

More on Using Commercial Accounting Software to Illustrate Accounting Information Systems Topics

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Abstract

Our earlier paper on this topic [Pillsbury and Saemann, 1996] presented materials which adapted the widely-used Systems Understanding Aid [Arens and Ward, 1995] a manual practice case for use with Great Plains' Dynamics. Dynamics is a high-end windows-based accounting general ledger package available free to universities for student use. The original materials were very transaction oriented in nature -- focusing on the recording of revenue, expenditure, and payroll transactions and preparation of basic financial statements. In this paper we provide materials which move beyond the basic Systems Understanding Aid transaction set and focus on issues related to control features, establishment of security, use of classes in file maintenance, reporting and query capabilities, and the incorporation of macros to facilitate workload.

Introduction

Bob Elliott, an well-known partner with KPMG Peat Marwick, notes that "information technology is creating a wave of change that is crashing over accounting's shoreline... Higher education can simply react to these changes or it can take a more active role, embracing the future, adapting rapidly, and facilitating the adaptations of others" [1992, p. 61]. Certainly there is widespread agreement among practitioners and executives that accounting students of today must learn to function comfortably in a computerized environment ["Perspectives", 1989]. Siegel and Sorensen [1994] report that corporate executives identify

information systems design as a topic in which business graduates are notably under-prepared. Similarly, the Bedford Committee [1986] and the Accounting Education Change Commission [1990] have recognized the "design and use of information technology" [emphasis added] is a core dimension of accounting education.

In spite of high level calls for inclusion of technology in the curriculum, Garceau and Bloom [1997] have found that faculty are hesitant to embrace the use of newer technologies. The time consuming nature of preparing classroom applications, lack of financial resources and limited incentives in the current reward structure all play a role in the slow pace of adoption. In spite of these contrary factors, change is occurring in

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the curriculum, albeit at a measured pace. More and more accounting academics are incorporating technology in their courses. Particularly, spreadsheet applications are obtainable at all levels and on varied topics in accounting. Garceau and Bloom found accounting information systems (AIS) faculty particularly receptive to technological innovation which is consistent with relatively recent inclusion of spreadsheets, relational databases and general ledger accounting packages in the AIS classroom [Jensen, 1992; Holley, 1995; Maher, 1993].

Presented in this paper are materials which are a continuation of the move toward greater inclusion of cutting edge technology in the classroom. Module One [see Pillsbury and Saemann, 1996] introduced accounting students to basic transaction recording and some of the internal controls (e.g. programmed credit limits, holds on transactions).that could be integrated in a high-end windows-based commercial general ledger package, Great Plains' Dynamics. The transaction set was based on the *Systems Understanding Aid (SUA)* manual practice case. Module Two, which we present here, moves beyond the *SUA* and focuses on more advanced issues of file maintenance and reporting controls. A significant advantage of the use of Dynamics is that the software will be available for experimental use over the Internet in Fall of 1997. Both students and professors accrue benefits from this advanced option. First, professors no longer have to supervise installation and maintenance of the software on the University network-- which always provides a challenge regardless of which accounting software package one uses. Second, students are exposed to the latest delivery method of accounting software in the real world. Almost all significant accounting software packages have developed Web front ends for their packages and students familiar with using web-based packages will definitely have a competitive advantage in the market place.

Purpose

Research has found that the learning style of many accounting students is best suited

to the practical application of ideas [Baker, Simon, and Bazeli 1986]. Recent studies have reinforced this finding by showing that software-specific training can increase student knowledge, skills, and perceptions of their ability to function successfully in a computer environment [Stone, Arunchalam and Chandler 1996]. Hence, a hands-on approach in AIS classes is likely to enhance student comprehension of the conceptual materials that become more and more abstract as the accounting world moves toward on-line financial reporting and a networked environment.

