

Excerpt from the Students' Instructions

Instructions for entering Cashco's data:

1. The first month of trading.

Val commences using MYOB with only the entry of cash transactions. This is a realistic and oft used approach in the business world. It enables the user to commence using a computerised system with the minimum of fuss. During this period a manual system has been used to track debtors and creditors (once again a common situation).

The following paragraphs will give some guidelines for entering the cash data.

a. Entering deposits for the first month

There are TWO possible approaches.

- i) **Enter the TOTAL of the deposit only.** This approach would be appropriate if a breakdown according to client is **not** required. It would also be used in a business where the individual sources of the funds cannot be, or is not, traced ie: cash over the counter. The solution has assumed this approach.
- ii) **Enter each INDIVIDUAL receipt.** This approach will provide a customer database with the ability to use the Inquiry window to view all the transactions affecting individual customers. If you intend to use this approach remember it would be appropriate to use an "Undeposited Funds Account". If you don't use this account the bank reconciliation process will be more complicated. A business would not normally enter receipts individually in this manner. If they wished to have this detailed information they would probably enter the transactions via the "Sales" section and apply receipts via Customer Payments.

My approach to entering the transactions shall be

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- ☞ As you are entering the first few entries "Recap the Transaction". You will find this under "Edit/Recap Transaction". This will stress that the entry that is being made does in fact have a double entry impact. If you understand double entry it will help confirm the accuracy of the entry.
- ☞ Display the receipts journal by taking the short cut via the magnifying glass, or closing the deposit window and going to the "Transaction Journal". This emphasises that the transaction that is being entered, is being placed in a "journal". Compare it with the manual Cash Receipts Journal with which you may be familiar. Throughout the exercise, this regular checking via the transaction journal will help you understand the effect that your entries are having.
- ☞ Regularly display a Profit & Loss Statement. This illustrates the essential nature of a computerised accounting system --- information is entered from source documents, and then the program itself completes a good deal of the