

A STUDY ON THE IMPLICATION OF E-ACCOUNTING IN MODERN BUSINESS

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Abstract *Electronic Accounting (E-accounting) is considered a new concept in the field of accounting. E-accounting replaces paper with electronic sources for accounting records and documentation. It retains a lot of time, zeal, paper and funds for any type of organisation. New software for recording accounting transactions is released every day which is giving technological improvements. E-accounting is characterised as the use of Internet technologies and online applications for business accounting. Additionally, it helps organisations maintain their accounting software and financial data in a secure manner while granting authorised users real-time access regardless of location or computer platform. The objective of the paper is to understand the basic concept of E-accounting, the characteristics of E-accounting, its benefits and drawbacks, and its conclusion. The purpose of this study is to shed light on the implications of E-accounting in modern companies. The review of related literature that was used to develop the study's theoretical framework served as the secondary source of data for this report. According to surveys, many businesses fail not just due to low-quality products, a lack of qualified employees, or managerial problems, but also because of bad accounting procedures. It has been determined that the company needs to switch to current accounting procedures from outdated ones.*

Keywords: *Accounting, E-Accounting, Transaction, System, Technology, Software*

INTRODUCTION

Electronic Accounting (E-accounting) involves making use of accounting software and computers to record, store and analyse financial data (Esmeray & Esmeray, 2020), and it makes sure that the information of critical financial is controlled, accurate and safe from corruption of data. E-accounting accuracy facilitates speed and lower cost of handling business operations (Cong et al., 2019); it eliminates some of the mundane and time-consuming tasks associated with hand-operated (manual) accounting (Jędrzejka, 2019), and it facilitates all the procedure (calculations), including additions and deduction, are done automatically by software (Uzrail & Bardai, 2019; Suyono et al., 2019). E-accounting defined that all business transactions will be recorded in an online server or database, eradicating the requirement to physically record the transactions. It works with businesses to increase processing capacity, produce more work, engage more customers, and expand business. Numerous accounting software systems allow us to keep records using various tools such as the national graph of records. The biggest issue with E-accounting is the dread of discovering anything new; nevertheless, as the number of transactions increases, this will become more significant. E-accounting has become crucial for actual records experts.

The fast development of data technology has created a variety of circumstances that necessitate an examination of the advantages and disadvantages of E-accounting. Accounting and financial data are being transformed by technologies for collecting, viewing, controlling, and transferring information. E-accounting is becoming more popular on a global scale. A large number of businesses have begun using E-accounting. The International Accounting Standards Board likewise oversees E-accounting. It is working on new measurements that will be useful for international E-accounting. The International Federation of Accountants is looking into all E-accounting systems for excellent accounting education and development. The UK's Financial Reporting Review Panel, the UK and Irish Auditing Practices Board, the American Accounting Association (AAA), the Association of Chartered Certified Accountants, and others are among the international accounting groups that support E-accounting. Accounting is defined in a variety of ways. It was previously known as the identification, recording, classification and summarisation of financial events, as well as their reporting. According to more recent definitions, it is an information system; that is, it includes an information system that makes necessary information available to accounting information users by identifying, recording, classifying, summarising and reporting financial events.

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CONCEPT OF E-ACCOUNTING

E-accounting is composed of two words one is electronic and the second is accounting. Because all records are kept electronically rather than on paper, the letter E stands for electronic. “The art of recording, categorising and summarising significant transactions is known as accounting. As an outcome, with an E-accounting system, source papers and accounting records exist digitally rather than on paper. In this era of information and communication technology in business, there has been enormous progress in facilitating the interchange of data and information within and between organisations. The International Accounting Standards Board also supports E-accounting. This board is developing new standards for international E-accounting. Every major institution and organisation support E-accounting. Bank reconciliation, Management Information Systems (MIS), cash management, accounts payable, accounts receivable, payroll, credit management and financial statements are all available entirely online. As India is a developing and agricultural country so it takes some time to reach this concept in rural areas. However, rural people are increasingly interested in learning about and employing new internet technologies for their overall development.

