

Designing an accounting system that guarantees property rights

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Abstract:

Accounting information systems are of great importance as their information outputs are considered the basisTo make administrative and financial decisions in institutions, and for these decisions to be highly effective, there must be an effective accounting information system. Like other systems, the accounting information system goes through several stages when building it, including design and analysis.

Property rights appear as outputs of the accounting information system that depend on the quality of inputs and the process

Processing, recording, tabulating, and summarizing its data.

This leads us to pose the following problem:

1- The problem: How are accounting information systems designed to ensure property rights?

Keywords

Accounting Information System, Property Rights, Lists of Property Rights

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1. INTRODUCTION

In this section, we will discuss the most important basics of knowing the accounting information system, such as functions, objectives, etc.

The concept of accounting information system learns about the terms related to accounting information systems:

Although knowledge of accounting matters is considered a first opportunity to understand this knowledge within a systems framework

1.Accounting information, so we will begin by presenting the terms related to the accounting information system and the task,

Independently, such as accounting, system, information system, information, then we can compose a definition of accounting information systems (Alchian, (1965):).

1.1Accounting: Accounting has multiple manifestations, including: It is an information system that employs the operations of the economic unit to generate useful information. Among those operations

1.2System: It is a unified group of interacting parts that together perform a function to achieve its goals.

Information: In the broad sense, intelligence has useful meaning to the intended person and information has value to the units

Economic and its management, as noted, because it is necessary for making critical decisions, and most of the information required by the economic unit is accounting information, which is the output of accounting information systems, such as lists

Income provided to the management of economic units.

1.2.3Information system: It is a set of procedures that collect, retrieve, operate, and store information to support decision-making and control in the organization, in addition to supporting decision-making, coordination, and control. Information systems can help managers and workers in analyzing problems, framing, and creating products. The information system consists of human resources, operations, Technologies, data.

Designing an accounting system that guarantees property rights

Through the previous concepts, we can ask the following question: What is an accounting information system?

An accounting information system is a system that collects, records, stores and processes data in order to provide information to decision makers.

There are also several concepts for accounting information systems, including many books, including the following:

Muhammad Al-Fayoumi defines It as the basic and important part of the administrative information system in the organization in the field of business, that collects and collects financial data from sources outside and inside the organization and then operates this data and transforms it into financial information for the users of this information using various available material and human capabilities and information systems. (Alchian A. a., (1973):)

2.Characteristics of sub-accounting information systems:

1- Accounting information systems are mainly directed to dealing with leverage, as all operations are translated into amounts

Cash is therefore limited to processing operations that have a direct financial impact on the organization.

2- Recording accounting operations according to the double entry system.

3- Audit budgets are prepared to ensure the accuracy of journal entry and posting.

4- Uses the chart of accounts.

5- Accounting information systems are considered cyclical in nature when operations are balanced on a periodic basis.

6- Accounting information systems are concerned with historical data.

7- Accounting information systems provide accounting reports.

The importance of using computers in building accounting information systems

The accounting information system is considered one of the pivotal systems in the organization, despite the traditional existence of

this system, the modern technology currently available has developed the way the accounting system works, as many modern technologies have been adopted in the operations of the accounting information system, so this system needs Control procedures as one of its components that prevent errors in the system and help detect them.

Knowing that the accounting information system consists of a number of subsystems that lead to the integration of the system's work, which are:

1- Operations execution and processing system. This system aims to carry out the daily operations of the system.

2- The general ledger and financial reporting system. This system aims to extract financial statements and other financial reports.

3- Management Reports System: This system is used to extract reports of a special nature for internal uses.

Accounting information system functions

The accounting system performs a group of functions within the unit, the main functions of which are summarized in the following four:

- Collect and store data related to the facility's activities and operations efficiently and effectively, exclusively any unit operations

Related to the unit's activity in the form of raw materials (data) representing system inputs.

- Operating and processing data through sorting, classification, and summarizing operations.

