

# **Financial Statement System for Small Business**

By

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Dissertation submitted in partial fulfillment of  
the requirement for the  
Bachelor Of Technology (Hons)  
(Business Information System)

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## CERTIFICATION OF ORIGINALITY

This is certify that I am responsible for the work submitted in this project, that the original work is my own except as specified in the references and acknowledgements, and that the original work contained herein have not been undertaken or done by unspecified sources or persons.



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## **CERTIFICATION OF APPROVAL**

**Financial Statement System for Small Business**

By

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A project dissertation submitted to the

Information Technology Programme


Universiti Teknologi PETRONAS

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## **ABSTRACT**

This project focuses on with the development of Financial Statement System for Small Businesses which apply to any small business in Malaysia. In this day and age where IT technologies permeate virtually every facet of society, business organizations especially small and medium companies should not miss the advantages of it. This research will look at the acceptance level and effectiveness of using financial management system among the small companies in Malaysia. The target is to find out the rationale behind these problems and solutions to make the development of financial management system successful. The research involves small businesses in Malaysia such as grocery stores, bakeries, computer shops, stationery shops and so on. In this project, several techniques are used to elicit information such as conducting interview session with businesses, carrying out surveys at the shops and also research on the Internet, journals and books. In this project, the requirements for the system are listed and ranked. Based on the requirements, the prototype of Financial Statement System for Small Business will be developed to ensure that it satisfies all the requirements. Based on the findings that have been done, it highlights that the industry should realize the potential that Financial Statement System for Small Businesses offers and its ability to help the small and medium companies to compete in larger markets.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background of Study

This project and research are mainly on Malaysian Small and Medium Enterprise that covers both east and west peninsular Malaysia. As a fast and developing country, it is believed companies operating in Malaysia will have the potential to practice the financial management system no matter what kind of company they are: including small and medium sized companies. Every business organization, financial management, good or service for the company is one of the core activities. Financial management process is important for making sure that business uses optimized business flows although it is small or medium sized companies.

The numbers of companies are considered as small and medium sized has increased day by day. Money is the big challenge where small and medium sized companies have to face if they decided to implement Financial Statement System for Small Business in their business. Financial Statement System for Small Business is also called accounting software. It is computer software that records and processes accounting transactions within functional modules such as accounts payable, accounts receivable, payroll and trial balance. It functions as an accounting information system. It may be developed in-house by the company or organization using it, may be purchased from a third party, or may be a combination of a third-party application software package with local modifications. It varies greatly in its complexity and cost. This research will be emphasizing on the effectiveness of using financial statement system for small business.



## **1.2 Problem Statement**

### **1.2.1 Problem Identification**

In this research, the level of using financial management system is the main objectives where it is important to know how the small and medium sized companies agree to financial management system. This will confirm whether financial management is beneficial for SMEs and can be successfully implemented in those companies. From the preliminary data gathering, it is believed that for most of small and medium sized companies, money will still be the issue that hinders them to take the challenge doing something new. These companies are afraid that the Financial Statement System for Small Businesses will involve a lot of money than the revenue made. Besides, another problem is some companies that lack of financial resource and could not do high investment in the business (Enrique, 1990).

Uncertainty is also another main reason where they do not fully understand how the financial management system can help in their business process. The lack of information about new technology is one of the barriers in using new system in their business. Lack of access and use of information can result in businesses running at a loss (Banda, Mutula & Grand, 2004). Plus, there are certain companies are comfortable enough with their manual type of financial management.

### **1.2.2 Significance of the Project**

In order to make sure these small and medium sized companies able to enter a wide challenge market, they should not miss the opportunities from the electronic transaction as the larger companies have been done. From the finding results, a prototype will be developed that meet all the requirements for a Financial Statement System for Small Businesses and how cost and time can be reduced by convincing the companies to implement the Financial Statement System for Small Business.

### **1.3 Objectives & Scope of Study**

The objectives of this research are:

- To study the financial management system for Small and Medium Enterprise in Malaysia in order to have clear view of how far financial management system can be successfully implemented.
- To study the effectiveness of the existing products (accounting software) such as Open System Accounting Software (OSAS), MYOB and so on.
- To identify the level of acceptance of financial management system by the small and medium-sized companies whether to use or not to use financial management system in their business process.
- To gather requirements in order to develop a system that performs as financial management system. This will help to reduce costs, time and manpower of the companies especially for small and medium sized enterprise.
- To develop a prototype of fully functioning system that will be called as Financial Statement System for Small Business for SMEs that can help those companies to gain benefits from this new system.

## **CHAPTER 2**

### **LITERATURE REVIEW AND THEORY**

#### **2.1 Introduction to SME**

In general there is no exact definition of small and medium enterprise (SME). However, the definition of SME usually based on fixed quantitative criteria such as number of employees, amount of capital; amount of assets owned and recently including the sales of turnover of enterprise (Hashim & Wafa, 2002). In Malaysia, the Small and Medium Industries Development Corporation (SMIDEC) defines SMEs as manufacturing companies or companies providing manufacturing related services with annual sales turnover not exceeding RM25 million and full time employees not more than 150.

#### **2.2 Introduction to Financial Statement System for Small Business**

Financial Statement System for Small Businesses is designed to help businesses in managing their finance. The system is used to replace the traditional technique which is ledger book. Financial Statement System for Small Business is quite similar to accounting software that are sold in the market out there. But, there are few differences between those systems and existing products.

One of the differences is graphing and charting for final reporting of the business. It shows the business performances to the user such as financial performance and

products sales. Those graphs and charts are generated automatically by getting values from the financial statements inside the system. Financial Statement System for Small Business could produce proper output (report) to business owner to analyze and make decision (Andreas, 2000).

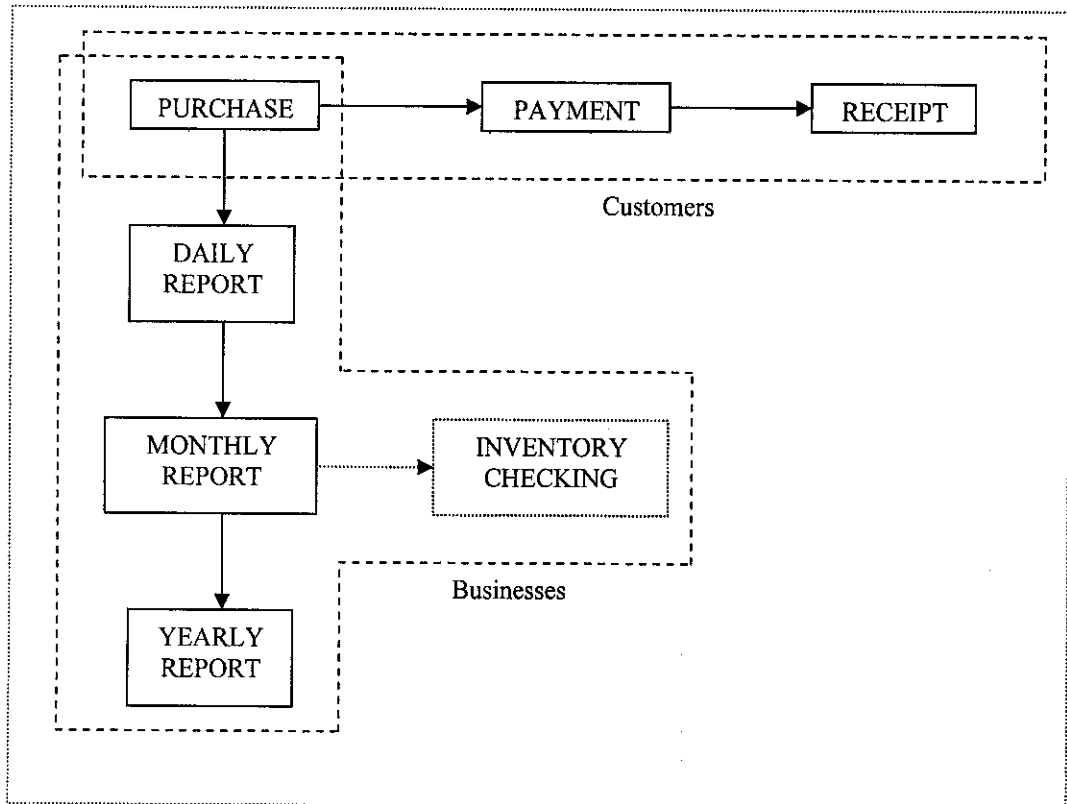
Another feature that is not in normal accounting software is inventory manager. In this feature, user could know the status of product's stock. It is easy to manage by everybody.

