

2.1.4.6 Accounting System Relation With Management Information System

Company management runs the company's business with an information system called Management Information System. To market the company products and services management uses marketing information system. This information system generates information that enables management to take decisions about how to serve the customer, what kinds of goods and services that customer needs, when and in what ways the goods should delivered to customer. The accounting system is one of subsystem in management information system. The figure 2.4 described relation between accounting information system with management information system.

2.1.5 Accounting Information System in Start-up Company

The systems below are particularly applied in small business according to James R. Davis, C. Wayne Alderman and Leonard A. Robinson (1990).

2.1.5.1 Computerizing Small Business Systems

Computerizing an existing manual system will not necessarily result in a better accounting system. Small organizations usually only bought software packages that best fit their current needs. Although these software packages have many restrictions, they do allow some flexibility. For example, the

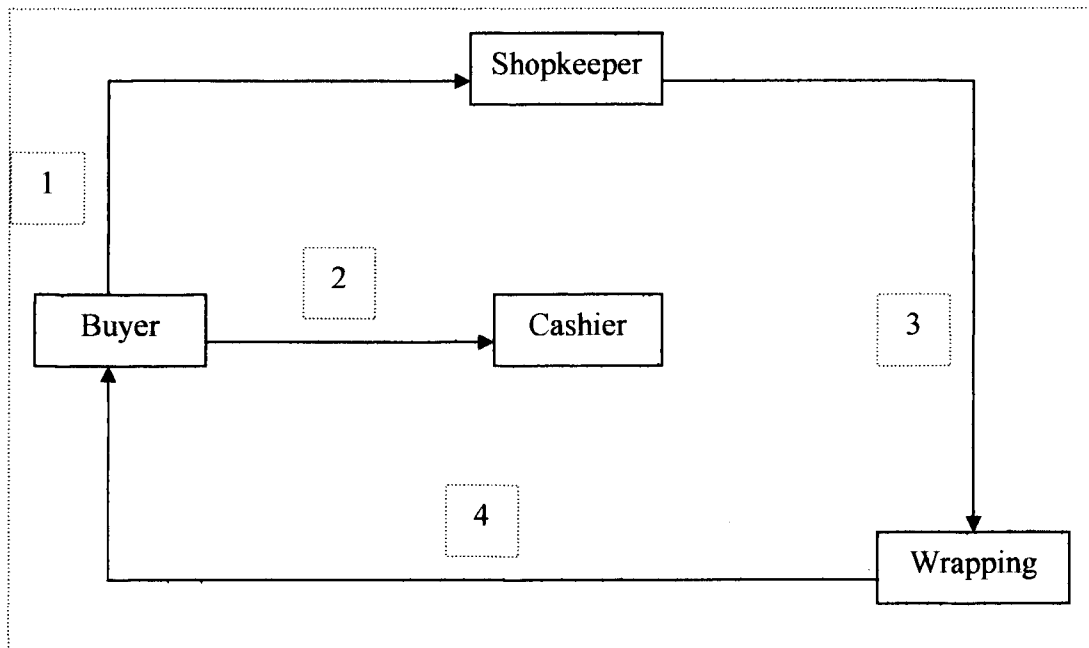


Figure 2.2

Goods selling system through Over-the-Counter Sale

Explanations:

