

EFFECTS OF E-ACCOUNTING – A PERCEPTIONAL ANALYSIS

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Abstract

E-Accounting involves performing regular accounting functions, accounting research and the accounting training & education. Institute and company databases which are internet based web-links, internet bases accounting Software seven electronic financial Spread sheet tools to provide efficient decision-making. Electronic accounting practices have provided saving of time, synchronous and comparable presentation of financial statement become easier on the other hand, the electronic audit concept has been brought forward by carrying out the audit activities through electronic environment by means of electronic entries and documents.

Keywords: e-accounting, online account, Effects of e-accounting

Introduction

E-Accounting (or online accounting) is the application of online and Internet technologies to the business accounting function. Similar to e-mail being an electronic version of traditional mail e-accounting is electronic enablement. E-Accounting involves performing regular accounting functions, accounting research and the accounting training & education. Institute and company databases which are internet based web-links, internet bases accounting Software 7 electronic financial Spread sheet tools to provide efficient decision-making. Most e-accounting services are offered as SAAS (Software as-a-Service). There has been constant growth & development in information technology which had brought the digital revolution in our daily economic, social & cultural fields. This technological development changed the methods 7 ways of carrying out tasks within the scope of accounting transactions 7 activities through the use of electronic media.

The traditional accounting is a very time consuming process of accounting compared to modern accounting practices. It was found from studies that many organizations are failing in business not because of unavailability of high technology or trained staff, poor quality of material or management problems, but because of the accounting practices adopted by the businesses. Therefore, there is a need for businesses to replacement of traditional practices for efficient performance. Since accounting is used by everyone in one form or another, a good understanding of accounting principles is beneficial to all.

Objectives of the study

- To study the Conceptual background of the term E-accounting
- To study the features & impact of E-accounting
- To study seven examine the benefits & problems of E-accounting.
- To help businesses keep their financial data in a safe, secure environment allowing real-time.
- To access to authorized users, irrespective of their location or computing platform.

Scope & Uses**Electronic Invoicing (E-Invoice)**

It is a form of electronic billing E-Invoicing methods are used by trading partners, customers & their suppliers, present & monitor transactional documents between one another & ensure the terms of their trading agreements are being met.

E-Invoicing includes a no. of different technologies and entry options and is used as an umbrella term to describe any method by which an invoice is electronically presented to a customer for payment.

Purpose

An e-invoice can be defined as structured invoice data issued in electronic data interchange (EDI) or XML formats, possibly using internet based web forms. The file extension INV could be used, easily open able in accounting software.

Standards

- EDIFACT
- UBL
- FINVOICE
- E-INVOICE
- CFDI
- PEPPOL BIS
- UBL-OHNL
- NOTA FISCAL Electronica
- DTE

Accounts Payable (AP)

Owed by a business to its suppliers shown as a liability on a company's balance sheet, it is distinct from notes payable liabilities

Internal controls

A variety of checks against abuse are usually present to prevent embezzlement by accounts payable personal companies also separate the functions of adding new vendors to the master personnel must watch for fraudulent, invoice, absence of a purchase order system. 'yellow pages' in which fraudulent operators offer to place an advertisement.

Audits of accounts payable

Auditors often focus on the existence of approved invoices, expense reports and other supporting documentation to support check. The supplier is reasonable proof of the existence of the account.

Accounts Receivable

Legally enforceable claims for payment held by a business for goods supplied or services rendered that customers have ordered but not paid.

- balance sheet as an asset
- Customer for goods and Services.
- Notes receivable, which are debts created through formal legal instrument called promissory notes.

AR Age Analysis

It is known as the Debtors book is divided in categories for current, 30 days, 60 days, 90 days or longer. The analysis or report is commonly known as an Aged Trial balance.

Book keeping

AR are classified as Current asserts assuming that they are due within one calendar year or fiscal year. To record a journal entry for a sale on account, one must debit a receivable and credit a revenue account generally use accounting software on a computer to perform this task.

Special Uses

Use their accounts receivable as collateral when obtaining a loan (Asset Based Lending) Pools or portfolios of accounts receivable can be sold to third parties through Securitization.

Payroll

A payroll is the list of employees of some company that is entitled to receive payments as well as other work benefits and the amounts that each should receive. A company may handle all aspects of the payroll process in house or can outsource aspects to a payroll processing company.

- Frequency

Companies typically process payroll at regular intervals. According to research conducted in February 2019 by the US department of labor.

Weekly	33.8%	50	40 hours pay periods.
Biweekly	42.2%	20	80 hours pay periods.
Semi-monthly	18.6%	18	24 pay periods per year.

Components

- **Gross Pay:** Gross pay, also known as gross income is the total payment that an employee earns before any deductions or taxes are taken out. There may include holiday pay, Vacation or sick pay, bonuses, and any miscellaneous pay that the employee may receive.
- **Deductions:** Pre-tax deductions are deductions that are taken out of an employee's gross Pay amount before it is subject to tax and could include health, dental, or life insurance, deductions for certain retirement accounts or deductions for FSA or HSA accounts.
- **Taxes:** Various levels of government require employers to withhold various types of income tax and payroll taxes are used to support social security and Medicare costs while income taxes are used for other federal & state Programs.
- **Wage garnishments:** A wage garnishments is a court-ordered method of collecting overdue debts that require employers to withhold money from employee wages and then send it directly to the creditor. It includes credit card bills & medical bills, child support & alimony, federal students' loans and tax levies.

