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TUTORIAL AND APPLICATIONS

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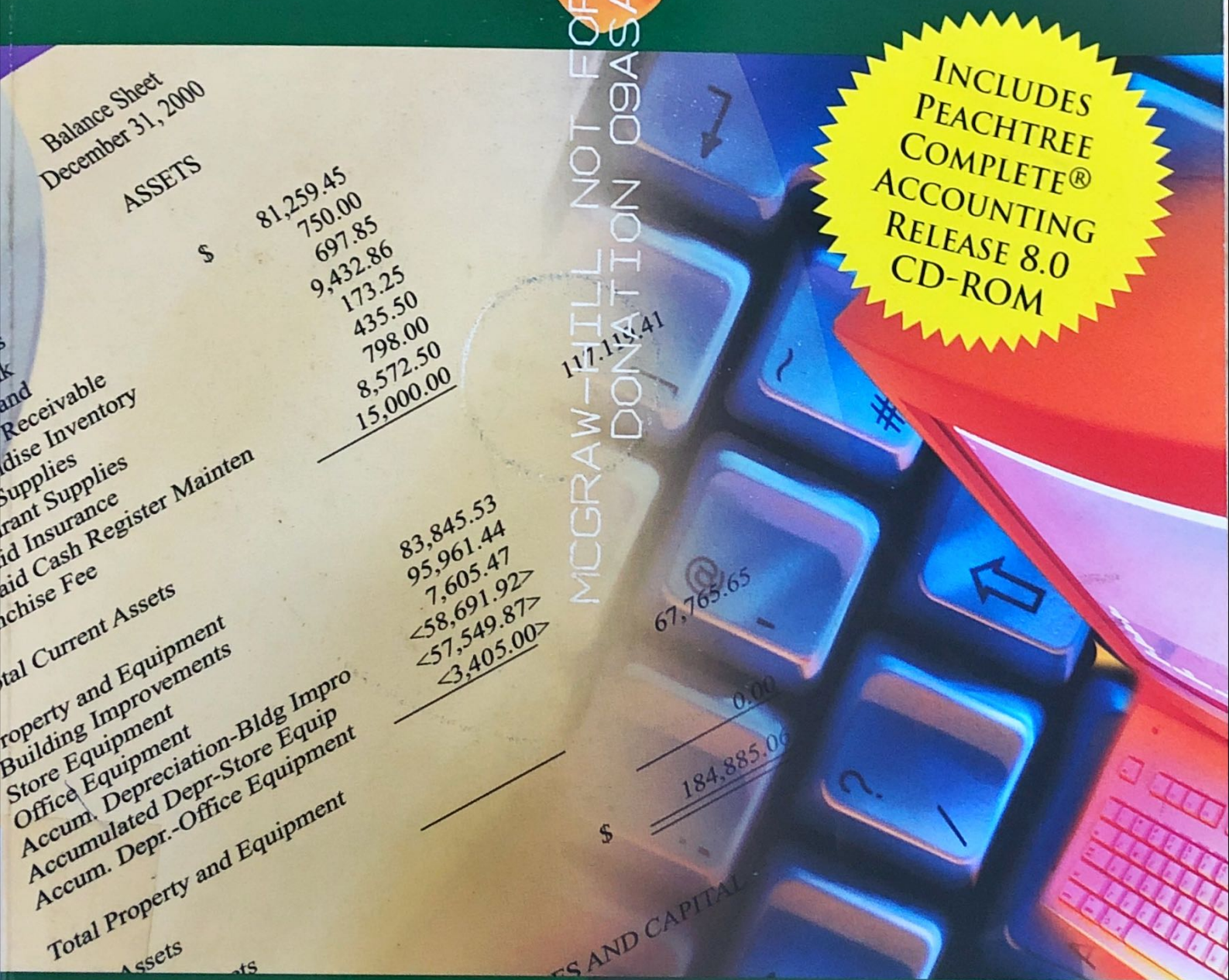

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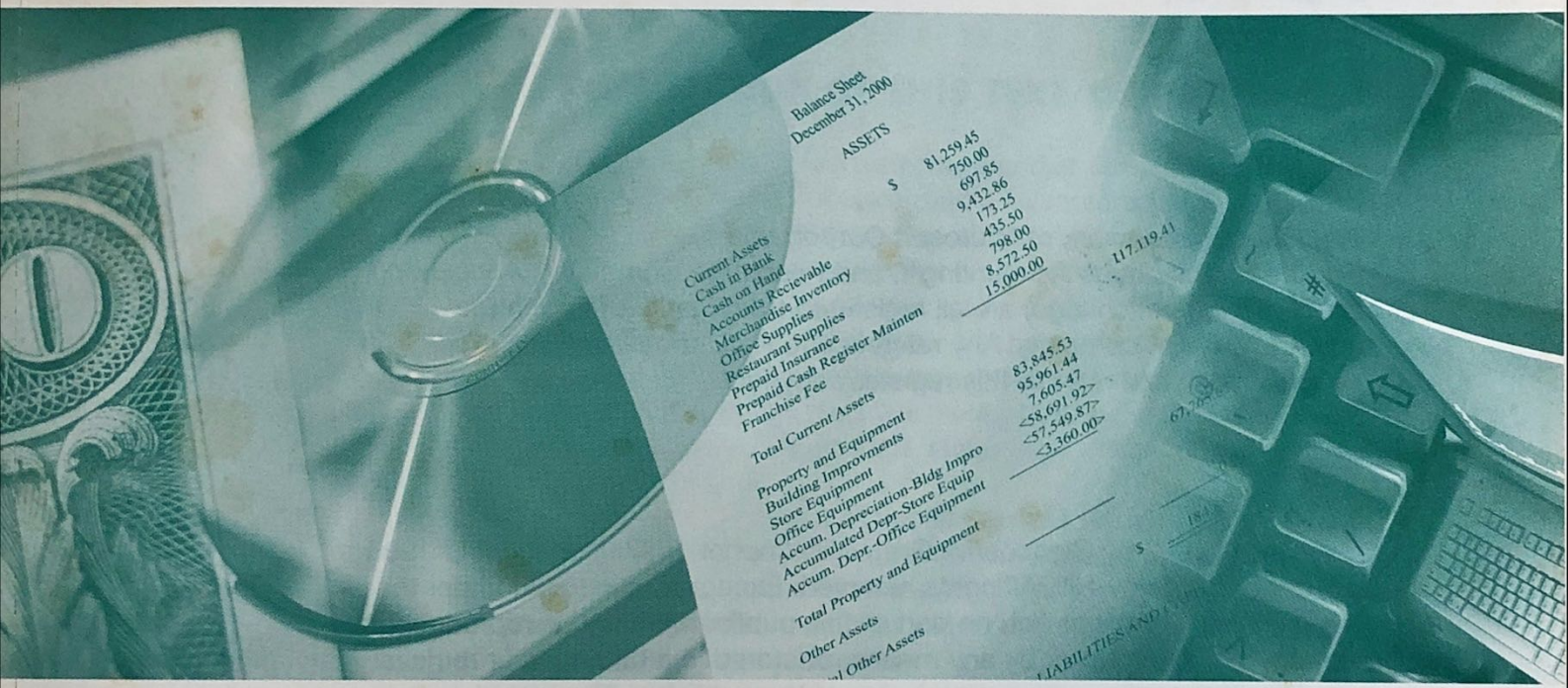

