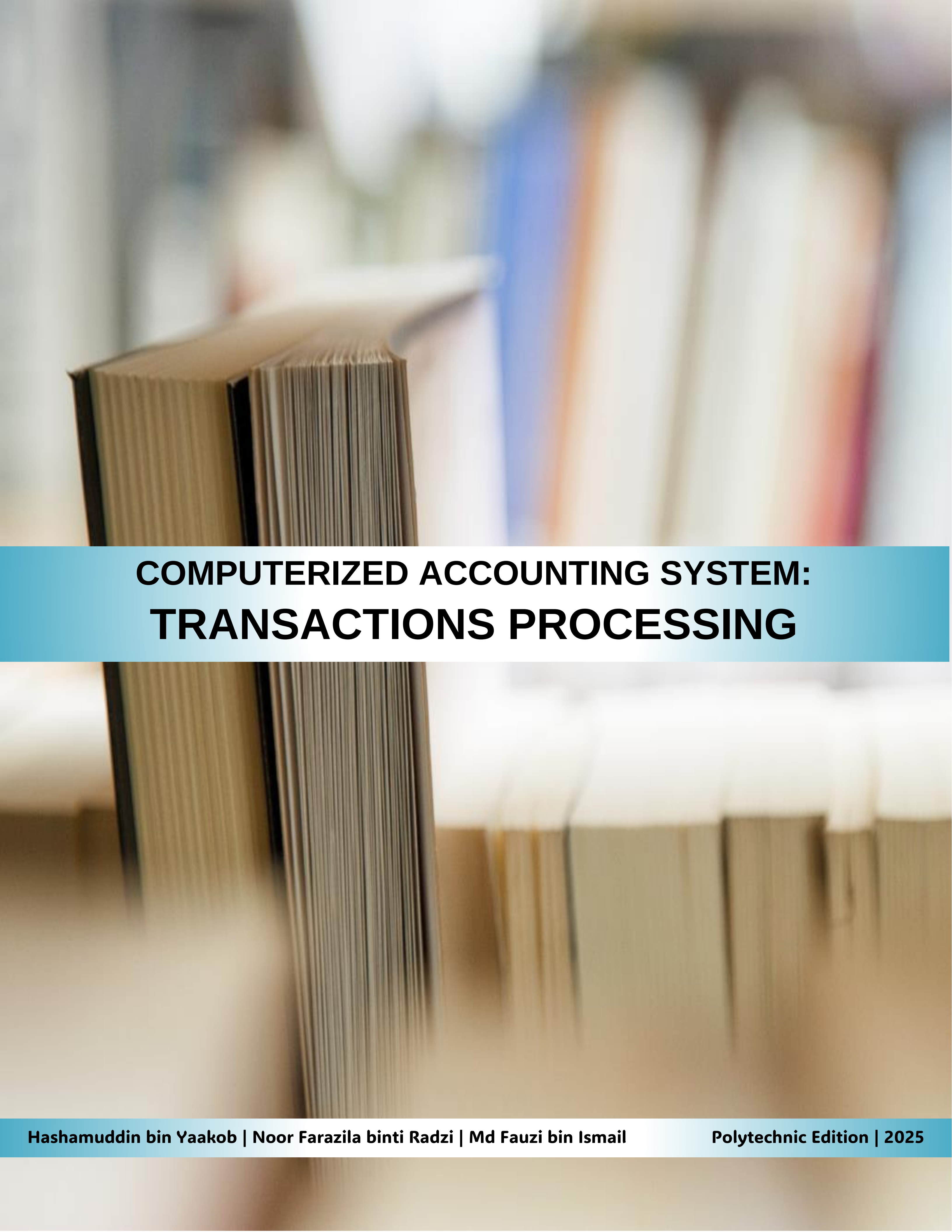

COMPUTERIZED ACCOUNTING SYSTEM:
TRANSACTIONS PROCESSING

Hashamuddin bin Yaakob | Noor Farazila binti Radzi | Md Fauzi bin Ismail

Polytechnic Edition | 2025

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PREFACE

Accounting Transactions Processing refers to the automated systems and practices used to manage and record financial transactions within an organization. These systems capture, process, and store financial data generated by daily business activities, ensuring that transactions are accurately reflected in financial records and reports. The goal is to provide a systematic, reliable, and efficient means of managing financial information while adhering to accounting principles and regulatory standards.

In today's fast-paced business environment, accounting transactions processing systems (ATPS) play a critical role in ensuring the accuracy, completeness, and timeliness of financial reporting. The automation of accounting tasks helps businesses maintain up-to-date financial statements, manage cash flow, track expenses and revenue, and comply with legal and regulatory requirements.

This book is a continuation of Computerized Accounting System (First Edition, 2024) and focuses on transactions processing.

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1. Introduction to Transactions Processing

Accounting Transaction Processing refers to the automated and systematic handling of financial transactions within an organization. This process ensures that every financial activity — such as sales, purchases, payments, or receipts — is accurately recorded and reflected in the organization's financial records, allowing for proper financial reporting, analysis, and decision-making. The core purpose is to maintain accurate, consistent, and timely financial data that adheres to accounting standards and supports organizational goals.

1.1 Key Components

1.1.1 Financial Transactions

- A financial transaction occurs when there is an exchange of value between two parties. Each transaction affects at least two accounts and is recorded using **double-entry accounting** to maintain balance in the financial system.

1.1.2 Double-Entry Bookkeeping

- Every transaction involves a debit entry in one account and a credit entry in another. This ensures that the accounting equation (Assets = Liabilities + Equity) is always balanced, providing a reliable record of financial activities.

1.1.3 The Accounting Cycle

- The cycle is the process of capturing, recording, adjusting, and reporting financial transactions over a specific period. It includes key stages such as journal entries, posting to the general ledger, preparing trial balances, and generating financial statements (e.g., income statement, balance sheet, cash flow statement).

1.1.4 Automation and Integration

- Modern accounting systems automate much of the transaction processing, reducing manual entry and human error. Integration with other business systems (e.g., sales, inventory management, payroll) ensures real-time data updates, enabling accurate financial reporting and decision-making.

1.1.5 Real-Time Processing

- Real-time processing ensures that transactions are recorded immediately as they occur, providing up-to-date financial information and improving cash flow management. This is essential for timely reporting and decision-making.

1.1.6 Audit Trail and Transparency

- An **audit trail** is created for every transaction, tracking who made the entry and when. This enhances transparency, helps with regulatory compliance, and provides a mechanism for investigating discrepancies or fraud.

1.1.7 Security and Compliance

- Security measures, such as encryption and access controls, are implemented to protect sensitive financial data. Compliance with standards such as **GAAP** (Generally Accepted Accounting Principles) or **IFRS** (International Financial Reporting Standards) ensures that the transaction data is accurate, verifiable, and legally compliant.

1.1.8 Financial Reporting

- The ultimate output of the accounting transaction processing system is accurate and reliable financial reports that give stakeholders (investors, managers, auditors) insights into the organization's performance, financial health, and cash flow. Key reports include the income statement, balance sheet, and cash flow statement.

1.2 Significance and Benefits

1.2.1 Efficiency: Automation streamlines repetitive tasks, reduces manual errors, and speeds up the overall transaction processing.

1.2.2 Accuracy: Double-entry accounting, real-time data, and audit trails ensure that transactions are recorded correctly and consistently.

1.2.3 Timely Reporting: Real-time processing enables businesses to generate up-to-date financial statements, supporting better decision-making and financial planning.

1.2.4 Compliance: Accounting transaction processing systems help ensure adherence to regulatory and legal requirements, reducing the risk of financial misreporting or fraud.

1.2.5 Scalability: As organizations grow, automated accounting systems can scale to handle increasing transaction volumes, maintaining efficiency and accuracy.

1.3 Conclusion

Accounting transaction processing systems form the backbone of an organization's financial management. They enable accurate, real-time tracking of all financial activities, which supports reliable financial reporting, regulatory compliance, and strategic decision-making. With the increasing reliance on automation and integration, modern accounting systems offer businesses the ability to manage financial data more efficiently, reduce errors, and maintain transparency—ultimately contributing to financial stability and growth.

This synopsis provides an overview of accounting transaction processing, outlining the core concepts and benefits that make it essential for businesses of all sizes. Subsequent discussions will delve deeper into the technical aspects of these systems, the methodologies behind transaction recording, and the tools and technologies that support modern accounting practices.

2. Learning Outcomes

CLO1	Provide explanation on the characteristic, role, structure, concept and functions of Accounting Information System (AIS).
CLO2	Explain the appropriate task in analyzing the accounting report with proper technics and procedure.
CLO3	Organize financial data to prepare full set of accounts by using computerized accounting system.
CLO4	Discuss clearly information system and technology control use in accounting.

Outline Topics

1. Transaction cycles and accounting records
2. Documentation techniques in accounting
3. Differentiate the types of computer-based accounting system
4. Financial reporting cycle
5. Exporting financial report to another format

Assessment

Coursework Assessment	CLO	Percentage
Quiz	CLO 1	10%
Laboratory Exercise 1	CLO 2	12.5%
Laboratory Exercise 2	CLO 3	12.5%
Practical Test	CLO 3	30%
Presentation	CLO 4	25%
Mini Project	CLO 2	10%
TOTAL		**100%**

3. Transaction Cycles and Accounting Records

In accounting, **transaction cycles** refer to the recurring processes through which businesses handle financial transactions in their day-to-day operations. These cycles help ensure that all transactions, from revenue generation to expenses, are properly documented and processed in the company's accounting system.

