



NCERT Solutions for Class 11

Accountancy

Chapter 13 – Computerized Accounting System

1. State the four basic requirements of a database application.

Ans: The following are the four essential needs for database applications:

- a. Front-end interface:** The front-end interface serves as a link between the user and the database, allowing the user to communicate with the back-end interface.
- b. Back-end database:** A back-end database is a storage system that may store data entered by a user while keeping it hidden from him or her.
- c. Data Processing:** Data processing refers to a set of actions that are carried out to convert data entered by users into valuable information.
- d. Reporting system:** A reporting system is a system that collects and organizes all pertinent data.

2. Name the various categories of the accounting package.

Ans: There are three types of accounting software, as listed below:

- a. Ready-to-use Software or Readymade Software:** This is a type of general software that contains a limited number of fundamental functionality.
- b. Customized Software:** Software can be tailored to a certain industry or market area.
- c. Tailor-made Software or Tailored Software:** Tailor-made software is created to meet the specific needs and specifications of an organization. The components are per the company's specifications.

3. Give examples of two types of operating systems.

Ans: The following are two examples of operating systems:

a. Unix: This is a multitasking operating system that permits a large number of users to access information at the same time. It provides programmers with additional flexibility, making it more popular among them.

a. Linux: Linux is an open-source operating system that is very customizable. It facilitates the transmission of requests from software to computer hardware.

4. List the various advantages of computerized accounting systems.

Ans: The following are some of the benefits that the computer accounting system provides:

a. Speed: The computer accounting system drastically reduces the amount of time it takes to complete any operation.

b. Reliability: Accounting software for computers decreases the risk of human error, making it a more trustworthy platform.

c. Real-Time User Interface: A computer system with a real-time user interface allows numerous users to use it at the same time.

d. Scalability: The computer can be improved or modified depending on the requirement and usage.

e. Accuracy: The results generated by the computerized accounting system are precise.

f. Up-to-date information: The computerized accounting system offers users current information that they can utilize to make decisions.

5. Give two examples of each of the organizations where 'ready -to-use', 'customized', and 'tailored' accounting packages respectively suitable to perform the accounting activity.

Ans : The two examples of each of the organizations where 'ready-to-use', 'customized', and 'tailored' accounting packages respectively suitable to perform the accounting activity are:

(a) Ready-to-use Software: This form of software is commonly found in small businesses, such as medical offices and grocery stores.

(b) Customized Software: Medium and large businesses, such as hospitals and shopping malls, use this sort of software.

(c) Tailored Software: This sort of software is employed in firms that are geographically dispersed, such as communication industries and multinational corporations.

6. Distinguish between 'ready -to-use and 'tailored' accounting packages.

Ans: The differences between the 'ready-to-use and 'tailored' accounting packages are mentioned below:

Ready to Use Package	Tailored Package
Smaller businesses are more likely to employ this method.	This is the type of software that is more typically utilized in geographically dispersed businesses.
The ready-to-use packages have high flexibility.	The customized packages' adaptability is relatively limited, so they cannot be employed by every business.
The system's ability to communicate with other systems is limited.	The number of systems with which it may communicate is limitless.
The number of people who can utilize it is limited.	The number of people who utilize it is enormous.

7. Define a computerized accounting system. Distinguish between a manual and computerized accounting system.

Ans: In a computerized accounting system, the database idea is applied. It is a database-driven system that allows users to process financial events and transactions in line with GAAP (Generally Accepted Accounting Principles) and generate reports based on their needs. The computerized system stores data in a well-organized manner.

There are two types of accounting systems: computerized accounting systems and manual accounting systems. The following diagram illustrates the major distinctions between the two accounting systems.

Computerized Accounting System	Manual Accounting System
Accounting software is used in computerized accounting to electronically record financial transactions	Physical registers and account books are used to manually record financial transactions in a manual accounting system.
The information is saved in Well-designed databases.	The information is kept in original entry books.
Computer systems conduct the calculations, and all that is necessary is data input.	All of the computations are done by hand.
Computerized systems are quick and can complete tasks in a short amount of time.	Manual systems take a long time to set up.

