

# Chapter 2 related studies and literature

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## Chapter 2 Review of Local and Foreign Studies and Literature Local Studies

According to the study of Anna Marie Beltran Distor of Proposed Sales Monitoring System issued 1995, the accelerated work structure of the company proper monitoring is essential in order to keep track of the company's sales activities. Her system aims to come up with an efficient, and accurate mechanized system of preparing invoices that will keep track of the daily transaction and generate reports.

Important information will be provided by this study in order to prove that the computerization of the company's operation and achieve a more reliable and efficient means of monitoring day to day activities. Her system focuses on the analysis and design of the sales monitoring system which will monitor the stocks inventory of the sales departments. This system of hers is somewhat related to our study but our system focuses more on the inventory monitoring system of a trading company. Local Literature Popular author of Accounting, Waldo T.

Passion (1990) in his book stated that, to improve their efficiency and reduce their cost of operation. Reports are more timely and accurate. Computers have large capacity to store data and tremendous speed to manipulate and recall data to the format a user wishes to use which the introduction of microcomputer computation of business is more affordable. Foreign Study According to the study of Edwin Bello and his fellow researchers of Computerized Monitoring and Inventory of Stock with Warning Level dated March 2005, many firms have thousands of items of inventory which require some form of control.

The usage calculations and record keeping chores would soon become overwhelming were it not for the computer and its unique information storage and retrieval capabilities. Inventory management is a process of developing and maintaining products that are in demand by customers. Efficient inventory management, an important aspect of physical distribution, can help a firm achieve its profit goals. For instance, Hanes Hosiery Inc. developed a computerized inventory management system to drastically reduce the time needed to restock a store carrying Hanes product, orders that once took seven days to reach a store now arrive in one. Good inventory management balances the cost of holding a large inventory with the cost of losing sales because of shortages, or stock outs, of certain products. One inventory management technique used to achieve this balance is just-in-time (JIT) inventory, popularized in Japan.

Companies using JIT maintain smaller inventories by ordering more often and in smaller quantities, just in time for production. Fire place manufactures, which makes metal fireplace in Santa Ana, California, trimmed its inventory from \$1.1 million to \$75,000 using JIT. In the meantime, sales doubled because the firm was able to respond to customers' orders much faster. The study is somewhat similar to our system but we are focusing on inventory monitoring rather than inventory management of a system. Foreign Literature Kendal and Kendal (1999) p. 85 in his book said, "The computer was adapted initially to take over the routine work and force personnel for more creative tasks (in addition to holding certain highly routine tasks for more rapidly done manuals)". Ralph M. Stair (1984) p. 57 of his book "Principle of Data Processing" said, "The purpose of a management

information system is to get the right information to the right people at the right time. The success of any organization depends on good decision-making and good decision-making depends on good information.