



RAMA UNIVERSITY

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FACULTY OF COMMERCE AND MANAGEMENT

COURSE: BBA & BCH

SUBJECT: BUSINESS ORGANIZATION

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LECTURE-10



TYPES OF BUSINESS SYSTEMS

There are five major types of business systems

1. Payroll business system
2. Personnel business system
3. Accounts receivable system
4. Accounts payable system
5. Inventory system.

1. Payroll Business System:

A payroll system consists of all forms, procedures, files, equipment's, personnel, and computer support necessary to completely process the payment of employees. A payroll system fully handles all tax deductions, personal deductions, and the update of payroll data related to each employee.

2. Personnel Business System:

Personnel system describes varied aspects of an organisation's work force. The outputs generated by personnel systems are frequently used in compiling central & state labor power reports. Retail organisations are major users of accounts receivable systems, since these systems detail monies that are owed to an organisation.

.3 Accounts Receivable System:

An account receivable systems are monitors the flow of money. An accounts receivable system monitors the people who owe money to a business. It provides the means to process all data for credit cards and other kinds of charge accounts.

4. Accounts Payable System:

Accounts payable system monitors the organisation to which money is owed. The file structures and input/output (I/O) formats are similar as the accounts receivable system. It contains the accounts of vendors to whom money is owed. Input will have goods and services received by the company while outputs include issue of payments and management reports.

5. Inventory System:

Inventory system monitors the status of items held in an inventory. These systems report on the quantities of goods on hand, as well as when items should be purchased to replenish stock and what critical items are needed. Inventory systems are crucial to organisations that maintain large and costly inventories.