

**COMPUTERISED ACCOUNTING SYSTEMS AND FINANCIAL  
PERFORMANCE OF MANUFACTURING COMPANIES  
IN BUIKWE DISTRICT: A CASE STUDY OF  
UGANDA TEA CORPORATION LTD**

**BY**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS  
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## DECLARATION


I **ADONG LILLY ROSE** hereby declare that the work presented in this book is original unless otherwise stated. It has never been presented before in any institution of learning either in part or full, for any academic award, publication or otherwise.

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DATE 12<sup>th</sup> 09 2019 .....

## APPROVAL

I certify that Ms **ADONG LILLY ROSE** carried out this research under my supervision and has submitted with my approval as the University Supervisor.

Signature ..... 

Supervisor **DR. KIRABO K. B. JOSEPH**

Date..... 12/9/2019

## **DEDICATION**

I dedicate this research report to my father Mr. Okidi Paul and my beloved Mother Acheng Christine for their moral and physical support throughout my education level.

May God Bless You all.

## **Acknowledgement**

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## ABSTRACT

*The study was on the effect of computerized accounting systems on organization efficiency in Uganda using Uganda Tea Corporation Uganda as a case study the purposes was to find out the relevancy of adopting Computerized Accounting System in organizations, to find out the challenges associated with Computerized Accounting System in organizations and to find out some of the Computerized Accounting Systems used in organizations. The findings were that computerized accounting system provides management with current account balance information since balance is posted as the transaction occurs.*

*Based on these, the researcher recommends Uganda Tea Corporation Uganda to channel reasonable proportion of their efforts and resources to the training and development of their personnel (manpower development) through seminars, workshops and the use of computerized accounting system so as to promote efficiency in company operations and in their statement of financial position this will ensure accurate, timely, easier and reliable for use.*

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## LIST OF ACRONYMS

ABC	Activity Based Costing
ACCA	Association of Chartered Certified Accountants
ACH	Automated Clearing House
AIS	Accounting Information System
ATMs	Automated Teller Machines
CAIS	Communications of the Association for Information Systems
CAIS	Computerised Accounting Information System
CAS	Computerised Accounting Systems
CD	Certificate Deposit
DOI	Diffusion of Innovation
DTPB	Decomposed Theory of Planned Behavior
EDI	Electronic Data Interchange
IT	Information Technology
IAS	International Accounting Standards
ICT	Information Communication Technology
IDT	Innovation Diffusion Theory
KCB	Kenya Commercial Bank
LTD	Limited
MIC	Magnetic Ink Recognition
PCs	Personal Computers
PEOU	Perceived Ease-Of-Use
PU	Perceived Usefulness
SMEs	Small and Medium Enterprises
STGs	Gross system Settlement
SWIFT	Society for World Wide Interbank Financial Telecommunications
TAM	Technology Acceptancy Model
TAMs.	Trust Accounting Mini System
TPB	Theory of Planned Behavior

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This section will focus on the background of the study, statement of the problem, research objectives, research questions, scope of the study, and significance of the study and Operational definition of Key terms.

#### **1.1 Background to the study**

##### **1.1.1 Historical Perspective**

Osmond, (2011), states that; Accounting is several centuries old and that Luca Pacioli, an Italian friar from San Sepulcro, is the father of accounting. Pacioli is credited with developing the double entry bookkeeping system in 1494 using debits and credits to manage a company's financial information. His system included ledgers and journals where financial information was kept relating to business transactions. Pacioli's accounting system is still in use today, even by the various computerized accounting programs in the industry.

The invention of information is very essential to the continued existence of the institution, and this is what Kimberly (2006) said, "Computer based information systems are quickly increasing in numbers and are being functional to more and more areas within our organization and society". Since its beginning in the early 1950s, as a system from numerical analysis of scientific statistical and military data, they have developed into general information processing systems capable of answering different questions. Information may be generated manually or by computer. Under the manual system, human beings do everything from the data level to information level. However, this system is slow, error prone and limited in its ability to process large data.