The overall purpose of the materials presented here is to reinforce students' learning of conceptual AIS topics by allowing them to experience the actual implementation in a real world accounting package. An equally important goal of this paper is to provide educators with materials that are already prepared, thereby reducing the time and commitment required to use such materials in the AIS course. Module Two covers the broad topics of file maintenance and reporting topics--particularly, issues related to control features, establishing security, use of classes in the recording of transactions, reporting and query capabilities, and the incorporation of macros to facilitate workload are covered. Detailed instructions allow students to utilize the package efficiently without having to master the idiosyncrasies of the specific program. And directed questions included in the Module force students to focus on understanding critical concepts, not just follow along on a click by click basis.

Information Processes and Internal Controls

An accounting information system involves three major activities: recording data about business transactions; maintaining data files on customers, vendors, inventory, etc.; and reporting information to decision makers. Although file maintenance and reporting are important in a manual system, discussions within manual settings have tended to concentrate on the recording of transactions. In a computerized system, the importance of careful file maintenance and controls over reporting becomes more obvious, probably because of the ease with

which unauthorized users can insert or extract a wide variety of (often confidential) information. Each of the three major activities of an AIS has risks associated with it. In the recording of transactions and maintenance of data files, the risks relate to the completeness, validity, valuation, and proper classification of the data that is recorded and maintained. Reporting risks are associated more with the proper classification and summarization of data and the appropriate and timely distribution to authorized decision makers. Much of the student activity in Module Two surrounds the methods available in Dynamics to address these areas of risk.

The Module Two materials require students to perform file maintenance procedures, develop simple reports for use in decision-making and monitoring, and set up access restrictions for data entry and output. Questions are organized to follow the sequence of required tasks so the issues of file maintenance and reporting are generally interspersed. The questions require students to stop and reflect on what they are doing. In addition, the questions draw attention to controls that will help assure compliance with management policies which should, in turn, lead to the validity, completeness, and correct valuation and classification of recorded transactions and reports. Many of the questions require analysis and are open-ended in nature. For example, the last question in the Module requires students to describe one feature in Dynamics that helps assure that management's objectives of proper validity, timeliness, valuation, classification and summarization are met. Throughout the Module we also include less direct questions aimed at these issues and the control objectives underlying the tasks performed. Following are examples of student activities and related questions:

1. We introduce students to the use of "classes" to increase efficiency in the maintenance of files and to increase compliance with management policies. Classes can be established for vendors, customers, inventory items, personnel, etc. In our example, retail, wholesale and restaurant customers were identified. Unique discounts,

credit terms, shipping policies and/or general ledger distribution accounts can then be set up for each category of customers. This allows for mass entry/deletion of information or changes to classes which is extremely beneficial in a busy business context. Classes could also be used for changing benefit information to personnel files, changing prices for inventory items, depreciation rates for classes of equipment, etc. Among the related questions was:

How did the use of a class of customers help assure that management policies regarding trade discounts were followed?

2. Related to the idea of performing work more efficiently we expose students to the idea of using a macro within the accounting software package to perform a repetitive task. Some of the students have already written and used macros in connection with a spreadsheet program which helps considerably. In our example, the students write a macro to quickly produce a summary trial balance at the manager's request. Students then place the macro on a "work" button which is used to bring tasks often performed together so that they can be accomplished in a more efficient manner. Although we used the macro to meet a reporting needs, macros could also be used for many other purposes, e.g. more efficient recording of monthly depreciation, mailing of a newsletter to customers, etc. Among the related questions was:

What is a macro and when is it most useful?

3. Security issues are one of the greatest controls in computerized accounting packages. A good accounting package will allow you to restrict access down to particular windows and fields. Students set up security restrictions for entry of payroll transaction and then set up security for a new group of temporary employees using the 'classes' feature described earlier. Students then address what type of restrictions can be established to assure that only authorized individuals record transactions, change master files, and obtain reports. Among the related questions was:

When you restricted Adams' access to Payroll, you did so for 'Windows' and 'Reports' but not for 'Files'. Explain the difference between these three 'Types' of restrictions.

