Cloud Based Accounting In India- A Comparative Study on Popular Accounting Software

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Abstract

Accounting software is onto "Cloud based" now, Cloud computing is the latest buzz word in Information Technology. Cloud Computing is a type of service where a computer infrastructure together with software application is accessible over internet round the clock to the users. The place where the cloud computing data resides is called Data Centre, which may be a collection one or more interconnected Data centres at the same geographical location or spread continents apart. Prior to the "Cloud based Accounting", the Accounting software like Tally were installed in individual computers or in small network of computers. Enterprises had to rely on Accountants to operate on their accounting software and it was the responsibility to deliver back the executed data to the enterprise management. This was a lengthy cycle prone to delay and lack of transparency and monitoring the progress of 'accounting data processing' was more complex. With the advent of cloud based accounting as "SAAS" (Software as a Service) model, the transparency and delivery issues have been overcome to a major degree of reliability. Now the enterprise management can keep an eye on progress of accounting data processing on a real time basis, access of Accounts processing throughout the globe is available on demand. There is no more uncertainty on when the executive Accountant will deliver the accounting data process reports. Management can have an eye on right from the beginning of accounting work and monitor the progress, provide course correction of accounting with corroborated end result. This paper tries to compare the Characteristics, risks, functions, licence, accounting software framework, upcoming features, and future trends of five popular cloud based accounting software for small businesses in India namely- Tally 9 ERP, Quick books, Marg, Busy and ZOHO Books. This paper also describes on how this Cloud Based Accounting software complies with latest GST and other important Tax laws announced by Government of India from time to time.

Keywords: Cloud Based Accounting, SAAS, Accounting Software, Tax laws, GST.

Introduction

Accounting software is today's most valuable software asset to finance professionals who wish to automate accounting processes. To cut costs and boost productivity, the back bone of

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any businesses is proper accounting and auditing process. Accouonting is a process which can make or break the company fortunes. Business automation provides a greater role in reducing cost and securing the company's financial health. Like every other software, accounting software is also moved to Cloud based computing. This now provides the ability to spread accounting intensive tasks over a large amount of servers around the world.

Desktop Software Vs. Cloud Software

Accounting software is a business automation tool, Accounting Software helps to reduce expenses and report accurately on financial activities, and improves the quality of the business establishments accounting decisions. The accounting software can be deployed locally, or in cloud, depending on how the business intends to manage its accounting processes and staff strength.

Desktop software is installed directly on the business accounting staff's computer. The accounting books (data) can be accessed or processed on the software application. Only single staff or a small set of persons have user access and Key people can't access financial and customer details in real time or across a distant place. They require some training to understand and use effectively. Desktop software is expensive and complicated to keep backups, Desktop software needs to be updated and maintenance is required regularly, and it's difficult to share accounting data between computers if collaboration across the accounting team when required.

Characteristics of Cloud Based Accounting

Before the advent of Cloud based accounting, the accountant generally has to work on a desk top computer or a laptop. The data on the hard disk was prone to crashes and if the accounting staff needs to work from home, then he has to install the replica of the software and import the same data and configure it exactly like the copy in his office based site. It was laborious to carry the data back and forth or by using 14 k dial up modems to transport the data safely. This has been totally eliminated with the cloud based accounting and high speed broadband lines and 4G mobile technology. Now the accountant need not install an office or his remote site before beginning his actual accounting work. Cloud based accounting has elaborate user management roles for logging in to the cloud based accounting application.

Risks

Transport layer security(TLS) technology of the internet data to secure all communications between their servers and web browsers. Secure Sockets layer (SSL) technology which is now defunct since the arrival TLS, as of now version 1.3 of TLS is being used by web browsers to secure the data access on internet by browsers.

Functions

The core accounting functions for the businesses whether small or of large scale businesses , involve fundamental accounting procedures they are: Transactions, Accounts Payable, Accounts Receivable, Billing and Invoicing, Expenses Management, Payroll, Budgeting, Enterprise Resource Planning, Customer Relationship Management, Financial Reporting, Time Tracking and Business Analytics. All of these core functions are present in all of the Cloud based Accounting software available in India .

Licence

Software as a Service (SaaS) is the most common and most mature delivery model of cloud computing. SaaS is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software", and was formerly referred to as "software plus services" by Microsoft. SaaS is typically accessed by users using a thin client via a web browser. Licensing models vary from vendor to vendor, they are charged on a time period basis for using the service like Tally ERP9, ZoHo, QuickBooks etc., or if it is open source based it is totally free to use like Apache OFBiz , Compiere, Front Accounting and LedgerSMB, the software requires to be installed and maintained by the business houses as there is no vendor seller involved here to provide the hardware infrastructure and provide maintenance support like up-gradation, backups, monitoring. This is the trade off as business establishment has to take care of the maintenance and other depending computer infra-structure.

