Verbs in Noun Phrases

It uses a computer generated image.

It is based on a computer generated image.

It is based on an image that is computer generated.

It is based on an image that is generated by computer.

His talk on computer generated images sparked a lot of interest.

The computer generates the image – the verb phrase is captured in the noun phrase.

It uses a computer based simulation.

It uses a simulation that is based on a computer.

The simulation is based on a computer - a collocation is introduced. We can't simply reverse the subject and object, we would need

The basis of the simulation is a computer.