Accounting records refer to the documents and books used to record, classify, and summarize financial transactions in accordance with accounting principles and regulations. Properly managed transaction cycles and accounting records are vital for accurate financial reporting, internal controls, and compliance.

This section explores the key transaction cycles and their corresponding accounting records, highlighting how they integrate with one another to ensure a business's financial health and accuracy in reporting.

3.1 Key Transaction Cycles in Accounting

a) **Revenue Cycle (Sales Cycle)**
b) **Expenditure Cycle (Purchasing Cycle)**
c) **Payroll Cycle**
d) **Production Cycle (Inventory Cycle)**
e) **Finance Cycle**

3.1.1 Revenue Cycle (Sales Cycle)

The **Revenue Cycle** encompasses all activities associated with the sale of goods or services, from order entry through to cash receipt. This cycle ensures that sales are properly recorded, accounts receivable are updated, and cash inflows are properly tracked.

Steps in the Revenue Cycle:

- **Order Entry**: A customer places an order.
- **Shipping**: The goods or services are delivered.
- **Invoicing**: An invoice is generated for the transaction.
- **Cash Receipt**: Payment is received and processed.

Accounting Records:

- **Sales Invoice**: An official document detailing the transaction (e.g., quantity, price, taxes) that serves as proof of sale.
- **Sales Journal**: A journal where all sales transactions are recorded chronologically.
- **Accounts Receivable Ledger**: A record that tracks amounts owed by customers until payment is received.
- **Cash Receipt Journal**: A journal that records all incoming cash payments, including payments from customers.

3.1.2 Expenditure Cycle (Purchasing Cycle)

The **Expenditure Cycle** involves the procurement of goods and services and the payment to suppliers. It manages the inflow of goods and services and ensures that the corresponding payments are made accurately.

Steps in the Expenditure Cycle:

- **Purchase Order**: The company places an order for goods or services with a supplier.
- **Receipt of Goods/Services**: The purchased items are delivered.
- **Invoice Receipt**: The supplier sends an invoice for the goods or services provided.
- **Payment**: The company processes payment to the supplier.

Accounting Records:

- **Purchase Order**: A document outlining the details of the ordered goods/services, quantities, and agreed-upon prices.
- **Purchase Invoice**: The supplier's invoice received for goods or services, detailing the amount payable.
- **Accounts Payable Ledger**: A record that tracks amounts owed to suppliers for goods or services received but not yet paid.
- **Cash Disbursement Journal**: A journal used to record all cash payments made to suppliers.

3.1.3 Payroll Cycle

The **Payroll Cycle** includes all activities related to compensating employees for their work. It involves calculating wages, processing deductions, and managing payments.

Steps in the Payroll Cycle:

- **Employee Timekeeping**: Employees record their work hours or receive salary as per their contractual agreement.
- **Payroll Calculation**: Wages, benefits, deductions, and net pay are calculated.
- **Payment**: Employees are paid, typically via direct deposit or cheque.
- **Tax Reporting**: Payroll taxes and other statutory deductions are calculated and remitted to tax authorities.

Accounting Records:

- **Payroll Journal**: A record that contains all the details of employee wages, benefits, and deductions.
- **Employee Payroll Register**: A detailed log of each employee’s earnings, deductions, and net pay.
- **General Ledger Entries**: Payroll-related expenses (e.g., wages, tax withholdings) are posted to relevant accounts in the general ledger.
- **Cash Disbursement Journal**: This journal records cash payments made to employees or for taxes.

3.1.4 Production Cycle (Inventory Cycle)

The **Production Cycle** focuses on the acquisition and transformation of raw materials into finished products. It involves the processes from purchasing raw materials to manufacturing goods and updating inventory records.

Steps in the Production Cycle:

- **Raw Material Purchase**: The company acquires raw materials needed for production.
- **Production**: Raw materials are converted into finished goods.
- **Inventory Update**: Finished goods are recorded in inventory.
- **Sales**: Finished goods are sold to customers.

Accounting Records:

- **Inventory Ledger**: Tracks the movement of raw materials, work-in-progress, and finished goods.
- **Cost of Goods Manufactured (COGM)**: A report detailing the total cost of producing goods, including raw materials, labor, and overhead.
- **Cost of Goods Sold (COGS)**: This account is updated when finished goods are sold, reflecting the associated production costs.

3.1.5 Finance Cycle

The **Finance Cycle** deals with cash management, raising capital, and making investments. This cycle ensures that the company has the necessary liquidity to fund operations and invest in growth.

Steps in the Finance Cycle:

- **Capital Raising**: The company raises capital by issuing equity or debt.
- **Cash Management**: The company monitors cash inflows and outflows to ensure liquidity.
- **Investments**: Funds are allocated to long-term assets, such as equipment or property.

Accounting Records:

- **Cash Flow Statement**: A financial statement that provides a detailed overview of cash inflows and outflows, categorized by operating, investing, and financing activities.
- **General Ledger**: Captures changes in capital accounts, investment assets, and liabilities resulting from financing activities.
- **Bank Reconciliation**: Ensures the company's bank balance matches the records in its accounting system.

3.2 Accounting Records: A Detailed Breakdown

Accounting records are the cornerstone of the transaction cycles and ensure that all transactions are properly documented, classified, and summarized. The major types of accounting records include:

a) **Source Documents**: Original documents that provide evidence of transactions, such as invoices, receipts, contracts, payroll records, and purchase orders. These serve as the primary proof of financial activities.

b) **Journals**: These are chronological logs where all transactions are initially recorded. Depending on the nature of the transaction, specific journals are used, such as the sales journal, purchase journal, payroll journal, or general journal.

c) **General Ledger (GL)**: The GL is a collection of accounts used to record transactions. It organizes data by account type (assets, liabilities, equity, revenue, and expenses) and serves as the basis for generating financial statements.

d) **Trial Balance**: A list of all general ledger accounts and their balances. It is used to ensure that total debits equal total credits, ensuring the accuracy of financial records before preparing the final financial statements.

e) **Financial Statements**: These include the **Income Statement** (Profit & Loss), the **Balance Sheet**, and the **Cash Flow Statement**, which provide a snapshot of a company's financial health.

4. Documentation Techniques in Accounting

Documentation techniques in accounting refer to the methods and practices used to record, verify, and store information related to business transactions. Proper documentation is critical for ensuring accuracy, compliance, and transparency in financial reporting. These techniques help create a reliable paper trail of all financial activities and are essential for auditing, internal controls, and decision-making.

This section will explain key documentation techniques used in accounting, including **source documents**, **journals**, **ledgers**, and **financial statements**. We will also explore the role of **internal controls** in ensuring the integrity of accounting documentation.

4.1 Source Documents

Source documents are the original records that provide evidence of a financial transaction. They are essential for ensuring that transactions are accurate and verifiable. These documents serve as the foundation of all accounting entries and are used to substantiate entries in the journal, ledger, and other financial records.

Types of Source Documents:

- **Sales Invoices**: A document issued by the seller to the buyer, listing products sold, quantities, and prices.
- **Purchase Orders**: A written request to a supplier for goods or services.
- **Receipts**: Acknowledgment of payment made for goods or services.
- **Bank Statements**: Documents from a bank detailing all transactions in a specific account for a given period.
- **Contracts**: Legal agreements between parties, such as supplier agreements or loan contracts.

Documentation Technique:

- Source documents are typically attached to accounting entries to substantiate the transaction. For instance, when a sales transaction occurs, the sales invoice is used as the source document to record the sale in the journal and later post it to the appropriate ledger accounts.

4.2 Journals

A **journal** is a chronological record of all business transactions. Each entry in the journal must have a corresponding **source document** to validate the transaction. Journals are essential for organizing and tracking all financial transactions before they are posted to the general ledger.

Types of Journals:

- **Sales Journal**: Used to record all credit sales.
- **Purchase Journal**: Used for recording credit purchases.
- **Cash Receipts Journal**: Records all cash inflows.
- **Cash Disbursements Journal**: Records all cash outflows.
- **General Journal**: Used to record miscellaneous transactions that do not fall into the above categories.

Documentation Technique:

- Each entry in the journal includes the date of the transaction, a brief description, the accounts affected, and the amounts debited and credited. Source documents are referenced to provide the basis for each journal entry. For example, a sales journal entry may reference the sales invoice number to verify the transaction.

4.3 Ledgers

Once transactions are recorded in the journals, they are transferred (posted) to the **general ledger**. The general ledger is a collection of all the company's accounts, classified by asset, liability, equity, revenue, and expense categories. The ledger is the destination for all journal entries, and it is used to prepare financial statements.

Types of Ledgers:

- **General Ledger (GL)**: The main ledger that contains all the accounts of the company.
- **Subsidiary Ledgers**: These contain detailed records for specific types of transactions, such as **Accounts Receivable Ledger** and **Accounts Payable Ledger**.

Documentation Technique:

- Each transaction is posted to the appropriate ledger account, and the balances are updated accordingly. For example, if a sale is made, the corresponding revenue account in the general ledger will be updated, and the subsidiary ledger for accounts receivable will reflect the customer's outstanding balance.

4.4 Financial Statements

Financial statements summarize the financial activities of a business over a given period. These statements rely on accurate documentation from source documents, journals, and ledgers to reflect the company's financial performance and position.

