AIS and Business Processes

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1. **Integration with Core Business Cycles**
   - AIS supports key business cycles: the revenue cycle (sales to cash collection), expenditure cycle (purchasing to payment), and payroll cycle.
2. **Revenue Cycle Example**
   - Order entry -> credit approval -> shipping -> billing -> cash collection, with the AIS recording and controlling each step.
3. **Expenditure Cycle Example**
   - Purchase requisition -> purchase order -> goods receipt -> invoice verification -> payment, with controls at each handoff.
4. **Cross-Department Integration**
   - Modern AIS (often part of an ERP) connects accounting with sales, inventory, HR, and procurement, reducing duplicate data entry and errors.
5. **Real-Time Processing**
   - Many modern systems process transactions and update records in real time, enabling faster, more informed decision-making.
6. **Why Process Integration Matters**
   - A fragmented system (separate spreadsheets/databases per department) increases the risk of errors, delays, and inconsistent data.