

ERP MODULE “FINANCE”

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WHAT IS ERP?

- Enterprise Resource Planning
- ERP programs are core software used by companies to coordinate information in every area of the business
- ERP programs help to manage company-wide business processes, using a common database and shared management reporting tools.



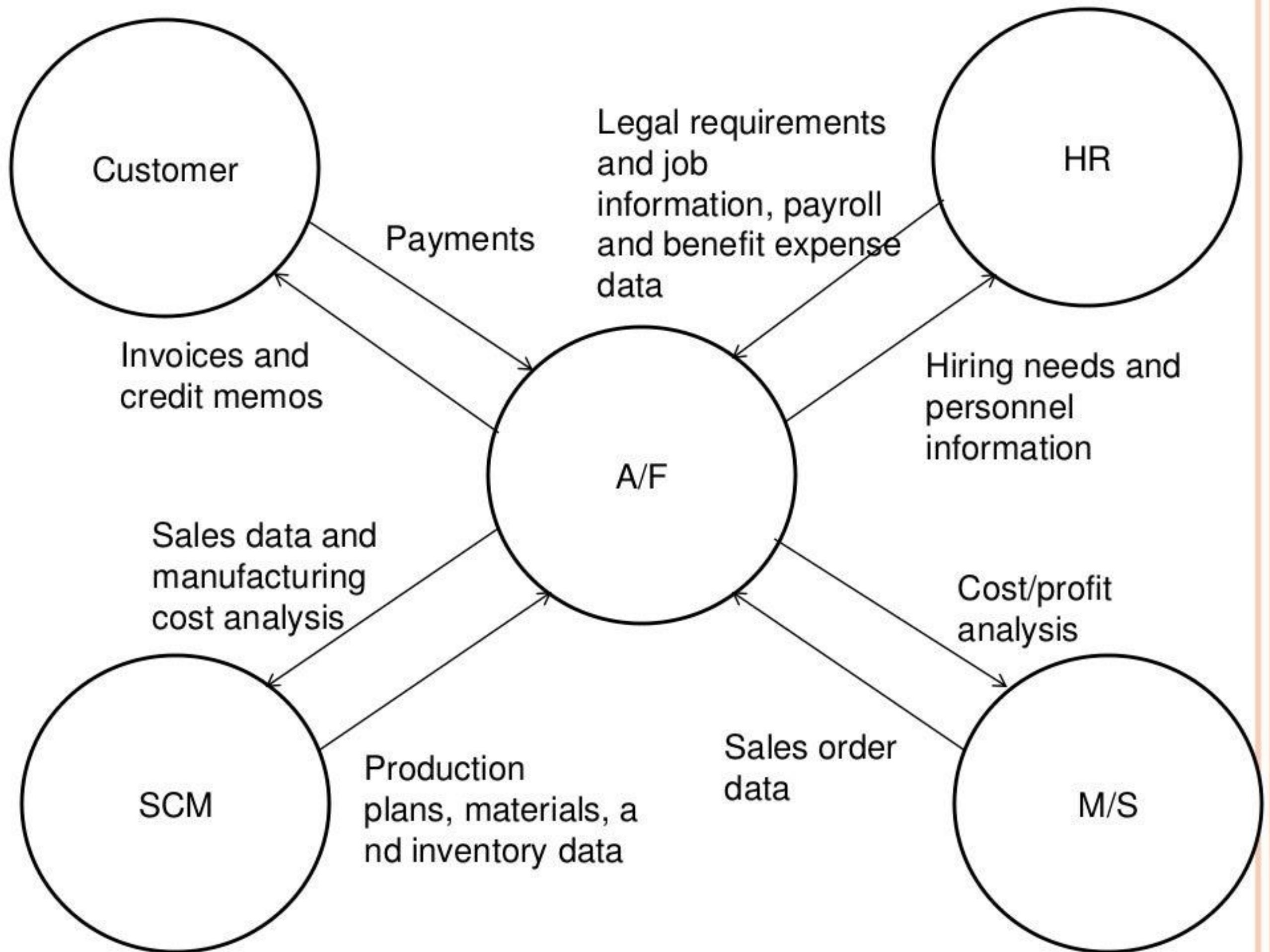
ERP MODULES



WHAT IS FINANCE?

- The management of large amounts of money, especially by governments or large companies.
- The science of the management of money and other assets.
- The management of money, banking, investments, and credit.
- The supplying of funds or capital.





WHAT ARE THE I/O ?