As many professional accountants and auditors state - accounting is a language of business which is accepted in all developed and developing countries, but what exactly is accounting? Well, accounting has been defined by many authors in various ways. According to Osmond, (2011), accounting is the way business owners manage their company's financial information in orders to make better decision regarding their companies.

Meigs & Meigs (1986) also defines accounting as the art of measuring, communicating and interpreting financial activities. I do agree with both authors since the meaning derived out of their ideas are similar and state the actual art behind accounting.

Computer in commercial and industrial settings have been around for several decades. The banking industry computer has been used in various areas carrying out their day-to day activities through automated Teller Machine, electronic funds transfer, electronic data exchange, smart cards, MICR cheques, local area network, wide area work, point of sales system, electronic home and office banking, telephone banking, make cheque available program, computerized credit rating, daily calculation of accounts program, local accounting systems, CD accounting system, saving accounting system and safe deposit box accounting system. Computer has immensely aided in banking industry or banking sector in the areas of managerial position, sales department and another various department in the bank. The use of programmed decision making offers several important advantages to the firm, since the computer is potentially capable of making better programmed decision than the human user. One of the most existing things about the information and retrieving is that they are used oriented (Laura 2003).

Accounting information system being an asset of methods, people, procedures and devices regularly used to process business transactions, Hermanson et al, (1987), information is therefore much more useful when it is conveyed through a proper reporting system which gives it good qualities such as accuracy and reliability among others and this can be achieved by use of computerized accounting system.

McRae (1998) adds that computerized accounting systems are advantageous in consolidating information channels meaning that files that were previously been duplicated by several departments will now be consolidated into single file. A computerized accounting system is a delivery system of accounting information for purpose such as providing reliable accounting information to users (Nash and Hearly, 2003).

Computerization of system can certainly help in minimizing some errors when preparing accounting records (Mike et al, 2006). Other view adds that computerized systems are advantageous in consolidating information channels meaning that files which had previously been duplicated by several departments are now consolidated into a single file (Mc Rae, 1998). A computerized accounting system is a system that uses computers to input, process, store and

output accounting information in form of financial reports. It records all transactions that routinely deal with the events that affect the financial position and performance of the entity.

Computerized accounting System (CAS) refers to the integration of different component systems to produce computer books of accounts and computer-generated accounting records and documents. Frank wood, 2002). According to ACCA (2009), Computerized accounting system involves the use of computers to handle large volumes of data with speed and efficiency aimed at overcoming physical limitations of manual accounting and producing quality reports.

### **1.1.2Theoretical Perspective**

Rogers' (1995) Diffusion of Innovation (DOI) theory is a popular model used in information systems research to explain user adoption of new technologies. Rogers defines diffusion as 'the process by which an innovation is communicated through certain channels over time among the members of a social society' (Rogers, 1995). An innovation is an idea or object that is perceived to be new (Rogers, 1995).

According to DOI, the rate of diffusion is affected by an innovation's relative advantage, complexity, compatibility, trialability and observability. Rogers (1995) defines relative advantage as 'the degree to which an innovation is seen as being superior to its predecessor'. Complexity, which is comparable to TAM's perceived ease of use construct, is 'the degree to which an innovation is seen by the potential adopter as being relatively difficult to use and understand'. Compatibility refers to 'the degree to which an innovation is seen to be compatible with existing values, beliefs, experiences and needs of adopters'. Trialability is the 'degree to which an idea can be experimented with on a limited basis'. Finally, observability is the 'degree to which the results of an innovation are visible' (Rogers, 1995).

The diffusion theory is relevant because it explains the reason why banks adopt technical innovations. One of the reasons why banks adopt technical innovations is relevant advantage. This means that banks that adopt technical innovations have relatively better Financial advantage than those who do not. Most organisations local and international have adopted the use of Computerised Accounting Systems, for example businesses, industry and government are completely woven in their organisational structures and strategic planning process (Glover, 1993). The quality of strategic planning is limited by the quality of information

available to decision makers and that executive information systems were critical in furnishing the necessary data which produced information.

