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QUESTION

Briefly discuss any four 4 defferences between computerized accounting system and manual accounting system.

ANSWER

The four differencces between computerized accounting system and manual accounting system are

- 1 Accuracy
- 2 Cost
- 3 Backup
4. Consideration

1. Accuracy: computerized systems have drastically increased accuracy of calculations when compared to the traditional, manual system, in which columns had to be added up, numbers moved from one page to the next, and trial balance and financial statements manually compiled. If errors occured, many hours had to be spent trying to find and corect them. With accounting software, this problem is eliminated. In the case of accounting spreadsheets, adding simple formulars still may be needed, but it is an easier and more accurate process. Efficiency goes through the roof when a computerized system is used.

2. Cost: the manual accounting system with paper and pencil is cheaper than the computerized version, in which a firm needs a computer, software, printer and other expenses associated with a system. The manual system may work for small businesses up to a certain point, but with the affordable costs of computers and software, many firms are opting for the computerized system. They are easy to use, and finding experienced employees to run the system is not hurdle.

3. Backup: when using a manual system, the risk of loosing data is real. If important papers are damaged or destroyed, that work may have to be re-created. Copies of the original work can be made, but that could be expensive and consuming. Accounting on a computerized system offers the choice of saving work on a CD, portable or external hard drive, flash drive backup data every night as a precaution. If something happens the next day, the data can be restored from the backup. or even online.

4. Consideration: using a computerized accounting system keeps all of the information organized and in one place and mdash; the computer hard drive. Finding and accessing information on an accounting software program is much easier than the manual system. Other expenses associated with accounting software include training and ecific data can be found using system function, which usually include a "find" or idquo; search” key. For example, finding information about a vendor on a manual system could take many steps and significant time. The samee process in a computerized system most likely would yield the information in a snap, with less confussion and aggravation.