In the system, financial statement (balance sheet and income statement) is not done by user, it is generate automatically by the system, but not all, only certain values which are products' price and product's unit sold must be keyed in by user and the rest are automatically generated like daily report, financial statement and so on. During transaction between business owner and buyer, there are some activities. Business owner (seller) record the items that buyer buy into the system. From those activities and some additional activities by user, financial statement will come out. Besides, graphs and charts of business performances are automatically generated. Those information are very useful to do analysis. Financial statements will be generated after user completed a few processes at the receipt form.

Figure 2.1 describe the flow of Financial Statement System for small Businesses. There are two parts which are for customers' activities and businesses' activities. For customers' part, the first step is purchase, where by business transaction among buyers and seller (businesses) is doing. After both of them satisfy, customer will pay for the products good and receipt of the purchase just now will be printed.

For the businesses' activities, there are five steps which are purchase, daily report, monthly report, yearly report and inventory checking. The first step is purchase which is the activity among buyer and seller. After seller sells the products, the purchasing information will be recorded. For this activity, receipt of the purchasing will be recorded. This record will be gathered for the daily report. After daily report, the monthly report will be come out. Lastly is yearly report that shows the performance

of the business. Those reports are used for doing analysis of the business and business owner also knows the performance of the business. They can compare the performances by daily, monthly or yearly.



**Figure 2.1 Financial Statement System Flow**

### **2.3 Benefits of Financial Statement for Small Business**

Following are the tips from lifetips website. There are some beneficial of using financial system. Below are the benefits (LifeTips, 2006):

- Most small businesses have very basic accounting needs, the Financial Statement System for Small Business does not have to be sophisticated. The main improvement software engenders in the running of a small business is time efficiency.

- Financial Statement System for Small Business can improve the efficiency of a small business. For one thing the back office is taken care of, and you can focus on your primary objective: your business.
- With computerized financial management, you reduce the amount of time you have to spend monitoring and organizing your finance. The information will be available at your fingertips, and systemized, so that there are no anomalies, there will be no information missing.
- System is to help businesses develop financial solutions that allow for faster and more reliable processing of financial information.
- Most of the rest of the work is done for you, as the business management solutions are designed to convert data about your finance - sales, productions, payroll, such as into comprehensive, easy-to-understand account reports.

#### **2.4 Description of the domain**

The Financial Statement System for Small Business is focused more on the financial statement. Financial statement consists of income statement, balance sheet and cash flow.

Income statement answer the question, how profitable is the business? In providing this answer, the income statement reports financial information related to five broad areas of business activity; revenue (sales), cost of good sold, operating expense, financing costs and tax expenses.

Balance sheet is a financial statement comprising a listing of the assets, liabilities and owner's equity of a business as of a particular date. Under the accounting equation, assets are always equal to (and thus in balance with) liabilities and owner's equity; hence, the term 'balance sheet.'

Cash flow is a financial statement that reports net cash provided or used as a result of a company's operating, investing, and financing activities and the net effect of those cash flows on cash and cash equivalents for a given period in a manner that reconciles beginning and ending cash and cash equivalents.

## CHAPTER 3

### METHODOLOGY AND PROJECT WORK

The methodology used in the development of the project is the Waterfall Model which is shown in Figure 3.1

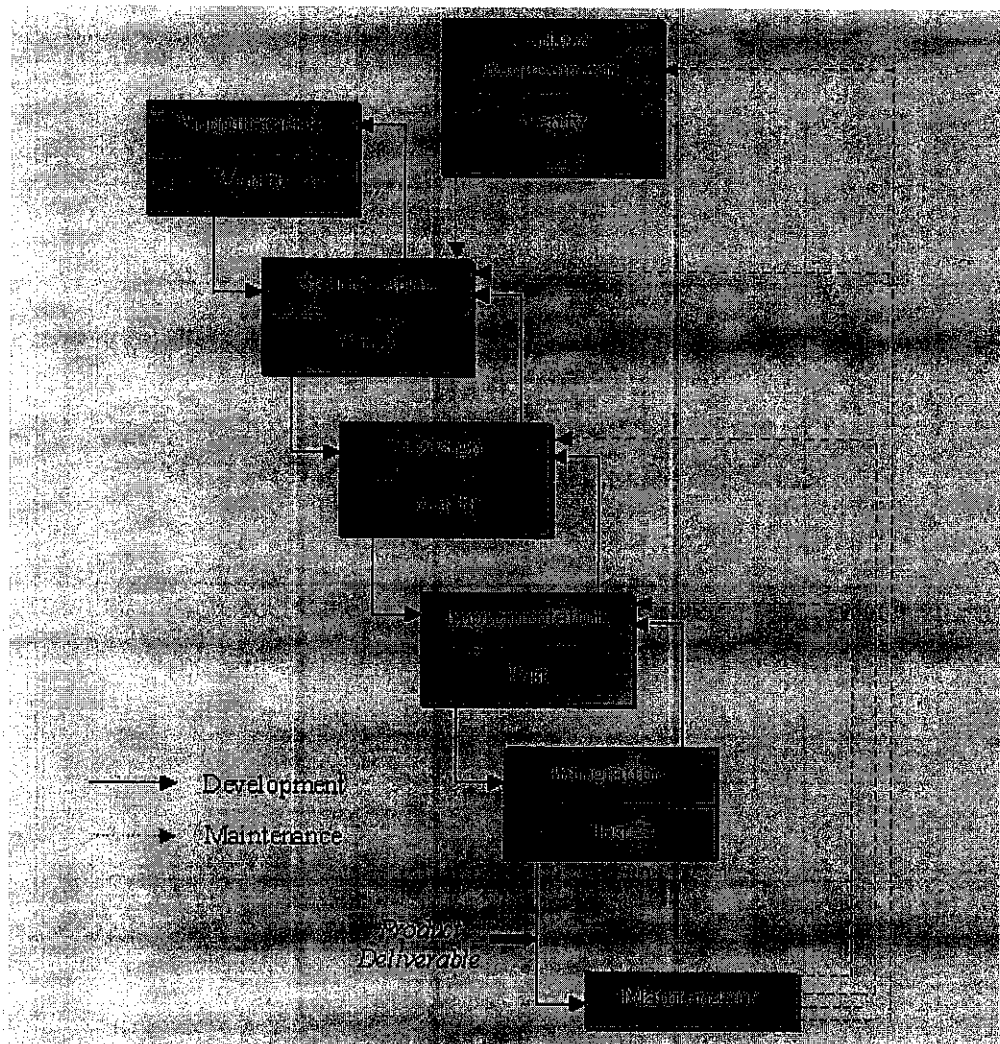


Figure 3.1 Waterfall Model



### **3.1 Waterfall Model**

The waterfall model is a software development model (a process for the creation of software) in which development is seen as flowing steadily downwards (like a waterfall) through the phases of requirements analysis, design, implementation, testing (validation), integration, and maintenance (Wikipedia, 2006).

