

**IS 1210
FINANCIAL ACCOUNTING**

COMBOOK PROJECT REPORT 2022

**TEAM - PERFECTLY BALANCED
FACULTY OF INFORMATION
TECHNOLOGY
UNIVERSITY OF MORATUWA**



GROUP MEMBERS

1.204155M - J.K.A.T Perera (Group Leader)

2.205101E - K.M.D.I Sewwadi

3.204061V - P.H Githmi

4.204208F - N.E Sudusinghe

5.204148U - D.C.D Pallikkonda

6.204166X - J.B.T.S Prince

7.205117H - P.R.M.K Wijerathna

8.205071J - P.G.S Nisansala

9.204192X - A.N.Z Sara

10.204210E - W.K.M Swanthra

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INTRODUCTION

The world is running too fast, and the technology is developed to do our day-to-day life in easy way. With that it is not better to do an accounting process manually. therefore, various computerize accounting software have been introduced. Of those, MyOB, Sage accounting software, Quickbook pro, Wave accounting software main accounting software in the world. Using this accounting software, we can gain lot of benefits. For instance, include simple and fast data entry capabilities, improve accuracy due to the reduce of human errors and also, we can handle our accounting process easily in an efficient way. because of that the use of this software has increased in the industry

APPLICABILITY OF CLASSROOM LECTURES TO DEVELOP ACCOUNTING PACKAGE.

Classroom lectures have been very important and helpful for developing the our accounting software.

Also all the lecture sessions and tutorials helped us to understand the basic concepts and calculations of accounting process. We have very good understanding of accounting concepts and as well as practical usages of accounting. The practical uses of the accounting concepts very helpful us to develop the our new accounting software.

These specific areas of accounting has really helped to create the our accounting software.

1.knowledge on trial balance

For developing our accounting software ,we should have good knowledge of trial balance and elements of trial balance. Because we can generate financial position statement and P and L statement using it.

2.knowledge of financial position statement

To produce report the users from the software. For do this we should have really good knowledge about this financial position statement.



APPLICABILITY OF CLASSROOM LECTURES TO DEVELOP ACCOUNTING PACKAGE.

3.knowledge of Profit and Loss and Other Comprehensive Income Statement

To produce report the users from the software. For do this we should have really good knowledge about this financial position statement.

4.Knowledge on adjustments done to financial statements

To help user for making adjustments to the financial statements.


ADVANTAGES AND DISADVANTAGES OF ACCOUNTING SOFTWARES

Accounting software allow us to monitor and manage the financial transaction of our business easily. today there are many accounting software available in the word.

MYOB, Saga ,QuickBooks software are main accounting software in the markt.so we can select best accounting software type according to the sector, size and working process in the business. that accounting software have advantage and disadvangae.in this chapter we try to identify advantage and disadvantage in the accounting software

Advantages

- 1)Comprehensive reporting -offers solid reporting features extending beyond the basic financial statement like, profit and loss statement, cash flow statement, general Ledger. ex: saga accounting software
- 2)some accounting software has Multi-currency features. ex: MYOB
- 3)Save time and ensure efficiency and Easy Collaboration. ex :QuickBooks
- 4) Ease of use and Get access to real time data. ex: QuickBooks



5)Reduction of errors like incorrect or incomplete recording of transactions, transposition of figure, etc

6)number of apps also available to download and use on-the-go and unlimited payroll.

7)integration with other system

Disadvantages

1) Accounting software costs money

- While this isn't always a disadvantage for companies, it is sometimes difficult to justify the cost of this type of technology. This is especially true if you have only a small number of transactions and need only basic functionality.

2) Accounting software can be buggy

- There are many types of accounting software, and bugs can show up in different places and at different times. Most of the bug fixes are minor, but they can lead to things like double entries. This can be frustrating and even embarrassing for a company.

3) You can lose your data if there's an accident

- Computer problems happen, and sometimes all it takes is pushing one wrong button. It's so easy to lose all of your hard work, or worse, lose your data altogether. It's essential to create a backup plan in case this happens. However, sometimes it's impossible to store information on the cloud and a crash occurs. If that happens, you're in deep trouble and there's not much anyone can do to save you.

4) Accounting software can be difficult to learn

- Even if accounting software is user-friendly, it might take some time to learn how to use it. This can be frustrating for someone who is used to doing things a certain way and isn't used to change. It can also be a problem if there's not enough support available.

5) Accounting software can be expensive to update

- Significant upgrades of accounting software are sometimes costly. Even minor upgrades can be pretty expensive, and if you have a small budget, this can present a considerable problem.

6) Sometimes accounting software can be a distraction

- If you're trying to run an efficient, organized business, then you should be able to stay focused on what you need to do. However, this can be difficult when there are so many new things to learn every day. This can be a severe problem if you don't have the time or the resources for training.

7) Fraud is possible if you don't have hard copies of the data

- There's a risk that fraud could occur if essential documents aren't kept in a secure place. The key here is to make sure that you have data backups available if something happens to your hard drive. Since there's little to no paper trail, it's possible that you might overlook the fraud until it's way too late.

8) You have to rely on a computer to do everything

- You won't be able to do anything if there's a significant problem with the computer. You might have to wait for help, which could lead to severe consequences. If you're used to doing things manually, then this can be frustrating.

9) You need to be computer savvy to use it

- While many software programs are user-friendly, they are built on a foundation of technology that might feel foreign to some people. Even the most easy-to-use software requires a certain level of computer literacy. You're going to need to understand how computers work and what you're doing with them.

10) You will need to enter data, in the same way, every time, which becomes tedious and boring after a while

- Data entry is one of those mind-numbing jobs that can quickly drain you of all of your energy. You can easily find yourself spending all day long entering information into your accounting software that will leave you feeling like a zombie. It's not as strenuous as working on a farm, but it can be mentally draining.

CHALLENGES AND DRAWBACKS OF EXISTING ACCOUNTING SOFTWARES

MYOB

The main drawback of MYOB is manual data entry. The data must be manually entered by the user. When humans do something manually, there is a high possibility of errors occurring. These mistakes have a direct impact on the growth of the business. Furthermore, MYOB is not user-friendly, so businesses must train their employees to use the software.

Sage

Sage's interface is similar to that of old desktop-based softwares. The color scheme is monotonous, and the font is too small. These features provide the user with negative energy. Furthermore, the user's efficiency will suffer because of this dull interface. Another disadvantage is the lack of any time tracking. If the company is in the service industry, time tracking is essential to see how much time they spend on their tasks.



QuickBooks

Some business rules differ from country to country, the format of invoices also varies. There is no function in QuickBooks that allows you to change the invoice format that the software uses. Another difficulty is the small file size limitations. When QuickBooks reaches the file size restriction, the system becomes extremely slow. Another difficulty is the backup. QuickBooks does not always perform backups. As a result, data will be lost

AccountEdge

AccountEdge does not support Android and does not offer online integration. It was quite difficult these days. Most users are more concerned about using the software at any time and from any location. AccountEdge fails to fulfill the user's expectations.

Wave

Wave, for all of its features, falls short in certain important areas. Although the software may create product and service records for use in sales and purchase forms, it cannot track inventory stock levels. The integrate payroll feature is accessible in the wave, but users must pay and file payroll taxes themselves because the software just calculates them.

SUGGESTIONS TO DEVELOP ACCOUNTING SOFTWARES

- Include a User friendly Dashboard with properly formatted and clean interface (suitable colors, eye catching fonts, color blind options)
- Focus on the Needs of the target audience to fulfill their needs.
- Include pre-built reports and dummy financial data of our software to give customer a better picture of how it works.
- Include a section on tips and tricks to help audience make better judgments and enhance their company processes.
- Place all of the most used options (eg: journals) in one location so that they may quickly find what they need.

INNOVATIVE IDEAS FOR ACCOUNTING SYSTEMS

Developing a software that can be updated with any operating systems.

Real time money transaction. When we input our data to our software automatically online transactions will happened.

1.Cloud based accounting systems

Systems like Xero or QBO that allow both the accountants and the clients to view their data at the same time from anywhere with an internet connection. This unshackling of data from desktop software is truly innovative.

2.Accounting Software Integration

Accounting operations rely on different tools. For instance, they can use specific software solutions to manage invoicing, process payment, handle payroll, track inventory, and manage financial reports. Traditional operations adopt the manual entry from one app to another. However, no accounting team can beat the competition without such a tedious approach. Integration between all software can automate the information sharing between them and add pace to the overall process. Along with that, the chances of errors are also significantly reduced with that.



3. Machine Learning

As a subfield of AI, machine learning detects patterns by analyzing a large amount of data using algorithms and statistics. Accounting businesses must leverage machine learning to simplify and automate categorization and validation tasks.

For instance, an accountant can use machine learning techniques to check if an additional expense is relevant or not by analyzing a large set of expenses. Many accountants believe that AI and machine learning will automate their tasks completely. But the accounting businesses can leverage these disruptive technologies to make their accountants more productive.

4. Optical Character Recognition (OCR)

Accounting businesses can manage a client's finances more efficiently by integrating the right accounting software. But they cannot make the accountants more productive by reducing the manual entries required to record various financial transactions. The Optical Character Recognition (OCR) technology enables accounting firms to automate and accelerate manual entries. The accounting firms must leverage OCR technology to convert textual information to digital files using scanners and mobile device cameras. The firms must invest in OCR-based solutions to record financial data quickly and accurately.



5. Digital currency

The continuous increase is reflected in the number of users receiving and paying with digital currencies. Many entrepreneurs even use digital money to make payments or receive payments from foreign customers.

Accounting firms need to help businesses record digital currency transactions like other financial transactions. But they should invest in next-generation accounting software to record digital currency activity at the current exchange rate and report income tax at fair value.

6. Artificial Intelligence

In a normal working environment, accountants spend a lot of time and energy analyzing and reporting financial history data. They even assist in making decisions by calculating various financial estimates and producing detailed reports. Artificial Intelligence (AI) makes it easy for readers to speed up and simplify a variety of data-related tasks - bookkeeping and coding.

In addition to the automation of repetitive tasks, AI will also allow accountants to deliver value-added services such as business strategy implementation and financial advisory. AI technology has the potential to completely transform accounting firms.

According to a study by MIT Sloan, 85% of respondents believe that AI will allow companies to gain and stabilize market competitive advantage.

AI helps to create a complete report by extracting financial information from various resources. It improves the visibility of application patterns, benefits, and more by providing tools to track changes in business finances.

7. Cloud-Based Accounting

8. Accounting Software Integration

9. Blockchain

10. Optical Character Recognition (OCR)

11. Machine Learning

12. Next Generation Mobile Apps

13. Track time and resources

Blockchain

- Blockchain has the potential to replace the 500 year old double entry system. Rather, it accepts a triple entry based system, blockchain entry being the third. There are three key factors of blockchain which can affect the accounting industry.
 - Smart contracts
 - Decentralized, distributed ledger technology
 - Easily verifiable financial records
- With smart contracts transactions like payroll and reconciliations can be automated. This could essentially save costs for the organization such as manual entry errors and administrative costs. This also help the organization protect itself from scams and frauds.
- Another advantage of blockchain is it cuts-out the middle man in a transaction. Instead it uses a system of public witnesses called "Miners" to verify the authenticity of any and all transactions done through the blockchain.

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- Financial records on the blockchain cannot be altered or tampered with once the transactions are approved. The sensitive data related to a transaction is protected behind a hash value which cannot be decrypted. This is an advantage in accounting since the security of the records will be virtually impossible to breach.
 - When talking about disadvantage of blockchain in accounting, the information stored regarding the transaction is very little. For example the blockchain will record a transaction of 1 bitcoin to a person but it won't tell whether that transaction was a sale of car or just gift etc. This can adversely affect when conducting an audit.

COMBook

INTRODUCTION

COMBook is an accounting software package developed by group Perfectly Balanced .COMBook is an web based application designed primarily for small to medium size businesses and enterprises.

This software could be used to Report Ledger Balances record them in Trail Balance and, manage accounting books and to prepare financial statements and Profit and loss Comprehensive Statement

DASHBOARD

When the user first visits the website user will be directed to the "Dashboard" page. The Dashboard provides an overview for the entire Software. This includes graphical representations of Total incomes and expenses and other important attributes pertaining to the business.

TRAIL BALANCE

Based on the Ledger Balances entered by the user, the trail balance pertaining to those ledger balances will be automatically generated by the software

PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT

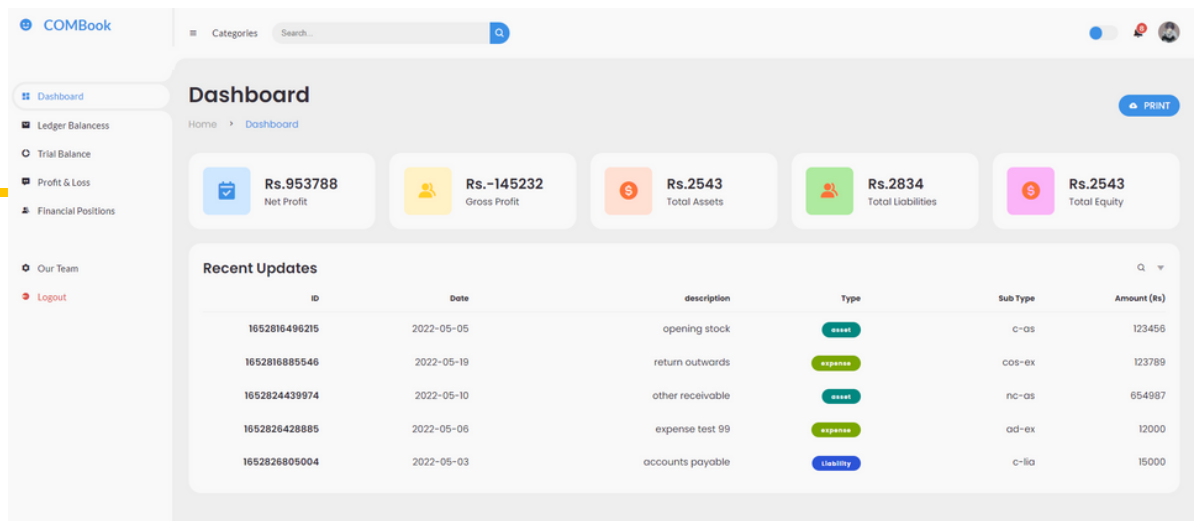
Based on the trail balance generated by the software, the profit and loss and other comprehensive income statement will be automatically generated by the software

FINANCIAL POSITION STATEMENT

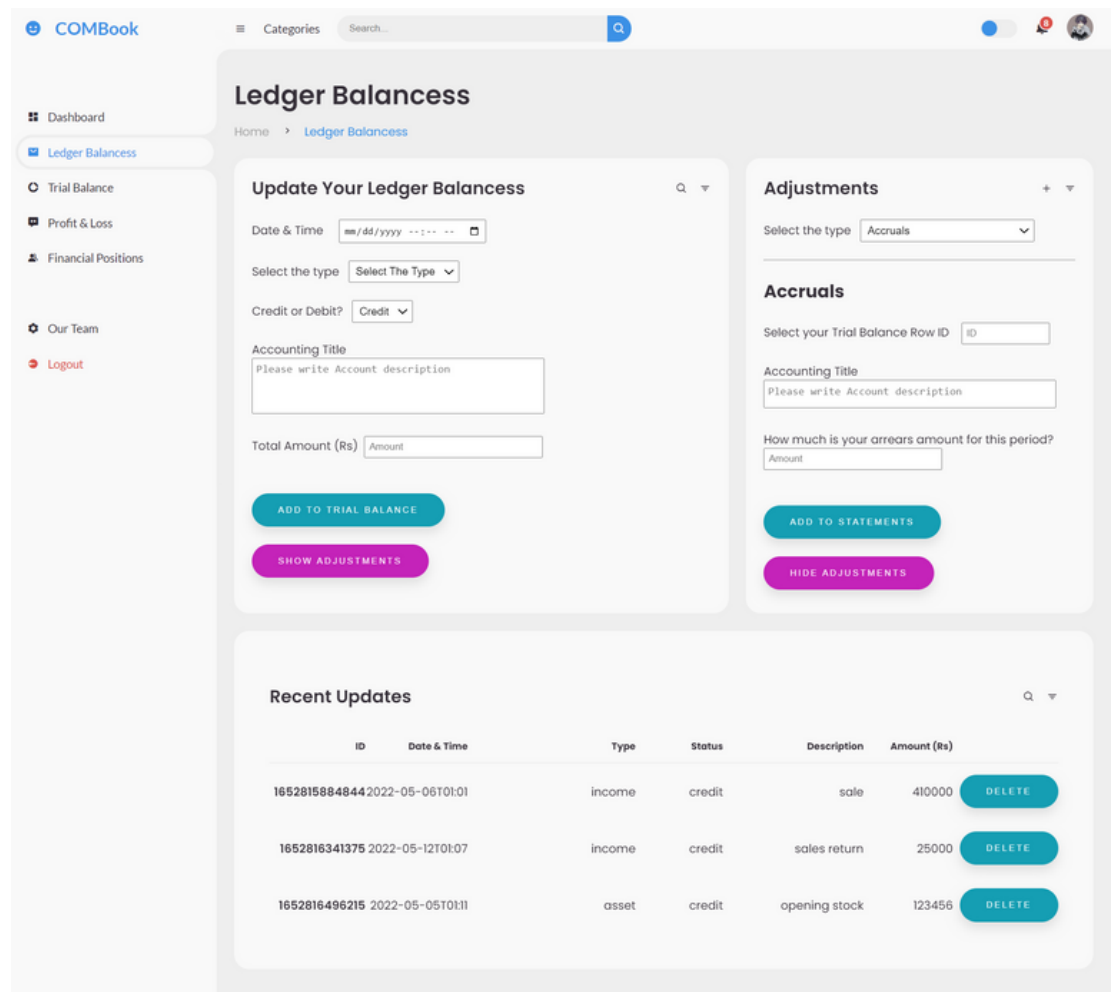
Based on the trail balance generated by the software, the financial position statement will be automatically generated by the software

USED TECHNOLOGIES FOR DEVELOPING THE SOFTWARE

- 1.HTML
- 2.CSS
- 3.Javascript
- 4.Firebase
- 5.Git & GitHub -Version Control
- 6.Vs Code,webstorm -Text Editors



The above figure represents the Dashboard page of the COMBook Accounting Software



The above figure represent the Ledger Balances page of the COMBook Accounting Software

CONCLUSION

Trail Balance, Financial statement and Profit and Loss and Other Comprehensive Income Statement are very important statements of the company. They give information about the company's activities and financial performance to shareholders and other interested people.

From our report we have discussed the advantages and disadvantages of existing accounting software. We also suggested innovative accounting systems that could be put in place to improve financial activity recording experience.

Although we've mentioned these points of view, we can't satisfy them by 100%, but we've tried our best with what we've learned so far to develop a high-quality accounting system that covers all aspects of the accounting process.