

# [Chapter i](https://assignbuster.com/chapter-i-8/)

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Chapter I The Problem and its Background Introduction In businesses time is very important as the competition is everywhere, the first one to get their product out in the market gets a great advantage. It is basically saying the more time you save the more you can be at the top. One of the keys is that you make sure that every department in the business are functioning efficiently, Accounting, Finance, Production, Marketing or it may create conflicts that may slow down the entire business and may lead you to your loss. It is the duty of the owners to think of ways on how to make the business efficient. It is not easy as they would be considering factors such as cost. In this study we will use Information Technology to help Bollozos Trucking lessen their problems in their Accounting area by offering a computerized payroll system. The purpose of this system is to minimize the time required in computing the payrolls and lessen the errors. Bollozos Trucking is associated with transporting feeds from suppliers to the feed mills based in Batangas, Lipa city owned by Thelma Bollozos. The business has twenty one employees consisting eight truck drivers, eight assistant of the drivers, three office persons and two working on the maintenance of the trucks. The salary of the drivers and their assistants depends on how many deliveries they made in a week while the office workers and the people assigned in the maintenance gets a regular weekly salary. One of the office employees manually computes the payroll with a sheet and calculator. The computerized system will have the features that will fit their payroll computation. The system then will be evaluated by the business if it will be effective or not. Background of the Study Payroll is one of a series of accounting transactions dealing with the process of paying employees for services rendered, after processing of the various requirements for withholding of money from the employee for payment of payroll taxes, insurance premiums, employee benefits, garnishments and other deductions. There are different types of Payroll system that businesses are using. Small businesses or those who have few employees can use Manual system where a payroll person processes the entire payroll by hand. Inexpensive but you would expect a lot of errors. Mid to Large businesses probably would choose the In-house Computerized system. This system involves the use of softwares and a trained payroll person. You may need a payroll staff depending on how many employees does your company have. Others might choose the Outsourcing system where businesses hire other companies to do their payroll. Conceptual and Theoretical Framework The study aims to give an efficient payroll system to Bollozos Trucking by giving them a computerized payroll system. The computerized system offers a faster way in computing the payroll. Not only that, it will also lessen the errors you commit when you do the payroll manually. The system will be evaluated by the owner and employees by answering a set of questionnaire. This questionnaire will tell if the computerized payroll system gives efficiency to their payroll system or not. Statement of the Problem General Problem: 1. This study may improve the payroll system of Bollozos Trucking but may present other problems. 2. What other problems may occur if the new system is applied? Specific Problem: 1. Can this study improve the payroll system of Bollozos Trucking? 2. The Objective of the study is to improve the payroll system of Bollozos Trucking. Definition of Terms Information Technology — is the use of computers and telecommunications equipment to store, retrieve, transmit and manipulate data.  The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information associated with information technology, such as computer hardware,  software,  electronics,  semiconductors,  internet,  telecom equipment and computer services. Accounting — systematic recording, reporting, and analysis of financial transactions of a business. The person in charge of accounting is known as an accountant, and this individual is typically required to follow a set of rules and regulations, such as the Generally Accepted Accounting Principles. Payroll — A list of employees receiving wages or salaries, with the amounts due to each. Business — Business is aneconomic activity, which is related with continuous and regular production and distribution of goods and services for satisfying human wants. Payroll Personnel — Handles the payroll reports and computation of a business entity. Automation - The use of largely automatic equipment in a system of manufacturing or other production process. Trucking industry - An industry that provides transportation for commercial products. Market - A regular gathering of people for the purchase and sale of provisions, livestock, and other commodities. System - A set of things working together as parts of a mechanism or an interconnecting network. Computerized Payroll System - Allows you to process all your normal payroll tasks via a computerized system, rather than by hand. Essentials like name, address, Social Security number and withholding rate for each employee are automatically filled in for every pay period until you make an employee’s record inactive. Payroll Taxes - Fall into two categories: deductions from an employee’s wages and taxes paid by the employer based on the employee's wages. The first kind are taxes that employers are required to withhold from employees' wages, also known as withholding tax,  pay-as-you-earn tax (PAYE), orpay-as-you-go tax (PAYG) and often covering advance payment of income tax, social security contributions, and various insurances (e. g., unemployment and disability). The second kind is a tax that is paid from the employer's own funds