- Input for A/F include:
 - Payments from customers
 - Account receivable data
 - Account payable data
 - Sales data
 - Production and inventory data
 - Payroll and expense data

- Output for A/F include:
 - Payments to suppliers
 - Financial reports
 - Customer credit data





FINANCE

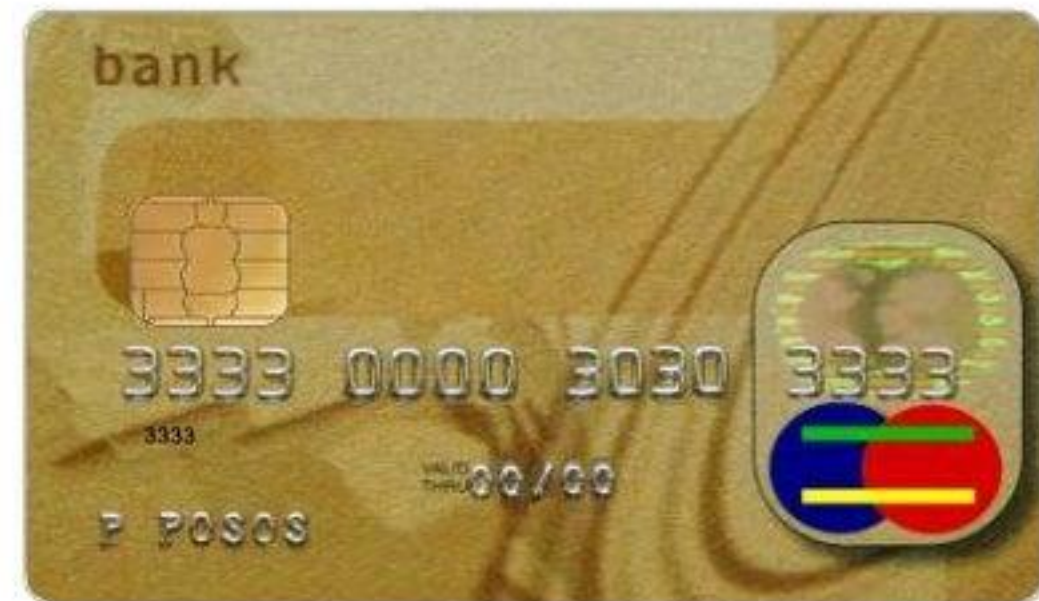
- **Finance** is the study of how investors allocate their assets over time under conditions of certainty and uncertainty.
- Finance measures the risks vs. profits and gives an indication of whether the investment is good or not.
- Finance can be broken into three different sub categories:
 - public finance
 - corporate finance
 - personal finance





PERSONAL FINANCE

- **Personal finance** refers to the financial decisions which an individual or a family unit is required to make to obtain, budget, save, and spend monetary resources over time, taking into account various financial risks and future life events.
- Debit card
- Employment contract
 - Commission
 - Employee stock option
 - Health insurance
 - Pay check
 - Salary
- Insurance
- Retirement plan





CORPORATE FINANCE

- **Corporate finance** is the area of finance dealing with monetary decisions that business enterprises make and the tools and analysis used to make these decisions.
- The primary goal of corporate finance is to maximize shareholder value.
- Balance sheet analysis
 - Financial ratio
- Business plan





PUBLIC FINANCE

- **Public finance** is the study of the role of the government in the economy.
- The purview of public finance is considered to be threefold: governmental effects on
 - efficient allocation of resources,
 - distribution of income
 - macroeconomic stabilization
- Central bank
- Tax
- Industrial policy



THE FINANCE MODULE OF MOST ERP SYSTEMS
WILL HAVE THE FOLLOWING SUB SYSTEMS



1. FINANCIAL ACCOUNTING

- for company wide control and integration of financial information that is essential to strategic decision making.
- It provides ability to centrally track financial accounting within an international framework of multiple companies, languages, currencies and charts of accounts.



EXAMPLE OF FINANCIAL ACCOUNTING

Financial Accounting (Standard Edition) (aqwe -F.Y 6/12/2008)

Company Masters Voucher Entry Reports Settings Help

Sale Register

Voucher No. : 1
 Customer Code : 301
 Customer Name : Alvin William
 Address : P.O Box 5151
 Weltevereden Park

Sale Type : C/10%
 Date : 6/12/2008
 Store name : Irvine

S No	Item Code	Item Description	Qty	Rate	Amount (a)
1	D11	DJing	3.00	1320.00	3960.00
2	D2	TL Audio C-1	5.00	250.00	1250.00
3	D7	JBL T-45	6.00	357.00	2142.00
4	E1	Flip Chip	4.00	1090.00	4360.00
5	E5	PreSonus	8.00	600.00	4800.00
6	D8	Phoxtex PH-5	4.00	200.00	800.00
7	E10	Plextor PX-01	3.00	500.00	1500.00

Insert Row Remove

Qty 33 Total : 18812.00

Memo : Order placed by Oliver.