- **Net Pay:** Net pay is the total amount that an employee receives after all required and voluntary deductions are taken out.

E-Accounting software:

- MS- Excel
- Google Docs
- MS Access
- Tally
- ERP
- Quick books online
- SAP
- SAARK

Literature Review

Amidu M and Abar J (2005) express their views in their research article title “Accounting Information and Management of SME's in Ghana”, that, there is an urgent need of application of information technology while writing accounts in a business organisation.

Patel. K.J. (2011) expressed his views in his research article entitled “adoption and Impact of E- Accounting” that, how E-Accounting is adopted in any type of business organisation, He also explained the overall impact of E-Accounting in the business concern.

Hajera (2016) expressed one of the aspects of information technology effect on enterprises and institutions is quantitative & qualitative changes of information and Accounting management systems. The leading developments are that of data & activity exchange, as well as the expansion of intranet and internet information networks.

Role/ Features of E-Accounting

An electronic accounting system can be helpful in the effective process of accounting through the following features.

- o Universal access
- o Large Scale business Record
- o Multiple site access
- o Zero system administration for end - users
- o Frugality because of service offering to a large Number of Customers.
- o A single/ multiple, shared data base
- o Enhancement and fixes continuously developed and installed by service provider
- o Fast record with Advance Technology.

Research Methodology

We made use of secondary data in the analysis of the study. The data is collected from various reference books related to E-Accounting, Corporate Accounting, E-Auditing, Commerce, Industry, Economic and Management the review of related literature and several sources to the subject of study which are research article, Scientific journal, books, websites and some books on accounting and fulfill its objectives for the research study secondary data is also collected and reviewed from the various national and international research journals which are related to E-accounting and E-Auditing.

Research Hypothesis

H₀₁: There is no significant difference in factors influencing the adoption of an e-accounting system in the selected deposit money banks.

H₀₂: E-accounting do-not significantly Promote financial reporting quality of selected deposit money banks.

Conceptual framework

- **Information System:** The information system is a system that generates information for the user for example accounting information system generates financial reports information used for decision making by parties accounting information. Information system as a combination that has been set up consisting of human, hardware, software, network communication, data sources, polices and procedures to store recover transform and disseminate information to within the organisation.
- **Financial Reporting Quality:** Financial Reporting as a process of identifying, measuring, accumulating, analyzing, preparing, interpreting & communication information to the user groups, Financial Reporting is the provision of Financial information about the reporting entity that can be used for current and potential investors at the time of decision making and reporting assessment.
- **Manual Accounting system and it's shortcomings:** Manual accounting implies that employees perform the whole accounting cycle manually on a periodic basis including drafting trial balances, journalizing transaction and preparing financial statements.
- **Electronic Accounting systems:** The concept of electronic accounting system is evolving and broadening as new development brings change to accounting due to Technology.

Theoretical framework

While some are well known in research, a few of them too are based largely on perceptions. An individual may adopt a technology if he or she perceives it as convenient, useful and socially desirable even though they do not enjoy using the technology.

Empirical Review

Based on the review of most related studies that examined information technology and accounting information system of banking industry. E-Accounting practices in the Deposits money bank, it is pertinent to present the identified gaps filed by the current study.

Methodology

Primary data were collected using questionnaire and secondary data covering a period from the annual report of the selected banks. The study population comprises of all ten (10) deposit money banks currently operating were selected using homogeneous purposive sampling technique. The period were analysed to achieve of the study.

Results and Discussion

Bankers' perception of factors influencing the adoption of E-Accounting in selected sampled Deposit money banks

Influencing factors	Very High	High	Undecided	Low	No influence
Bank size	90 (75%)	25 (17.5%)	0	4 (3.08%)	90 (4.62%)
Cost of ICT development (CID)	85 (65.38%)	05 (3.88%)	40 (30.77%)	0	0
Perceived Ease of use	64	28	0	33	0

(PEU)	(50.41%)	(21.09%)		(25%)	
Perceived Benefits (PB)	100 (78.51%)	13 (7.15%)	5 (3.05%)	5 (3.05%)	7 (5.18%)

Source: Primary data

It shows that analysis of factors influencing e-accounting adoption in the selected sampled deposit money banks. The result shows that 92.30% of the stakeholders of financial services such as bank workers opined that bank size had a strong influence on e-accounting adoption.

Conclusion

The study concluded that all the identified variables bank size, cost of ICT development perceived Ease of Use & Perceived Benefits (PB) influenced e-accounting adoption and that e-accounting practices enhanced accounting procedure and improved the timelines of report generation and financial reporting quality of banks.

- Put more effort by developing mechanism those strengthen e-accounting usage to promote users confidence on the financial information banks.
- Collaboration among banks should be maintained by money deposit banks in order to make electronic accounting spread across and meet the quality of financial report needed by banks stakeholders.

In other words of electronic accounting practices have provided saving of time, synchronous and comparable presentation of financial statement become easier on the other hand, the electronic audit concept has been brought forward by carrying out the audit activities through electronic environment by means of electronic entries and documents.

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