

Reflection essay on modern accounting systems

[Business](#), [Accounting](#)



Introduction

Over the years, through trial and error, modern accounting systems have changed for both the better and worse. Modern accounting systems fulfill the basic accounting needs while offering increased accuracy in tracking trends, enabling collaboration and giving quick access to data.

Computerized solutions offer the traditional transaction processing, classification of data and reporting while simultaneously increasing the range of inputs to give a clearer and more comprehensive picture of the financial health of a company (Gambling, 1975). The topic I selected for this research paper is how modern account systems have made a difference in modern organizations. Before taking this course I was unsure of how accounting was used in businesses or the way it was formatted.

I acquired tremendous amount of knowledging from taking this class, from analysing transactions to utilizing accounting formats correctly (Gordon, 1937). During my high school and early college years I used excel spreadsheets for various projects, but never did I have to utilize them to the extent I did in my Accounting class. I learned how to successful create balance sheets, income statements, and so much more. Lastly, the curriculum provided enabled me to correctly use different accounting ledgers to create successful and understandable business financial statement.

Modern technology and systems are making accounting processes more cost efficient, which subsequently strengthens a companies ability to increase their profits.

Body

Whether a small corner-store or large multimillion dollar organizations, each was created with its own innovations based on their believe of having the best account perspectives. They were successful for a short time by applying new costs such as JIT systems, which showed a significant improvement of their cost and budgeting systems.

Their sociological perspective can be understood as a point of view that focuses not only on individuals in a company, but on the whole group or society (Romney, 2011). However, unfortunately many flaws and late technology slowed their progress down with many flaws that could have been improved with their value of modern management accounts systems. The main change has been the amount of moneyspent by organizations. In the past, companies big or small needed a dozen accounting clerks in order to prepare all documents manually, and of course this was time consuming which generated large wage payout.

Today, small and large companies use modern computerized software on computers that can perform a more accurate detail submission. This new technology only requires a small group of people if not one or two people performing the accounting section, which minimizes the money spent on hiring personnel. In addition, another factor to consider when speaking of modern account systems is perpetual inventory systems (PTS). This controls the inventory in all stores and main warehouse by single scans.

The scans come from the cashier ringing the merchandise which is automatically added to the order sheets. Larger companies such as Wal-Mart and Target provided the sales floor employees with handheld computers that

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track in store stock as well as inventory controls. These moderns' scanners control the operations of the company, as employees work products to sales floor each item is scanned and tracked, then ordered automatically if needed. While working at Wal-Mart, each employee was required to carry at least one per department.

The handheld was the kiosk for the entire store. It provided inventory controls, counting and ordering methods. As well as accounts processes that would allow the employee to create worksheets to log in numbers and as well as operating cost. These handhelds are costly and very powerful as a desktop computer, which makes them useful and most improved modern accounts systems to date (Romney, 2011). In addition to technology updated to improve accounts systems, the funds of companies have also been updated by the modern changes in organizations.

The way information is processed and how quickly it can be changed or updated has improved business transactions. Financial information is available to organizations faster and easier by simply typing the needed data. The company is able to understand their information faster and easier without having to search through many book records and years. These modern accounts systems and the faster data have improved cost and payroll, such as how fast employees can be paid (Gordon, 1937). The modern account systems also have many flaws as it did in the past.

Even though our amount of time and labor spent has been reduced by using electronics doesn't mean errors still do not exist. Because the information is delivered much faster, the lack of understanding how to use the information has been ignored (Gambling, 1975). The fast growing technology has not

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been taught property by large organizations because it is growing too fast for employees and employers to keep up with. The old way of using account systems was slow, but the lacks of errors were slim because they thoroughly understand the inner workings of how their systems worked.

Both human and electronic input controls how errors are a factor in new accounting systems compared to older systems where each documents was hand written and checked by humans only. Chapter 1 provided a lot of insight regarding accounts systems and the key functions they played in the “ checks and balances” process of book-keeping. From speaking to individuals in the accountingcareerfield, to taxing authorities and in-between, these all provided good references for me. When dealing with business transactions many different factors are used.

Such as transactions 1: starting the business, this is very important as it shows owner investment which can increase or decrease assets. Transaction 2: purchases of land or rental agreements, which also adds assets, equity and liabilities to the statement.

Transaction 3: purchases of office supplies, which is important for the well-being of the business, this increases the liabilities, accounts payable transactions. Transaction 4: earning of service revenue, this adds value to owner’s equity, and capital. Transaction 5: earning of service revenue on account which this adds value to the owner’s equity. Transaction 6: payment of expenses, this can be transactions such as employee salaries, utilities and rent, which subtracts from the owner’s equity.

Transaction 7: payment of accounts which is payments or rental payments, this also subtracts funds from cash and liabilities. Transaction 8 is based on personal transactions. Transactions 9: collection on accounts which is labeled as accounts receivable which paid from clients for work performed. Transactions 10: is the sale of land, which subtracted from the land category. Finally, transaction 11: withdrawal of cash, this is when the owner withdraws cash from the account for personal use only.

Conclusion

Over the last 5 weeks, I have learned so much valuable information that will help me improve my work skills when I enter a job and my personal use. Over the upcoming years, technology will change and improve even more than it has to allow us to access accounting systems quicker and easier. Since this class I have learned how to prepare documents and financial statements. This course has also improved my current situation, since working in retail it is hard to understand the inner workings of companies, but having this valuable information improves the way I can do my job.

Through trial and error modern account systems improved our basic and advanced accounting needs and historical data provides evidence that modern technology and systems have and continue to make accounting processes more cost efficient.

References

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