PATCHING THE LIMITATIONS OF ACCURATE ACCOUNTING 5.0 in RECORDING SALES ADVANCE TRANSACTIONS

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Abstract

Accurate Accounting version 5.0 is an accounting software used to help business to prepare financial reports such as balance sheet and profit & loss statement. This application integrates all transactions in a company such as sales, purchase, inventory, fixed assets, etc. This application is currently one of the accounting applications commonly used in small and conventional business enterprises in Indonesia. However, the research found some weaknesses or limitations when the application was used to record transactions related sales advance. Related to this weakness, this research paper aims to demo this weakness and to suggest some recommendation for both the users and developer (CPSSoft) in order to patch these limitations.
Accountants use the accrual basis of accounting to show a more accurate picture of a company's financial position. SW Productions/Brand X Pictures/Getty Images. If the business receives income of more than $5 million or if it has inventory, however, it should use the accrual accounting method even though the limitations of this system make it more challenging to manage a company's finances. The accrual method of accounting involves recording transactions at the time the service occurs or the goods are delivered rather than when payment is exchanged. Under the accrual basis of accounting, however, sales are recorded when all risks and rewards have been fully transferred to the customer, whether or not the customer has paid for the product or service. Following are the limitations: Financial accounting permits alternative treatments Accounting is based on concepts and it follows "generally accepted principles" but there exist more than one principle for the treatment of any one item. This permits alternative treatments within the framework of generally accepted principles.