Rainbow Illusions Analysis

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Analysis of Rainbow Illusions

*Answer 1*

 The young force working in the sales department of the company is the first strength for the company. This workforce will be very active in their work and they will not try and commit any kind of fraud as they will be at the starting stages of their careers. These people will also be seeking experience from working here so they will be working for a longer period of time with the organization. This will provide the organization with a loyal workforce. Younger people seek different ways to carry out similar kind of work at different points in time. This can bring some positive changes in the system followed by the company. Young workers are generally eager to learn from their mistakes. These young workers do not demand a very high salary as they seldom have any experience to work. There are instances where the system of the companies is upgraded and the young people can easily adapt to any such change or up gradation. Hiring young work force will mean that the company can focus on the workforce development as the young people who have just some out of educational institution keep a mindset of quickly absorbing the training aspects (CHESS CONNECT, 2017). This kind of attitude helps the organization to develop a workforce that us specifically adapted to its own needs. The second strength of the sales system is the inclusion of many persons in the said system. A manager, assistant manager and sales staff are all parts of the team. The authorization is also divided into the team. This allows the counter check of all the transactions and all other affairs. Sales staff are all part time which will keep them on their feet. They will have a feel that they can lose their jobs very easily. The third strength of the system is the involvement of headquarter in the process. There is a weekly report received from the central database that includes the weekly sales report. This helps to verify the accuracy of the data that has been compiled by the staff at office. Authorization of each sale with the help of employee number is also a strength of sales system. This helps to identify the amount of sales that has been undertaken by each sales representative. This also facilitates the making of payroll at the end of month as the company is paying its employees on the basis of sales that have been made by them. The authorization to use the bank account has been granted to the manager only which means that there is a uniformity to the operations undertaken by the firm. There should be at least two signatories for the receipt of checks from the bank. This is because if the manager is not present, it will hinder the normal operations of the organization. The young work force may create many problems for the organization. They can have non serious attitudes as they do not have the responsibility to run their houses so they may switch their jobs many times. This may hinder the proper management of sales transactions. There is a clear separation of duties in the whole department, this means that no one in the whole system has too much control in hand to use it for personal benefits. Similarly, the responsibilities have been shared between the team members. The banking transaction involves the employee, customer and bank all at the same time which means that any transaction will be authorized from three different sources. The allotting of serial or sequential number on the sales also helps the company to track any sales that have been made in the past.

*Answer 2*

 The young workforce of the sales department will help the company innovate more quickly as compared to an older work force. This is because the youngsters are more interested and adapted to using the latest technology. This workforce will also learn the things much quickly and implement these changes in the system. There will be less chance of these employees of indulging in some frauds because their salaries are generally sufficient to meet their own expenses. Additionally, they are at the start of their careers so they cannot afford to be labelled as fraudulent in this early stage of their careers. Since this workforce is young, they are least likely to switch their jobs from one organization to other which will reduce the turnover risk for the company. The inclusion of many persons in the sales team and giving them different responsibilities minimizes the possibility of fraud from any employee involved. There is a double check to all the instances undertaken in the system which means that the work done by one set of employees will be checked by at least one party. This will also make the people feel like they are some important part of the team they are working for. This sense of importance is very motivating for the young employees as they are new to the workplace atmosphere from the educational institution. This also allows the team to identify any mistakes in the system quickly and also grab the person who has committed the mistake. There is less possibility of any stoppage to the work in case any person in the team is absent because the duties of the team members are not dependent on each other’s work. The sales team has a clear separation of authorization and operations which will minimize the possibility of fraud. Even all the authorization has not been kept with one person which means that there will be least chances of fraud. The inclusion of the head office in the process will also improve the check and balance system on the sales team. The head office will verify the process from the start till end to check if there are any mistakes therein. Inclusion of head office will also mean that all the record regarding the sales at any given point in time will be saved and can be retrieved in future to rectify any problems. The payment to the employees on the basis of sales completed will mean that they will work harder to increase the sales of the company as this will benefit them in the long run. This strategy will also avoid customers waiting in long queues at the sales stations as sales representatives will make sure that they cater more and more customers. This will increase customer satisfaction as they will receive quick service. At the start of the process, every sales person has a unique identity that is also printed on the sales receipt. This allows the firm to detect the problem right where it all started. This will also mean that the payroll management will be much easier for the company. There will be computerized record of all the sales transactions with the names of employees who have dealt with it. There will be a facilitation in making the annual financial statements of the company as all the record will be computerized. The sales department system will provide the income statement items of sales and cost of goods sold along with some other expenses like selling and administrative expenses.