Types of Financial Statements:

- **Income Statement (Profit and Loss Statement)**: Summarizes revenues and expenses to show the company's profit or loss over a specific period.
- **Balance Sheet**: Provides a snapshot of the company's assets, liabilities, and equity at a specific point in time.
- **Cash Flow Statement**: Shows the inflows and outflows of cash from operating, investing, and financing activities.

Documentation Technique:

- Financial statements are prepared from the balances in the general ledger. For example, the revenue recorded in the revenue accounts of the general ledger is transferred to the income statement. Similarly, the ending balances from asset, liability, and equity accounts in the general ledger are used to prepare the balance sheet.

4.5 Internal Controls and Documentation

Internal controls are processes implemented by companies to ensure that accounting records are accurate, transactions are properly authorized, and assets are safeguarded. Proper documentation is an essential component of internal controls, as it ensures that all transactions are verified and traceable.

Key Internal Control Techniques:

- **Segregation of Duties**: Dividing responsibilities among different employees (e.g., one employee processes transactions, while another records them) to reduce the risk of errors or fraud.
- **Authorization and Approval**: Ensuring that transactions are properly approved before being processed. For instance, a manager must approve large expenditures before they are recorded.
- **Physical Control of Documents**: Securely storing source documents, ledgers, and other accounting records to prevent unauthorized access or loss.
- **Reconciliation**: Regularly comparing accounting records with external records, such as bank statements, to ensure accuracy.

Documentation Technique:

- Internal controls require proper documentation of all transaction authorizations and approvals. Additionally, bank reconciliation procedures require matching the company's cash records with the bank's records.

5. Differentiating the Types of Computer-Based Accounting Systems

Computer-based accounting systems have revolutionized the way businesses manage their financial transactions, ensuring greater efficiency, accuracy, and ease of access to financial information.

There are several types of computer-based accounting systems, each designed to suit specific business needs, sizes, and complexity. These systems can be broadly categorized into **Manual Accounting Systems**, **Single-Entry Systems**, **Double-Entry Systems**, and **Integrated Accounting Systems**.

Additionally, with the rise of **cloud-based systems**, **enterprise resource planning (ERP)** systems, and **industry-specific accounting software**, there are now various specialized tools available.

5.1 Manual Accounting Systems

Although not a "computer-based" system in the traditional sense, **manual accounting** is often the starting point for many small businesses and is the foundation upon which many computer-based systems are built.

Features:

- All accounting records are maintained on paper or simple electronic spreadsheets (e.g., Microsoft Excel).
- Transactions are recorded in journals and ledgers by hand or manually entered a spreadsheet.
- No automation for reports, reconciliations, or updates—everything is done manually.

Differentiating Factors:

- **Not computerized**: Manual entry of data leads to higher risk of human error.
- **Time-consuming**: Manual processes can be slow and require considerable effort, especially as the volume of transactions grows.
- **Cost-effective for small businesses**: Often suitable for small businesses with simple transactions but does not scale well.

5.2 Single-Entry Accounting Systems

A **single-entry accounting system** is one of the most basic forms of accounting used by small businesses or individuals to manage their financial transactions. In a single-entry system, each transaction is recorded once, either as an income or expense, without a double-entry or a formal ledger system.

Features:

- Simple system where each transaction is recorded as a single entry (either as revenue or expense) into a journal.
- No distinction between assets, liabilities, or equity.
- Suitable for businesses with minimal financial transactions and no complex financial reporting requirements.

Differentiating Factors:

- **Simplicity**: Easy to use and learn; ideal for small businesses with a limited number of transactions.
- **Limited error checking**: As it lacks a formal double-entry system, it can be more prone to errors.
- **Limited reporting**: This system does not provide a detailed picture of financial health, which can be problematic for larger businesses.

5.3 Double-Entry Accounting Systems

The **double-entry accounting system** is the most widely used method in modern accounting, providing a more comprehensive and accurate way to track financial transactions. In this system, every transaction is recorded in two accounts: one as a **debit** and one as a **credit**.

Features:

- **Double Entry**: Each transaction affects at least two accounts, ensuring that the accounting equation (**Assets = Liabilities + Equity**) always balances.
- **General Ledger**: A detailed ledger that records all transactions by category (assets, liabilities, revenue, etc.).
- **Trial Balance**: Used to verify that debits and credits match, ensuring the accuracy of the entries.

Differentiating Factors:

- **Accuracy**: Double-entry accounting ensures that the books are always balanced and reduces the risk of errors or fraud.
- **Complexity**: While more accurate, it requires knowledge of accounting principles and is more complex to set up and maintain.
- **Scalability**: Suitable for businesses of all sizes, from small enterprises to large corporations, because it allows for detailed reporting and tracking of multiple accounts.

5.4 Integrated Accounting Systems

An **integrated accounting system** is a comprehensive system that combines various business functions into one unified platform, allowing for seamless data sharing between departments like sales, inventory, finance, and payroll. It is especially useful for medium to large businesses.

Features:

- **Integrated Modules**: Includes modules for accounts payable, accounts receivable, general ledger, inventory management, and payroll.
- **Automation**: Streamlines processes like invoicing, payments, and reconciliations.
- **Real-Time Data**: Offers up-to-date financial data, enabling real-time decision-making.

Differentiating Factors:

- **Comprehensive**: An integrated system supports multiple departments, automates processes, and provides real-time data.
- **Requires Configuration**: Typically requires customization to fit the specific needs of a business and may involve significant setup time.
- **Expensive and Complex**: More costly to implement and maintain, making it more suited for larger organizations or those with complex accounting needs.

5.5 Cloud-Based Accounting Systems

Cloud-based accounting systems are hosted online and provide users with access to accounting software via the internet. These systems are gaining popularity for their flexibility, accessibility, and ease of use.

Features:

- **Web-Based Access**: Access accounting software from any device with an internet connection.
- **Real-Time Collaboration**: Multiple users can access and update data simultaneously from anywhere.
- **Automatic Updates**: Cloud accounting systems automatically update software and data backups, ensuring the system remains up-to-date and secure.

Differentiating Factors:

- **Accessibility**: Can be accessed from any location, making it ideal for businesses with remote teams or multiple locations.
- **Cost-Effective**: Typically operates on a subscription model, which can be more affordable for small businesses or startups.
- **Security Concerns**: While cloud providers offer strong security measures, data privacy and control remain concerns for some businesses.

5.6 Enterprise Resource Planning (ERP) Systems

ERP systems are comprehensive software solutions designed to integrate and manage a company's core business processes, including accounting, human resources, inventory management, and customer relationship management (CRM). Popular ERP systems include SAP, Oracle, and Microsoft Dynamics.

Features:

- **Comprehensive Modules**: Includes various modules for finance, HR, production, inventory, and customer relationship management (CRM).
- **Centralized Database**: A unified database that allows for data consistency across all departments.
- **Customization**: ERPs can be highly customized to meet the needs of large, complex organizations.

Differentiating Factors:

- **Highly Scalable**: Suited for large corporations or businesses with complex, multi-department needs.
- **High Cost and Complexity**: ERP systems are expensive and require extensive implementation and training, making them more suitable for large enterprises.
- **Integration**: Seamlessly integrates multiple business functions, helping reduce redundancy and improve decision-making.

5.7 Industry-Specific Accounting Software

Industry-specific accounting software is tailored for specific types of businesses, such as retail, construction, or healthcare. These systems come with specialized features to meet the unique needs of these industries.

Features:

- **Customization**: Built to address the needs of industries, including specialized reports and workflows.
- **Unique Functionality**: Includes industry-specific features like job costing for construction, inventory management for retail, or billing for healthcare.

Differentiating Factors:

- **Tailored to Industry Needs**: Offers features and reporting that align with the specific requirements of a particular industry, which may not be available in general accounting systems.
- **Limited General Use**: While these systems excel in their targeted industries, they may not be as versatile for businesses outside their specialization.
- **Lower Flexibility**: These systems may not offer the same level of customization and flexibility as more general-purpose accounting software.

6. Transaction Cycle Data

This organization of transaction cycle data includes:

a) **Revenue Cycle**: Focuses on sales, invoicing, shipping, and cash receipt.
b) **Expenditure Cycle**: Covers purchases, receipt of goods, invoice processing, and payment to suppliers.
c) **Payroll Cycle**: Involves employee wage calculation, payments, and tax remittance.
d) **Production Cycle**: Tracks raw material procurement, production, and finished goods inventory.
e) **Finance Cycle**: Manages capital raising, cash flow, investments, and debt repayment.
f) **General Ledger & Trial Balance**: Provides a unified record of all transactions, ensuring that financial records balance and are ready for reporting.

By maintaining detailed transaction cycles and corresponding accounting records, businesses ensure accurate financial reporting, effective internal controls, and transparency in financial operations.

6.1 Revenue Cycle (Sales Cycle)

The **Revenue Cycle** manages all transactions related to the sale of goods and services. This cycle covers everything from customer orders to cash receipts.

Steps in the Revenue Cycle:

Step	Description	Related Documents	Journals/Ledgers
Order Entry	Customer places an order (via phone, website, etc.).	Sales Order	Sales Journal
Shipping	Goods or services are shipped to the customer.	Shipping Document / Delivery Note	Inventory Ledger
Invoicing	Invoice generated for the goods or services delivered.	Sales Invoice	Accounts Receivable Ledger
Cash Receipt	Customer pays for the goods/services received.	Cash Receipt, Bank Statement	Cash Receipt Journal

Key Notes:

- **Sales Journal** records all sales transactions (credit sales).
- **Accounts Receivable Ledger** tracks amount due from customers.
- **Cash Receipt Journal** records incoming cash payments.