There are some advantages of using waterfall model (whatis.com. 2005):

- It allows for departmentalization and managerial control.
- A schedule can be set with deadlines for each stage of development and a product can proceed through the development process and theoretically, be delivered on time.
- Development moves from concept, through design, implementation, testing, installation, troubleshooting, and ends up at operation and maintenance.
- Each phase of development proceeds in strict order, without any overlapping or iterative steps.

### **3.2 Development Cycle: Six Phase**

#### **3.2.1 Requirements:**

The requirements phase is the phase where problems are specified along with the desired objectives (goals). Firstly, the list of the small shop which is could use this system. The examples of small shop are stationary shops, computer shops and gift shops. The system is only suitable for the shops that sell finished products. After the list of shop, it will proceed with data gathering for findings. There are several ways to collect all the data and information needed which includes interviewing

business owners, providing questionnaires, call conversations with respective business owners and also observation through the Internet and journals.

### **3.2.2 Specification:**

After requirement phase, all the data will be gathered and compiled into more detail description of the system specification. Those information are very useful and can be considered a references when entering the design phase.

### **3.2.3 Design:**

After analyze all the requirements, the project will be continued with the design phase. Tools to be used are chosen first so that preparation for development of the system can be done. Flow of the system will also be drawn to show how the system works, and how the data and information flows within the system.

The design should be based on the requirements needed for the financial management process. The design must be formal and user friendly. Database for the system should be designed in order to make that it is efficient and well-organized to manage all the requirements of the user and the system itself. The tool that will be used on design phase is Microsoft Visio. This tool could help in designing diagrams for the system such as system flow and data flow diagram.

### **3.2.4 Implementation:**

In the implementation and testing phase stage, the working system is implemented and tested. Programming skill will be needed for this development phase in order to make the prototype successfully developed. Programming language that will be used in this phase is Visual Basic 6 and for the database is Microsoft access. The system should be based on the data flow design which has been drawn in the design phase.

During the development phase, few testing will be conducted in order to make sure the system is working well or not. This could help to find errors and flaws of the system and try to fix the problems.

### **3.2.5 Integration:**

In this phase, the stubs/ parts/segments of the program is integrated and combined. Then the system is tested as a whole to make sure that it meets the requirements sets earlier. After completing the system development, the major testing for working prototype will be done in order to make sure it meet all the system requirements and make any corrections if there is any flaws encountered.

### **3.2.6 Maintenance:**

The maintenance phase is usually the longest stage of the software. In this phase the software is updated to:

- Meet the changing users needs
- Correct errors and oversights previously undetected in the testing phases
- Enhancing the efficiency of the software

Why Waterfall Model is chosen:

- Testing is inherent to every phase of the waterfall model
- It is an enforced disciplined approach
- It is documentation driven, that is, documentation is produced at every stage
- It can fall back at any stage if there is a need to

### **3.3 Ontology concept**

Knowledge acquisition was a major challenge that was faced during the ontology design phase. This problem was simplified by the author's decision to scope down the ontology domain to focus primarily on financial statement. The author employed a number of knowledge acquisition techniques in order to design and construct the ontology. These techniques included:

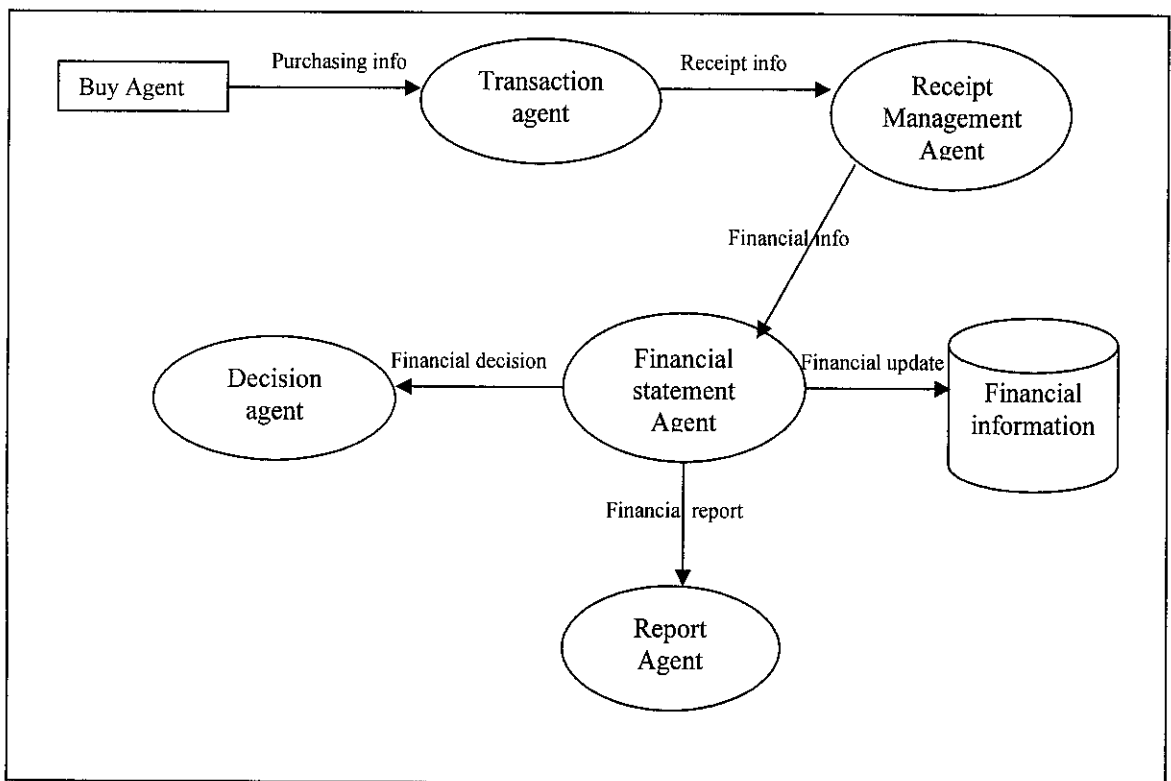
- Studying financial statement: the income statement, the balance sheet and cash flow to make final report and decisions. Income statement show how profitable is the business, balance sheet provides a snapshot of the company's financial position at a specific point in time, and cash flow; profit are calculated on an accrual basis.
- Reading general ledger after complete balancing. This process comes from transaction between customer and seller.
- Reading financial statement report to generate graph or chart to make final report and decision.
- Studying how to save financial statement in proper way which is in proper database.

### **3.4 Agent**

The financial statement system for small business is developed within an agent based framework that interfaced with the ontology. Below are some explanations and architecture of the agents:

- Buy agent: this agent is between seller and buyer (customer) during activity of selling products to buyer.
- Transaction agent: this is activity between seller and buyer (customer) during selling products. So, the agent for this activity is human.

- Receipt management agent: this agent carries out the information from transaction between seller and buyer which is receipt then processes them for balancing.
- Financial statement agent: this agent brings all the information from balancing to create final report and make decision.
- Report agent: this agent will provide final report to the user (businesses) to see the performance of the business. The agent also provide graph and chart as additional items for final reports.
- Decision agent: the agent will help user in making decision for his/her business.



**Figure 3.2 Agent Ontology**

### 3.5 System Requirements

- System can manage finance properly without much work from user. For example, user just keys in purchase information such products' price and product's unit sold in receipt form and system generates financial statement automatically.
- System can store information about financial management such financial statement, financial report and inventory.
- System can generate graph and chart that show the summary of the business as well as final report.