Tax Type	@	Per	Nature	Amount (a)
Central Sales Tax	50.00	Percentage	Additive	940.60

Grand Total : 19752.60

Add Save Cancel Edit Delete Print Exit

2. GENERAL LEDGER

- The GL is essential both to financial accounting system and to strategic decision making.
- The GL supports all the functions needed in a financial accounting system.
- This includes flexible structuring of the chart of accounts at group and company level, distributed application scenarios, real time simultaneous update of sub ledgers and the GL, elimination of time consuming, and parallel views of data in both GL and managerial accounting applications.



EXAMPLE OF GL

MYOB Accounting - [Report Display]

File Edit Lists Command Centres Setup Reports Window Help

Dated From: 5/11/2007 To: 15/11/2007 Redisplay View: Screen Report

General Ledger [Detail] 5/11/2007 To 15/11/2007

ID#	^Src^	Date	Memo	Debit	Credit	^Ending Balance^
1-1100	Cheque Account - ANZ					
	Beginning Balance:		\$70,859.14			
BS 567	CD	5/11/2007	Repayment to VISA ANZ		\$5,000.00	\$65,859.14
BS 567	CD	5/11/2007	Bobby - for period 22nd to 26th Oct 2007		\$264.00	\$65,595.14
BS 567	CD	5/11/2007	Serena - for period 5th Jul to 18th Sep 2007		\$1,854.50	\$63,740.64
Inv 5832	CR	5/11/2007	Estate Master (previsoulsy Hill PDA)	\$3,130.88		\$66,871.52
Inv 5915	CR	5/11/2007	Desmond Pawelski, South Australia	\$413.65		\$67,285.17
BS 567	CR	6/11/2007	Inv 5899 and 5900 - Users' group for	\$289.27		\$67,574.44
BS 568	CD	7/11/2007	ANZ - Account Servicing Fee		\$39.60	\$67,534.84
BS 568	CD	7/11/2007	Bobby - for period of 29th Oct. to 2nd Nov. 2007		\$256.50	\$67,278.34
BS 568	CD	7/11/2007	Office Of State Revenue - Nov 2007 - Payroll Tax		\$4,494.98	\$62,783.36
Inv 5908	CR	7/11/2007	Wings Creative	\$726.00		\$63,509.36
BS 568	CR	8/11/2007	Reimbursement from Adam	\$490.00		\$63,999.36
Inv 5868	CR	8/11/2007	QLD Water Infrastructure	\$8,262.10		\$72,261.46
Inv 5888	CR	8/11/2007	QLD Water Infrastructure	\$5,582.50		\$77,843.96
Inv 5911	CR	8/11/2007	TheGuide.com.au	\$5,500.00		\$83,343.96
2928	CD	9/11/2007	CASH		\$199.50	\$83,144.46
BS 568	CD	12/11/2007	Coogee rental received on behalf for Adam & Ana		\$475.00	\$82,669.46
BS 568	CR	12/11/2007	Coogee rental received on behalf for Adam & Ana Cogan	\$475.00		\$83,144.46
Inv 5886	CR	12/11/2007	Dept. of Education, Science and Training	\$5,767.51		\$88,911.97
Inv 5903	CR	12/11/2007	Rema Tip Top	\$514.25		\$89,426.22
Inv 5854	CR	13/11/2007	E.law Technology Pty Ltd	\$11,797.50		\$101,223.72
Inv 5856	CR	13/11/2007	Logistics Systems International	\$16,517.88		\$117,741.60
Inv 5867	CR	13/11/2007	Logistics Systems International	\$1,670.57		\$119,412.17
BS 569	CD	14/11/2007	Telstra		\$107.20	\$119,304.97
Inv 5926	CR	14/11/2007	Westlink Consulting	\$13,200.00		\$132,504.97
BS 569	CD	15/11/2007	Optus		\$114.95	\$132,390.02
Inv 5660	CR	15/11/2007	Centre for Expertise for Environment, UTS	\$9,799.16		\$142,189.18
Inv 5827	CR	15/11/2007	Centre for Expertise for Environment, UTS	\$2,845.92		\$145,035.10
Inv 5883	CR	15/11/2007	Sparke Helmore - Spamil Pty Ltd	\$1,860.38		\$146,895.48
			Total:	\$88,842.57	\$12,806.23	\$146,895.48
			Grand Total:	\$88,842.57	\$12,806.23	