LITERATURE REVIEW

Several scholars have undertaken research studies on technical difficulties in various ways. The following studies are reviewed in this regard.

Implementation of E-accounting was crucial in terms of the firm’s ability to manage all financial data and make choices. As an outcome, the company can be better managed, and firm profitability, particularly for SMEs, can improve. E-accounting is described as the use of a computer, including software and hardware, for the preparation of financial reports and accounting-related activities in an organisation, regardless of whether the accounting software is assembled in-house or purchased from a vendor (Ghaffar *et al.*, 2019).

Ghaffar *et al.* (2016) sought to learn about SMEs’ attitudes towards the use of information technology in E-accounting. Respondents strongly agreed with the decision-maker, technological and institutional factors influencing their decision to implement E-accounting in their SMEs, according to the findings. The effects of internal monitoring as a mediator and the integration of how E-accounting relates to performance were investigated in various aspects of E-accounting in SMEs. E-accounting affects the internal monitoring system. According to the findings, improving the domestic monitoring framework leads to improved performance (Alfartoosi & Jusoh, 2020).

Amidu and Abar (2005) in their research article titled According to the authors of “Accounting Information and Management of SMEs in Ghana,” there is a pressing need for the use of information technology while producing accounts in a company organisation.

Doost (1999) in his research article “Computer and Accounting - Where Do We Go From Here,” computers play an important role in the age of globalisation.

Amiduet *al.* (2011) in his article E-accounting is defined as an accounting system that uses computer technology to capture and process financial data in organisations. Thinking of E-accounting as the usage of computer automation to capture an organisation’s financial data may give it a limited meaning. The reason for this is that it does not rely on any other technologies.

Ghani (2012) explained the accounting operations that does financial record keeping, examination, reporting and evaluation as a business obligation. Financial position means assessing a company’s sustainability, prosperity and profitability. As a result, most businesses design and provide clients using machine-based information technology, particularly E-accounting systems that make extensive use of information technology.

Lakew and Biribirsa (2017) in their research looked into MSEs’ financial record-keeping and reporting practices in the west Oromia sub-region. 200 sample MSEs selected from three towns in the West Oromia region are used for this study. The majority of MSEs were found to not keep regular accounting records or prepare periodic financial reports. Respondents cited the small size of the business, the expensive cost of skilled accountants and a lack of awareness about the benefits of accounting as the primary reasons.

Esmeray and Esmeray (2020) described that E-accounting is the use of accounting software and computers to record, store and analyse financial data, and it ensures that essential financial information is regulated, correct and safe from data contamination.

Hajera (2016), in his article, emphasised that when implementing a computerised computer accounting system, data can be lost owing to malfunctioning hardware or software. Data loss or modifications may also occur as a result of fraud or misappropriation.

Garedew Ganecho Gebremedihin (2019) identified common challenges to the adoption of accounting practice in micro and small-scale firms. To achieve the research target, the researcher utilises a descriptive research design and makes up a collection of primary data with the help of 209 owners utilising a proportionate stratified sampling technique. According to the study’s findings, respondents understand the role of accounting practice in the growth of businesses.

Hajera (2016) described that one facet of the impact of information technology on organisations and institutions were the quantitative and qualitative changes in information and accounting management systems. Data and activity exchange, as well as the expansion of intranet and internet information networks, are the leading developments. As a result, we can assert that the role of electronic information networks in disseminating the organisation's financial and business information is unavoidable.

Muhrjala and Ogundeji (2013) describe E-accounting as a system that handles both financial and non-financial transactions and has a direct impact on financial transaction processing. However, in the context of this study, E-accounting refers to any accounting system that collects, records, analyses, processes, interprets and transmits accounting transactions and information through the use of ICT application tools and devices.

Onaolapo (2014) in his article said that record-keeping provides substantial information about an enterprise's financial strength and present performance, and thus managers find those records beneficial in decision-making.