- Generating useful accounting information to relevant beneficiary parties for decision-making and preparing management reports.

- Ensuring adequate control that ensures that data related to business activities are accurately recorded and processed and also ensures the protection of this data and the unit's assets.

Components of the accounting information system

The accounting information system, like other information systems, consists of inputs, processing, and outputs for...

Designing an accounting system that guarantees property rights

Access to financial statements and reports These components are explained below. (Demsetz, 1 (January 1972))

Inputs to the accounting information system: They represent economic events expressed in monetary units as raw materials processed by the accounting information system. These events arise through the institution's practice.

For its activities, whether within the organization or through its mutual relationship with the surrounding environment, the basic inputs to the accounting information system can be distinguished according to their frequency and sources into four sources:

A- Data that is routinely collected from normal daily external operations and is often related to operations

B- Private data collected non-routinely from external sources such as commercial bodies

Official and governmental, such as new instructions from the Tax Authority...etc

C- Regular data that is collected on a non-routine basis from operations within the organization as a result of transactions between

Internal departments, such as incoming and outgoing stock movement...etc

D- Private data that is routinely collected from internal administrative decisions, such as developing new policies

Or changing the standards used in performance and the new goals to be achieved...etc

E-These accounting events and processes are documented through documents that are considered inputs to the information system

Accounting, which represents evidence of the occurrence of economic operations. In addition, these documents are considered one of the most important

The basic elements of internal control in order to detect errors and prevent cases of fraud and manipulation...etc

Processing in the accounting information system:

After entering various data resulting from the operations carried out by the organization into the information system

The accounting processing stage comes so that the latter includes a set of steps and procedures, as it is not possible

Outputs of the accounting information system:

3.The concept of accounting reports: Accounting reports are considered the most widely used tool for presenting the outputs of the accounting information system to beneficiaries inside or outside the organization. Therefore, the quality of these reports and their suitability to the user or beneficiary is considered one of the indicators of the effectiveness of the accounting information system.

It is considered a communication tool between the various administrative levels and between the accounting system and the various beneficiaries within it

The organization and outside it must therefore contain correct, accurate, appropriate and timely data

Without hiding any important information or details.

Types of financial reports: In addition to the income statement, financial position statement, and cash flow statement, it provides systems

Accounting information is a large group of accounting reports, the most important of which are.

Planning reports: Planning reports are derived from planning budgets, which are a planning tool that...

By translating the organization's goals and plans into a set of coordinated and classified quantitative and financial data, it gives a picture about the results that can be reached.

Oversight reports: These are reports that help management verify that operations are proceeding according to what was planned by comparing actual results with planned and pre-determined results and identifying important and fundamental deviations.

Designing an accounting system that guarantees property rights

And analyze them to find out the reasons that led to them, examples of which include reports comparing actual costs with standard costs in different cost centers.

Operational reports: Operational reports are those reports that focus on the current status of the operations system within the organization in order to help the operational management in controlling and controlling the daily operations system, such as reports of debtors' balances...etc.

This type of report enables management to obtain the reality of activities and the level of resources available for implementation

These activities thus enable it to plan and control these activities and their resources in a way that leads to improved efficiency operations and improving its effectiveness. (Sachs, (June 1991):)

Analysis and design of equity accounting information systems

Like other management information systems, the accounting information system does not mean that this system will not change over time, but by time must develop information systems and improve them from time to time according to the changes that occur The organization as a whole, and to design and develop the optimal information system, it may be necessary for these systems to contain all of these changes, and therefore the information requirements must be identified and analyzed, and then after this design and development and implementing the optimal information system, and this is what we will discuss in this section.

4.Analysis of accounting information systems

The process of analyzing the accounting information system represents one of the important foundations for the organization when it wants to study (Ajila, 2011).

The existing accounting information system or modifying and developing it, as the process of designing the system is not limited only to designing new system, but it also includes modifying and

developing the existing system, which requires analyzing the system before designing it in the organization.

