

# **CHAPTER-04**

## **Analysis and Findings**

## **5. Findings & Analysis of 10 Herbal Companies:**

A table has been drawn below to show a comparison over the usage of accounting system of 10 respective Herbal Companies. It also reveals the degree of similarities-dissimilarities being experienced by each of the Herbal Company while measuring the level of their compliance to a given set of factors over a wide range of scales. Again it provides a glimpse of the overall practices made by each of the Herbal Company.

(1) Nature of Management:

Company Name	(a) Centralized	(b) Decentralized
Modern Herbal Group	√	
Mega Health Care Company		√
Beacon Pharmaceuticals Ltd.	√	
KTN Herbal		√
Jini Laboratories Ltd	√	
Intra Food Industries	√	
Green Life Herbal		√
Almas Super Shop	√	
UMC Chemical Works Bangladesh		√
Sakti Herbal	√	

Table-1

Particulars	Centralized	Decentralized
Nature of Management	60%	40%

First I take ten samples for research studies. For the nature of organization 60% herbal company choose centralized Management. Rest 40% herbal company follow decentralized management. Here Centralization organization along a strictly hierarchical model. No delegation of authority is permitted. Centralization's benefits of clear direction and facilitated planning are offset by its inflexibility as well as poor accountability since no subunit has independent authority to act.

Decentralization delegation of decision-making to the subunits of an organization. It is a matter of degree. The lower the level where decisions are made, the greater is the decentralization. Decentralization is most effective in organizations where subunits are autonomous and costs and profits can be independently measured.

The benefits of decentralization include: (1) decisions are made by those who have the most knowledge about local conditions; (2) greater managerial input in decision-making has a desirable motivational effect; and (3) managers have more control over results. The costs of decentralization include: (1) managers have a tendency to look at their division and lose sight of overall company goals; (2) there can be costly duplication of services; and (3) costs of obtaining sufficient information increase.

Decentralization essential decision-making and policy formulation done at several locations throughout an organization. The objective is to give decision-making authority to those most directly responsible for the outcome of those decisions, with first-hand experience and knowledge about the issues involved.

(2) Operating system of the organization:

Company Name	(a) Manual	(b) Computerized	(c) Both
Modern Herbal Group			√
Mega Health Care Company			√
Beacon Pharmaceuticals Ltd.			√
KTN Herbal			√
Jini Laboratories Ltd			√
Intra Food Industries			√
Green Life Herbal	√		
Almas Super Shop			√
UMC Chemical Works Bangladesh			√
Sakti Herbal			√

Table-2

Particulars	Manual	Computerized	Both
Operating system of the Organization	30%	70%	70%

For operating system of the organization 30% herbal company prepare manual system. Manual accounting systems, although less common today are still the primary choice of record keeping for some small businesses. Manual accounting and bookkeeping systems are the traditional form of maintaining a businesses accounts and records.

They involve keeping various ledgers and files which typically include a cash book, sales and purchase day books and petty cash sheets.

Although the use of basic manual bookkeeping systems requires little knowledge or skill in accounting, they are still the preferred method of accounting for those who have used them in the past.

Advantages of using manual records and books include:

### **Correcting Errors**

correcting entries might be easier with **manual systems** as opposed to computerized ones which can leave messy and complicated audit trails for deleted or changed entries.

With the **traditional books**, it is simply a case of erasing the erroneous entry and replacing it with the corrected one.

### **Data Corruption**

The risks of corrupted data are much less with manual systems. There have been cases where months and years worth of data have been lost as a result of computerized file corruption. **Keeping manual books** can avoid this problem, particularly if the records are stored securely in a fire proof environment.

### **Duplicate Copies of Data**

Problems with having duplicate copies of the same accounting records are generally avoided with traditional bookkeeping. The ease of transportation and backing up of computerized accounting systems may sometimes confuse the user. This can result in an out of date data set being erroneously judged as being the most recent version and result in incomplete accounting records.

70% of herbal company followed computerized system. Computerized accounting is designed to automate and integrate all the business operations, such as sales, finance, purchase, inventory and manufacturing. With Computerized accounting, accurate, up-to-date business information is literally at the fingertips. The Computerized accounting

combine with enhanced MIS, Multi-lingual and Data organization capabilities to help the company simplify all the business processes easily and cost-effectively.

### **Complete Visibility**

Computerized accountings giving the company sufficient time to plan, increase the customer base, and enhance customer satisfaction. With Computerized accounting the company will have greater visibility into the day-to-day business operations and access to vital information.

### **Enhanced User Experience**

Computerized accounting allows the company to enter data in a variety of ways which makes work a pleasure. Adapting to the specific business needs is possible.

### **Accuracy, Speed**

Computerized accounting has User-definable templates which provides fast, accurate data entry of the transactions; thereafter all documents and reports can be generated automatically, at the press of a button.

### **Scalability**

Computerized accounting adapts to the current and future needs of the business, irrespective of its size or style.

### **Power**

Computerized accounting has the ability to handle huge volumes of transactions without compromising on speed or efficiency.

### **For Improved Business Performance**

Computerized accounting is a highly integrated application that transforms the business processes with its performance enhancing features which encompass accounting, inventory, reporting and statutory processes. This helps the company access information faster, and takes quicker decisions. Computerized accounting also guarantees real-time optimization of operations and enhanced communication.

### **Quick Decision Making**

Generates real-time, comprehensive MIS reports and ensures access to complete and critical information, instantly.

### Complete Reliability

Computerized accounting makes sure that the critical financial information is accurate, controlled and safe from data corruption.

70% herbal organization used both operating system. They involve keeping various ledgers and files which typically include a cash book, sales and purchase day books and petty cash sheets.

Although the use of basic manual bookkeeping **systems** requires little knowledge or skill in accounting, they are still the preferred method of accounting for those who have used them in the past.

(3) Recording system of the organization:

Company Name	(a) Cash	(b) Accrual	(c) Both
Modern Herbal Group			√
Mega Health Care Company			√
Beacon Pharmaceuticals Ltd.			√
KTN Herbal			√
Jini Laboratories Ltd			√
Intra Food Industries			√
Green Life Herbal			√
Almas Super Shop			√
UMC Chemical Works Bangladesh			√
Sakti Herbal			√

Table-3

Particulars	Cash	Accrual	Both
Recording system of the Organization	100%	100%	100%

Most Herbal organization used cash and accrual system for Recording. They Accrual system only for suppliers and distributor or dealer not for customer.

(4) Counting of Inventory:

Company Name	(a) Periodical	(b) Perpetual
Modern Herbal Group	√	
Mega Health Care Company	√	
Beacon Pharmaceuticals Ltd.	√	
KTN Herbal	√	
Jini Laboratories Ltd	√	
Intra Food Industries	√	
Green Life Herbal	√	
Almas Super Shop	√	
UMC Chemical Works Bangladesh	√	
Sakti Herbal	√	

Table-4

Particulars	Periodical	Perpetual;
Counting of Inventory	100%	0%

For counting inventory Herbal organization used periodical system. Every company must perform a physical inventory of its warehouse stocks at least once in a fiscal year to balance the stock account.

In addition to continuous inventory and cycle counting, you can also use the periodic inventory procedure. You can take a periodic inventory in the form of a complete inventory count or as a sample -based inventory count. In the SAP R/3 System, physical inventory refers to the functions used for performing the physical inventory. You can value stocks for balance sheet purposes based on the data counted. You can find these functions under the node Balance Sheet Valuation in the SAP R/3 System.

All of the company's stocks are physically counted for the balance sheet key date during the periodic inventory (complete inventory count). You must count every material. The whole warehouse must be blocked for material movements during the count (organizationally).

Perpetual inventory systems show all changes in inventory in the "Inventory" account. Purchase accounts are not used in a perpetual inventory system.

(5) Inventory Valuation Methods:

Company Name	(a) LIFO	(b) FIFO	(c) Weighted Average Method
Modern Herbal Group	√		
Mega Health Care Company		√	
Beacon Pharmaceuticals Ltd.	√		
KTN Herbal	√		
Jini Laboratories Ltd	√		
Intra Food Industries	√		
Green Life Herbal	√		
Almas Super Shop	√		
UMC Chemical Works Bangladesh	√		
Sakti Herbal	√		

Table-5

Particulars	LIFO	FIFO	Weighted Average market price lower of cost & market price.
Inventory valuation method	90%	10%	0%

90% of Herbal organization LIFO method for inventory valuation. LIFO assumes that an entity sells, uses or disposes of its newest inventory first. If an asset is sold for less than it is acquired for, then the difference is considered a capital loss. If an asset is sold for more than it is acquired for, the difference is considered a capital gain. Using the LIFO method to evaluate and manage inventory can be tax advantageous, but it may also increase tax liability.

On the other hand 10% of herbal organization used FIFO method for inventory valuation. FIFO assumes that the assets that are remaining in inventory are matched to the assets that are most recently purchased or produced.



Because of this assumption, there are a number of tax minimization strategies associated with using the FIFO asset-management and valuation method.

**FIFO and LIFO accounting Methods** are means of managing inventory and financial matters involving the money a company tied up within inventory of produced goods, raw materials, parts, components, or feed stocks. FIFO stands for first-in, first-out, meaning that the oldest inventory items are recorded as sold first. LIFO stands for last-in, first-out, meaning that the most recently purchased items are recorded as sold first. Since the 1970s, U.S. companies have tended to use LIFO, which reduces their income taxes in times of inflation.

(6) Data collection Procedure is:

Company Name	(a) Manual	(b) Computerized	(c) Both
Modern Herbal Group			√
Mega Health Care Company		√	
Beacon Pharmaceuticals Ltd.			√
KTN Herbal		√	
Jini Laboratories Ltd			√
Intra Food Industries			√
Green Life Herbal	√		
Almas Super Shop			√
UMC Chemical Works Bangladesh			√
Sakti Herbal			√

Table-6

Particulars	Manual	Computerized	Both
Data collection procedure	10%	20%	70%

For data collection 10% herbal organization used Manual procedure. A collection of accounting instructions governing the responsibilities of persons, and the procedures, forms, and records relating to the preparation and use of accounting data. There can be separate manuals for the constituent parts of the accounting system, for example, budget manuals or cost accounting manuals.

20% used only computerized procedures. Banking applications force us to reconsider the adoption program are usually simple. The previous method of production test, and the other in order to verify the registration document, with subsequent analysis of the balance has been cut off from the training program of routine monitoring in these applications. These applications make the verification program to prepare simple, and also reduce the chances miscalculation. Bad numbers, you can ruin any checks penning physically. First, prepare the appropriate box.

A check will be assessed in mathematics, to check with the earlier, made a deposit and / or ATM withdrawal. Banks really is happy if you sign up accidentally complete mathematical hand to monitor and evaluate your balance, mistakenly, as soon as you overestimate ITS, Computerized Accounting Software, profit before tax and audit failures will be. The Bank is obliged to charge you an overdraft. Check the program reduces the risk that an, Computerized Accounting Software, error in calculating the credit.

After entering the amount of the check, be sure enough a savings account, took control after the previous balance. Next, you must have physical control of your registration trials reported an additional region in case of, Computerized Accounting Software, potential failures are. First, we must remember that date; you should record the correct date. Then you write the test pieces, type, and finally to the climax. Now all this may cause a problem, but the most important thing right now is the amount of money and calculating balance.

The, to get the software mechanically fill in all fields to record information. This is the only current phase. This reduces the chance of error. Computerized Accounting Software, The accuracy of dates, as shown and the type of need, if you ever need to go back and find evidence that the cleared check. Check Add this information, Computerized Accounting Software, to the registry can not properly be uncomfortable at a later date. With this program you are finished updating the application electronically.

Some Other benefits include verification of the program that a printed application simply uses the program and helps to confirm that the correct test from the popup menu you were unable to verify the total. Then, as you look at the possibility of printing a letter of money in unnecessary Section.

Using program exploring the possibility of reduction in briefs the press release. Everything is created in electronic format. The work, which reduces the data on changes and new information, is computerized. Almost 70% herbal company used both procedures.

(7) The duration of financial statement analysis is:

Company Name	(a) Quarterly	(b) Semi annually	(c) Annually
Modern Herbal Group			√
Mega Health Care Company	√		
Beacon Pharmaceuticals Ltd.			√
KTN Herbal			√
Jini Laboratories Ltd			√
Intra Food Industries			√
Green Life Herbal			-
Almas Super Shop			√
UMC Chemical Works Bangladesh	-	-	-
Sakti Herbal			√

Table-7

Particulars	Quarterly	Semi annually	Annually
The duration of financial statement analysis	10%	0%	60%

10% of herbal organizations prepare quarterly financial statement analysis. 60% herbal organization prepares annually financial statement. Financial statement analysis is defined as the process of identifying financial strengths and weaknesses of the firm by properly establishing relationship between the items of the balance sheet and the profit and loss account.

There are various methods or techniques that are used in analyzing financial statements, such as comparative statements, schedule of changes in working capital, common size percentages, funds analysis, trend analysis, and ratios analysis.

Financial statements are prepared to meet external reporting obligations and also for decision making purposes.

They play a dominant role in setting the framework of managerial decisions. But the information provided in the financial statements is not an end in itself as no meaningful conclusions can be drawn from these statements alone. However, the information provided in the financial statements is of immense use in making decisions through analysis and interpretation of financial statements.

(8) Various transaction cycles maintained in your organization. (Revenue, expenditure, human resource/payroll, and financing)

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal			√		
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-8

<b>Particulars</b>	<b>No Satisfaction</b>	<b>Satisfaction</b>	<b>Neutral</b>	<b>Dissatisfaction</b>	<b>No Dissatisfaction</b>
Various transaction cycles maintained in your organization.	-	<b>90%</b>	<b>10%</b>	-	-

90% of herbal organization satisfaction for their transaction cycles maintained. On the other hand 10% herbal organization neutral position for various transaction cycles maintained.

(9) Source documents are properly maintained.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd			√		
Intra Food Industries		√			
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-9

<b>Particulars</b>	<b>No Satisfaction</b>	<b>Satisfaction</b>	<b>Neutral</b>	<b>Dissatisfaction</b>	<b>No Dissatisfaction</b>
Source documents are properly maintained	-	<b>80%</b>	<b>10%</b>	-	-

80% of herbal organization satisfaction for their source documents is maintained. On the other hand 10% herbal organization neutral position for source of documents maintained.

(10) GAAP Accounting principles are followed in every transaction.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal		-			
Almas Super Shop		√			
UMC Chemical Works Bangladesh					
Sakti Herbal		√			

Table-10

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
GAAP Accounting principles are followed in every transaction.	-	80%	-	-	-

80% of herbal organization satisfaction for followed GAAP accounting principals in every transaction. Generally Accepted Accounting Principles (GAAP) is a term used to refer to the standard framework of guidelines for financial accounting used in any given jurisdiction which are generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements. Financial Accounting is information that must be assembled and reported objectively. Third-parties who must rely on such information have a right to be assured that the data are free from bias and inconsistency, whether deliberate or not. For this reason, financial accounting relies on certain standards or guides that are called "Generally Accepted Accounting Principles" (GAAP).

Principles derive from tradition, such as the concept of matching. In any report of financial statements (audit, compilation, review, etc.), the preparer/auditor must indicate to the reader whether or not the information contained within the statements complies with GAAP.

**Principle of regularity:** Regularity can be defined as conformity to enforced rules and laws.

**Principle of consistency:** This principle states that when a business has once fixed a method for the accounting treatment of an item, it will enter all similar items that follow in exactly the same way.

**Principle of sincerity:** According to this principle, the accounting unit should reflect in good faith the reality of the company's financial status.

**Principle of the permanence of methods:** This principle aims at allowing the coherence and comparison of the financial information published by the company.

**Principle of non-compensation:** One should show the full details of the financial information and not seek to compensate a debt with an asset, revenue with an expense, etc.

**Principle of prudence:** This principle aims at showing the reality "as is": one should not try to make things look prettier than they are. Typically, revenue should be recorded only when it is *certain* and a provision should be entered for an expense which is *probable*.

**Principle of continuity:** When stating financial information, one should assume that the business will not be interrupted. This principle mitigates the principle of prudence: assets do not have to be accounted at their disposable value, but it is accepted that they are at their historical value.

**Principle of periodicity:** Each accounting entry should be allocated to a given period, and split accordingly if it covers several periods. If a client pre-pays a subscription (or lease, etc.), the given revenue should be split to the entire time-span and not counted for entirely on the date of the transaction.

**Principle of Full Disclosure/Materiality:** All information and values pertaining to the financial position of a business must be disclosed in the records.

**Principle of Utmost Good Faith:** All the information regarding to the firm should be disclosed to the insurer before the insurance policy is taken.

(11) Internal control system is implemented effectively and effectively and efficiently

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.			√		
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-11

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Internal control system is implemented effectively and efficiently.	-	80%	20%	-	-

80% of herbal company effectively and efficiently for internal control system implementation. On the other hand 20% of herbal company effectively for internal control system.



In accounting and auditing, internal control is defined as a process effected by an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives. It is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as trademarks). At the specific transaction level, internal control refers to the actions taken to achieve a specific objective (e.g., how to ensure the organization's payments to third parties are for valid services rendered.) Internal control procedures reduce process variation, leading to more predictable outcomes.

(12) Duties are properly distributed among top to bottom level:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd			√		
Intra Food Industries		√			
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-12

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Duties are properly distributed among top to bottom level	-	90%	-	10%	-

90% herbal organization satisfactions for their duties are properly distributed among top to bottom level. About 10% herbal organization dissatisfaction for their duties are properly distributed among top to bottom level.

The control environment is the control consciousness of an organization; it is the atmosphere in which people conduct their activities and carry out their control responsibilities. An effective control environment is an environment where competent people understand their responsibilities, the limits to their authority, and are knowledgeable, mindful, and committed to doing what is right and doing it the right way. They are committed to following an organization's policies and procedures and its ethical and behavioral standards.

The control environment encompasses technical competence and ethical commitment; it is an intangible factor that is essential to effective internal control.

(13) In a regular interval physical count/checking over inventory is performed:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries			√		
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-13

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
In a regular interval physical count/checking over inventory is performed.	-	80%	20%	-	-

80% herbal organization satisfactions in a regular interval physical count/checking over inventory is performed. On the other hand 20% of herbal company are neutral position for in a regular interval physical count/checking over inventory is performed. Physical inventory is a process where a business physically counts its entire inventory. A physical inventory may be mandated by financial accounting rules or the tax regulations to place an accurate value on the inventory, or the business may need to count inventory so component parts or raw materials can be restocked. Businesses may use several different tactics to minimize the disruption caused by physical inventory.

(14) Internal Reporting System is effective.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries			√		
Green Life Herbal					
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal			√		

Table-14

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Internal reporting system is effective	-	70%	30%	-	-

70% of herbal company satisfaction for their effective internal reporting system. 30% of herbal company dissatisfaction for their effective internal reporting system.

(15) Reporting to external party is mandatory and strictly followed:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.			√		
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries			√		
Green Life Herbal		√			
Almas Super Shop					
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-15

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Reporting to external party is mandatory and strongly followed	-	70%	30%	-	-

70% of herbal company satisfaction for their reporting to external party and strong followed. 30% of herbal organization neutral for their reporting to external party.

(16) Software are used for recording purpose:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal					
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-16

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Software are used recording purpose	-	90%	-	-	-

90% of herbal organization satisfaction for used software for recording purpose. Software mechanically fills in all fields to record information. This is the only current phase. This reduces the chance of error. Computerized Accounting Software, The accuracy of dates, as shown and the type of need, if you ever need to go back and find evidence that the cleared check. Check Add this information, Computerized Accounting Software, to the registry can not properly be uncomfortable at a later date. With this program you are finished updating the application electronically.

(17) System is available for operation and use at times set fourth in service level statements or arguments.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd			√		
Intra Food Industries		√			
Green Life Herbal					
Almas Super Shop					
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-17

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
System is available for operation and use at times set fourth in service level statements or arguments.	-	60%	20%	-	-

60% herbal organizations are satisfaction for their system is available for operation and use at times set fourth in service level statements or arguments. On the other hand 20% of herbal organizations are neutral for their system is available for operation and use at times set fourth in service level statements or arguments.

(18) Software needed to be upgraded or modified as quickly as needed without affecting system availability, security and integrity:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal					
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-18

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Software needed to be upgraded or modified as quickly as needed without affecting system availability, security and integrity	-	80%	10%	-	-

80% herbal company satisfies for using software to be upgraded or modified as quickly as needed without affecting system availability, security and integrity. On the other hand 10% of herbal organization neutral for using software to be upgraded or modified as quickly as needed without affecting system availability, security and integrity.