and that is directly related to employing a worker. These can consist of fixed charges or be proportionally linked to an employee's pay. The charges paid by the employer usually cover the employer's funding of the social security system, and other insurance programs. Insurance Premium - Obtaining an insurance cover, paid as a lump sum or in instalments during the duration of the policy. Failure to pay premium when due automatically cancels the insurance policy which, upon payment of the outstanding amount within a certain period, may be restored. Employee Benefits - In general, indirect and non-cash compensation paid to an employee. Some benefits are mandated by law (such as social security,  unemployment compensation, and workers compensation), others vary from firm to firm or industry to industry (such as health insurance,  life insurance, medical plan, paid vacation,  pension, gratuity. Garnishments - Legal process under which the personal property of a debtor or defendant in the hands of a third party (bank,  customer,  employer, etc.) is seized in part or in full to satisfy a debt or court award. Outsourcing - is the contracting out of an internal business process to a third party organization. The practice of contracting a business process–rather than staffing it internally–is a common feature in the modern economy. Significance of the Study To Bollozos Trucking — The study will provide a computerized payroll system that will help them to make their payroll computation faster and more accurate. To other Companies — Other small businesses can use the system for their payroll computation. To the Employees — This will help them to make the payroll efficiently. To Future Researchers — Future researchers that will conduct the same study can use this as a reference. To Researchers — This will increase the knowledge of the researchers about payroll system. Scope and Limits of the Study This study will be focusing on the computerized payroll system and what effect will it give to Bollozos Trucking's payroll department. The new system will be used on making the payroll of the 21 employees. Bollozos Trucking and its employees will give its feedback through a survey, where they will evaluate if the computerized system is gives positive effects or not. This study will be limited only to the payroll system and its effects to the company. Chapter III The Research Methodology Research Methodology will discuss about the design used for the project, sources of data used, the respondents who took the survey sheet, sampling technique used, instruments, data gathering procedure and the statistical treatment of data. Research Design Used Research design is the strategy used in studies to put all the components all together in a logical way. This study used Sources of Data Primary sources of data came from survey given to the owner and the twenty one employees of Bollozos Trucking, The survey consists of 10 questions regarding the effects of the computerized payroll system. The results of the data gathered were analysed by the researchers. Secondary sources contains data that have been collected and compiled for another purpose. The secondary sources consist of readily available compiled statistical statements and reports whose data may be used by researchers for their studies, e. g., journals, magazines, monographs, and other scholarly publication, newspapers, articles whether from books or internet, etc. Secondary sources consist of not only published records and reports, but also unpublished records. Respondents of the Study The respondents of the study are the owner and the twenty one employees of Bollozos Trucking. Eight of them drive each truck while another eight employees serves as an assistant to the drivers, three serves at the office and two in the maintenance of the trucks. These respondents answered a survey questionnaire that was used for the analyzation of the study. Sampling and Sampling Technique Sampling technique It is the major part of statistical application with how to select the number of employees who would participate in giving out or sharing their opinions, experiences, and knowledge to form statistical conclusions. The researchers chose random sampling for that way, there is a higher possibility that every probable and predetermined result could be achieved. Sample Size The sample size of a statistical sample is the number of observations that constitute it. To get the sample size of a total population, Sloven formula is used. Formula: n = N / 1 + N (e) 2 Where: n = sample size N = total population e = margin of error (5%) Percentage Distribution - The percent of expense distribution charged to each account number identified on the EPAF. Chi — square - A measurement of how expectations compare to results. The data used in calculating a chi square statistic must be random, raw, mutually exclusive,  drawn from independent variables and be drawn from a large enough sample. Research Instruments The study used a survey in a questionnaire form which consists 10 questions. These questionnaires will be given to the owner of Bollozos Trucking and its twenty one employees. Their answers were collected and analysed and used to answer the statement of the problem. Data Gathering Procedure Questionnaire is the easiest way to gather statistically useful information about the concerned study. It is a sequence of questions given to the respondents with less time and effort. The only possible downfall of the research instrument is that questionnaires can have unsatisfied results for the reason that some of the questions might not be clear or understood by the respondents. ----------------------- OUTPUT Automation of Bollozos Trucking PROCESS Survey Questionnaire for the Employees that will identify the problems regarding te payroll INPUT Profile of the Employees of Bollozos Trucking: Age: Gender: Status: Yrs. Of Service: