

## ABSTRACT

As we move on the 21<sup>st</sup> century, the world is approaching a period of enormous changes. Every thing and every part link to one another. Computer is important for everybody. Most offices use the computer to produce effective documents and help to reduce time. The availability of low cost, sophisticated microcomputers has allowed even the smallest businesses to automate their record keeping processes. In the past, every record such as general ledgers, customer and vendor files and payroll reports all had to be prepared by hand, however, companies can now purchase relatively inexpensive hardware and develop a computerized system which will accomplish all these tasks and many more.

The accounting process, which is both labor and data intensive, was a logical choice for computerization. Many steps in the accounting cycle are repetitive and time consuming. Often, the information from a single transaction will be recorded two or more times within the same accounting systems. Computer processing of these same transactions reduces the need for repeated manual entries and at the same time ensures that accuracy is maintained. In addition, with the need for information to be timely and complete, computers facilitate processing large volumes of data in the shortest possible time.

Over the past several years, accounting software has been developed for small and medium size businesses with all features previously available only to large companies using mainframe computers. Now small businesses with only a desktop system and off-the-shelf software can process data and generate professional looking reports.

As the business population becomes more computer literate and begins to understand and utilize the full capacities of these systems, the impact on accounting,