(19) The information system is protected against unauthorized physical and logical access.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries			√		
Green Life Herbal					
Almas Super Shop					
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-19

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
The information system is protected against unauthorized physical and logical access.	-	80%	20%	-	-

80% herbal company satisfaction for using information system that protected against unauthorized physical and logical access. 20% herbal organizations are neutral for using information system that is protected against unauthorized physical and logical access.



(20) The system processing is complete, accurate, timely and authorized.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal					
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-20

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
The system processing is complete, accurate, timely and authorized	-	80%	10%	-	-

80% herbal organizations are satisfied for using their system that processing is complete, accurate, timely and authorized. 10% herbal organizations are neutral for using their processing that complete, accurate, timely and authorized.

(21) Segregation of duties used to ensure effective internal control:

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company			√		
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries			√		
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-21

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Segregation of duties used to ensure effective internal control	-	70%	20%	-	-

70% of herbal organization satisfaction for segregation of duties used to ensure effective internal control and 20% of herbal organization neutral for segregation of duties used to ensure effective internal control.

Effective internal control helps an organization achieve its operations, financial reporting, and compliance objectives. Effective internal control is a built-in part of the management process (i.e., plan, organize, direct, and control). Internal control keeps an organization on course toward its objectives and the achievement of its mission, and minimizes surprises along the way. Internal control promotes effectiveness and efficiency of operations, reduces the risk of asset loss, and helps to ensure compliance with laws and regulations.

Internal control can provide only reasonable assurance - not absolute assurance - regarding the achievement of an organization's objectives. Effective internal control helps an organization achieve its objectives; it does not ensure success. There are several reasons why internal control cannot provide absolute assurance that objectives will be achieved: cost/benefit realities, collusion among employees, and external events beyond an organization's control.

(22) At least two employees handle single transaction.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company		√			
Beacon Pharmaceuticals Ltd.		√			
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries		√			
Green Life Herbal		√			
Almas Super Shop		√			
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-22

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
At least two employees handle single transaction	-	100%		-	-

All transaction of herbal company are handled at least two employees.

(23) Effectiveness of AIS in the organization.

Company name	No satisfaction	Satisfaction	Neutral	Dissatisfaction	No dissatisfaction
Modern Herbal Group		√			
Mega Health Care Company				√	
Beacon Pharmaceuticals Ltd.			√		
KTN Herbal		√			
Jini Laboratories Ltd		√			
Intra Food Industries					√
Green Life Herbal					
Almas Super Shop			√		
UMC Chemical Works Bangladesh		√			
Sakti Herbal		√			

Table-23

Particulars	No Satisfaction	Satisfaction	Neutral	Dissatisfaction	No Dissatisfaction
Effectiveness of AIS in the organization	-	50%	20%	10%	10%

50% of herbal organizations are satisfied for effectiveness of AIS. About 20% of herbal organization neutral for effectiveness of AIS. About 10% of herbal companies are dissatisfaction of effectiveness of AIS and 10% other herbal organization are no dissatisfaction of effectiveness of AIS.

In managing an organization and implementing an internal control system the role of accounting information system (AIS) is crucial. An important question in the field of accounting and management decision-making concerns the fit of AIS with organizational requirements for information communication and control.

Although the information generated from an accounting information system can be effective in decision-making process, purchase, installation and usage of such a system are beneficial when the benefits exceed its costs. Benefits of accounting information system can be evaluated by its impacts on improvement of decision-making process, quality of accounting information, performance evaluation, internal controls and facilitating company's transactions. Regarding the above five characteristics, the effectiveness of AIS is highly important for all the firms.

Effectiveness of accounting information system also depends on the perception of decision-makers on the usefulness of information generated by the system to satisfy informational needs for operation processes, managerial reports, budgeting and control within organization.

Effectiveness of accounting information systems can be analyzed on three bases: 1) information scope, 2) timeliness, 3) aggregation. Information scope is considered as financial and non-financial information, internal and external information that is useful in prediction of future events. Timeliness quality is related to the ability of accounting information system to satisfy information needs by providing systematic reports to the user. Aggregation of information is considered as means of collecting and summarizing information within a given time period.