8. Discuss the advantages of a computerized accounting system over a manual accounting system.

Ans: The following are some of the advantages of a computerized accounting system over a manual accounting system:

a. Speed: The computer accounting system drastically reduces the amount of time it takes to complete any operation.

b. Reliability: Accounting software for computers decreases the risk of human error, making it a more trustworthy platform.

c. Real-Time User Interface: A computer system with a real-time user interface allows numerous users to use it at the same time.

d. Scalability: The computer can be improved or modified depending on the requirement and usage.

e. Accuracy: The results generated by the computerized accounting system are precise.

f. Up-to-date information: The computerized accounting system offers users current information that they may utilize to make decisions.

9. Describe the various types of accounting software along with their advantages and limitations.

Ans: The accounting software can be classified into the following categories:

(a) Ready to use software: Small businesses, such as medical offices and grocery stores, employ this type of software.

Advantages:

- i. This type of software is readily available on the market.
- ii. This type of software has standard features and is hence less expensive.
- iii. It is easier to train personnel with such software because it takes less training.
- iv. Because it is a simple tool to learn and operate, these types of software have high adaptability.

Limitation:

- i. The software is intended for a small group of users.
- ii. This type of software is better suited to small businesses.

(b) Customized Software: Customized software is commonly utilized in medium and big businesses, such as hospitals and shopping malls.

Advantages:

- i. This program is better suited for use in medium and big businesses.
- ii. This type of software satisfies all of the needs of each user.
- iii. The program can be customized to meet the needs of the users and the business.
- iv. The program is simple to integrate with other systems.

Limitation:

- i. The cost of software maintenance and installation is relatively significant.
- ii. No standard training modules exist.
- iii. Because the staff has limited expertise in such software, these forms of software can be difficult to operate.

(c) Tailored Software: This type of software is typically utilized by firms that are geographically dispersed, such as communication industries and multinational corporations.

Advantages:

- i. This form of software is appropriate for globally dispersed businesses.
- ii. The number of systems with which it may communicate is limitless.
- iii. It may be used simultaneously by a big number of people.

Limitation:

- i. The package's installation and maintenance costs are considerable.
- ii. Because these are quite specialized in their adaptability, they cannot be applied in every firm.

10. 'Accounting software is an integral part of the computerized accounting system.' Explain. Briefly list the generic considerations before sourcing an accounting software.

Ans: Accounting software is very significant in the business world. As a result, it should meet based on a computerized accounting system.

In the following fashion, any company's generic requirements:

a. Installation and maintenance costs: Accounting software must meet the company's needs for maintenance and installation. As a result, it's important that the accounting system evaluates the software's cost and business benefits.

a. Installation and maintenance costs: The program must be able to meet the requirements for upkeep and security. the company's installation, As a result, accounting is critical. The system compares the cost of the program to the benefits it provides.

o the firm's offers

b. Requirements for Training: Requirements for training are quite important.

an aspect that firms should consider while making a decision

software for accounting If the accounting software is simple to use, it is a win-win situation. It will be less difficult for them to operate.

c. Exchanging Data Capability: Another factor that organizations should consider when choosing accounting software is whether or not the software can transmit data. The accounting software's data must be easily transferable to another accounting system.

d. Flexibility: Accounting software must be flexible in terms of report generation, data entry, retrieval, and processing.

e. Company Size: Accounting software must be appropriate for the company's size. If the company is modest in scale and size, for example, the accounting software must be concerned with meeting its special needs in this regard.

11. 'Computerized Accounting Systems are the best form of accounting systems.' Do you agree? Comment.

Ans: Many advantages of using a computerized accounting system are listed below.

a. Speed: The computer accounting system drastically reduces the amount of time it takes to complete any operation.

b. Reliability: Accounting software for computers decreases the risk of human error, making it a more trustworthy platform.

c. Real-Time User Interface: A computer system with a real-time user interface allows numerous users to use it at the same time.

d. Scalability: The computer can be improved or modified depending on the requirement and usage.

e. Accuracy: The results generated by the computerized accounting system are precise.

f. Up-to-date information: The computerized accounting system offers users current information that they can utilize to make decisions.

g. Legibility: The computerized accounting system's findings and reports can be transformed into various sizes depending on the needs.