Accounting Software Framework

Cloud-based computing allows users access to software applications that run on shared computing resources (for example, processing power, memory, and disk storage) via the Internet. These computing resources are maintained in remote data centres dedicated to hosting various applications on multiple platforms. Refer figure 1, Cloud computing taps into a larger pool of computing resources to complete the calculation-intensive tasks more quickly.
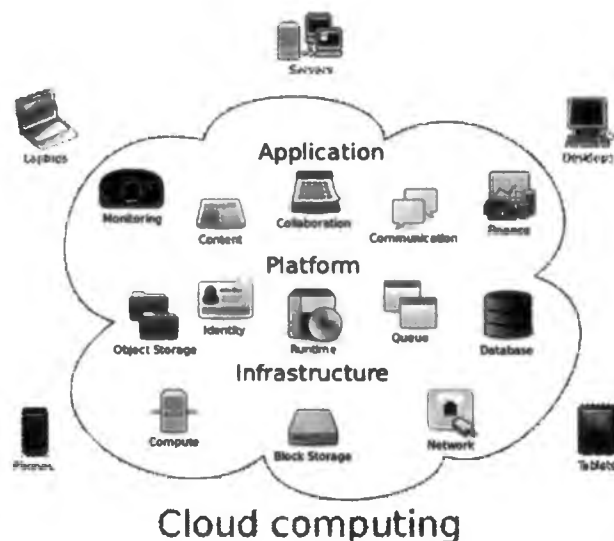

Figure 1

Upcoming Features

Various features in cloud based accounting like Cash Management, Collections, Consolidation / Roll-Up , CPA Firms, Expense Management, Fixed Asset Management, Fund accounting, Government policies inclusion, Mobile App, Invoice Designer, Payment Gateway Integration (to multiple banks) , Payment Handling in multiple methods (like Paytm, RuPay, MasterCard, Visa paypal etc.,), Revenue Management , Spend Management , Tax Management (all-encompassing and current), Vendor Management, Trust Accounting are unavailable, partially implemented or not fully compliant but have the scope of inclusion in the future.

Future Trends

Cloud storage will become the trend in the foreseeable decade. The only way mobile technology will make sense for people is to have accessibility of their files on-the-go, being sure at the same time that they are protected. Smart scanning for less data will become visible. The improvement of Optical Character Recognition will enable us to transform printed materials into digital data in minimal time, meaning that accountants can forget about manual checks.

Comparison Between Popular Cloud Based Software

The following are the five popular cloud based software in India prepared for the purpose of simplifying the generalised accounting.

Tally.ERP 9 Tally ERP 9 is the product of Tally Solutions Pvt Ltd is the headquarters at Bangalore .It is India's leading business management software for GST, accounting, inventory, and payroll. It is economical and one of the most popular ERP software solutions available in the industry, used by 11 lakh businesses in India.

Zoho Books : . Zoho Corporation Pvt. Ltd. is headquarters is at Chennai. Zoho Books is an easy-to-use, online accounting software for small businesses to manage their finances and stay on top of their cash flow. It is a smart online accounting software that will streamline your back office operations, automate business workflows and help to securely collaborate with accountant online

Busy Accounting Software: BUSY Infotech Private Limited is the developer and marketer of BUSY - a leading business accounting software for MSMEs in India, South Asia, Middle East Asia and Africa. It was launched in 1997, mainly popular for its inventory management features. Its headquarters is at Delhi.

QuickBooks: Quick books are one of the leading software in US and other countries. Indian version of Quick books is very simple and easy to use online accounting software which helps you manage business finances in just a click. Now you can quickly do your invoicing, bookkeeping and billing. It is the product Intuit Inc with the headquarters is at Bangalore.

Marg ERP9 + : It is a product of Marg Compusoft Pvt. Ltd. Its head office is at New Delhi. MARG is simple and fastest Inventory and Accounting Software for small businesses and it handle multiple customers by allowing to hold current invoice. It is economical and one of the most popular ERP software. It's an complete solution from Purchase planning to Balance Sheet.

Pricing and Specifications:

Table 1 indicates pricing models of the accounting software, and the duration for which this service can be availed.