4.1. The concept of accounting information systems analysis:

System analysis means the procedural evaluation of organized processes to discover and understand the main areas of operation

This stage includes a group of cases: methods and procedures, organizational environment, system objectives, Resources and constraints, system inputs, processing functions, system outputs, control measures.

It is a term related to the concept of systems and refers to a group of processes or activities that are logically organized related to an existing or open system in terms of studying and defining it with the aim of developing or improving it.

From the above, we conclude that system analysis is the process of segmenting and disassembling the system into parts and components

and subsystems for the pure purpose of studying and describing these parts, testing them, and diagnosing their relationships, which leads to understanding The role of the system in the context of the work of the system as a whole.

4.2. Implementing accounting information systems to ensure ownership rights

The concept of property right.

The right to property can be defined as a natural and fundamental human right as recognized by international conventions and most modern constitutions. Which gives citizens and individuals the right to acquire and possess property without a conflict between their right as individuals to own property on the one hand and the state's right to acquire property on the other hand. International covenants and state constitutions also indicate that no individual has the right to be deprived of his property except formally or legally. This is done by taking recognized legal procedures. (Siegan, 1980.)

Designing an accounting system that guarantees property rights

Ownership is considered one of the basic concepts in the legal system. It is vital for societies; Since ownership and contracts form the basis of the economic system on which any society is based, which depends on commercial exchanges; Therefore, preserving and protecting property is considered extremely important for both the market economy and the security of individuals in developed countries. Article 17 of the Charter of Fundamental Rights of the European Union stipulates that it is not permissible to deprive any person of his property unless the public interest requires it. In that case, an individual may be deprived of one of his property on the condition that he adheres to the cases and conditions stipulated in the law, and is compensated for his loss in a fair and timely manner.

The concept of ownership is a broad and complex concept, and the right to ownership is usually protected by laws and legislation imposed and clearly defined by the state. Property rights are characterized by giving the owner full right and authority.

To dispose of what he owns, in the manner he deems appropriate, including keeping his property, selling it, renting it, or transferring it to another party. Ownership is diverse and includes several forms, which are as follows:

5.Private or individual property: This property belongs to specific individuals who may be one person or a group of people. Examples include: real estate ownership; It is represented by tangible things that are by nature fixed in place and cannot be moved without damage or harm, such as buildings, lands, trees, houses, and others. Ownership of patents and copyrights; It is usually to protect some material resources that are unique and rare, such as homes, cars, books, and mobile phones, or to protect creatures that have a talent of a certain type. Such as dogs, cats, horses, or birds, and finally, the protection of intellectual property such as distinctive and unique discoveries and ideas.

Public or governmental ownership: Property in this type is owned by law by well-defined groups; Ownership in this type is

imposed by people who have political or cultural influence and authority.

Examples include public gardens, parks, streets, sidewalks, libraries, government buildings, and others.

Types of property rights: There is a difference in the nature of property rights, as well as types of ownership from one society to another. They also differ within the same society because some property rights are terminated by statute of limitations over time. In light of this, the majority of studies divide ownership, as previously indicated, into two basic types. They are private ownership and public ownership, but another section of studies indicates that there are four basic types of ownership: In addition to private ownership and public ownership, or as it is known as government ownership, there are two other types of ownership: joint ownership and open ownership.

Private property means property owned by non-governmental parties, in other words; It belongs to any person, company, or anything else, provided that it is non-governmental. This private property may be real estate, buildings, or anything else. It also includes intellectual property rights. Private property is classified into two types:

Individual ownership and collective ownership. In individual ownership, the owner is an individual or one person, while in collective ownership, the owner is an entity consisting of a group of individuals or people. This collective entity may be a private company, or a semi-public company.