FOURTH EDITION

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Preface

After you have learned accounting principles, what's next? Applying this knowledge to accounting software is an important next step. Computers and accounting software, once the exclusive domain of large organizations, have become indispensable tools used by all types and sizes of businesses. Today, a business may choose from a diverse range of computer hardware and software accounting tools.

Learning to combine computer technology with an understanding of accounting is an important part of the development of your academic skills. This text/workbook (with *Peachtree Complete Accounting 8.0* software and the accompanying template student disks) provides a comprehensive package for learning automated accounting procedures.

ORGANIZATION OF THIS TEXT/WORKBOOK

This book consists of fourteen chapters that provide extensive coverage of accounting topics. You will find a balanced approach between reading and hands-on activities. The chapters include learning objectives, step-by-step instructions, computer practice activities, review questions, and computer application problems that reinforce the accounting principles taught in the chapter. Additionally, each chapter contains a vignette; these explore topics such as securing data. Scattered throughout the body of the text are notes that are intended to recall an accounting procedure or alert students to computer procedures that should be followed.

Chapters 1, 2, and 3 of the text explain setting up and maintaining *Peachtree*. Chapters 4 through 9 give instructions for using the software and recording transactions involving the General Ledger, sales and accounts receivable, purchases and accounts payable, cash receipts, cash disbursements, and job costing.

Chapter 10 provides instructions for generating financial reports. Setting up and processing payroll is explained in Chapters 11 and 12. Chapter 13 explains the process for estimating budgets for revenue and expense accounts. The Business Analysis chapter provides the opportunity to analyze accounting information such as projected and actual cash flow, forecast for cash collecting, collecting accounts receivable and payment aging. Ratios (such as profitability and working capital) are calculated in the financial manager component. Analysis information can be presented in numeric or graphic form.

Three capstone business simulations are provided following the tutorial chapter. The simulations are designed to give you the opportunity to apply your accounting and computer skills by entering business transactions for the final month of the fiscal period for a small merchandising business. Creamy Delight is a sole proprietorship; The Book Worm, a partnership; and The Floor Store, a corporation. After

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completing a simulation, an analysis test is provided. The Tumbleweed simulation gives you experience in payroll procedures.

There is a glossary of accounting and computer terms. The Appendix contains a list of the icons used in *Peachtree*.

FEATURES OF THE SOFTWARE

Peachtree, a commercial accounting package, has been designed to be easy to learn and easy to teach. Features of the software include:

- Navigation aids
- Menus and submenus
- Invoicing
- Budgeting
- Business analysis
- Sales
- Purchasing
- Job costing
- Payroll
- Drill-down feature in reports, for ease in editing and auditing
- Help
- Drop down menus
- Lookup boxes

COMPUTER PRACTICE AND END-OF-CHAPTER PROBLEMS

Practice activities are spread throughout the chapters, and comprehensive application problems are at the end of each chapter. Premier Fitness Club, Inc. is the corporation used in Chapters 4 through 14 of the tutorial.

José Garcia is the president and principal stockholder of Premier Fitness Club, Inc., a fitness and exercise club located in Chicago, Illinois. Premier is a small corporation, with annual sales of approximately $1 million. The company employs five full-time persons and hires part-time employees on an as-needed basis.

The club sells individual memberships for $30.00 and offers $25.00 memberships to a single group or organization. Premier has a pro shop on the premises where sports clothing and exercise tapes are sold. Through the pro shop, the business deals with several vendors and customers.

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INSTRUCTOR'S RESOURCES

The instructor's manual includes a broad range of useful resources. Teaching suggestions and solutions for the Review and Application exercises are also included.

HARDWARE REQUIREMENTS

Peachtree is designed to run on IBM PC and compatibles using Windows 95 or 98. The hardware requirements are the following:

- IBM (or 100% compatible) computer, 386 or higher
- MS-DOS 3.13 (or higher) and Windows 3.1 or higher
- Color or monochrome VGA monitor
- Printer that can print 132 characters in compressed or expanded mode and supported by Windows
- 4 MB RAM; minimum 11 MB free disk space
- Mouse

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