4. Throughout the Module, students are instructed to utilize drilldowns and prepare reports for decision-making purposes and to help assure compliance with management policies on customer credit limits. Reports are used to provide information about many different entities. In our example, the company's General Manager requests a report that shows all customers whose average order exceeded \$15,000. Drilldowns, on the other hand, are used to provide detailed information about one entity and its transactions at a time. In our example, the assistant controller uses the powerful drilldown feature in *Dynamics* to verify that payment on a specific sale was correctly recorded. Among the related questions was:

If you wanted to assure that all July shipments to customers were recorded in sales, would you use a report or a drilldown? Explain briefly what you would look for.

Implementing Module Two

The preceding examples provide a flavor of the student activities in Module Two. Although the materials presented in this paper build upon the work students have already performed in Module One [see Pillsbury and Saemann, 1996], completion of the first module is not essential. However, students should have at least completed *Dynamics'* online tutorial so they are familiar with the software before beginning Module Two. This tutorial and SUA related data, which provides the database for Module Two, can be obtained from Great Plains homepage at <http://www.gps.com>. (Due to the changing nature of web pages I include the email address of Cheri Schoenfish who is administering the Great Plains Education Program--CSHOENF@gps.com). Although the materials have been designed for use with Great Plains, the features students used in *Dynamics'* would be found in most other high end packages, and thus


these materials could be adapted for use with other packages.

If students have already completed Module One, they should find the hands-on requirements in the second module easier because of their greater familiarity with *Dynamics*. However, the transactions are more complex in Module Two and many of the discussion questions require more abstract thinking. It took our students between one and two hours to complete the second Module. This was after completing the *Dynamics* tutorial which took between 30 minutes and an hour, and Module One, which took between two and three hours. We offered six hours of help in the computer labs for approximately 50 students and this seemed sufficient. Some class time should be devoted to the discussion questions to assure maximum understanding.

Conclusions

The materials presented in this paper help accomplish the educational objective of incorporating technology into the classroom, which both accounting practitioners and financial executives have identified as extremely important. Students are exposed to a real-world computer accounting software package without extensive class-time commitment. They can see first hand the advantages of computerization while experiencing some of the associated difficulties and constraints. The materials also highlight controls that are available to assure transactions occur in accordance with management's policies and that the information provided for decision-making is valid, complete, and correct.

Although computer assignments often introduce unique frustrations for students and faculty alike, it is essential to include such coverage in AIS classes. Operationalizing *Dynamics* in a university environment is not trivial and it requires continuous monitoring, but Great Plains offer solid technical support to aid in its implementation. Great Plains' experimentation with offering the software over the Web may alleviate the difficulties associate with implementing and maintaining *Dynamics* on a campus network..

Of course, new issues such as access and delivery speed associated with bandwidth will probably arise. 

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Module Two

Overview

In Module One, you dealt primarily with *transaction entries*. Module Two includes more advanced features of Dynamics. You will work with maintenance files, use and develop simple reports for use in decision-making and monitoring, and set up access restrictions for data entry and output. You will also use a macro to ease reporting responsibilities. In addition to seeing how a computerized accounting package works, you will learn about needed controls over recording, maintaining, and reporting in an accounting information system.

Opening Dynamics

Before you use Dynamics, you need to log in to the network using a special login name. Your group will receive a unique name, ex. "GP03". The password is (currently) "great."

Windows95 If you are using a machine with Win95, the procedure is very simple. *Click Start, Applications, Novell, Network Login*. When you see the login screen, *type* your group login name and password.

Windows 3.1 If you are using a machine with Windows 3.1, simply *exit* windows. (File, Exit) You will be at a DOS prompt. *Type f:*, then *login*. *Type* your group login name and password. Finally, *type win* to start windows again.

Click on the *Dynamics* icon which is available in the *Great Plains* program group. (In Windows 3.1, you should be able to find the group. In Win95, choose Start, Application, Great Plains.) The first window that opens informs Dynamics who you are and what company data you want to access. This assignment requires you to play the role of Jim Adams so *select Jim Adams* (by clicking on it once) as the user ID and then *select Waren Distributing* as the company. The password for Jim Adams is "AIS." Enter this password and then *click OK* to start Dynamics.