Public ownership means everything owned by the government or its affiliated institutions, and it is possible to distinguish between public and private ownership through two basic things: that private ownership is usually used by its owner for his own purpose and benefit, while public ownership is used for public benefit, in addition to that private ownership is subject to a system And the laws of the state, while public property belongs to the state itself and is not subject to any external system or law. (Susan S. Hanna, 2013)

Designing an accounting system that guarantees property rights

Common ownership: This term is used to express property owned by common owners or property used jointly by a specific group. This ownership relationship can be organized or documented between them formally through specific legal rules, or informally through customs and traditions. What is common knowledge, and there are many examples of joint ownership systems, some of which are successful and some of which are unsuccessful, and the reason for their lack of success may be due to several reasons, including: population pressure and increasing demand; Which leads to over-exploitation and reduced income for everyone. Open Ownership The idea in this type of ownership is that there is no person or group of people who have the legal authority and power to restrict access to the owned thing, whether it is real estate or anything else. Therefore, in many cases, this type of ownership is on a first-come, first-served basis; Which creates consequences and consequences for it, which some researchers have called the tragedy of the commons. Therefore, in fact, this type of ownership can be described as synonymous with the idea of the commons. Characteristics of property rights Property rights have a set of general characteristics, which are as follows: Flexibility: Flexibility expresses the extent of the power or authority that the owner has, which enables him to use or change the status of what he owns without losing his right to ownership. The ability to make ownership joint: This means that ownership is divisible either geographically or according to function. This is with the aim of building a chronological succession of the ownership right in this owned thing. Security: This means the extent and extent of security that the owner of a property or property feels, in terms of the ease of proving his ownership of it, and that this specific property or property will remain available to him in the future. Privacy and exclusivity: "This means that the property remains private to its owner, and that there is a prior agreement on the number of other parties that can use this property. (Ostrom, 1990)

6.Elements of the list of equity:

The form of the statement of ownership rights for a sole proprietorship can be explained as follows:

Statement	amount
Capital at the beginning of the period	XX
(+)or (-) additions or reductions to capital during the financial period	XX
(-)Personal withdrawals	(XX)
(+)or (-) net profit or loss	XX
Capital at the end of the financial period net equity	XX

Notes on the elements of the statement of equity:

-The capital at the beginning of the period is considered the net capital of the previous year and is recorded in the list of equity at the beginning of the new year to know what changes have occurred in it.

-Capital additions during the financial period, which are any amounts added to increase the new general capital.

-Capital reductions are considered any amounts taken from the entity's capital and thus resulting in a capital shortage.

-Personal withdrawals are any expenses taken from the facility for the benefit of the facility owners and thus led to a lack of capital.

-The net profit or loss made during this year, and this amount is calculated through the income statement.

-In the end, the capital is calculated at the end of the financial period, or what is called net property rights, which is the real amount that expresses the owners' equity after the addition or decrease has been made. (Berkes, (1999) Sacred ecology:a,)

Designing an accounting system that guarantees property rights

7.The form of the list of property rights for companies of persons and funds can be explained as follows:

The list of property rights of companies of persons and funds is as follows

Statement	Capital	Additional Capital	reserve	Retained profits	Total
The balance of the first duration	XX	XX	XX	XX	XX
Capital increase					XX
Net profit					XX
Spare					XX
Dividend					XX
Adjustments for previous years					XX
End of term balance					XX

8. CONCLUSION

Shareholders' equity or shareholders' equity is one of the common financial measures that analysts use to assess the financial health of a company. Its value can be known through the difference between the company's assets and liabilities, and it is defined as the money that is returned. to the shareholders of the company when all assets are liquidated and all debts paid.

This is very important in accounting because it allows you to know:

Money that will be returned to shareholders when the company's assets are liquidated.

Money left over after debt is paid off and assets are sold to shareholders.

The overall value of the company.

For organizations and businesses, equity can refer to a variety of financial values, including:

Balance sheet.

Liquidation of the company.

Property.

Actions.

The following group of balance sheet items is also called shareholders' equity:

Ordinary actions.

Paid-up capital

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