### 3.6 Project Requirements

- Operating system – WinXP or Win2K
- Authoring tools – Visual Basic.Net, Visual Basic 6
- Database – MySQL or Microsoft Access

### 3.7 Tools

To accomplish the task of designing and developing this prototype, many applications and tools would be required.

- *Windows XP*  
Windows XP is one of the major revisions of the Microsoft Windows operating system created for use on desktop and business computer systems. It is easier to find authoring tools for Windows XP rather than other Windows version. For example Microsoft Visual Basic 6 and Microsoft Access that going to use in developing and designing this project.

- *Microsoft Project*

Microsoft Project is a project management software program which is designed to assist project managers in developing plans, assigning resources to tasks, and tracking progress. Microsoft Project is use to design Gantt chart for this project.

- *Microsoft Visual Basic 6*

Visual Basic 6 is the programming tools for developing the system. It is preferable because easy to use and quickly in developing the system.

- *Microsoft Access*

Database Management system (DBMS) for the system is Microsoft Access. Microsoft Office Access is a relational database management system from Microsoft. Microsoft Access is easily applied to small projects but scales inefficiently to large projects if applications are designed poorly. The database is used to store and retrieve information using the application system.

## CHAPTER 4

### RESULT AND DISCUSSION

#### 4.1 Problems

There are some problems in manual financial management. These problems could effects the efficiency in managing finance. If those problems are still there and not solve, the business could be slow in growth. As we now, this new century there are lot of competitions in business and if we still in the old level, we would leave behind. So, by solving this problems and design new system, it could help them and make the business more productive. Below are the problems that have been identified:

- **Manual record**

Nowadays, most of small business owner in Malaysia use ledger book to calculate profit/loss. Ledger book is one of the traditional techniques in financial management. Every transaction in business must be record in ledger book to make sure business transactions are always keep in track. There are some problems in using ledger book as financial record.

A business owner must always record in ledger book for every transaction that has been done. Before they record in ledger book, they must refer to the receipts that they has done during transactions. From receipts, they should transfer into the ledger book for balancing which is for balance sheet and income statement (financial statement). There are lot of work to do to get the last result which is financial statement. Those activities are consumed a lot of time.



- **Large storage**

After the business owner does financial record, the ledger book will be kept properly. Then ledger book must be kept them at suitable place, if not it could damage, lost or misplace. If this happen, they could not refer to the previous financial statements. Besides, they need large storage to keep the ledger book.

- **Complicated in managing finance by using ledger book**

With proper financial management, business owner can do analysis efficiently. Manual financial record is quite complicated for businesses to do analysis to the business. They must refer to every financial record in ledger book to do analysis. Every day there are many financial records, so they must refer to them one by one. This activity will consume a lot of time to complete.

- **Monitor inventory manually**

In manual record, it is difficult to monitor the inventory. Business owner must always perform calculation manually on them. If the stocks are many and big like furniture, it will be difficult to business owner to calculate them. Indirectly, it consumes lot of time to get the total of the stocks.

For your information, there is some software out there that can solve certain problems that have been mentioned before. Based on the research carried out, most of the products are have the same features. Accounting knowledge is required for those who want to use the software. So, for those who do not have basic accounting will be difficult to use the software. Besides, the products are quite expensive to small business owners. The price range is between RM1,100 up to hundred thousand Ringgit Malaysia. Those products are export products, and not from our country that why it expensive. Besides, those existing products have same features. One of their features is final report or summary of the financial report are in values and numbers. Refer to the Appendix 2 for further information (MYOB. 2006).

## **4.2 Overcome the problems**

Based on the research carried out, a new system must be designed to help businesses solve their problems. The system must be designed based on the problems that have been mentioned. The system will help them in calculating financial information like income statement and balance sheet to reduce their working hour, more systematic, and faster in managing finance. Below are the objectives of the project:

- **Computerize all the financial record**

The main objective is to replace ledger book as a financial record to system by proposing a system that can calculate financial statement, balancing, total sales, profit/loss and so on. Before this, most of businesses calculate their financial statements manually and consume a lot of time to complete it. By using this system, businesses do not need much time to calculate financial statement. They just key in certain value such as product's price, product's unit and product's description in the system and the system calculate automatically.

- **Proper database for financial record**

Another thing that important in this system is database that will store all information about finance. With proper database, users can be easily referred to the database through the system. Before this, ledger book as financial record, but by using this system, there is no more ledger book as a financial record. Users can save thousand of financial record in database without any problems any more. No more larger space is required to keep the financial information as ledger book.

- **Provide graph and chart to make users easier do some analysis based on the financial system**

Financial statement is one of the important things in business. With financial statement, businesses can do analysis on his/her business performance. It shows the profit/loss of the business. By using this system, businesses will be easy to see the performance of the business by referring to the graph and chart inside the system. The graph and chart will show the trending of the business whether it is good or not. This is final report for the business that he/she has done. Those graph and chart are generating automatically based on financial records that he/she has done before. The graphs and chart show the summary of the business activities as well as final report. This could be use as information for businesses to analyze the business performances. So, they do not need to spend a lot of time to do analysis on the financial records.

- **User friendly**

One of the important things in design new system is user friendly. User friendly means the system is easy to use, easy to manage and easy to understand the output (report). This could help users in daily work such as reduce time, more productive, efficient and more quality (Ives, Olson & Baroudi, 1983).

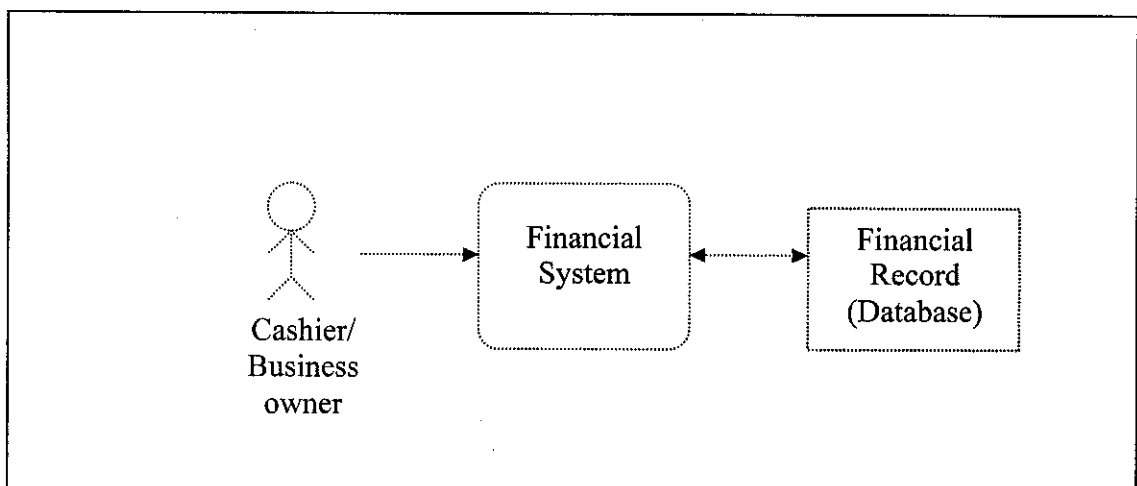
### 4.3 System Constraints

The discussion on system constraint for this project will be divided into two parts. The first part will be on the constraint before the project start and another part will be the constraint after the project is completed. For the first part the project constraint will be discuss based on four main factors which is schedule, cost, technology and policy.