Don't Forget!

As with the previous assignments, make sure you activate 'show required fields' from the help menu. Also make sure to set your system date correctly!

Transactions List

January 4 German coffee makers were big sellers during the last Christmas season and are expected to continue to be in high demand. Waren has received numerous requests from customers to carry them. Recently, a suitable German vendor was found, and the goods and an invoice arrived today. The new vendor must be entered into the system before the order can be processed. Enter the Vendor Setup Window (*Cards⇒Purchasing⇒Vendor*) and record the following information using the magnifying glass whenever possible.

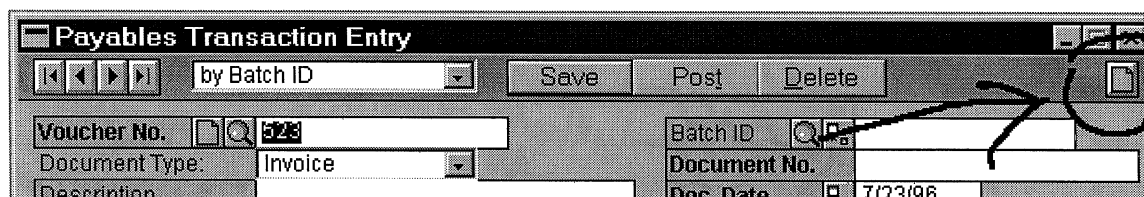
Field	Input	Note
Vendor ID	Dreiecke	German for: three corners
Name	Dreiecke GmbH	GmbH = Gemeinschaft mit beschwenken (sp) Haftung = Limited Liability Company
Short name	Dreiecke	
Check name	<i>Dreiecke GmbH</i>	
Address ID	<i>Primary</i>	
Contact	Dietrich Koenig	
Address	Falsche Strasse 42	
City	Hamburg	
Zip	20344	
Country	Germany	
Phone1	69 211 34922	
Fax	69 211 34931	
Address ID -P	<i>Primary</i>	Address ID-Purchase
Address ID-R	<i>Primary</i>	Address ID-Remit
Address ID-S	<i>Primary</i>	Address ID-Ship from
Vendor account	<i>USWaren01</i>	
Tax schedule		
Shipping Method	<i>UPS Ground</i>	

When entering information, use the 'about this item' option from the help menu to find explanations for any fields that you do not understand.

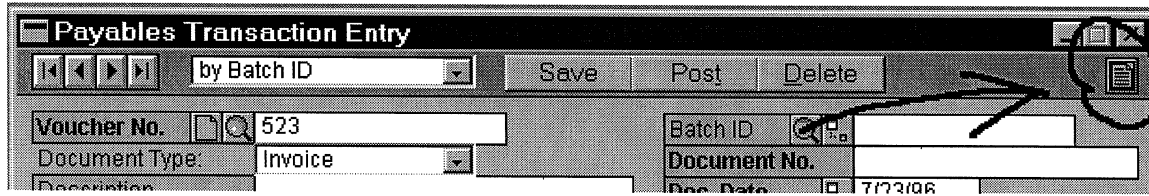
Save when you are finished. Luckily, Dreiecke will accept payment in \$US. Had they required payment in Deutschmarks, Dynamics would be able to automatically deal with the currency conversion issues.

Enter the first *invoice* from Dreiecke using the information from the accompanying document #1. (If you forgot how to enter the information, refer to your previous assignments.)

There is a discrepancy on the payment terms. Add a note to the transaction to remind you (or someone else) of the issue. To add a note, click the note button, as illustrated below:



Enter the following text: "Contact Dietrich Koenig at Dreiecke before payment RE: discount terms" and click *attach*. You should see the symbol change designating writing, as illustrated below:



Double click on the note button to see the message you just entered.

Payment is being made on the Dreiecke invoice. Enter a \$5,000 payment (*Transactions--Purchasing--Manual Payments*) to Dreiecke's account and click *Apply* (in the lower right-hand corner).