*Answer 3*

 The first scenario is that a supplier of some product may induce some employees to commit some fraud. This supplier may ask the employee to manipulate the inventory in such a way that the sale is not recorded in the system and items are carried away from the inventory. The supplier will ask to manipulate the inventory of the products that he is not supplying which will mean that there will be mismatch of the physical and digital inventory of that product resulting in the customers not getting the product in time. The situational pressure may be applied on the sales representative directly or through some senior person. There will be both short and long term effects of this practice on the company. In the short run, the sales of the company will be badly affected as there will be customers who will not get their desired products. There will be a certain number of customers who will shift from this company to some of its competitors because there are very much identical products provided by these companies. In the long run, the company will lose one of its suppliers who has tried to be a part of the fraudulent activity and some employees as well if the fraud has been conducted successfully. These employees will create a bad word of mouth for the company and if the news come in the media, there will be considerable damage to the company reputation.

 The second situational pressure will come from the inside of company. Some employees in the head office may approach the cashier to manipulate the system and take away some of the sales proceeds on the daily basis. The required manipulation of the central databases will be handled by the employees in the head office. There will be a whole team that will be involved in this whole process and it will not be easy for the company to detect these people or their activities. This situation will have short as well as long term effects on the company. In the short run there will be lesser amount of cash in hand for the company and at some point in the system, there will be a difference between the cash shown by the system and physical cash in hands of the company. This will raise a genuine audit observation once the documents are checked thoroughly. In the long run, the company will suffer even more as the differences will pile up. There will be a large number of employees who will have to be laid off as a result of such activities. The company will also have to reassess the information technology used by it and especially its vulnerability to fraud. This situation will affect the company more drastically as compared to the previous one.

*Answer 4*

 A distributed system is a setting where there is a collection of independent computers that is seen by the users as a single system. The basic theme of this set up is that the communication between processes takes place using message passing technologies. These independent systems communicate with the help of a network which is formed by connecting all these systems. While solving a problem under this system, all the systems work on some parts of the problem. These systems have multiple autonomous components some of which are specific to individual systems only. These components are not shared by all the users in the network and the resources are also not accessible to all the systems in the system. There are multiple points of control in this type of system setting. A large number of microprocessors bought from a single place will allow the company to get considerable discounts from the seller. The total power of all the systems in a network is increased and this will help the company like Rainbow illusion. The company sells products on daily basis and there is a need to keep the updated record of inventories. A distributed system will mean that updating the inventory is required only on one of the systems and network message prompt will ensure that all the other systems are immediately updated as well. Similarly there will be network message prompts for the inventory falling below the safety levels so that further inventory can be ordered. The maintenance of attendance system and duty roaster is also much easier in the distributed systems. In this scenario, if there is a break down in any one of the components, all other parts of the system can still work independently. The systems can be upgraded gradually and data can be shred in an easy way among all the systems. There is a high level of operational transparency in the computers attached together in the form of a network. Some of the expensive resources like printers can be shared through the network in case of distributed system (Al-Salih & Alasady, n.d.).

 Centralized computing refers to a system where the relationship between end users and computers is conceptualized. In the initial stages of the business computing, there was only one computer available to the businessmen and centralized computing was the only option for them. The people who wanted to use the computer had to come to the only machine available in the office. Some terminals were evolved without any processing capability which were connected to the central system. People could work with the central machine without physically going to the central machine. These dumb terminals are replaced by the personal computers now a days having some processing power and graphical user interface to connect to the central machine and interact with it. In the organization like rainbow illusions, the centralized system may not work efficiently. This is because all the customers completing their sales will have to access the central system to get their bills paid and punched. This will create some long queues in front of the central system especially in the rush hours. This kind of system is easier to manage as compared to the distributed systems. This is because there is only one computer to manage at a given point in time. This system is more secured as compared to the distributed system. The company may have some separate user names and passwords on the main system and the relevant information may be used to analyze where the problem has been created. Any update in the system or any other change can be incorporated by installation on the main system. A fewer number of people will be required to manage the system in this case. There is ample utilization of the computing resources in case of the centralized system. This is because these systems are kept busy for one or more tasks related to business. This means that the systems have higher utilization as compared to the distributed system. This type of system is also suitable when there are more sophisticated functions performed by the businesses. In case of Rainbow illusions, this kind of system can provide audit facility with the help of one click because all the data has been gathered in a single system (idcp.org, n.d.). The security measures can also be taken easily in case of centralized systems as opposed to the distributed system. The nature of business for rainbow illusions is more suited to distributed systems.

# **References**

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