1 = buyer ordered goods

2 = buyer paid the goods

3 = shopkeeper handed the goods to wrapping

4 = buyer received the goods

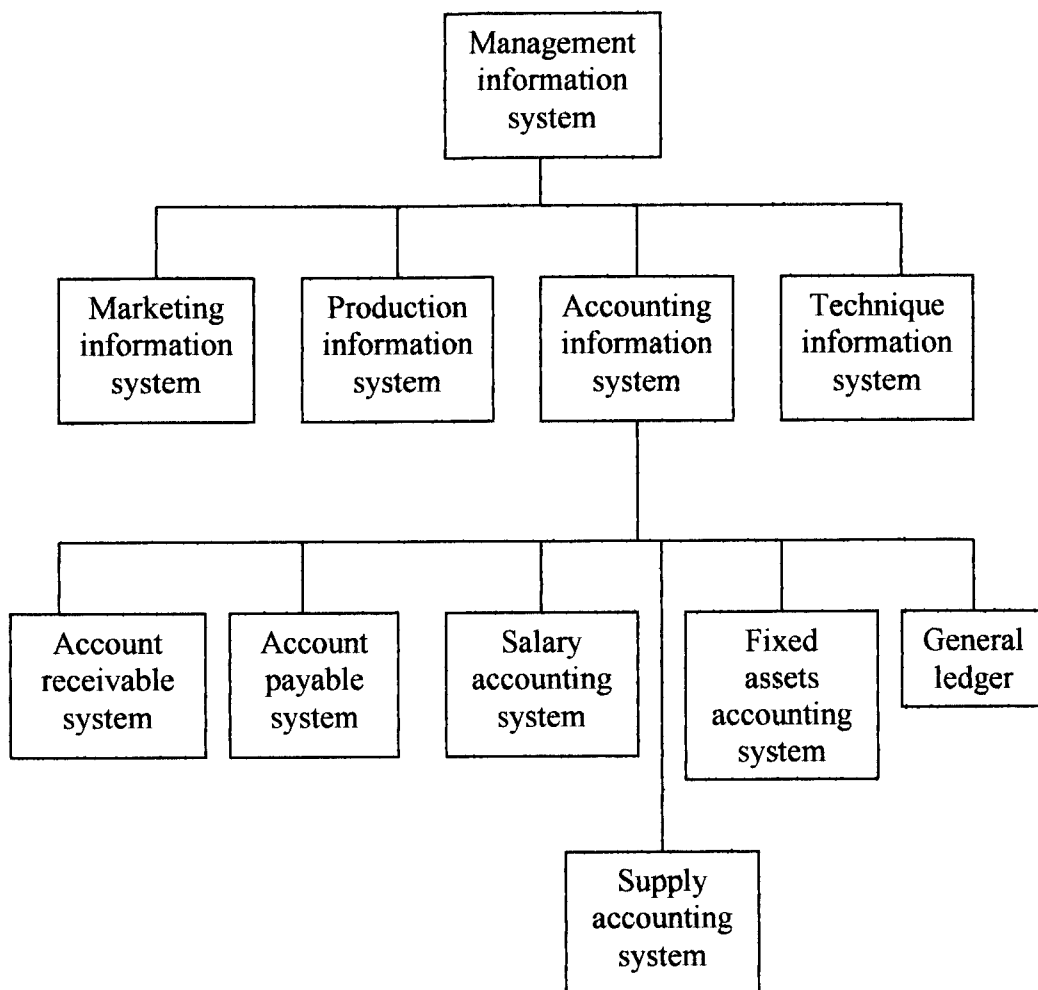


Figure 2.4

Accounting information system as subsystem of management information system

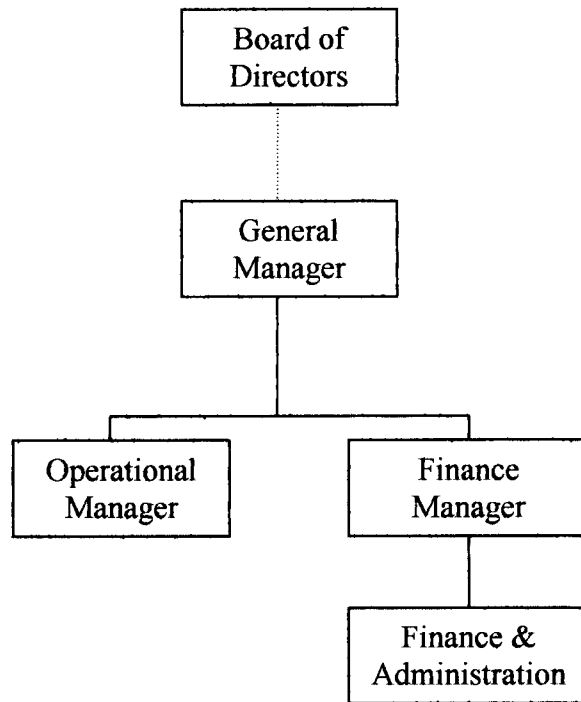
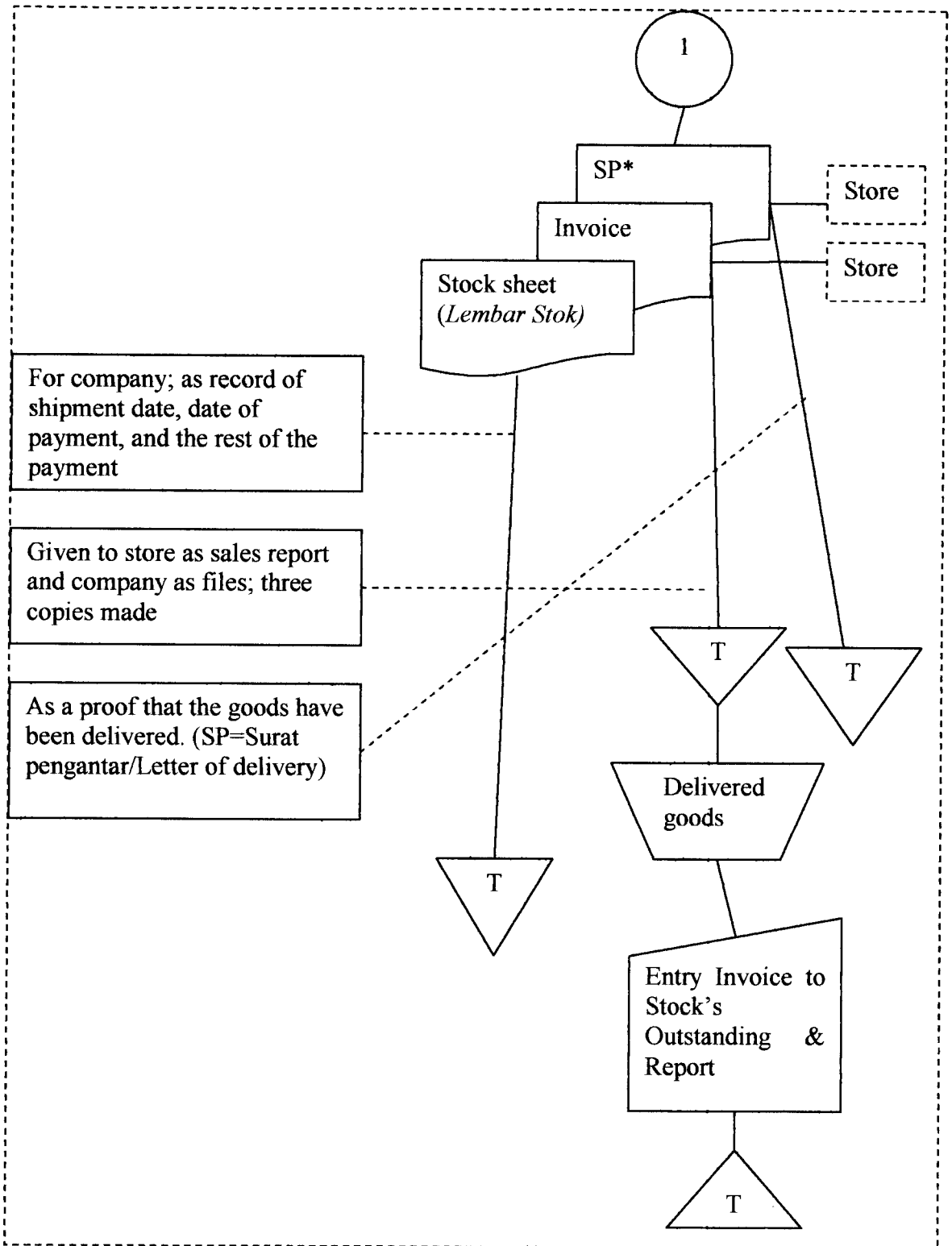


Figure 4.1
Organization structure of XYZ Company

Source: XYZ Company



4. The company needs to have more than two departments in order to have better operation in running the business, especially as the company grows.

To make their jobs becoming efficient and effective, the company could adopted the system development. There are three system development could adopted by XYZ Company. They are:

- a. System Development Life Cycle (SDLC)

The SDLC is a system development comprises the steps undertaken to create or modify an organization's information system. This system is good for the medium business but not for start-up company because the start-up company still simple.

- b. Prototyping

Prototyping is the variation of the traditional SDLC. The difference is that the development steps are executed iteratively (analysis, design, analysis, design, etc).

Prototyping is a development strategy aimed at producing a system specification that will have a high probability of being accepted by the user and will have a low probability of needing to be changed after final implementation. However, because designs lack the detailed documentation that other methods produce, prototypes are not very useful in developing large systems.

System Recommendation

XYZ Company
Accounts Receivable
Customer Account List

Cust. Account	Name
2106	Gra Jak
1030	To Jog
TC	

Financial Modeling

Cash Inflows = sum of monthly sales x percent collected each month less sales discounts

Cash Outflows = material purchases for last month less trade discounts taken plus payroll for current month plus all other accounts payable for current month.