After making the \$5,000 payment to Dreiecke's account, Ray Kramer remembered the note that had been attached to the vendor file. Because payment terms were still not established on the account, he decided to place a hold on the account to prevent further payment. Enter this hold to the vendor file for Dreiecke (*Cards--Purchasing--Vendor*).

Attempt to record the final payment on the Dreiecke account.

STOP and answer questions 1-3 located at the end of this handout.

January 5 The ability to set up classes of customers, vendors, and employees allows companies to do many things more efficiently. It also helps assure that management policies are followed on a more consistent basis. For example, Waren may categorize customers as retailers, wholesalers, and restaurants. Each of these customer classes could, in turn, be set up with unique discount rates, credit terms, shipping policies, and general ledger distribution accounts which are automatically entered when the customer class is identified. Ideally, of course, the system would allow the company to change any of these individual settings for specific customers.

Several of Waren's larger volume customers have threatened to go to other distributors who offer trade discounts. In response, the V.P. of Marketing, Ray Kramer, has recommended that Waren institute a policy on trade discounts for customers who place large orders. Customer classes will be used to identify those customers who should receive these discounts. As a first step, Ray has requested a report that shows the customers whose average orders in 1995 exceeded \$15,000.

Because this report hasn't been generated before, a brief report setup is necessary. *Open* the Sales Analysis Reports window (*Reports⇒Sales⇒Analysis*). *Choose* Period Sales Analysis from the dropdown box and select *new*. Enter the following information:

Field	Input	Note
Option	95Sales	This names the report.
In detail	uncheck box	Only summary info is necessary.
Sort	Gross Profit	It would be nice to sort by total sales, or by average sales, but sorting by Gross Profit will work.
Year	1995	
Ranges	Class ID	We only wish to examine the average sales amounts of credit customers. By designating a range, we can limit the report to particular information, in this case the class ID.
From, To	CREDIT	Enter credit for both. Notice that this excludes all customers who pay by cash.
Insert		This adds the above criteria to the report.

Click on Destination and **choose** Ask Each Time. **Save** the report modifications and then **print** the report, sending the output to the printer. (If you don't remember exactly how to do it, experiment a bit, or consult your notes from the earlier assignments.)

Examine the report and circle the customers whose average order amount exceeded \$15,000.

Creating the Trade Discount Class Because Ray Kramer may from time to time decide to change the criteria regarding which companies may take the trade discount, it is best to create a new group or class of customers and simply add or remove customers from the class. The ability to set up classes of customers or vendors allows us to do many things in a more efficient manner.

Open the Customer Class Setup windows (*Setup*⇒*Sales*⇒*Customer Class*) and enter the following information:

Field	Input	Note
Class ID	CUST05	Or something similar to logically designate the class.
Description	5% Trade Disc.	Or something similar...
Trade Discount	5.00%	

(Leave the terms the same.) **Save** the new class when you are finished.

To add customers to this class, **open** the Customer setup window (*Cards*⇒*Sales*⇒*Customer*). Based on your previous findings, select the first customer you wish to add to the list. **Change** the Class ID field from 'CREDIT' to 'CUST05' (or whatever you named the new class.) **Save** the changes and **repeat** this process, if necessary, for any other customers you wish to add to the new class.

Finally, a new G/L account needs to be setup to track the discounts. It would be possible to throw the cost of offering the discount into the existing 'Sales Discounts' account, but that will make it difficult to distinguish between the two discounts. To setup a new account, **open** the Account Setup window (*Cards*⇒*Financial*⇒*Account*). Enter the following information:

Field	Input	Note
Account	30350	This will be the new account number.
Description	<i>Sales/Trade Discounts</i>	Or something similar...
Category	Sales Returns and Discounts	Use the magnifying glass to choose.
Series	Sales	
Posting Type	Profit / Loss	
Typical Balance	<i>Debit</i>	

Save the account information. Now *enter* (but do not post) a sales order from one of the companies you added to the Trade Discount class.

STOP and answer questions 4-5 located at the end of this handout.

