

Asiatic Accounting System

Scope Definition

Group #1

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Objective

- To study and analyze an accounting system
- To find it's dataflow and shortcomings
- To design an efficient system fulfilling the need of it's users and owners.

The Organization

- The organization we shall analyze is one of the largest media consulting group in Bangladesh

ASIATIC MEDIA GROUP

The Organization

- It has three individual firms
 - Asiatic Mindshare (Unilever Bangladesh)
 - MAXUS
 - Asiatic Media Consultant Limited
- Asiatic Media Group handles the marketing of many companies like Unilever Bangladesh, Nokia, Banglalink, Citycell, Flora Ltd. etc.

Departments

- **Three companies** will use the same accounting system. But their data should be completely isolated from one another.
- **3 Departments**
 - Planning Department – sets the marketing target of their *clients* and makes sure that it has been implemented properly.
 - Accounting Department – pays it's *parties* and keeps track of other expenses, taxes, profits and so on.
 - Management Department – Monitors activities of the above departments and make decisions.

Actors

- Company Owner
- System Administrator
- Company Administrator
- Finance Officer
- Planning Stuffs
- Accounting Stuffs
- Auditors – Govt. and Client's

Process Scope

- **Planning Department** makes an Implementation Brief, an outline of the marketing campaign of their client with the details of where and how to spend money - for example TV, News Paper or Radio, or promotional campaigns.
- They also makes **bills** for their Clients and Parties.

Process Scope

- **Accounting Department** stuffs makes the actual transactions of money between their clients and parties based on the billing information available from Implementation Brief.
- All **other expenses** like employee costs, office costs are also managed by accountants.

Process Scope

- All Entries made by accountants need to be **rechecked and reconciled** by authorized persons.
- Accounting Entries may need to be modified or deleted by authorized persons.

Process Scope

- **New Companies** need to be created dynamically. Company information may need to be modified.
- New Clients for existing companies need to be created dynamically. Client information may need to be modified.
- New users can be created. User privileges can be changed.

Process Scope

- Modified or deleted entries may be reviewed at any time.
- At the end of each accounting period, accounts for expenses are balanced to zero and the net capital is adjusted.
- Accounts are created and closed.

Data Scope : Inputs

- The prime form of input provided to the accounting system is the **voucher** issued by the planning department and accounting department.
- Accounts Details.

Data Scope : Inputs

- Yearly budget of the office expense accounts.
- Information about Companies, Clients, Parties and Users.

Data Scope : Outputs

- Many Reports are needed. Some examples include
 - Voucher report and register
 - Ledger
 - Trial Balance
 - Cash Book, Bank Book, Cheque Register
 - Trading A/C, Profit & Loss A/C, Balance Sheet
 - Cash Flow, Fund Flow and Income Statement

Data Scope: Outputs

- Management wants to know instant status of their business. They want to know about-
 - Unbilled revenue
 - Bills Payable
 - Comparison of business status of different years
 - Budgets on various accounts

Communication Scope

- Planning department posts their generated bills to the accounting system.
- Management asks accounting department to generate annual reports and MIS reports.
- Accounting department issues bills to their clients for payment.

Existing System

- Asiatic Mindshare uses an existing software for their accounting system. This software is made with FoxPro. It does not fulfill their needs and they want to develop a new system.
- Maxus and Asiatic MCL do not use any software. They use **MS Excel**, surely it is inadequate for their needs.
- So we are presenting their existing accounting system and their requirements using the *PIECES* framework.

Performance

Problems:

- Existing system **abnormally terminates** frequently, and they need to **regenerate** the trial balance and ledger.
- If one needs to view **information from previous years** he has to reset the financial year, resulting poor response time.
- Cannot create report on accounting period between different years.

Performance

Solution:

- All kinds of possible reports and YTD (Year To Date) reports should be facilitated.
- Our new system should handle various performance issues discussed thus far.