Patel (2011) in his research article titled "Adoption and Impact of E-Accounting," shared his thoughts on how E-Accounting Practices of Manufacturing Firms in Accounting were implemented in any form of business organisation. He also emphasised the overall business impact of E-accounting.

Romney and Steinbart (2012) explained an information system organised means of collecting, entering and processing data, as well as storing, managing, controlling and reporting information so that an organisation may achieve its objectives and aims for the manual accounting system.

Tijani and Mohammed (2013) defined E-accounting is defined as a system that is considerably enabled by computer technology and is created by methodologies pertinent to achieving qualitative business decision-making objectives.

Sekyere et al. (2017) has been found certain decisive aspects of computerised accounting systems, such as perceived utility and simplicity of use, and their impact on the accuracy of financial reports in publicly listed corporations.

Christian (2023) in his research study revealed the impact of E-accounting on the performance of accountants in the Nigerian Public Sector. The objective of the study was to investigate the impact of E-accounting on accountant performance. The questionnaire was used to collect data, and the analysis was done using basic percentages and chi-square. It was discovered that E-accounting aids in the performance of accountants in the Nigerian Public Sector,

consequently enhancing the country's economy.

Mallick (2023) according to his research study, digitisation of accounting is a new evolving concept in the field of accounting profession. The current study investigates the prospects, challenges and professional accountants' perceptions of accounting digitalisation in India. The study assesses the status quo and progressive tendencies of digitalisation in the accounting profession, as well as the effectiveness of digital accounting systems in the accounting profession.

Azim (2023) in his research paper, the researcher characterises digitalisation of accounting as a new evolving concept in the accounting profession. The purpose of this study is to investigate the E-accounting practices of Bangladeshi industrial businesses. The population of the study included all companies listed on the Dhaka Stock Exchange Ltd (DSE). Questionnaires were emailed to them; the questionnaire was designed by the researcher to target personnel at these organisations. According to the study's findings, the deployment of E-accounting practices at these organisations had an impact on correctly implementing digital document retention.

OBJECTIVE OF THE STUDY

- To understand the concept of E-accounting systems.
- To study the features of E-accounting systems.
- To study the benefits and problems of E-accounting.

RESEARCH METHODOLOGY

The current investigation was done entirely with secondary data. The data is collected from various sources related to the subject of the study which are books, research articles, scientific journals, websites and some accounting and E-accounting books. The secondary data were gathered from a literature review on the above topic to establish a theoretical foundation for the study. Descriptive research has been used.

Characteristics of Electronic Accounting

E-accounting is distinguished by the following characteristics, which all contribute to a significantly faster accounting process.

- *Universal Access*

Today, no matter what accounting software you use, it is all connected to the internet and a server. You can access and edit through your tablet and smartphone. So, it will give you

an innovative experience. This is one of the good features of E-accounting.

- *Good Cooperation among People*

If people work in an accounting department with other departments, they can use E-accounting to collaborate with their colleagues. With this tool, you can assist one another in maintaining the company's accounting.

- *Fast Rectification and Outcome*

If an error occurs, there is a greater chance of quickly correcting the accounting error because a large number of team members can access the information. Many experts are only there to monitor, resulting in accurate and true financial results.

- *Quick Record and Advance Technology*

Today, all financial reporting software developers want to be the market leader, but the market is crowded. As a result, these accounting software companies are striving for innovation. As a result, you will see new and updated hacks and shortcuts for recording quickly every day. So, take advantage of this E-accounting feature.

- *Strict Control*

Accounting databases are now impossible to hack due to ethical hackers developing advanced accounting software with rigorous protection for obtaining accounting information good.

- *Record of Large-Scale Business*

Today is the time of doing hard work, not laziness because business is growing fast. Today, I have lots of projects because my work has increased. So special thanks to the E-accounting automation system for assisting us in recording our business as it grows in size.

- *Involved with the Law and Accounting Standards*

By installing new utilities, any accounting software can be updated to reflect any revisions to any law and accounting standards.