6.2 Expenditure Cycle (Purchasing Cycle)

The **Expenditure Cycle** focuses on the purchase of goods and services and subsequent payments to suppliers.

Steps in the Expenditure Cycle:

Step	Description	Related Documents	Journals/Ledgers
Purchase Order	Company places an order with a supplier for goods/services.	Purchase Order	Purchase Journal
Receipt of Goods	Received goods/services are checked for quality and quantity.	Goods Receipt Note	Inventory Ledger
Invoice Receipt	Supplier sends an invoice for the goods/services provided.	Supplier Invoice	Accounts Payable Ledger
Payment	Payment is made to the supplier.	Payment Voucher, Bank Statement	Cash Disbursement Journal

Key Notes:

- **Purchase Journal** records all purchases on credit.
- **Accounts Payable Ledger** tracks amounts owed to suppliers.
- **Cash Disbursement Journal** records cash payments made.

6.3 Payroll Cycle

The **Payroll Cycle** involves calculating and processing employee wages, benefits, and deductions.

Steps in the Payroll Cycle:

Step	Description	Related Documents	Journals/Ledgers
Employee Timekeeping	Employees log hours worked (for hourly employees) or receive salary (for salaried employees).	Time Sheets / Employee Contracts	Payroll Journal
Payroll Calculation	Gross wages, deductions (taxes, benefits), and net pay are calculated.	Payroll Register	Payroll Journal
Payment to Employees	Employees are paid (e.g., via direct deposit or cheque).	Payment Voucher, Bank Statement	Cash Disbursement Journal
Tax Remittance	Taxes and other deductions are paid to the relevant authorities.	Tax Filing Documents	General Ledger

Key Notes:

- **Payroll Journal** records all payroll-related transactions, including wages, taxes, and benefits.
- **General Ledger** captures overall payroll expenses and tax liabilities.

6.4 Production Cycle (Inventory/Manufacturing Cycle)

The **Production Cycle** applies to businesses that manufacture products. This cycle covers the procurement of raw materials, production, and the sale of finished goods.

Steps in the Production Cycle:

Step	Description	Related Documents	Journals/Ledgers
Raw Material Purchase	Company purchases raw materials for production.	Purchase Order, Supplier Invoice	Inventory Ledger, Purchase Journal
Production	Raw materials are converted into finished products.	Work Order, Production Report	Work-in-Progress Inventory, Manufacturing Ledger
Inventory Update	Finished goods are transferred to the finished goods inventory.	Goods Receipt Note, Transfer Document	Finished Goods Inventory Ledger
Sales	Finished goods are sold to customers.	Sales Order, Sales Invoice	Sales Journal, Accounts Receivable Ledger

Key Notes:

- **Inventory Ledger** tracks raw materials, work-in-progress, and finished goods.
- **Work-in-Progress Ledger** captures costs associated with products still in the production process.

6.5 Finance Cycle (Cash and Financing Cycle)

The **Finance Cycle** involves the management of cash, financing, and investments to fund business operations.

Steps in the Finance Cycle:

Step	Description	Related Documents	Journals/Ledgers
Capital Raising	Company raises capital via equity (share issuance) or debt (loans, bonds).	Loan Agreement, Shareholder Agreement	General Ledger, Equity Ledger
Cash Management	Managing inflows and outflows to ensure liquidity.	Bank Statement, Cash Flow Report	Cash Ledger, General Ledger
Investment	Funds are invested in long-term assets, such as property, equipment, or intangible assets.	Purchase Order, Asset Acquisition Document	Fixed Asset Ledger, General Ledger
Debt Repayment	The company repays loans or other financial obligations.	Loan Repayment Statement, Bank Statement	Cash Disbursement Journal, General Ledger

Key Notes:

- **General Ledger** tracks all financial transactions, including equity and debt.
- **Cash Ledger** tracks cash inflows and outflows.

6.6 General Ledger and Trial Balance

All transactions, from various cycles, are eventually posted to the **General Ledger**. The **Trial Balance** is then prepared to ensure that all debits equal credits.

Steps in the General Ledger Process:

Step	Description	Related Documents	Journals/Ledgers
Posting to General Ledger	Transactions from all cycles (Revenue, Expenditure, Payroll, etc.) are posted to their respective general ledger accounts.	Sales Journal, Purchase Journal, Payroll Journal, etc.	General Ledger
Trial Balance Preparation	After posting to the general ledger, a trial balance is prepared to ensure the books are balanced.	None	Trial Balance

Key Notes:

- The **General Ledger** serves as the main repository for all company accounts (assets, liabilities, equity, revenue, expenses).
- **Trial Balance** is a tool used to check the accuracy of the ledger and prepare for the financial statements.

7. Financial Reporting Cycle: A Structured Overview

The **Financial Reporting Cycle** is a series of steps that businesses follow to prepare their financial statements, ensuring they are accurate, complete, and compliant with relevant accounting standards. The cycle includes the gathering of transaction data, recording and processing of that data, and the final preparation of reports that reflect the business's financial performance and position. The key financial statements typically produced in this cycle are the **Income Statement**, **Balance Sheet**, and **Cash Flow Statement**.

7.1 Transaction Recording

At the foundation of the financial reporting cycle is the **recording of financial transactions**. Each business transaction must be identified and documented with sufficient detail to ensure accurate reporting.

Key Steps:

- **Source Documents**: Collect relevant source documents, such as invoices, receipts, contracts, and payment slips.
- **Journal Entries**: Record each transaction as a journal entry in the accounting system, which includes date, description, accounts affected (debit or credit), and amounts.

Tools Used:

- **General Journal**: Used to initially record all transactions.
- **Special Journals**: Used for specific types of transactions like sales, purchases, cash receipts, and disbursements.

7.2 Posting to the Ledger

Once the transactions are recorded in the journal, they must be posted to the appropriate accounts in the **General Ledger (GL)**.

Key Steps:

- **Transfer from Journal to Ledger**: Journal entries are posted to their corresponding accounts in the general ledger, such as **Accounts Receivable**, **Accounts Payable**, **Revenue**, **Expenses**, etc.
- **Reclassification**: Some entries may need to be reclassified based on specific accounting practices (e.g., adjusting entries).

Tools Used:

- **General Ledger**: A comprehensive record that tracks balances of individual accounts, providing a summary of financial transactions.

7.3 Trial Balance Preparation

After posting transactions to the general ledger, the next step is to ensure that debits and credits are balanced. The **Trial Balance** serves as an initial check.

Key Steps:

- **Preparing the Trial Balance**: Sum up the debit and credit balances in the general ledger to ensure that they are equal.
- **Detect Errors**: If the trial balance does not balance, errors such as omission, double entries, or misclassification must be identified and corrected.

Tools Used:

- **Trial Balance Report**: A list of all general ledger account balances, both debit and credit.

7.4 Adjusting Entries

Before the financial statements can be prepared, certain **adjusting entries** may be necessary to ensure the accounts are accurate and reflect the business's true financial position.

Key Steps:

- **Accruals**: Adjustments for earned revenue not yet recorded or expenses incurred but not yet paid (e.g., accrued expenses, accrued revenue).
- **Deferrals**: Adjustments for payments or receipts made in advance of the actual accounting period (e.g., prepaid expenses, unearned revenue).
- **Depreciation and Amortization**: Adjusting for the wear and tear on assets or the allocation of intangible asset costs.

Tools Used:

- **Adjustment Journal Entries**: Entries made in the general journal to account for accruals, deferrals, depreciation, etc.

7.5 Adjusted Trial Balance

After making adjusting entries, a new trial balance is prepared. This is the **Adjusted Trial Balance**, which reflects the updated balances in the accounts after adjustments.

Key Steps:

- **Reviewing Adjustments**: Ensure all adjustments (accruals, deferrals, depreciation) are accurately recorded.
- **Balance Check**: Confirm that the debits and credits are balanced after adjustments.

Tools Used:

- **Adjusted Trial Balance**: This is the revised version of the trial balance, incorporating all adjustments.

7.6 Financial Statement Preparation

With the adjusted trial balance in hand, the next step is the preparation of the main **financial statements**: the **Income Statement**, **Balance Sheet**, and **Cash Flow Statement**.

Key Steps:

- **Income Statement**: Prepare the income statement to show the company's profitability over a specified period, calculating **revenues**, **expenses**, and **net income**.
- **Balance Sheet**: Prepare the balance sheet to show the company's financial position at a specific point in time, detailing **assets**, **liabilities**, and **equity**.
- **Cash Flow Statement**: Prepare the cash flow statement to highlight the **cash inflows and outflows** from **operating**, **investing**, and **financing activities**.

Tools Used:

- **Income Statement**: A report showing revenues and expenses.
- **Balance Sheet**: A snapshot of the company's financial position.
- **Cash Flow Statement**: A detailed account of cash movements.

7.7 Closing Entries

Once the financial statements are prepared, **closing entries** are made to reset temporary accounts (such as revenues and expenses) to zero for the next accounting period. This ensures that revenue and expense accounts are not carried forward to the new period.