<b>Schedule</b>	The financial statement system must be fully operational by 19 of May. There are 17 weeks given in completion of the project, the process of analysis, design, testing and implementation should be able to complete
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	within this period of time.
<b>Cost</b>	This is an academic project, the tools and equipment should be provided by the university, the main objective is the system to accomplish the requirement of the project. The cost of the full functional should be affordable enough for many small business companies to use it.
<b>Technology</b>	To use new system, user must have windows XP and above. Then, there must be Microsoft access for the database for the system. The new system should be highly supported by database management system. The user interface design for the new system should be . user friendly.
<b>Policy</b>	The system only involve licensing vendors that's has been permitted the government. All the procedures provided by the administrator should be understandable and agreed by party, customer and vendors before doing. business within the system

#### 4.4 System Architecture

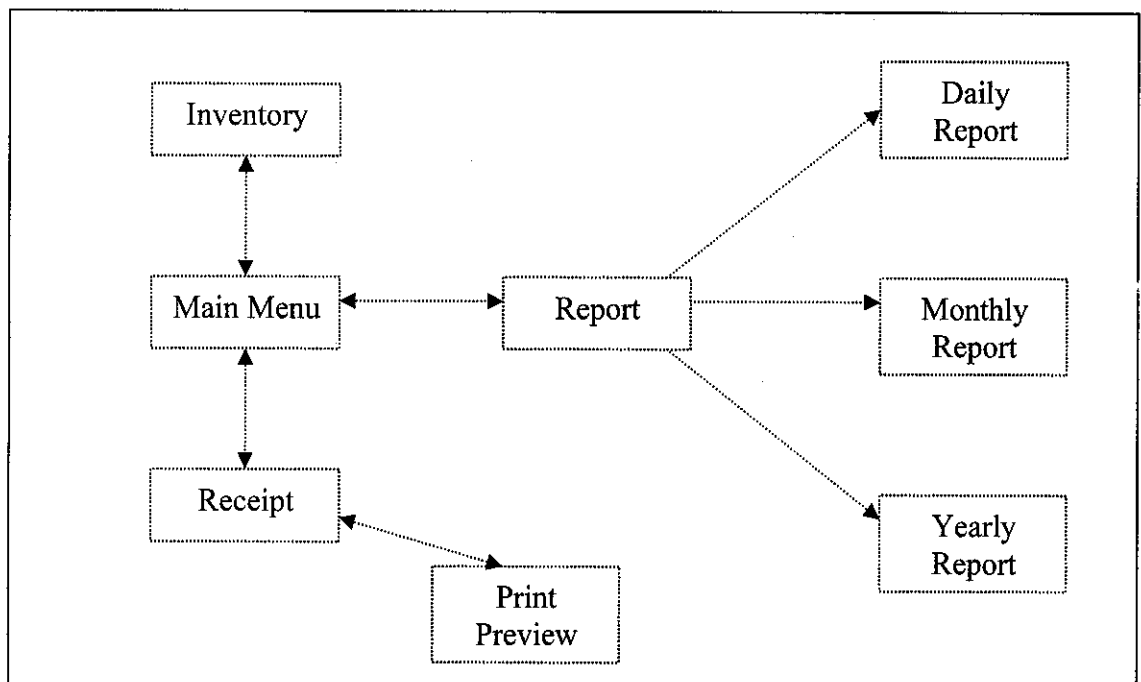


**Figure 4.2 System Architecture**

Figure 4.2 above show the general architecture in the Financial Statement System for Small Business. Financial system is the main thing in this system, which is

manage all the business transaction and financial statements. Financial record is the database that record all the business transaction and financial items such as daily report, monthly report, and yearly report. Cashier/business owner is the user of the system, where he/she key in all the products information into the system that comes from customer.

#### 4.5 System flow



**Figure 4.3 System Flow**

Figure 4.3 shows the system flow of the system. Actually those are the pages that link among each other. There are eight pages inside the system which are main menu, inventory, receipt, print preview, daily report, monthly report and yearly report. The system starts at main menu. In the main menu, there are three buttons that user can choose, which are inventory, receipt, and report. For receipt, there is a form for user to key in the information about the products that purchase by customers such as products ID, products description, quantity and price. After that process, user can go to print preview for printing. From main menu, user also can go the report page that

shows the summary of the business transaction whether in daily report, monthly report or yearly report. In the inventory page, user could check the stock of the products. Besides, user also can add new products if there are new products come in.

## 4.6 Prototype Interfaces

### 4.6.1 Main Menu Page

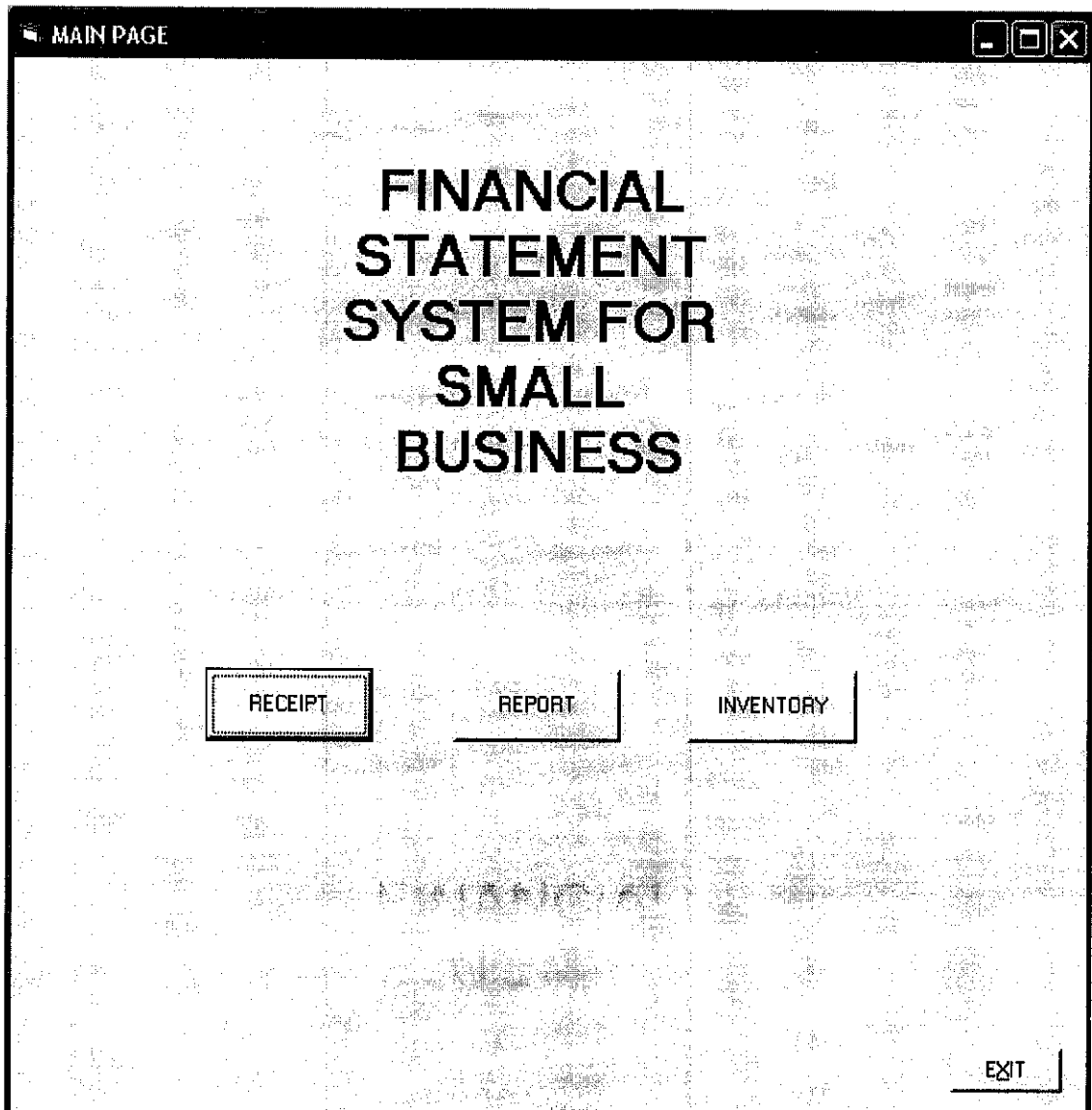


Figure 4.4 Main Menu Page

Figure 4.4 shows the main menu page of the system. There are three buttons on the main menu page which are receipt, report and inventory. When user clicks one of

the buttons, the next page will come up. The exit button on the bottom right is button for close the system.

