The Role of Accounting Information Systems

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1. **Definition**
    - An Accounting Information System (AIS) is a system that collects, records, stores, and processes financial and accounting data to produce information for decision-makers.
2. **Core Functions**
    - Transaction processing, record keeping, financial reporting, and providing data for management decision-making.
3. **Manual vs. Computerized AIS**
    - Most modern businesses use computerized AIS (e.g., ERP systems like SAP, QuickBooks) for speed, accuracy, and integration across departments.
4. **Users of AIS Output**
    - Internal: management, employees. External: investors, creditors, tax authorities, auditors.
5. **Why AIS Matters**
    - A well-designed AIS improves accuracy, enables timely reporting, strengthens internal controls, and supports better business decisions.