Key Steps:

- **Close Revenue Accounts**: Transfer the balances of revenue accounts to the **Income Summary** account.
- **Close Expense Accounts**: Transfer the balances of expense accounts to the **Income Summary** account.
- **Close Income Summary to Retained Earnings**: Transfer the balance of the Income Summary account (net income or loss) to **Retained Earnings**.

Tools Used:

- **Closing Journal Entries**: Journal entries that transfer balances from temporary accounts to permanent accounts.

7.8 Post-Closing Trial Balance

After the closing entries have been made, the **Post-Closing Trial Balance** is prepared to verify that the ledger is still in balance after all temporary accounts have been closed.

Key Steps:

- **Verify Balances**: Ensure that all accounts that should have zero balances (e.g., revenues, expenses) are now zero.
- **Final Check**: Confirm that the **debit balances** still equal the **credit balances** in the **permanent accounts**.

Tools Used:

- **Post-Closing Trial Balance**: A final trial balance after the closing entries have been made, showing only permanent accounts (assets, liabilities, equity).

7.9 Financial Reporting and Analysis

Once the financial statements have been prepared, they are presented to stakeholders, management, investors, auditors, and regulatory bodies for review. This stage may also include further analysis and interpretation of the financial data to assess the company's financial health and performance.

Key Steps:

- **Review and Analysis**: Management and stakeholders review the financial statements for accuracy, compliance with accounting standards, and performance metrics.
- **Audit**: If necessary, an audit is conducted to verify the accuracy and compliance of the financial statements.
- **Reporting**: Financial reports are shared with internal and external parties as required.

Tools Used:

- **Financial Statement Report**: The final set of financial statements that are distributed to stakeholders.
- **Management Reports**: Additional internal analysis of financial performance and projections.

7.10 Summary of the Financial Reporting Cycle

Step	Description
Transaction Recording	Recording all business transactions in journals from source documents.
Posting to the Ledger	Transfer journal entries to the general ledger accounts.
Trial Balance Preparation	Prepare the trial balance to ensure debits equal credits.
Adjusting Entries	Adjust for accruals, deferrals, depreciation, etc.
Adjusted Trial Balance	Prepare an updated trial balance after adjusting entries.
Financial Statement Preparation	Prepare income statement, balance sheet, and cash flow statement based on the adjusted trial balance.
Closing Entries	Close temporary accounts to reset them for the new period and transfer net income to retained earnings.
Post-Closing Trial Balance	Verify the balances after closing entries to ensure accuracy.
Financial Reporting and Analysis	Share and analyze financial statements with stakeholders, and conduct audits if necessary.

8. Transaction Processing Using AutoCount Accounting Software

AutoCount Accounting is a popular and robust accounting software widely used by businesses for managing financial transactions, reporting, inventory, and more. Transaction processing refers to the steps involved in recording and managing transactions within the system, ensuring that data flows accurately through the system to generate reports and facilitate decision-making.

In the context of **AutoCount Accounting**, transaction processing helps businesses track, record, and report financial data from various operations such as sales, purchases, payments, receipts, and inventory. The system automates many steps of the transaction cycle, making accounting more efficient and reducing the chances of error.

8.1 Transaction Processing Flow in AutoCount Accounting

Here is an overview of the typical flow of transaction processing in AutoCount Accounting:

8.1.1 Data Entry and Recording of Transactions

The first step in transaction processing involves the **entry and recording of transactions**. In AutoCount Accounting, this can be done through various modules, depending on the type of transaction.

Key Transaction Types:

- **Sales Transactions**: When goods or services are sold, the transaction can be recorded in the **Sales** module, creating invoices or credit notes.
- **Purchase Transactions**: When goods or services are purchased, the **Purchase** module allows you to record purchase orders, goods receipts, and supplier invoices.
- **Cash Transactions**: Receipts and payments can be recorded in the **Cash Book Entry** module, including cash transactions, bank transfers, and cheque payments.
- **Inventory Transactions**: When stock is purchased, sold, or adjusted, inventory movements are recorded in the **Inventory** module.

Steps for Data Entry:

1. **Create New Transaction**: From the main screen, go to the relevant module (e.g., Sales, Purchases, Bank) and click "New" to create a new transaction.
2. **Enter Transaction Details**:
   - **For Sales**: Enter customer information, items sold, quantities, prices, taxes, etc.
   - **For Purchases**: Enter supplier details, items purchased, quantities, and prices.
   - **For Payments**: Input payment details such as the amount, date, bank account, and payment method.
3. **Save the Transaction**: After entering all the necessary details, save the transaction.

AutoCount then automatically generates corresponding journal entries in the **General Ledger (GL)** to ensure that each transaction is reflected in the financial records.

8.1.2 Posting Transactions to the General Ledger (GL)

Once transactions are recorded in the relevant modules, they are **automatically posted** to the **General Ledger (GL)**, which is the central accounting record. This ensures that financial data is updated across all accounts.

Key Features:

- **Real-time posting**: Transactions are posted to the GL in real-time, allowing for up-to-date financial reporting.
- **Integration with modules**: Data from Sales, Purchases, Banking, and Inventory modules is seamlessly integrated into the GL.
- **Automatic journal entries**: Each recorded transaction automatically generates the relevant journal entries, such as debits and credits, to the appropriate accounts (e.g., Accounts Receivable, Accounts Payable, Revenue, Expense accounts).

Steps for Posting:

1. **Transaction Posting**: Once data is entered in any module (e.g., Sales or Purchases), the system automatically records the transaction in the **General Ledger**.
2. **Journal Entries**: For example, when an invoice is issued in the **Sales** module, AutoCount generates journal entries that debit Accounts Receivable and credit the appropriate sales or revenue accounts.

8.1.3 Reconciliation and Verification

After transactions are posted to the General Ledger, it is important to ensure that the data is accurate and that there are no discrepancies. This process is called **reconciliation**.

Key Features:

- **Bank Reconciliation**: The system allows you to reconcile bank statements with the entries recorded in the **Banking** module.
- **Trial Balance**: AutoCount generates a **Trial Balance** that lists all account balances, allowing you to verify that debits and credits match.
- **Error Checking**: The software provides reports to help detect any inconsistencies or discrepancies in the accounts.

Steps for Reconciliation:

1. **Bank Reconciliation**: Go to the **Banking** module and compare the bank's statement with the transactions recorded in the system. Match deposits, withdrawals, and transfers.
2. **Verify General Ledger**: Use the **Trial Balance** report to ensure that the debit and credit entries balance.

8.1.4 Adjusting Entries

Occasionally, adjustments are needed to ensure that the financial records reflect the correct amounts at the end of an accounting period. **Adjusting entries** might include accruals, deferrals, depreciation, or inventory adjustments.

Key Features:

- **Accruals**: Recognize revenues and expenses when they are earned or incurred, rather than when cash is exchanged.
- **Inventory Adjustments**: Adjust inventory balances for discrepancies due to theft, loss, or shrinkage.
- **Depreciation**: AutoCount allows you to automatically calculate and post depreciation for fixed assets.

Steps for Adjusting Entries:

1. **Create Adjustment Entries**: Go to the **General Journal** to manually create adjusting entries, such as accruals or depreciation.
2. **Post Adjustments**: Save the adjustments, and the system will automatically post the entries to the General Ledger.

8.1.5 Financial Reporting

Once transactions have been processed, and the necessary adjustments made, **financial reporting** is the next step. AutoCount generates key financial reports that provide insight into a business's financial health and performance.

Key Reports:

- **Income Statement (Profit & Loss Statement)**: Provides a summary of revenues, expenses, and profits over a specific period.
- **Balance Sheet**: Shows the business's assets, liabilities, and equity at a specific point in time.
- **Cash Flow Statement**: Tracks the movement of cash in and out of the business over a period.
- **Trial Balance**: Provides a snapshot of all ledger accounts to verify that the system is balanced.
- **Aging Reports**: For Accounts Receivable and Accounts Payable to monitor overdue invoices or bills.

Steps for Generating Reports:

1. **Navigate to Reports Section**: Go to the **Reports** tab in AutoCount.
2. **Choose the Report**: Select from available financial reports like **Income Statement**, **Balance Sheet**, **Cash Flow**, etc.
3. **Set Filters**: Choose the appropriate date range or filter by account, department, or other relevant criteria.
4. **Generate the Report**: Click **Generate** to view the report.
5. **Export the Report**: AutoCount allows you to export reports to formats like **PDF**, **Excel**, **CSV**, or **Word** for sharing or further analysis.

8.1.6 Closing the Period

At the end of an accounting period, businesses need to **close the period** to ensure that financial data for that period is finalized and no further transactions can be entered.

Key Features:

- **Period Closing**: In AutoCount, you can close the financial period to lock the data, preventing accidental modifications.
- **Finalizing Reports**: After closing the period, the system generates the final reports for that period and makes them available for analysis.

Steps for Closing the Period:

1. **Prepare Final Reports**: Ensure all transactions have been entered and all adjustments made.
2. **Close the Period**: Go to the **Period Closing** feature in AutoCount and close the accounting period.
3. **Lock the Period**: Once the period is closed, transactions for that period can no longer be modified, ensuring the accuracy and integrity of financial data.