#### 4.6.2 Receipt Page

The screenshot shows a window titled 'RECEIPT' with standard window controls. The main title 'RECEIPT' is centered. Below it, there are two input fields: 'Name: Ahmad Ali' and 'Date: 5/26/2006'. A table with five columns is present: 'Item No', 'Description', 'Price/Unit', 'Quantity', and 'Amount'. The table contains two rows of data: 'BK1033 Book 1.20 2 2.40' and 'BE1034 Exercise Book 1.50 3 4.50'. The remaining rows are empty with zeros. At the bottom right of the table, there is a 'Total' button and a text field showing 'RM 6.90'. Below the table, there are three buttons: 'Update', 'New Entry', and 'Cancel'. In the bottom left corner, there is a 'Main Page' button.

Item No	Description	Price/Unit	Quantity	Amount
BK1033	Book	1.20	2	2.40
BE1034	Exercise Book	1.50	3	4.50
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
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		0	0	0
		0	0	0
		0	0	0

Total RM 6.90

Update New Entry Cancel

Main Page

Figure 4.5 Receipt Page

Figure 4.5 is the page for user to key in purchase information into the system. Total price will be automatically calculated when user clicks on total button. Update button use to updating the purchase information into database. New entry button is

the next transaction or next customer. Cancel button is for cancel the transaction and last button which is Main page, where user can go back to main menu page.

#### 4.6.3 Preview Page

**RECEIPT PREVIEW**

Name: Ahmad Ali      Serial No.: 262  
Date: 5/26/2006

Item No	Description	Quantity	Price/Unit
BK1033	Book	2	1.20
BE1034	Exercise Book	3	1.50

Total: RM 3.90

OK

**Figure 4.6 Preview Page**

Figure 4.6 is the preview page that shows the products that have bought by customer. This is also print preview for receipt. This page will come up after user click on update button. All the transaction information such customer's name, date,



serial number, item ID, product description, quantity and price will be shown on this page. OK button is use to go back to main page.

#### 4.6.4 Report Page

In report page, there are three interfaces which are daily report, monthly report and yearly report. Below is the daily report page and the rest of the pages are show in the appendices.

##### Daily Report

The screenshot shows a window titled "REPORT" with three tabs: "Daily Report", "Monthly Report", and "Yearly Report". The "Daily Report" tab is active. It contains a table with the following data:

Sales	100.50
Cost of Good Sold	60.50
Profit	40.00

Below the table is a "Calculate" button. At the bottom left of the window is a "Main Page" button.

Figure 4.7 Daily Report

Figure 4.7 is the daily report page that shows the daily sale, daily cost of good sold (COGS) and daily profit. Calculate button is use to calculate daily profit that come from value of sales and cost of good sold. The Main Page button, is use to go back to the main page.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Conclusions**

Financial statement system for small business is good for those who just start up the new business. The system is very user friendly, easy to use and easy to learn. It does not require any accounting knowledge to use the system as other software in the market. Users only need to know a bit about business for using the system. By using this system, there are no more manual techniques which is using ledger book as financial management.

Database is important in this system for storing financial information. Microsoft Access is database management system for the system. Before this most of the businesses use ledger book as financial records, and need large space for storage. By using this system, business owner do not need large space for storage financial information. With proper database, users can be easily referred to the database through the system.

Financial statement system for small business will help businesses to see the performance of the business by referring to the graph and chart inside the system. The graph and chart will show the trending of the business whether it is good or not. This is final report for the business that he/she has done. Those graph and chart are generating automatically based on financial records that he/she has done before. The graphs and chart show the summary of the business activities as well as final report. So, they do not need to spend a lot of time to do analysis on the financial records.

## **5.2 Recommendation**

For this project, there are some recommendations that the author wants to propose. One of the recommendations is to put the system online. At the moment this is a stand-alone system and only businesses that buy this software can use it. Online system here means extending the order form online. Then, the system also provide products' catalogue on the order form. Complement the business, the business owner should do some extra work which is to provide delivery service to the customers who have ordered.

The business owner can run only one financial statement system at a time. But for future expansion, business could set up to run more than one financial statement system at a time. In one shop, many financial statement systems could be run at any one time. Thus allowing to businesses use many financial statement systems concurrently.

Another recommendation is to introduce point of sale (POS) terminal which is connected to the system via barcode reader. User just use barcode and barcode reader for entering products' information into the system (business transaction). User directly scan barcode on the product, not use product ID on the price tag. Business owner do not need pasting the price tag on the product any more. This will make it easier for the cashier (user) to use the system. Besides, the barcode reader could be used to register new products as they come in to the store. This could reduce typing work in business activity.

Another recommendation is to include a payment system. Payment system here means that the system supports cash or credit payment methods.

After final presentation, there are some recommendations that have been given by external and internal examiner for the system. One of the recommendations is to add

one function in the inventory management control. The function is the system could show the quantity of products sold. at the moment, the system just shows the remaining number of product. For example, the quantity of products now is 200 units, and then the products have been sold 25 units, so the system shows remaining products which is 175 units. For the recommendation, the Inventory management could show the quantity of products that have been sold to customers which is 25 units.