January 7 Ray Kramer has asked for a summary trial balance. Although it is a simple process, you have been asked to print a trial balance often in the last several days. To make the process faster, create a macro and assign it to the 'Work' toolbar button.

In its simplest form, a macro is simply a list of tasks performed in sequence. There are two steps involved with using a macro: first the macro is created by having Dynamics 'watch' what you do, and second, the macro is executed by 'watching' Dynamics play it back. Before beginning, it is important to note that the time it takes you to do each task is unimportant; Dynamics will not 'record' the time spent between choices. Go at your own pace. Also, if you make a mistake while recording, it is best to quit and start over...

First, *choose* Macro⇒Record. *Name* the macro "p:\dynamics\quicktb.mac". (If you are rerecording the macro, answer "yes" to replace the old one.)

Next, follow these steps exactly: *Choose* (Reports⇒Financial⇒Trial Balance.) *Choose* Summary from the drop-down list. *Click* on Current(screen) and then *click* insert. *Click* Print. After the report is printed to the screen, *choose* Macro⇒Stop Recording.

Clear the screens and *test* the macro by closing all the windows and choosing, Macro⇒Play. *Select* "quicktb" and let the macro run.

Work Button So we can make it even more convenient to print the summary trial balance, add the macro to the work button. The work button can be used to bring tasks we perform often together so that they can be done in a more efficient manner. *Open* the User Preferences setup window (Setup⇒Use Preferences) and *click* on the Work button.

Choose Add and fill in the following information:

Field	Input	Note
Item	Quick Trial Balance	Or something similar...
Type	Dynamics Macro	Notice the external task option. This can be used to add any existing program you wish.
Application	quicktb.mac	Use the magnifying glass to choose the macro that is to be associated with this work button.

Choose OK.

We would also like to add a work button to use a Dynamics application “Calculator”. *Repeat* the process you followed to set up a button for the quick trial balance only this time, for the Application field type “calc.exe”.

Close all windows, *click* on the Work button, and try the new addition.

STOP and answer question 6 located at the end of this handout.

January 12 Nancy Ford, the assistant controller, was asked to verify that a payment for a sale of \$10,000 to Bertram was correctly recorded. By using the drilldown feature in Dynamics, a great deal of information can be found quickly.

First, *enter* the Receivables Transaction Inquiry window (*Inquiry*⇒*Sales*⇒*Trx by customer*) and *select* Bertram as the customer. Notice the list of transactions. *Highlight* the line with the \$10,000 sale. *Move* the cursor over the area of the windows entitled “Document number”, as illustrated below:

Origin	Type	Document Number	CF
Doc. Date	Due Date	Discount Amount	Writeoff?
OPEN	SLS	SALES505	
OPEN	SLS	SALES511	
OPEN	SLS	SALES512	
OPEN	SLS	SALES513	
OPEN	SLS	SALES514	

Notice how the cursor changes to a magnifying glass, as illustrated below:



Once the cursor has changed to a magnifying glass, *click* once to examine the underlying information. *Click* on the Apply and Distributions buttons to explore that information as well. *Note*

the pertinent information (dates, amounts, discounts, accounts

affected, etc.) for the \$10,000 sale.

Return to the list of transactions to explore the payment of the sale. (Hint, the payments are on the same list further down.)

STOP and answer questions 7-8 located at the end of this handout.

We can use reports and the drilldown feature to see how controls in Dynamics help assure compliance with management policies on customer credit limits. First, use Reports to find Fritter Appliances in the Accounts Receivable Trial Balance (Reports⇒Sales⇒Trial Balance⇒By Customer). Note Fritter’s credit limit, sales terms, and current balance due.

Attempt to enter a sales transaction for Fritter (review work in Module One if you’ve forgotten how to do this).

STOP and answer question 9 located at the end of this handout.

January 14 Ray Kramer has been able to use the 5% trade discount as a tool to lure a major customer away from one of Waren’s competitors. The customer has already placed a sizable order and they need to be added to the system so the order can be entered.

