

# Chapter 26 Computerised Accounting System

## Question 1

Define computerised accounting system

**Answer-** Computer accounting system is that accounting system that is used in preparing the financial transactions and events of business. The statement is prepared according to the Generally Accepted Accounting Principles (GAAP).

## Question 2

What is the difference between the manual and computerized accounting system?

**Answer-** Manual vs Computerized Accounting System

<b>Basis</b>	<b>Manual Accounting</b>	<b>Computerized Accounting</b>
<b>Identifying Financial Transactions</b>	The identification is done manually by applying principles of accounting	Here also the identification is done manually by applying principles of accounting
<b>Recording</b>	All the transaction (addition, subtraction, totaling) recorded in the original book are done manually	Here, only the storing to the data in the database is done manually rest everything is computerized
<b>Classification</b>	Classifications like posting of the transaction to the ledger are done manually	The data stored are processed automatically by the software to give the ledger account
<b>Summarising</b>	Balancing of ledger account and preparation of trial balance is done manually	The data stored are processed the trial balance automatically
<b>Adjustment Entries</b>	The identification, recording, and posting of adjustment entry is done manually	The identification and recording of adjustment entry is done manually but the posting is done by the software
<b>Financial Statement</b>	In manual accounting, the trial balance is compulsory to produce the financial statement	In financial accounting, the trial balance is generated from the software. Therefore, the trial balance is not required
<b>Close the</b>	The closing of books of	The closing of books and

<b>Books</b>	account and transferring of opening balance by recording opening entries are done manually	transferring is done by the software and opening balance is stored in the database
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