8.2 Benefits of Transaction Processing with AutoCount

a) **Automation**: AutoCount automates key processes such as journal entries, reporting, and reconciliation, reducing manual errors and saving time.
b) **Accuracy**: With real-time posting to the General Ledger and integrated modules, AutoCount ensures that financial records are accurate and up-to-date.
c) **Comprehensive Reporting**: AutoCount offers a wide range of financial reports that help businesses monitor performance, meet compliance requirements, and make informed decisions.
d) **Scalability**: Whether you are a small business or a large enterprise, AutoCount is scalable and can adapt to the growing needs of your business.
e) **Compliance**: AutoCount complies with local accounting standards, making it easier for businesses to stay compliant with tax and regulatory requirements.

9. Exporting Financial Reports in AutoCount Accounting

AutoCount Accounting is a widely used accounting software that provides various options for generating and exporting financial reports in multiple formats like **PDF**, **Excel (XLS/XLSX)**, **CSV**, and **Word**. The software is designed to streamline the reporting process, allowing businesses to easily prepare and share accurate financial information.

Below is a step-by-step guide on how to **arrange** and **export financial reports to other formats** using AutoCount Accounting.

9.1 Step-by-Step Guide to Export Financial Reports in AutoCount

9.1.1 Preparing the Financial Report in AutoCount

Before exporting, you need to generate the required financial reports. Here are common financial reports you may need to export:

- **Income Statement** (Profit and Loss)
- **Balance Sheet**
- **Cash Flow Statement**
- **Trial Balance**
- **Accounts Receivable/Payable Aging Report**
- **General Ledger**

9.1.2 Steps to Generate a Financial Report:

a) **Log in to AutoCount Accounting**: Open the AutoCount software and log into your account with the appropriate access rights.

b) **Navigate to Reports**:
   i. Go to the **Reports** tab located in the main menu of AutoCount.
   ii. Under the **Financial Reports** section, select the report you wish to generate (e.g., **Profit & Loss** or **Balance Sheet**).

c) **Customize the Report** (optional):
   i. **Date Range**: Set the date period for which you want the report (e.g., monthly, quarterly, yearly).
   ii. **Filter Options**: Apply filters for departments, locations, or specific accounts if necessary.
   iii. **Report Layout**: Choose the layout or format for the report, including details like whether to show full details or summary data.

d) **Generate the Report**: Once the parameters are set, click the **Generate** or **View** button to preview the report.

9.2 Exporting the Report to Various Formats

AutoCount provides several export options, each suitable for different purposes. Below is how to export the report to the most used formats:

9.2.1 Exporting to PDF

PDF is ideal for sharing reports with stakeholders or for formal documentation. It preserves the format and ensures that the report appears exactly as intended.

Steps to Export to PDF:

1. After generating the report, look for the **Export** button in the toolbar at the top of the report screen.
2. Select **Export to PDF** from the available options.
3. A pop-up window will appear asking for the location to save the file.
4. Choose a location on your computer or network where you want to save the PDF.
5. Click **Save** to export the report in PDF format.

Benefits of PDF Export:

- **Preserves formatting**: The layout remains the same, ensuring the report looks professional.
- **Ideal for sharing and printing**: Useful for presenting data to clients, investors, or regulators.

9.2.2 Exporting to Excel (XLS/XLSX)

Excel is best for detailed analysis or further manipulation of financial data. It allows users to perform calculations, create charts, and customize the data as needed.

Steps to Export to Excel:

1. After generating the report, click the **Export** button in the report's toolbar.
2. Select **Export to Excel** (XLS or XLSX format).
3. Choose the Excel version (XLS or XLSX) depending on your preference or software compatibility.
4. Save the file to your desired location on your computer.
5. Click **Save** to export the report as an Excel file.

Benefits of Excel Export:

- **Data manipulation**: Allows you to filter, sort, and perform calculations on the report data.
- **Create visualizations**: You can create graphs and pivot tables to analyze trends and financial performance.

9.2.3 Exporting to CSV (Comma-Separated Values)

CSV is useful for raw data analysis or for importing the report data into other software or systems. This format is simple and can be opened in various applications like Excel, Google Sheets, or database systems.

Steps to Export to CSV:

1. After generating the financial report, click on the **Export** button.
2. From the options, choose **Export to CSV**.
3. Specify the location where you want to save the CSV file.
4. Click **Save** to export the report in CSV format.

Benefits of CSV Export:

- **Universal format**: Can be imported into various systems, spreadsheets, and databases.
- **Raw data**: Ideal for simple data storage or for use in other software that does not require complex formatting.

9.2.4 Exporting to Word (DOC/DOCX)

Word format is used when you need to include additional commentary, context, or explanation along with the financial data. It is commonly used for preparing formal reports or meeting minutes.

Steps to Export to Word:

1. After generating the financial report, click the **Export** button.
2. Select **Export to Word**.
3. Choose the destination folder to save the file.
4. Click **Save** to export the report in Word format.

Benefits of Word Export:

- **Easy integration of text and data**: You can add narratives, comments, or explanations alongside the financial data.
- **Professional presentation**: Ideal for preparing board presentations or formal financial reports with attached commentary.

9.3 Review and Finalize the Exported Report

Once the report has been exported to the desired format, you should:

- **Review the Report**: Open the exported file (PDF, Excel, Word, CSV) to ensure all data is accurately transferred, and the formatting is correct.
- **Adjust the Formatting** (if needed):
  - In **Excel**, you can adjust column widths, create graphs, or apply formulas.
  - In **PDF**, ensure that the document is well-organized, pages are not cut off, and text is readable.
  - In **Word**, format headings, add footnotes or any additional context needed.
- **Save and Share**: Once satisfied, save the final version and share the report with relevant stakeholders, either via email, cloud storage, or printing.

9.4 Tips for Efficient Export and Sharing

- **Naming Conventions**: Use consistent and descriptive file names (e.g., "Balance Sheet_Q1_2024.xlsx") to keep track of your financial reports easily.
- **Cloud Storage**: Consider uploading reports to a cloud-based platform (e.g., Google Drive, Dropbox, OneDrive) for easy access and sharing with others.
- **Automated Reports**: Some versions of AutoCount allow you to automate report generation and export on a set schedule, which can save time for recurring reports (e.g., monthly P&L).

9.5 Summary of Export Formats and Their Use Cases

Format	Best For	Benefits
PDF	Formal sharing, printing, archiving	Maintains formatting; ideal for professional presentations and printing.
Excel (XLS/XLSX)	Data analysis, detailed manipulation, charts	Allows editing, calculations, and graphing.
CSV	Data storage, importing to other systems or platforms	Raw data format; compatible with various software.
Word (DOC/DOCX)	Detailed reporting with text commentary and analysis	Combine data with narratives for presentations or reports.

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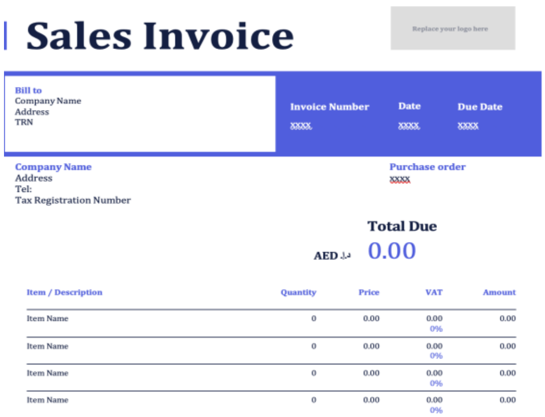
Appendices

Appendix 1 – Example Source of Documents

Sales Invoice	Purchase Invoice



Sales Invoice

Replace your logo here

Bill to
Company Name
Address
TRN

Invoice Number	Date	Due Date
xxxx	xxxx	xxxx

Company Name
Address
Tel:
Tax Registration Number

Purchase order
xxxx

Total Due
AED د.إ 0.00

Item / Description	Quantity	Price	VAT	Amount
Item Name	0	0.00	0.00 0%	0.00
Item Name	0	0.00	0.00 0%	0.00
Item Name	0	0.00	0.00 0%	0.00
Item Name	0	0.00	0.00 0%	0.00

INVOICE

LOGO

East Repair Inc.
1912 Harvest Lane
New York, NY 12210

BILL TO
John Smith
2 Court Square
New York, NY 12210

SHIP TO
John Smith
3787 Pineview Drive
Cambridge, MA 12210

INVOICE # US-001
INVOICE DATE 11/02/2019
P.O.# 2312/2019
DUE DATE 26/02/2019

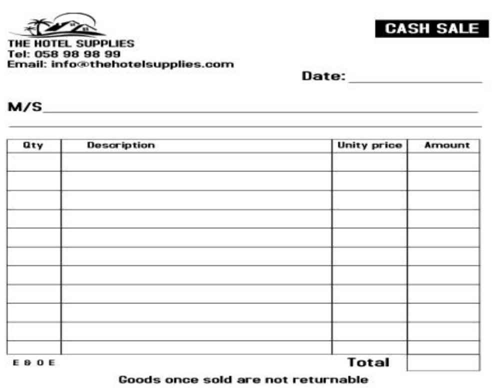
QTY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Front and rear brake cables	100.00	100.00
2	New set of pedal arms	15.00	30.00
3	Labor 3hrs	5.00	15.00
		Subtotal	145.00
		Sales Tax 6.25%	9.06
		TOTAL	$154.06

John Smith

Thank you

TERMS & CONDITIONS
Payment is due within 15 days
Please make checks payable to: East Repair Inc.

