

A.I.S. Class 23: Outline

- Group Work - Chapters 8 & 9
- A.I.S. and Financial Accounting
- College Computing

Group Work - Chapters 8 & 9

■ Chapter 8:

- ★ Discussion Questions 1 - 5

■ Chapter 9:

- ★ Discussion Questions 1, 2 & 5

A.I.S. and Financial Accounting

- Imagine you are an accounting professor. A prospective student who is considering majoring in accounting has asked you to explain the relationship between the material studied in A.I.S. and that studied in Intermediate Accounting. Explain how the material in each class complements the other, why both are needed, and the nature of the challenges currently facing the accounting profession with regard to the provision of valuable business information. *Be challenging!*

A.I.S. and Financial Accounting

■ An Accounting View

- ★ Accounting methods were developed and and have been working for over 500 years
- ★ Financial reporting is crucial to our capital markets and the successful functioning of our economy
- ★ Financial reporting is controlled by legislation, regulation, and professional (accounting) standards
- ★ The system of ledgers, accounts, debits and credits has been continuously refined
- ★ All that really matters is the data needed to produce financial statements
- ★ Information systems are simply an efficient tool for providing the required reports

A.I.S. and Financial Accounting

■ A Systems View

- ★ Traditional accounting has focused only on certain events, on a limited amount of data regarding them, and on summary information
- ★ Database Accounting Information Systems allow for capturing a fuller set of events and a richer base of data regarding them
- ★ Detail is maintained and summaries can be materialized from it
- ★ All that really matters is the actual events that have taken place
- ★ Financial reports are just one possible output that can be produced from the rich data set maintained

College Computing

- Stage 1
 - ★ Flowcharting existing system
- Stage 2
 - ★ Steps 1 – 6: Logical data modeling
- Stage 3
 - ★ Step 7: Logical process modeling: DFDs
 - ★ Step 8: Physical design: Data Repository Structure
- Stage 4
 - ★ Internal Controls
- Stage 5
 - ★ Step 9: Implement the design – tables and forms

College Computing

■ Stage 6

★ Step 9: Implement the design – queries & reports

- ◆ Some queries were already needed for Forms
- ◆ Still some issues relating to Switchboards
- ◆ Reports are our main topic for today, and are typically the main weakness of projects

College Computing

■ ACCESS

★ Tools

◆ Database Utilities

- ➔ Compact and Repair Database
- ➔ Switchboard manager

◆ Startup

■ PEACHTREE

★ Take a look at the reports available

College Computing

■ What kind of reports do we need?

* E.g. Sales

- ◆ Sales Inquiries
- ◆ Quotations
- ◆ Sales Orders
- ◆ Pro-forma Invoices
- ◆ Remittance Advices
- ◆ Invoices
- ◆ Shipping Notices
- ◆ Bills of Lading
- ◆ Sales Revenue
- ◆ Sales Tax
- ◆ Accounts Receivable – N.B what about credit balances?
- ◆ Aged Debts
- ◆ Sales Analyses
 - ➔ Month
 - ➔ Type of customer
 - ➔ Type of computer
 - Processor

College Computing

■ What kind of reports do we need?

★ *E.g. Materials Acquisition*

- ◆ Requisitions
- ◆ Purchase Orders
- ◆ Receiving Notices
- ◆ Returns
- ◆ Payments
- ◆ Checks
- ◆ Purchases
- ◆ Accounts Payable
- ◆ Schedule of Payments Due
- ◆ Purchases Analyses
 - ➔ *Month*
 - ➔ *Product*
 - ➔ *Vendor*
- ◆ Approved Vendor List

College Computing

- What kind of reports do we need?
 - ★ Fixed Assets?
 - ★ Services?
 - ★ Production?
 - ★ Payroll?
 - ★ Finance?
 - ★ Cash Transfers?

College Computing

■ Financial Reporting

★ *Simplifying Assumptions*

- ◆ No manufacturing overhead
- ◆ No variances
- ◆ No ending WIP
- ◆ No accruals other than as stated
- ◆ No employer taxes
- ◆ Payroll taxes withheld paid immediately
- ◆ Sales taxes paid immediately
- ◆ No cash discounts

College Computing

■ Financial Reporting

★ Chart of Accounts

- ◆ Cash
- ◆ Accounts Receivable
- ◆ Allowance for Doubtful Accounts
- ◆ Inventory
 - ➔ Raw Materials
 - ➔ Finished Goods
- ◆ Prepaid Insurance
- ◆ Property, Plant & Equipment
- ◆ Accounts Payable
- ◆ Interest Payable

College Computing

■ Financial Reporting

★ Chart of Accounts

- ◆ Salaries Payable
- ◆ Long-Term Debt
- ◆ Common Stock
- ◆ Additional Paid-In Capital
- ◆ Retained Earnings

- ◆ Net Sales
- ◆ Cost of Goods Sold
- ◆ Selling, General and Administrative Expenses
- ◆ Interest Expense

College Computing

■ Stage 6 Reporting

- ★ **Some ACCESS features**

- ◆ Update Queries

- ◆ Append Queries

- ➔ P&S pp. 87 – 90

- ★ **Materializing data and reports**

- ★ **Storing historical views of data**

- ◆ A practical compromise

College Computing