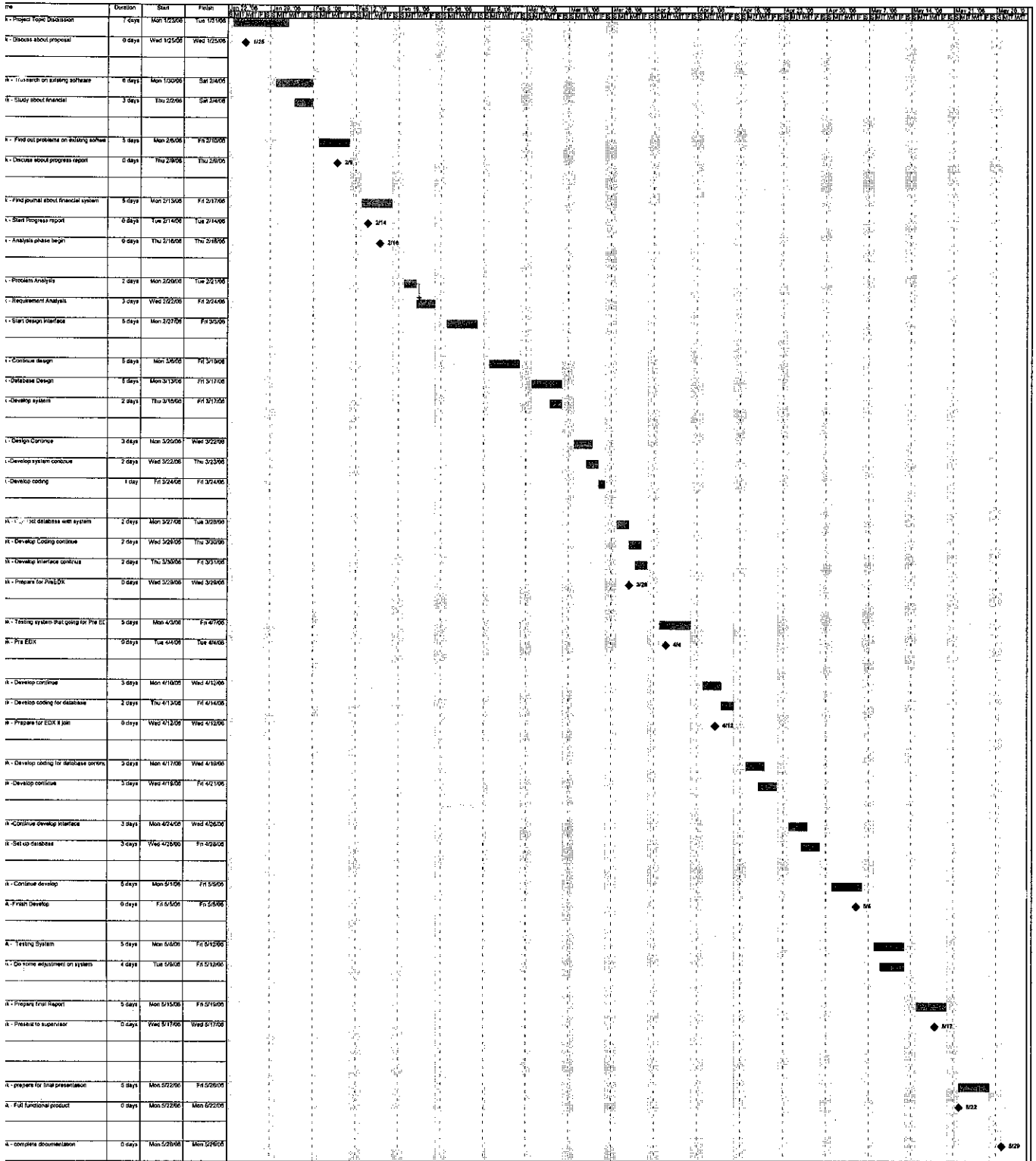
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# ***APPENDICES***

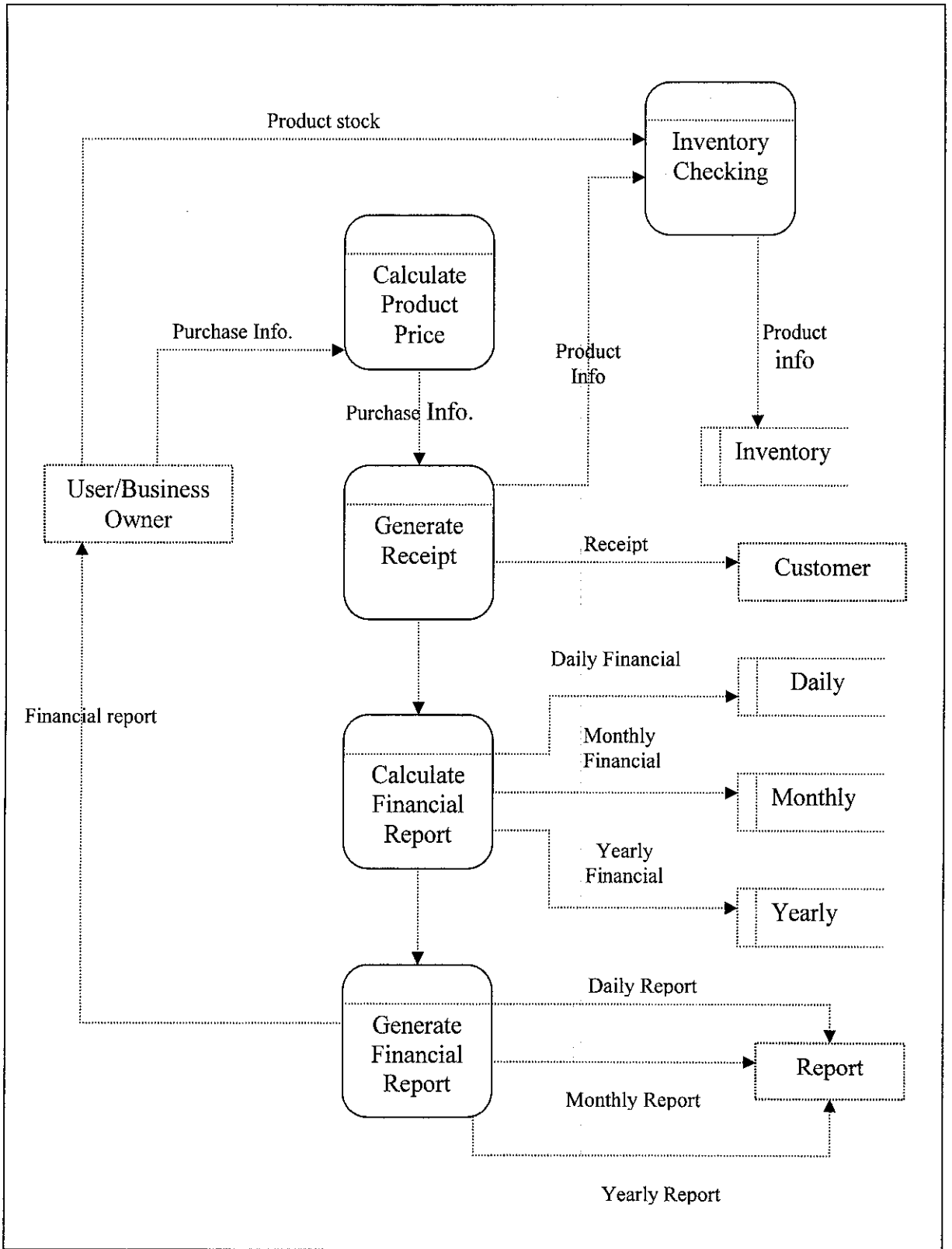




### Appendix 1: Project Timeline

GL Account Inquiry				
Commands: ESR Modes: Other Help				
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				
OK Abandon				
Account	109000	Type	010	Cash On Deposit
Description	CASH IN BANK - 1st NATIONAL			DB, CR, or Memo
Clear To Account		Step	0	Alternate Budget
Control To Account		Step	0	Entry Method
				Debit
				Forecast
				Activity
Period	Actual	CY Budget	Last Year	Forecast
Begin	4514.50	4514.50	4030.52	4514.50
1	351.12	115.50	177.90	351.12
2	-201.14	-15.00	15.53	-201.14
3	12.12	85.75	-220.00	12.12
4	115.50	177.90	-201.14	115.50
5	-15.00	15.53	351.12	-15.00
6	85.75	-220.00	12.12	85.75
7	15.53	351.12	-15.00	15.53
8	177.90	-201.14	115.50	177.90
9	-220.00	12.12	85.75	-220.00
10	188.88	15.00	-201.14	188.88
11	-84.50	85.75	351.12	-84.50
12	-100.00	188.88	12.12	-100.00
13	.00	.00	.00	.00
End	4840.55	5125.41	4514.50	4840.55
<input type="button" value="aAccount"/> <input type="button" value="First"/> <input type="button" value="Last"/> <input type="button" value="Prev"/> <input type="button" value="Next"/> <input type="button" value="Scan trans"/> <input type="button" value="All budget"/> <input type="button" value="Ballactivity"/>				
Company H   12/26/2004   Terminal T000   INS				