Cash Sales	Official Receipt



THE HOTEL SUPPLIES
Tel: 058 98 98 99
Email: info@thehotelsupplies.com

CASH SALE

Date: ____________

M/S ____________

Qty	Description	Unity price	Amount
E & O E		Total	

Goods once sold are not returnable

SL SOFTWARE SOLUTIONS SDN BHD

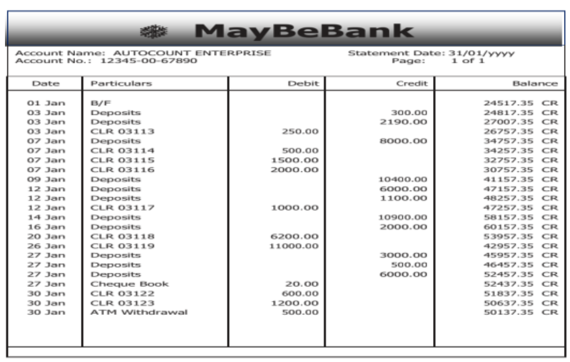
OFFICIAL RECEIPT

Payment Voucher	Bank Statement

Payment Voucher

Voucher No.

Account No.	Description	Amount



MayBeBank

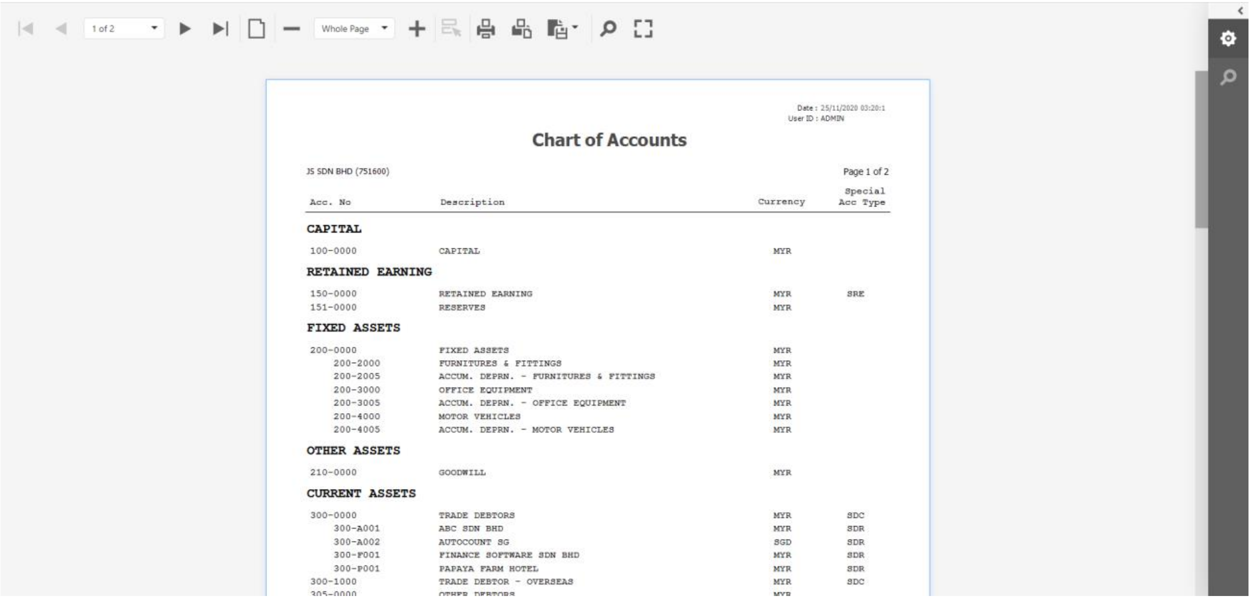
Account Name: AUTOCOUNT ENTERPRISE
Account No.: 12345-00-67890

Statement Date: 31/01/yyyy
Page: 1 of 1

Date	Particulars	Debit	Credit	Balance
01 Jan	B/F			24517.35 CR
03 Jan	Deposits		300.00	24817.35 CR
03 Jan	Deposits		2190.00	27007.35 CR
03 Jan	CLR 03113	250.00		26757.35 CR
07 Jan	Deposits		8000.00	34757.35 CR
07 Jan	CLR 03114	500.00		34257.35 CR
07 Jan	CLR 03115	1500.00		32757.35 CR
07 Jan	CLR 03116	2000.00		30757.35 CR
09 Jan	Deposits		10400.00	41157.35 CR
12 Jan	Deposits		6000.00	47157.35 CR
12 Jan	Deposits		1100.00	48257.35 CR
12 Jan	CLR 03117	1000.00		47257.35 CR
14 Jan	Deposits		10900.00	58157.35 CR
16 Jan	Deposits		2000.00	60157.35 CR
20 Jan	CLR 03118	6200.00		53957.35 CR
26 Jan	CLR 03119	11000.00		42957.35 CR
27 Jan	Deposits		3000.00	45957.35 CR
27 Jan	Deposits		500.00	46457.35 CR
27 Jan	Deposits		6000.00	52457.35 CR
27 Jan	Cheque Book	20.00		52437.35 CR
30 Jan	CLR 03122	600.00		51837.35 CR
30 Jan	CLR 03123	1200.00		50637.35 CR
30 Jan	ATM Withdrawal	500.00		50137.35 CR

Appendix 2 – Example of Report

Chart of Accounts



Date : 25/11/2020 03:20:1
User ID : ADMIN

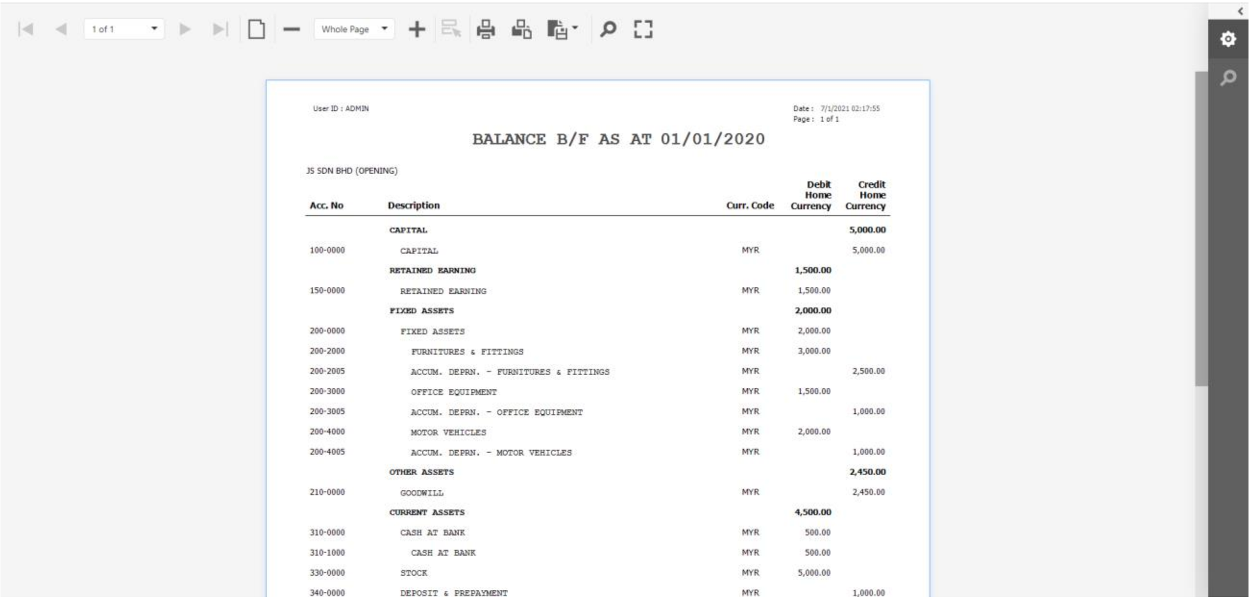
Chart of Accounts

JS SDN BHD (751600)

Page 1 of 2

Acc. No	Description	Currency	Special Acc Type
CAPITAL			
100-0000	CAPITAL	MYR	
RETAINED EARNING			
150-0000	RETAINED EARNING	MYR	SRE
151-0000	RESERVES	MYR	
FIXED ASSETS			
200-0000	FIXED ASSETS	MYR	
200-2000	FURNITURES & FITTINGS	MYR	
200-2005	ACCUM. DEPRN. - FURNITURES & FITTINGS	MYR	
200-3000	OFFICE EQUIPMENT	MYR	
200-3005	ACCUM. DEPRN. - OFFICE EQUIPMENT	MYR	
200-4000	MOTOR VEHICLES	MYR	
200-4005	ACCUM. DEPRN. - MOTOR VEHICLES	MYR	
OTHER ASSETS			
210-0000	GOODWILL	MYR	
CURRENT ASSETS			
300-0000	TRADE DEBTORS	MYR	SDC
300-A001	ABC SDN BHD	MYR	SDR
300-A002	AUTOCOUNT SG	SGD	SDR
300-F001	FINANCE SOFTWARE SDN BHD	MYR	SDR
300-P001	PAPAYA FARM HOTEL	MYR	SDR
300-1000	TRADE DEBTOR - OVERSEAS	MYR	SDC

Opening Balance



User ID : ADMIN

Date : 7/1/2021 02:17:55
Page : 1 of 1

BALANCE B/F AS AT 01/01/2020

JS SDN BHD (OPENING)

