Advantages And Disadvantages Of Computerised Accounting

Introduction

In this report I will advising Liam O’Brady who owns a business that sells musical instruments, Liam has used manual accounting system for several years, and after meeting with fellow businessmen at a local chamber of commerce workshop, he is now thinking about computerising the account and sales control aspects of his record systems specifically.

After carrying out suitable research this report would be advised to Mr O’Brady for the possible advantages and disadvantages of computerising the accounting systems.

Advantages of computerised accounts

If we start with the advantages of computerised accounting, first it is good interms of speed for entering the accounting data which you do not need to spend a lot of time compare to manual accounting, next it would easier for managers and the directors to create for statements and reports, which is a good advantage.

Then it has an advantage of accessing information instantly and simple even if you are far from the work place, similarly, it has an advantage of a visual format, which allows you to view your information in different formats such as tables, graphs, and many other different types of charts.

Computerised accounting is environmentally friendly compare to manual accounting as would not need no much books and we know books are made from trees which is not good for the environment, so computerised is clean and it does not harm the environment because as it main sources of use are electricity.

Cost-Effectiveness: Hiring an in-house clerk or redistributing the work to a clerk or bookkeeping firm can be exorbitant. The product program has a forthright expense and may require getting a clerk to set up the records and mentor the entrepreneur on utilizing the program, however it rapidly moves toward becoming savvy. The proprietor doesn't have to pay for anything past the product buy and setup. Most projects work with working frameworks for a considerable length of time and just infrequently require a cheap overhaul.

In addition, it has an advantage of up-to-date information, which is when ever accounting information added it automatically saved and stored which is an advantage, furthermore, it has to backed up, which will then backup all your information and data, and that could be daily, weekly, monthly, or yearly, and it has the advantage of Storage and Retrieval which you can store you data regardless of how large it is.

Computerised accounting has advantage of time saving compare to manual accounting systems, and it has advantage that many users can use at the same time which is a good advantage compare to manual accounting which not more than one person can use at any time.

Computerised accounting has the advantage of motivating the employees which they are going to feel that they are valued and trained and they had the skill to use.

Unwavering quality: Most of the significant programming programs make utilizing the program straightforward. The math is precise and solid, so an entrepreneur can precisely decide accessible assets whenever.

Disadvantages of computerised accounts

On the other hand, if we look at the disadvantage of computerised accounting, it has many disadvantages such as cost, which computerised accounting systems is much expensive compare to manual accounting system. For example the computers which are much expensive than paper record.

The computerised accounting software is expensive also need to be updated every year, secondly the computerised accounting has disadvantage of security and performance which could be hacked or infected with viruses that can destroy all your data and similarly computers could be crashed time or they could be system breakdown, which can cause loss of data and could damage the business performance.

Computerised accounting requires help from technicians for setting up the system and you will also need to hire an accountant to help you on accounting issues, which then both of this will cost you a lot of money.

Furthermore, computerised accounting requires training which you will need to train all your staff to get an effective use of the computerised accounting system and that training is unique and costly.

In addition, if computerised accounting is assigned to one person and he/she has the access of all sections of the system fraudulent transaction can happen which then could be a major problem for the business.

Computerised accounting could be costly as would need a lot of energy to be used for the computers, servers, and other electronic equipment in the work place.

Ass well as, if the staff made mistake and enter incorrect data and there is no error detection system and not detected earlier it could cause a major problem for the business and it could be costly as well.

Computerised accounting could also the disadvantage of that one day it could cause unemployment as the technology arise.

Computerised has also disadvantage of health dangers whether it is physical or mental eyestrain which could be long term, muscular complaints , backache because of sitting long hours, obesity, and mental problems, which the then increase the medical expenditure.

In conclusion as you have seen the above report on how I clearly explained and analysed the advantages and the disadvantages of computerised accounting, Mr Liam O’Brady first it up to

you to decide but in my knowledge and my experience as I have researched deeply on this topic for the past three weeks, I will strongly recommend you to move to computerised accounting as it is efficiency, less costly, environmentally friendly and also employee motivator with smooth and clean work place, compare to manual accounting as it would costly, less efficiency, less staff motivator as it would not be as clean work place as the computerised accounting because there will be a lot of book pens whether it is old or new everywhere, not environmentally friendly as it needs to be cut a lot of trees just to make books which would not be good for the environment, also it would need a lot of storage such as warehouses to keep the books which then cost you to rent huge warehouse.