Table 1

	Tally ERP 9	Zoho.com	Busy Accounting Software	Quick Books	Marg ERP 9+
Cost	Silver Edition INR 18,000 Full Licence / Single User Golden Edition INR 54,000, Full Licence / multi user	Basic INR 2499 per year	Basic Version INR 7200 per year Standard Version INR 13500 per year	Basic Version INR 5000 per month Small business big scale INR 3499 Per Month	Not Specified
Free Trial	Available	Available	Available	Available	Available
Payment Method	One time	Monthly, Yearly	One time	SAAS	One time
Deployment	Installed	Web base	Installed	Web Base	Installed
Users	Start Ups, SMEs, Agencies, Enterprises	Start Ups, SMEs, Agencies	Start Ups. SMEs, Agencies, Enterprises	Start Ups, SMEs	Retail, Pharmac-euticals
Mobile Platform	Not Available	IOS, Android, Winphone	IOS, Android, Winphone	IOS, Android	Not Available

Source: https:// www.softwaresuggest .com

Features of Popular Accountings Software

The table series 2-1,2-2, 2-3 give comparison of the features of cloud based softwares in India , first column refers the "Features Group", which classifies and segregates various accounting features like core and non-core Accounting features, "fancy" or "convenience" features, in order to read and understand easily Reporting features are identified segregated separately.

Table 2.1

S. No.	Features Group	Features available	Tally ERP 9	Zoho books	Busy Accounting Software	Quick books	Marg ERP 9+
1	Fundamental Accounting features	Accounts payable		Yes			
		Accounts receivable		Yes			
		Billing & Invoicing		Yes			
		Budgeting	Yes				
		Expense Tracking		Yes			
		Financial Accounting		Yes	Yes		
		Financial Management	Yes		Yes		
		General Ledger		Yes			
		Document Printing			Yes		
		Investment	Yes				

S. No.	Features Group	Features available	Tally ERP 9	Zoho books	Busy Accounting Software	Quick books	Marg ERP 9+
		Invoice	Yes	Yes	Yes		Yes
		Job Costing	Yes		Yes		
		Outstanding	Yes	Yes	Yes		
2	Production/ Inventory Features	Manufacturing	Yes		Yes		
		Material Workflow			Yes		
		Production Management	Yes		Yes		
		Purchasing		Yes			
		Quotation & Estimates	Yes	Yes	Yes		
		Supplier and Purchase Order Management	Yes	Yes	Yes		
		Bills of Material			Yes		
		Inventory Management	Yes	Yes	Yes	Yes	Yes
		Warehouse Management	Yes		Yes		
3	HR / PAYROLL	Payroll Management			Yes		
		Bonus, Loan & Advances Management			Yes		
		HR & Payroll	Yes		Yes		
4	Banking operations Features	Bank Reconciliation		Yes	Yes		
		Banking Integration		Yes		Yes	Yes
		Multi Currency	Yes	Yes	Yes		
5	B2C / B2B features	Customer Management		Yes	Yes		
		Multiple Company	Yes	Yes	Yes		Yes
		POS invoicing	Yes		Yes		Yes
		Product Database (B2B)	Yes	Yes	Yes		
		Recurring invoice		Yes			
6	LOGISTICS / PROJECT PLANNING	Project Accounting		Yes			
		Project management		Yes	Yes		
		Task Management			Yes		
		Time Tracking		Yes			
7	Tax Related Features	Service Tax			Yes		
		Taxation Management	Yes	Yes	Yes	Yes	Yes
		TDS / TCS		Yes	Yes		
		Trading Excise Registers			Yes		
		VAT / CST / GST Reports			Yes	Yes	
8	Report generation Features	Analytics		Yes	Yes		
		MIS Reports			Yes		
		Graphs & Charts			Yes		
9	Internet / Computer Network features	Multi-Branch Connectivity			Yes		
		Online Banking Integration		Yes	Yes	Yes	
		Online document storage (back-up)	Yes	Yes	Yes		
		Web-based reporting		Yes	Yes		

S. No.	Features Group	Features available	Tally ERP 9	Zoho books	Busy Accounting Software	Quick books	Marg ERP 9+
		Email Integration	Yes	Yes	Yes		Yes
10	Mobile Features	Access your Data on the Go		Yes	Yes		
		Mobile Support	Yes	Yes			
11	Convenience Features	Barcode Integration	yes	Yes	Yes		Yes
		Multi Location	Yes	Yes	Yes		Yes
		Utilities			Yes		
12	Security Features	Checks & Controls			Yes		
		Multi User login & Roll based access		Yes	Yes	Yes	
		Scheme Management			Yes		

Source: https:// www.softwaresuggest .com

Conclusion

Cloud accounting becomes a boosts for better services in Businesses, Final cloud-based trend for 2017-2018 is the growing realisation among Small and Medium Enterprises (SMEs) that automating day-to-day small business accounting tasks through software frees up their accountant to provide more advisory services. For a vast sub-continent like India cloud based accounting was big opportunity for the accountants to strengthen their jobs and accounting tasks more efficiently and effectively.

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