Help F1 Print Send To Customise Save As Close

Press F1 to get help. ssw_04v15.MYO

EXAMPLE OF GL

156

Neck of Feb. 14, 1931

2.31	Lage Caspar + Chico Blankett	800.00
2.46	Three Mercedes Sisters	750.00
2.57	By Rockwell } H. Fitzgerald	3,500.00
3.09	The Mercedes	
3.74	Mrs. Van Keller	2,000.00
3.45	Int	
4.02	Beatrice Lillie Jane Jacobs	4,500.00
4.25	Walt Siscoe Romm	1,750.00
4.55	Walt Siscoe	
5.05	Auto Call	

Berry Bros with Walt Siscoe
Blondell + Mack 6.50

Chk for \$703.75 to Vandeventer
Collection Agency as duplicate
for No. 704 of book.

046280

157

Neck of Feb. 21, 1931

2.32	Mr. Dakotas	Curtis	800.00
2.43	Whitey + Ed Miel	Huber-Simons	350.00
2.51	Walt Siscoe	Romm	1,750.00
3.13	Bob Siscoe	Toward	1,300.00
3.32	Vivienne Segal	Benham	2,000.00
3.48	Int		
4.08	Beatrice Lillie	Jane Jacobs	4,500.00
4.30	Garry Siscoe	Romm	1,750.00
4.47	Garry Siscoe	Blondell + Mack	2,100.00
5.15	Auto Call		

Berry Bros. Blondell + Mack 6.50.00

Deduct \$700.00 from Walt Siscoe
+ pay to Zito Weekly.

Deduct \$100.00 from Garry Siscoe
+ pay to Natl. Vandeventer
Int'l.

Deduct \$105.00 from Bob Siscoe
+ pay to Variety.

Deduct \$130.00 from Walt
Siscoe + pay to Variety + 69

of 2014

3. ACCOUNTS RECEIVABLES

- records all account postings generated as a result of Customer sales activity.
- These postings are automatically updated in the General Ledger .
- The Accounts Receivable Module also integrates with the General ledger, Sales and Distribution, and Cash Management Modules.



EXAMPLE OF ACCOUNTS RECEIVABLES

Company: Andrews Tech Home Phone: (763) 492-2003 Search

Name F. L.: Mark Andrews Work Phone: (888) 555-1232 Ext.:

Payment Method: VISA/MC Card Check #: Dollar Amount: 1,351.59

Comment: Discount Taken: 0.00

Selected Amount: 1,351.59 Balance: 0.00

☒ Open ☐ Date Range Start Date: 08/13/2006 End Date: 08/14/2006 Load

Invoice	Reference	Type	Item Date	Due Date	\$ Amount	Balance	Apply	Apply Amt	Write Off
4-001000		Sale	08/23/05	09/22/05	\$40,781.80	\$40,781.80	<input type="checkbox"/>		
3-001151	D3001039	Sale	08/24/05	01/01/00	\$1,351.59	\$1,351.59	<input type="checkbox"/>		
▶ 3-001152	D3001040	Sale	08/24/05	01/01/00	\$1,351.59	\$1,351.59	<input checked="" type="checkbox"/>	\$1,351.59	
3-001153	D3001041	Sale	08/24/05	09/23/05	\$213.00	\$213.00	<input type="checkbox"/>		
3-001154	D3001042	Sale	08/24/05	01/01/00	\$968.09	\$968.09	<input type="checkbox"/>		
3-001155	D3001043	Sale	08/24/05	01/01/00	\$968.09	\$968.09	<input type="checkbox"/>		
4-001002		Rental Return	08/23/05	09/22/05	\$719.10	\$719.10	<input type="checkbox"/>		
3-001160		Sale	02/02/06	02/02/06	\$879.00	\$439.50	<input type="checkbox"/>		
3-001161		Sale	02/02/06	02/02/06	\$879.00	\$439.50	<input type="checkbox"/>		
	SO-3001011	Deposit	04/07/05		\$2,411.31	(\$2,176.85)	<input type="checkbox"/>		
10 Invoice(s)						\$45055.41			

Save

Cancel

Adjustments

4.ACCOUNT PAYABLE

- records account postings generated as a result of Vendor purchasing activity.
- Automatic postings are generated in the General Ledger as well.
- Payment programs within SAP enables the payment of payable documents by check, EDI(Electronic Data Interchange), or transfers.



5. ASSET ACCOUNTING

- for company's fixed assets management.
- It is sub ledger to GL, providing detailed information on asset related transactions.
- SAP allows you to categorize assets and to set values for depreciation calculations in each asset class.
- Asset accounting also provides integration with plant maintenance for management of machinery and equipment, management of leased assets and assets under construction, and interactive reporting