To enter the new customer, *open* the Customer setup window (*Cards*⇒*Sales*⇒*Customer*) and *type* the following information:

Field	Input	Note
Customer ID	Zweistein	German for: two stones
Name	Zweistein, Inc.	
Short name	Zweistein	
Class ID	CUST05	
Address ID	Primary	
Address	1234 Falsche St.	
City	Hamburg	
State	WI	
Zip	53607	
Phone1	608 233-5300	
Fax	608 233-5310	
Shipping Method	Mail	

When you are finished, *click* the options button and set Zweistein's beginning credit limit to \$18,000.

Now *enter* their order for \$10,000 and *post* it.

January 15 Security issues are one of the greatest concerns in computerized accounting packages. A good accounting package will allow you to restrict access down to particular windows and fields. Jim Adams, the accounting clerk, presently has access to all of Waren's files and although he is a trusted employee, Ray Kramer has recognized that Jim should not have access, in particular, to the payroll files.

First you need to *'turn on'* security restrictions for Waren. In the company setup window (*Setup*⇒*Company*⇒*Company*) *click* the box "Security". (*Password*=*uwm*.)

Next, *create* a new class of users. Enter User Classes (*Setup*⇒*System*⇒*User Classes*). *Name* the new class "ACCTG" and *enter* the following description: "Accounting personnel". The next several steps are more involved; setting up security is a lengthy process.

First *set* the 'Type' field to 'Windows'. (This will set access to specific windows within Dynamics.) *Set* the 'Series' field to 'Payroll'. Spend a few moments *browsing* through the *Access List*. Notice all the names start with an asterisk; this designates security is granted. Restrict access to all 'Payroll Windows' by *clicking* 'Unmark All'.

Now change the 'Series' field from 'Payroll' to 'Financial'. Reviewing the items on the Access List, which items do you think the Accounting Clerk should not be able to access? Restrict access to all 'Financial Windows' that relate to payroll.

Browse the remaining 'Series' fields and identify any other payroll-related items that would require restricted access for the Accounting Clerk.

Now security access has been set for all windows in Dynamics. It is also possible to set access to Reports, Files, and other aspects of Dynamics. *Revoke* access to any payroll reports in Dynamics that hold confidential data. *Save* when you are finished.

Now that the security access for the new group has been set, *enter* the User setup window (*Setup*⇒*System*⇒*User*) and change Jim Adams Class ID to ACCTG.

STOP and answer question 10 located at the end of this handout.

January 22 Jim Adams has been taking on more responsibilities, and has been having difficulties entering all the daily transactions on a timely basis. Jim has brought this issue up with Ray Kramer, who decided to hire a college student to work part-time as an assistant. The chosen candidate is a first year accounting major; consequently her responsibilities will be limited to entering cash receipts into Dynamics.

STOP and answer question 11 located at the end of this handout.

Save the information and then *exit* Dynamics. *Restart* and begin the session as Ray Kramer. Now open the employee maintenance window (*Cards*⇒*Payroll USA*⇒*Employee*) and *enter* the following information for Darci Rocks so that Dynamics can calculate payroll checks automatically.

Field	Input	Note
Employee ID	Rocks	
Last name	Rocks	
First name	Darci	
Social Security #	123-45-6789	
Part Time	check box	
Department	GENER	You can use the magnifying glass...
Job Title	TEMP	
Work Hours per Year	500	This is just an estimate
Address	333 Tester Ave.	
City	Shorewood	
State	WI	
Zip	53211	
Phone1	(414) 222-1313	
Start Date	1/15/96	
Birth Date	4/12/73	
Gender	Female	
Ethnic Origin	Caucasian	

When finished, click the Tax Info button and enter the following information:

Field	Input	Note
Employee ID	Rocks	
Federal Filing Status	Single	
EIC Filing	Not eligible	

Save the information and close the window. Click the Pay Codes button. Enter the following information:

Field	Input	Note
Employee ID	Rocks	
Pay Code	Hourly	
Pay Rate	\$3.20	
Unit of Pay	Hourly	
Pay Period	Biweekly	
SUTA State	WI	

Save the information and close the window, and then save and close the employee maintenance window.

