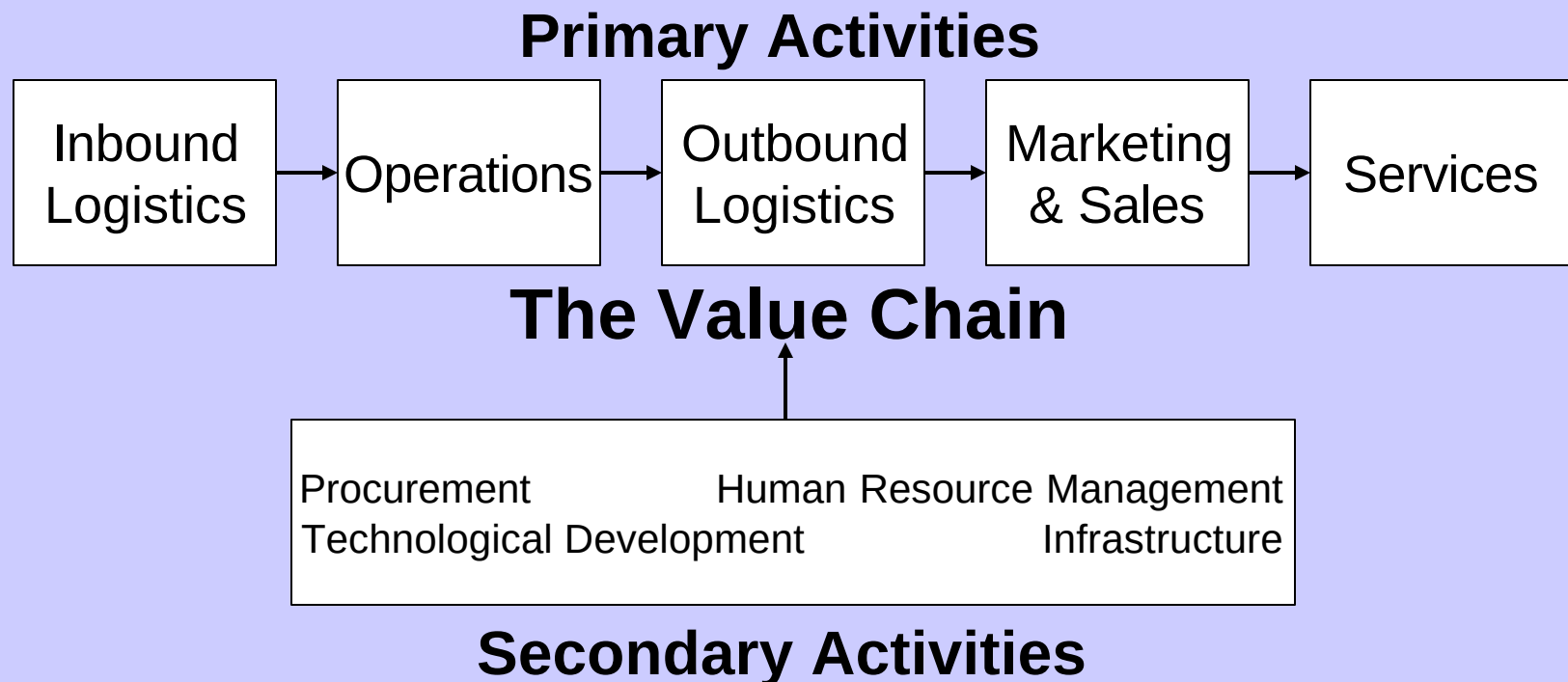
Introduction to A.I.S.

■ Enterprise

- ★ An organization established to achieve a particular undertaking
- ★ May be, but need not be, commercial
- ★ Often is used as a term for a large (commercial) organization

Introduction to A.I.S.

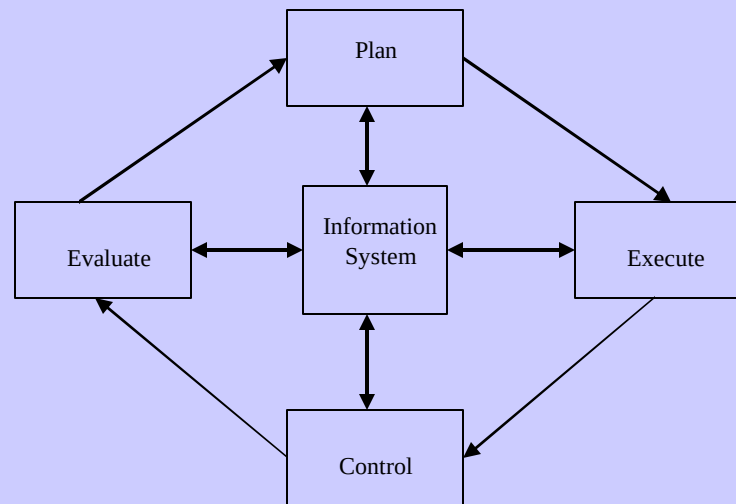
■ Value Chain Analysis (Michael Porter)



Introduction to A.I.S.