Acc. No	Description	Curr. Code	Debit Home Currency	Credit Home Currency
	CAPITAL			**5,000.00**
100-0000	CAPITAL	MYR		5,000.00
	RETAINED EARNING		**1,500.00**	
150-0000	RETAINED EARNING	MYR	1,500.00	
	FIXED ASSETS		**2,000.00**	
200-0000	FIXED ASSETS	MYR	2,000.00	
200-2000	FURNITURES & FITTINGS	MYR	3,000.00	
200-2005	ACCUM. DEPRN. - FURNITURES & FITTINGS	MYR		2,500.00
200-3000	OFFICE EQUIPMENT	MYR	1,500.00	
200-3005	ACCUM. DEPRN. - OFFICE EQUIPMENT	MYR		1,000.00
200-4000	MOTOR VEHICLES	MYR	2,000.00	
200-4005	ACCUM. DEPRN. - MOTOR VEHICLES	MYR		1,000.00
	OTHER ASSETS			**2,450.00**
210-0000	GOODWILL	MYR		2,450.00
	CURRENT ASSETS		**4,500.00**	
310-0000	CASH AT BANK	MYR	500.00	
310-1000	CASH AT BANK	MYR	500.00	
330-0000	STOCK	MYR	5,000.00	
340-0000	DEPOSIT & PREPAYMENT	MYR		1,000.00

Trial Balance

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JS SDN BHD

Trial Balance As At 31/12/2020

Acc No	Description	This Year Debit	This Year Credit
100-0000	CAPITAL		500.00
200-2005	ACCUM. DEPRN. - FURNITURES & FITTINGS		400.00
300-0000	TRADE DEBTORS	4,896.20	
310-1000	MAY BANK		450.00
310-2000	CIMB BANK		126.00
320-0000	CASH IN HAND		10.00
400-0000	TRADE CREDITORS		5,138.00
500-0000	SALES - EGG		200.00
500-1000	SALES - FRUIT		1,456.00
500-2000	SALES - VEGE		50.00
500-4000	SALES -- OTHERS		3,600.00
510-1000	RETURN - FRUITS	90.80	
700-1010	PURCHASES	6,150.00	
710-0000	PURCHASES RETURN		277.00
901-0000	ADVERTISEMENT	100.00	
903-0000	DEPRECIATION OF FIXED ASSETS	400.00	
907-0000	WATER & ELECTRICITY	370.00	
915-0000	GENERAL EXPENSES	200.00	

Profit & Loss Statement

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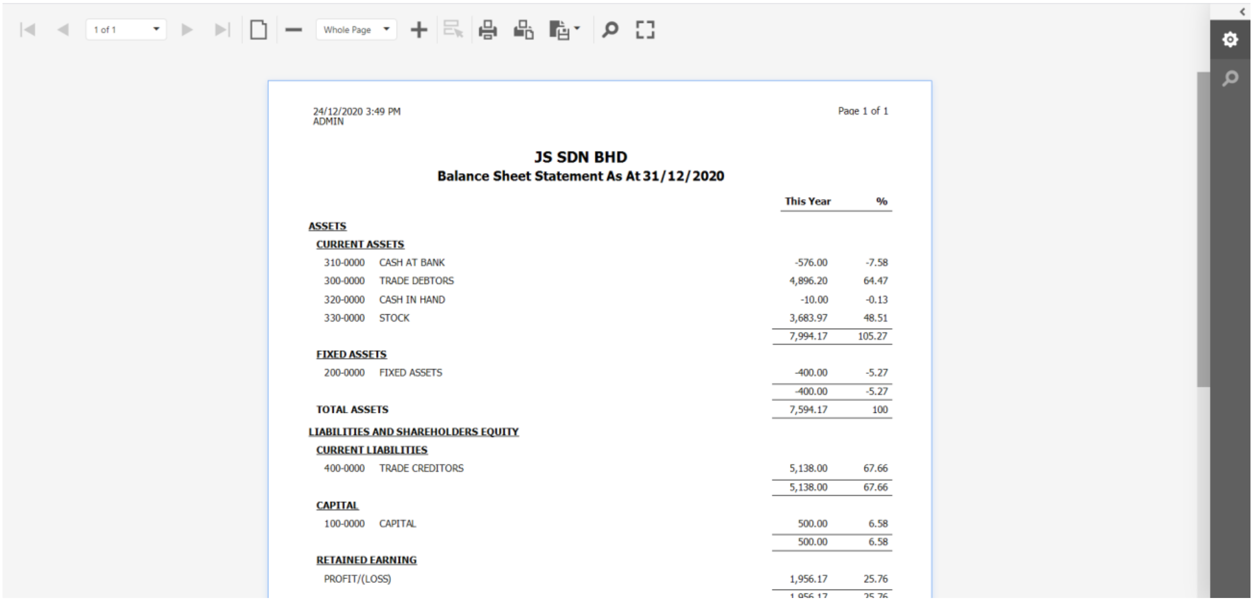
JS SDN BHD

Profit and Loss Statement from 01/01/2020 to 31/12/2020

		This Year	%
SALES			
500-1000	SALES - FRUIT	1,456.00	27.44
500-0000	SALES - EGG	200.00	3.77
500-2000	SALES - VEGE	50.00	0.94
500-4000	SALES -- OTHERS	3,600.00	67.85
		5,306.00	100
SALES ADJUSTMENTS			
510-1000	RETURN - FRUITS	90.80	1.71
		90.80	1.71
NET SALES		5,215.20	98.29
COST OF GOODS SOLD			
620-0000	STOCKS AT THE END OF YEAR	-3,683.97	-69.43
700-1010	PURCHASES	6,150.00	115.91
710-0000	PURCHASES RETURN	-277.00	-5.22
		2,189.03	41.26

Balance Sheet Statement



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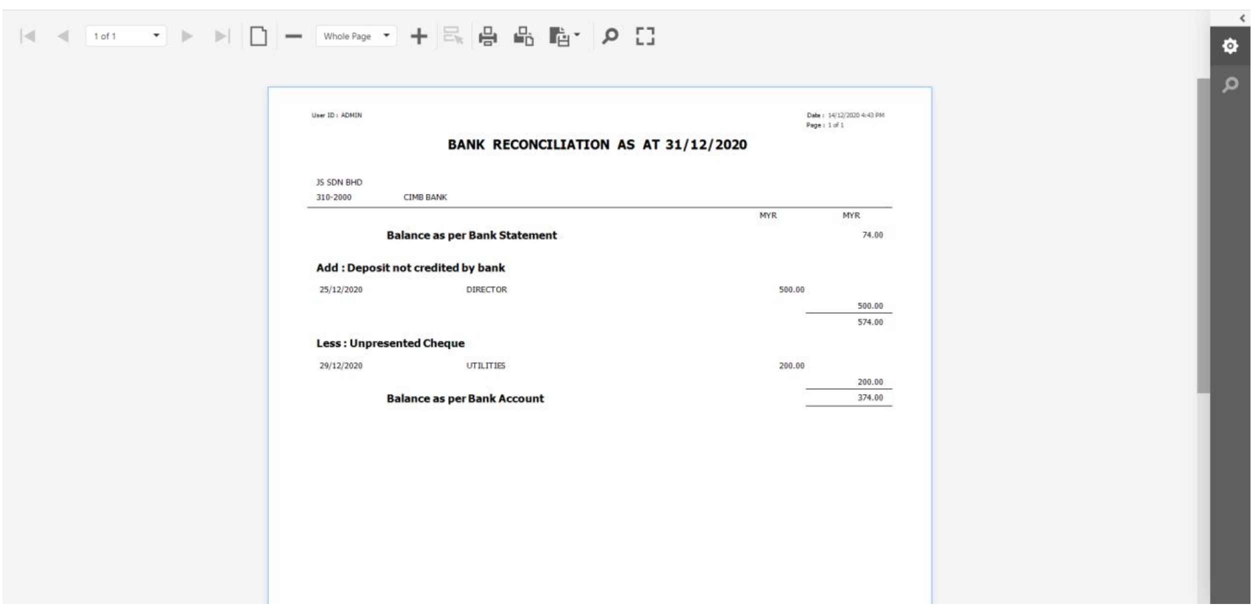
JS SDN BHD
Balance Sheet Statement As At 31/12/2020

		This Year	%
ASSETS			
CURRENT ASSETS			
310-0000	CASH AT BANK	-576.00	-7.58
300-0000	TRADE DEBTORS	4,896.20	64.47
320-0000	CASH IN HAND	-10.00	-0.13
330-0000	STOCK	3,683.97	48.51
		7,994.17	105.27
FIXED ASSETS			
200-0000	FIXED ASSETS	-400.00	-5.27
		-400.00	-5.27
TOTAL ASSETS		7,594.17	100
LIABILITIES AND SHAREHOLDERS EQUITY			
CURRENT LIABILITIES			
400-0000	TRADE CREDITORS	5,138.00	67.66
		5,138.00	67.66
CAPITAL			
100-0000	CAPITAL	500.00	6.58
		500.00	6.58
RETAINED EARNING			
PROFIT/(LOSS)		1,956.17	25.76

Bank Reconciliation



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BANK RECONCILIATION AS AT 31/12/2020

JS SDN BHD
310-2000 CIMB BANK

		MYR	MYR
Balance as per Bank Statement			74.00
Add : Deposit not credited by bank			
25/12/2020	DIRECTOR	500.00	
			500.00
			574.00
Less : Unpresented Cheque			
29/12/2020	UTILITIES	200.00	
			200.00
Balance as per Bank Account			374.00

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COMPUTERIZED ACCOUNTING SYSTEM:

TRANSACTIONS PROCESSING

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