STOP and answer questions 12-14 located at the end of this handout.

Document 1

Alle Kosten in \$US. All prices in \$US.

Dreiecke GmbH

Falsche Straße 42
20344 Hamburg
Deutschland

Ja, noch ein Kaffee!

Zeit 1833

DATUM	1/02/96
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Verkäufer: Waren Distributing
1978 Michigan Ave.
Chicago, Illinois 60612
USA

Post: 1978 Michigan Ave.
Chicago, Illinois 60612
USA

Verkauf Nummer:	Verkauf bekommen:	Process Datum:	Post:	Packete:	Achtung:
PO51231	12/23/95	12/27/95	12/27/95	10	

Nummer:	Description	Nummer:	Kosten:	ins Gesamt:
30200	Seimens Coffee Maker X2	400	35.00	14,000.00
34211	Kaufman Filters	60	2.00	120.00

Amount Due (US\$)→	14,120.00
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Questions from Module Two: Great Plains Dynamics Assignment

1a. Look at the Vendor Setup Window. It should include all the information a company needs about its approved vendors. Two important items of information are missing -- discount terms and FOB status. Explain why each of these items is important.

1b. Why is it important that access controls limit data entry for new vendors and for changes in existing vendor files?

2a. Look at the Payables Transaction Entry Window -- Payment Terms. Use the magnifying glass to review payment terms available. What did you find?

2b. What are the advantages and disadvantages of recording payment terms for each invoice individually rather than for each vendor?

3a. Try to enter a cash payment on the Dreiecke account when a note has been attached. What happens?

3b. Is the *note* set up for Dynamics an effective control for assuring that unapproved transactions will not occur? What is a better alternative?

3c. What happened when you tried to make a payment on a "hold" account?

4a. Why didn't we sort by total sales to create the report on larger volume customers for the General Manager?

4b. Describe the differences between orders from companies that do and do not receive the trade discount.

4c. How did the use of a class of customers help assure that management policies regarding trade discounts were followed?

5a. Explore the Distributions window and describe what you find.

5b. How does the distribution set up in the Sales Transaction Entry Form help assure proper accounting?

6. What is a macro and when is it most useful?

7a. What is the basic difference between the information provided from a report and from *Dynamics'* drilldown feature?

7b. If you wanted to assure that all July shipments to customers were recorded in sales, would you use a report or a drilldown? Explain briefly what you would look for.

8. Was the discount on the Bertram sale consistent with management policy and if not, what kind of notice did Dynamics provide of noncompliance?

9a. What happened when you attempted to record a new sales order for Fritter?

9b. What are some explanations for Fritter's balance due exceeding its credit limit.

10. Security access can be granted for each user. Why might it be beneficial to create the TEMP group and grant access to the group? (Consider efficiency as well as internal control.)

11a. Describe what happened when you tried to print the trial balance and post a payable and cash receipt transaction as the restricted user.

11b. When you restricted Adams' access to Payroll, you did so for 'Windows' and 'Reports' but not for 'Files'. Explain the difference between these three 'Types' of restrictions.

12. You entered an estimate of Darci Rock's work hours per year. Describe how this information might be used as a control similar to the customer credit limit.

13. A system that allows shortcuts and minimizes time needed to record transactions, maintain data files, and generate reports is *efficient*. Describe one specific feature of Dynamics that can be used to enhance efficiency in (a) recording transactions, (b) maintaining data files, and (c) generating reports.

(a) _____

(b) _____

(c) _____

14. An accounting system should provide reasonable assurance about the reliability of an organization's financial records. Specifically, a system should assure that only (a) valid, authorized transactions are recorded, and that (b) all transactions that occur are recorded on a timely basis, (c) are properly valued, (d) classified, and (e) summarized. Describe one control that you could establish using features in Dynamics to assure each of these objectives are met.

(a) _____

(b) _____

(c) _____

(d) _____

(e) _____