- *Modification is Possible*

If a company switches from one business model to another, the accounting software's configuration may also change.

Benefits of E-Accounting

- It saves both time and money.
- Transition from paper records to computerised accounting software to provide greater financial management.

- Send sales invoices and other documents to another business account for approval without having to re-enter the information.
- E-accounting may improve the efficiency of accounting and reporting tasks, as well as planning, controlling and auditing, which may have an impact on the overall performance of the organisation.
- Accounting systems enable an organisation's complete accounting project to be readily outsourced.

Drawbacks and Problems of E-Accounting

- In today's world, available online office suites necessitate a high-speed broadband internet connection.
- The company's data is stored on a remote server, although regular backups are possible.
- Some features that are present in offline office suites are missing in E-accounting; nevertheless, this is gradually becoming offered (MS LIVE, Google online-suite, Think Free, Zoho Office and Internet Office, Online Business and e-Desk).
- A network connection is always required to send and receive changes. Internet dependency makes it more difficult to work offline.
- It creates job opportunities for software developers and accountants only.

Standard Accounting Software

In the current era, with the increasing demand for E-accounting using readily available software, there is a plethora of accounting software options in the market, each offering comprehensive accounting capabilities. Despite the continuous efforts of 33 software professionals to develop excellent accounting software and introduce innovative features, they can only deliver half the benefits compared to the established standard accounting software already available in the market. A few software is mentioned below:

- Tally
- EX Next Generation
- Wings
- Total
- FACT
- WinCA
- Quiken

RESULT AND FINDINGS

Tally is one of the best accounting software. Based on the requirements of both small and large business groups, this software possesses distinct features that greatly enhance its utility. Its wide array of functions facilitates easy decision-making. Tally.NET enables businessmen to access their accounts remotely, while the software's support for multiple languages ensures user-friendliness in any preferred language. Additionally, the latest version offers data protection against abrupt operating system shutdowns. In the past, manual accounting involved complex calculations and posed a considerable risk of errors. However, with Tally, managing accounts has become uncomplicated, user-friendly and less prone to mistakes. This software streamlines various tasks, particularly in GST-related processes.

Practical Implication

The research has ignited increasing curiosity in the understanding and utilisation of accounting software. It sheds light on accountants' viewpoints, the obstacles they encounter while integrating digital accounting into their businesses, and the advantages it offers, including fostering business growth and efficiency. Accounting software is very useful for the business and very less time taking to work under this. It has both problems and advantages in the software.

SUGGESTION

- E-accounting should focus on meeting the specific needs and requirements of businessmen and continuously improve through the efforts of software developers.
- Stakeholders such as non-governmental organisations (NGOs), universities, colleges, societies and the government should actively participate in the progress of E-accounting and incorporate it into the commerce curriculum.
- Software development companies should prioritise investing in product research and catering to the needs and preferences of businessmen instead of relying solely on heavy advertising.
- Greater emphasis should be placed on the development of E-accounting and its integration with government schemes.
- Universities and colleges should make mandatory education related to E-accounting so that students take an interest in the subjects.

- The benefits of E-accounting for businessmen should be enhanced and further developed to provide increased advantages.

CONCLUSION

It is a newer accounting development. In this system, every document and record exists digitally rather than on paper. E-accounting gets supported by all major national, international institutions and organisations. In other words, E-accounting practices have saved time and made it easier to present synchronous and comparable financial statements. On the other hand, the audit concept has advanced by conducting audit activities in an electronic environment using electronic entries and documents. Fortunately, the basic issues related to E-accounting are data security, broadband speed, internet connection, network connectivity, etc. As a result, Indian Chartered Accountants are completely confident in the work process, ensure service integrity, adhere to professional ethics, and instill trust in clients for a long-term business relationship as professionals. As a result, E accounting is now required for both urban and rural development. According to several research, many businesses fail due to accounting practices, rather than a lack of advanced technology, poor quality materials, a lack of qualified workers, or managerial concerns. As a result, businesses must replace traditional accounting practices with E-accounting practices.

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