- Organizations create value through managing their business and information processes
- At the heart of managing is the decision-making involved in planning, executing, controlling and evaluating the organization's business and information processes

Management Activities

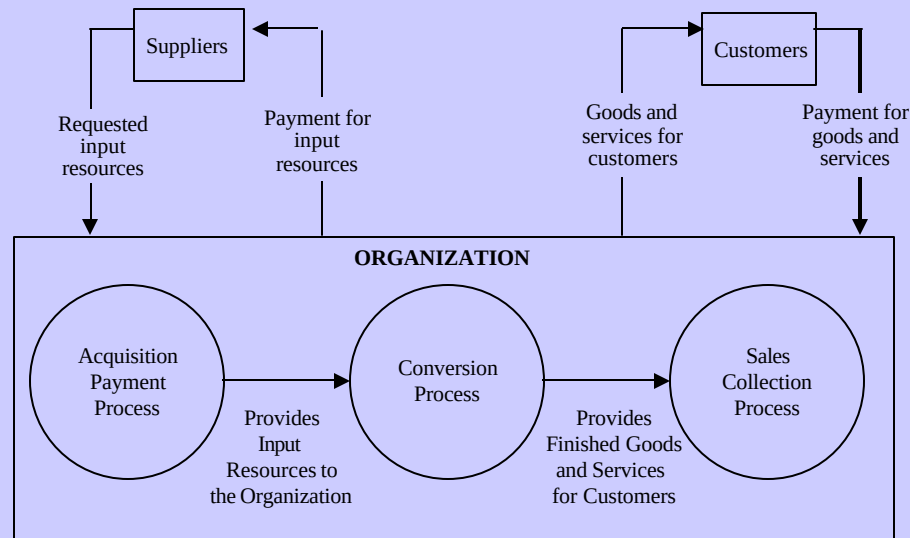


Hollander Denna & Cherrington, 2000

Introduction to A.I.S.

- Organizations typically have three main types of business processes (sometimes called business cycles):
 - ★ acquisition/expense/payment process
 - ★ conversion process
 - ★ sales/collection process
- Information processes include:
 - ★ recording
 - ★ maintaining
 - ★ reporting

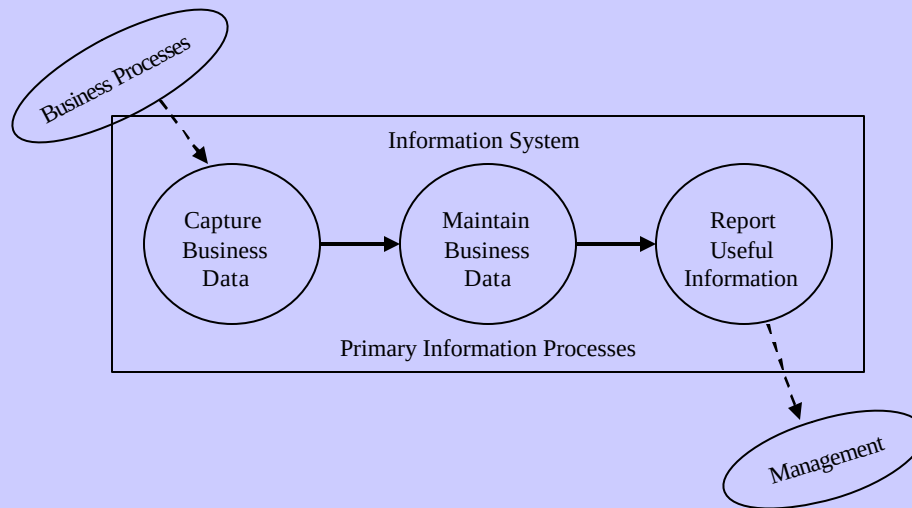
Value Chain and Supply Chain



Value Systems include external partners
Supply chain is network of retailers, distributors,
transporters, storage facilities and suppliers

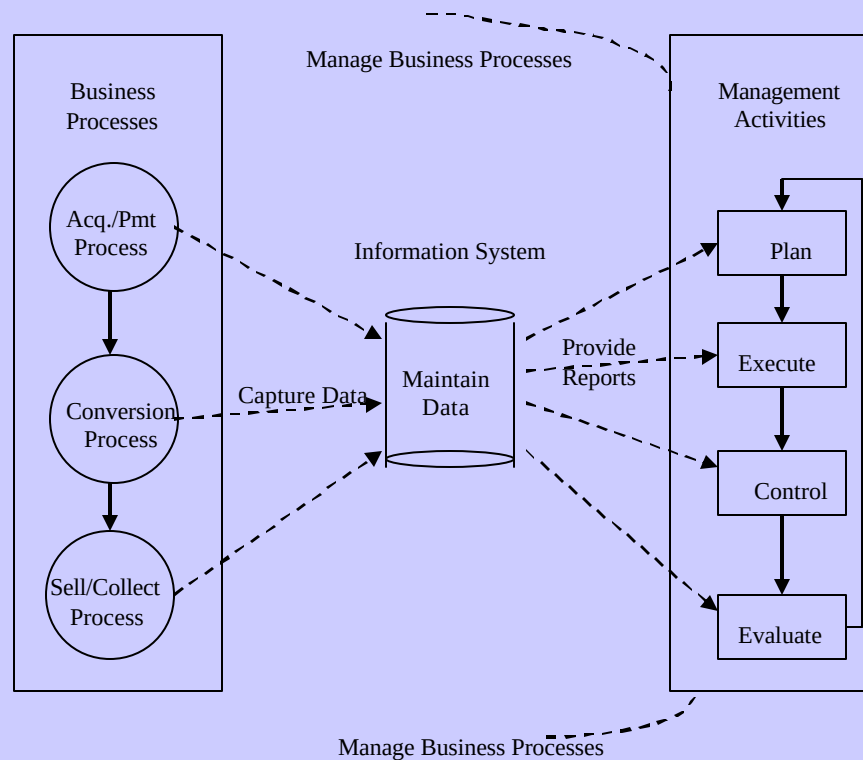
Hollander Denna & Cherrington, 2000

Information Processes



Hollander Denna & Cherrington, 2000

Business Management



Hollander Denna & Cherrington, 2000

Introduction to A.I.S.

- Digression: what is a process?