Information

- Output Problems

- Cannot **modify company profile**, it is hard coded, though their address has been changed!
- Does not keep track of expenses on different **employees**
- Does not keep track of other expenses on different client and parties.
- Does not check if the Bank Payments are actually paid or Bank Receives are actually received.

Information

- Output Solutions
 - The new system should have provision for those type of data so that these can be done.

Information

- Input Problems:
 - No specific information regarding the expenses with employees, clients, parties and media are inserted in vouchers, though their MIS reports require these.
 - Data in **input** form are not **validated** before save, It is possible to insert inappropriate information.

Information

- Input Solutions:
 - Proper data validation and error reporting.
 - Proper constraints in the DDL.

Information

- Stored Data

- Problem: Information of different year is kept in **different table**, resulting in unavailability of cross-year reports.
- Solution: Data from different years must be handled in such a way that comparison and calculation of data from different years is easy, time-efficient and convenient.

Information

- Stored Data

- Problem:

- Data is not always **accurate**. It is possible to modify *.**dbf** file and producing inappropriate data.
 - Data **is not secured**. No provision for data backup and restore. Currently they copy the *.dbf files if necessary. Surely, it should not be the way.

- Solution: Data is encrypted. Automatic and manual backup and restore facilities.

Economics

- Cost Problems:
 - Some costs are not captured in detail.
- Profit Problems:
 - MIS reports are unavailable. They **cannot project their business conditions and comparisons** in an easy way. They use Excel if necessary.
- Solutions: The new system should capture the necessary data and produce these reports.

Control

- Problems: No security checking, all vouchers created are readily posted.
- Solution: Multilevel user authentication.

Control

- Problem: Unsecured *.dbf files are used in local drives. They have **sensitive data** not to be published outside their company, even to their sister companies because they have competitive clients. **Total isolation** is one thing they are asking as a maximum priority.
- Solutions: The data stored should be secured and hidden from unauthorized users. We can **encrypt data** using modern RDBMS's.

Efficiency

- Problem:

Existing system does not support **client/server database system**. So if users use this existing system sitting on different computers, they need to copy *.dbf files manually!! And no two user can work at same time if the *.dbf files are kept in a shared network drive !!!

- Solution:

Client-server model should be adopted so that working on the system from different computers simultaneously is possible.

Service

- Problem: **Poorly documented**. Documentation consists of “University Accounting” knowledge rather than the practical system and user enquiries.
- Solution: Good documentation of the overall system.

Service

- Problem: **Not user friendly**. If an user does some thing inaccurately, it does not give informative message, sometimes terminates abnormally.
- Solution: A convenient user-friendly interface. Proper **exception handling**.

Opportunities

- In case there is a need to **create a new company** , there will be no need to call the developers or change the entire system. Authorized system administrator can handle such situations.
- Since accounts are only opened or closed rather than being created or destroyed , the involvement of a new party is easy to handle.

Benefits

- A complete overview of the business status is readily available through various reports.
- Multiple stuffs to input data is facilitated through client-server model , thus reduces the response time of the system.
- Some cost details like medical allowance issued to a particular employee is stored and can be used to judge the overall performance of each employee.

Benefits

- Comparison between the business status of different years are easy to prepare.
- Data isolation between competitive clients' system is ensured.
- Budget for each year and relative expense on a particular account at any time of the year based on the vouchers can be analyzed.

Constraints

- Schedule Constraint
 - The most important constraint is that the system should be analyzed, designed and partially implemented within the completion of the course.

Constraints

- Information Constraint
 - Due to security , all data may not be conveniently available from the authority.
- Technical and Other Constraint
 - There is hardly any technological constraint.
 - Maxus and Asiatic MCL sometimes thinks that MS Excel is enough to maintain their system.

Conclusion

- A practical accounting system is interesting to understand, and fulfilling the requirements of the users makes it challenging to design and implement.

Thank You