

BBA Sem -4
Computer Application in Business

Businesses have been at the forefront of technology for ages. Whatever can speed up the production process will draw in more business. With the widespread use of computers, a new age of information technology (IT) has begun. To reap its benefits, businesses are rapidly changing their infrastructure. These days, almost every business is conducted over computers and communication devices, in order to organize large databases, personal schedules, and various other forms of essential information. Information technology is a comprehensive term that includes all types of technology used to exchange, store, use, or create information. Commonly used devices to support IT include computers, servers, peripheral devices, Internet connectivity equipment, and phone systems. Breakthrough in IT has resulted in better or automated solutions that have not only increased the productivity, but also involve lower operational costs, improved speed, ease of sharing and storing information, decrease in human error through automation, and increase III revenue. IT is rapidly permeating the business world, affecting how companies make and market their products, as well as how people communicate and accomplish their jobs. Specialized software shapes best-practices and industry standards, continually changing the face of business in almost every way. Let us see how the use of IT has revolutionized the way we do our business.

(1) Business Data Processing :

Business data processing (BDP) means performing operations in order to convert business data into useful information. IT enables businesses to store large amounts of information, summarize them, and analyse them, in order to understand the business in a better way. Once data is entered into a spreadsheet application, users can draw a variety of charts to interpret the data from different angles. For example, view the sales of a product in a particular region during the entire year, view the sales of a product in all the regions in a particular month, and the like. Another example could be from banking. Banks store records of millions of users and keep complete information about their accounts, loans, fixed deposits, and so on. They keep sending statements and other promotional schemes to their customers from time to time. Other areas in which IT has a major impact on BDP include:

(a) Accounting and Payroll :

Businesses can use software accounting packages, like Microsoft Money or QuickBooks to manage their accounts. No longer do they need to hire full-time or third-party accountants. These software packages enable business managers to generate informative reports and financial statements, in order to make effective

business decisions. Accounting systems keep track of every rupee a company spends, along with every rupee of revenue. The accounting software also stores payroll information, tax records, and other specialized data. Business without these software packages cannot be even imagined today. Besides increasing efficiency, IT also reduces time and space required to store a large number of files with hundreds of papers in it. Can you think of searching information from these files?

(b) Inventory Management :

Businesses can use software packages like Microsoft Excel or Open Office to store data, pertaining to inventory, sales, and receivables and payables. The inventory management system keeps track of products in the inventory and ensures that the business neither runs out of stock nor is in excess.

(c) Enhanced Productivity :

Technology tools help employees do their tasks quickly and efficiently in very less time, and that too without any error. Therefore, empowering employees with the right hardware and updated software keeps them working at their best.

(d) Easier Storage :

Information technology eliminates the need for double or triple entry systems and reduces paperwork to a considerably large extent. Details about contracts, quotations, customers, suppliers, dealers, retailers, and so on can all be stored in databases and accessed in minutes.

(e) Automation :

With technology, businesses can automate certain functions that have historically required the need to hire an employee. They can use software like Quicken and Quickbooks to perform frequent bookkeeping functions. Similarly, the sales function can be automated through contact management sites like Sales Force. Using automated software enables business managers to concentrate on strategy and cut down on labour expenses. Automation technology, such as assembly lines and computer-controlled machinery, enables industries and organizations to produce large volumes of goods in less time and at low cost.

(f) Economic Efficiencies :

Companies can harness IT resources to lower their costs. Using IT infrastructure, redundant tasks can be centralized at one location. For example, a large company could centralize their payroll function at one location to lower employee costs. Economic efficiencies can also be realized by migrating high-cost functions into an online environment. Companies can offer customers email support, which may have a lower cost than a live customer support call. Cost savings can also be made through outsourcing opportunities, remote work options, and lower-cost communication options.

(2) Enhanced Intra-organizational and Inter-organizational Communication

With IT, an organization can be benefitted from faster, efficient, effective, and low-cost communication systems, as explained in this section. Internet Marketing Today, all businesses are moving towards making their presence felt on the Internet. Whether big or small, all businesses have their websites to advertise their

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