Appendix 2: Yearly Report (OSAS software)



**Appendix 3: Data Flow Diagram**

REPORT

**REPORT**

Daily Report
Monthly Report
Yearly Report

Date: 1/31/2004

**Income Statement**

Sales	<span style="border: 1px solid black; padding: 2px;">3001.00</span>
Cost Of Good Sold	<span style="border: 1px solid black; padding: 2px;">1360.20</span>
Gross Profit	<span style="border: 1px solid black; padding: 2px;">1640.8</span>
General Operating Expenses	<span style="border: 1px solid black; padding: 2px;">702.00</span>
Net Income	<span style="border: 1px solid black; padding: 2px;">938.80</span>

Income Statement

Balance Sheet

New Entry

Update

Next
Previous
First
Last

Main Page

**Appendix 4: Monthly Report; Income Statement**

**REPORT**

**REPORT**

[Daily Report](#)     [Monthly Report](#)     [Yearly Report](#)

Date:

	Balance Sheet	
<a href="#">Income Statement</a>		
<a href="#">Balance Sheet</a>		
<a href="#">New Entry</a>		
<a href="#">Update</a>		
	<b>ASSET</b>	
	Cash	1002.00
	Inventories	4260.00
	Prepaid expenses	1000.00
	<b>Total current assets</b>	<b>6,262.00</b>
	Fixed assets	2110.00
	<b>Total assets</b>	<b>8,372.00</b>
	<b>LIABILITIES AND EQUITY</b>	
	Accrued expenses	0
	Owner's equity	8372.00
	<b>Total liabilities and equity</b>	<b>8,372.00</b>

[Next](#)     [Previous](#)     [First](#)     [Last](#)

[Main Page](#)

**Appendix 5: Monthly Report; Balance Sheet**

REPORT

**REPORT**

Daily Report
Monthly Report
Yearly Report

Date: 12/31/2004

Income Statement

Balance Sheet

New Entry

Update

**Income Statement**

Sales	34708.50
Cost Of Good Sold	17570.70
Gross Profit	52,279.20
General Operating Expenses	8318.80
Depreciation	0
Total Operating Expenses	8,318.80
Operating Income	43,960.40
Other Income	0
Taxes	0
Net Income	43,960.40

Next
Previous
First
Last

Main Page

**Appendix 6: Yearly Report; Income Statement**

**REPORT**

**REPORT**

[Daily Report](#)     [Monthly Report](#)     [Yearly Report](#)

Date:

[Income Statement](#)

[Balance Sheet](#)

[New Entry](#)

[Update](#)

**Balance Sheet**

ASSET	
Cash	19922.90
Account Receivable	0
Inventories	34256.00
Prepaid expenses	6000.00
<b>Total current assets</b>	<b>60,178.90</b>
Equipment	2145.00
Equipment Depreciation	260.00
<b>Net Fixed Asset</b>	<b>1,885.00</b>
<b>Total assets</b>	<b>62,063.90</b>

LIABILITIES AND EQUITY	
Account Payable	0
Expenses Payable	6000.00
Loan Payable	0
Accrued expenses	734.00
<b>Owner's equity</b>	<b>55329.90</b>
<b>Total liabilities and equity</b>	<b>62,063.90</b>

[Next](#)

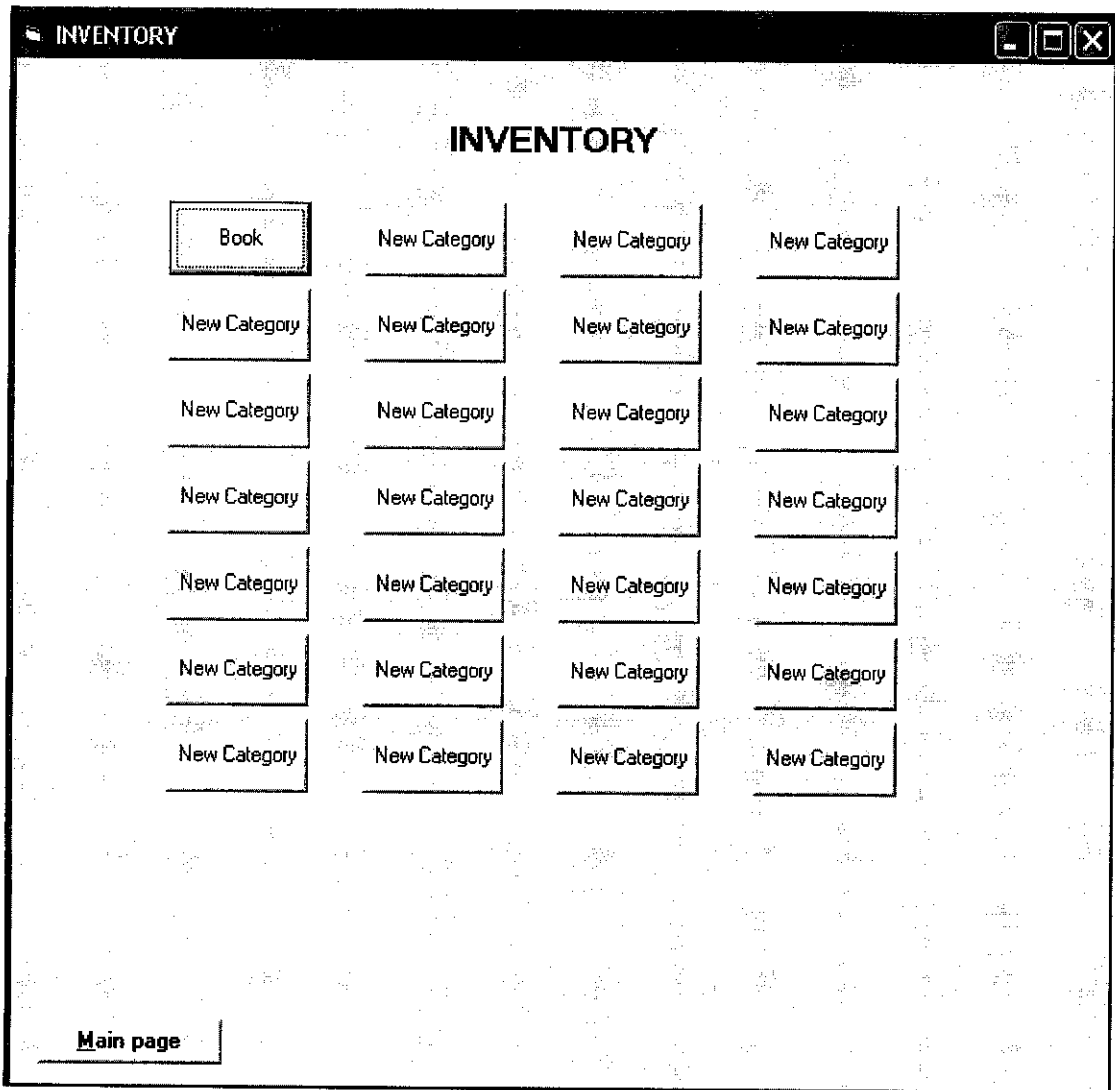
[Previous](#)

[First](#)

[Last](#)

[Main Page](#)

**Appendix 7: Yearly Report; Balance Sheet**



**Appendix 8: Inventory Main Page**



Book

Category: Book

Item No	Description	Quantity	Price/Unit	Selling Price
BK1033	Book	96	0.70	1.20
BE1034	Exercise Book	140	1.00	1.50
BX1035	Story book	196	5.50	9.00
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-
-itemNo-	-Description-	-Quantity-	-price/unit-	-sell price-

Update

OK Cancel

Appendix 9: Inventory; Category