### **1.1.3 Conceptual Perspective**

In this study the independent variable is computerized accounting systems and the dependent variable is financial performance. Computerised accounting is further conceptualised as information technology, installation costs, user perception and IT resources.

Financial performance is further conceptualised as accounting system, quick information access and IT Personnel.

### **1.4 Contextual Perspective**

The complex nature of organisations and its products and services have made it necessary for organisations to embrace this change as quick as possible. Since this medium of companies proven to be very efficient in most countries of the world (for example America) Uganda organisations are also adopting it (Odunfunwa, 2008).

Most organisations worldwide have adopted the use of Computerised Accounting System as a way of enhancing the efficiency in Manufacturing Companies because proper Accounting leads to minimal losses in an organisation and a way of enhancing the efficiency in the manufacturing companies, on the other side due to difficulties faced by manufacturing industries to achieve their service rendering objective, large market share and target profits as part of their existence, this is because the quality of service rendered by some of the manufacturing companies has created a negative multiplier effect on the manufacturing companies as their chance of optimising profit is affected (Moscover et al, 1999). Accounting system is a system that records the accounting transaction and events of a business and account for them in a way that complies with its policies and procedures. The basic elements of accounting system are concerned with collecting, recording, evaluating and reporting transaction and event of the manufacturing companies (Gelinass, Oram, Wiggins, 1993).

### **1.2 Statement of the problem**

Computerised Accounting System records the accounting transaction and events of a business and account for them in a way that complies with its policies and procedures. The basic elements of elements of computerised accounting system are concerned with the collecting, recording, evaluating and reporting transaction and events of the banking industry. (Gelinass, Oram, Wiggins, 1993). The adoption of Computerised Accounting System has helped Manufacturing



companies like Uganda Tea Corporation Ltd to keep the pace with the changing customer's needs and market dynamics and create a competitive differentiation in products and services. An effective Computerised Accounting System lead to make their accounting activities easier, quicker and more accurate since accounting records are analysed, and financial statements are prepared within the system which allows to save time of employees and avoid mistake, provides information about financial position of the company. However, there are lot of complaints from the beneficiaries of the banking services or bank customers that in some instances they face challenges with their poor information technology result to inefficient application of computer to the accounting system of the banking industry. Some of the poor information technology challenges they face while using the computerised Accounting systems include failure of Automated Teller Machine (ATM), Smart cards, telephone banking, electronic funds transfer, electronic data interchange, electronic home and office banking since in most cases it's on and off (Senn,1999). In this study the researcher seeks to find out on the role Computerised Accounting System on Organisation Efficiency in Uganda by using Uganda Tea Corporation Ltd as a case study

### **1.3 Purpose of the Study**

The purpose of this study is to examine the role Computerised Accounting Systems on financial Performance in Kampala case study Uganda Tea Corporation Ltd

### **1.4 Specific objectives of the study**

- i. To find out the relevancy of adopting Computerised Accounting System in organisations Uganda Tea Corporation Ltd
- ii. To determine the relationship between Computerised Accounting System and performance of Uganda Tea Corporation Ltd.
- iii. To explore some of the Computerised Accounting Systems used in Uganda Tea Corporation Limited.

### **1.5 Research question**

- i. What is the relevancy of adopting Computerised Accounting Systems?
- ii. What is the Relationship between Computerised Accounting Systems and performance of Uganda Tea Corporation Ltd?
- iii. What are some of the Computerised Accounting Systems Used by in Uganda Tea Corporation Ltd?

## **1.6. Research Hypotheses**

H<sub>1</sub>: There is a significant relationship between Computerised accounting system and organisational performance of manufacturing companies.

## **1.7 The scope of the study**

The scope of the study covered specific areas of interest as categorized into geographical, time and subject was confirmed by observations and taking samples and questionnaires

### **1.7.1 Content scope**

The study focused on role of Computerised Accounting Systems on the financial performance of manufacturing companies in Kampala case study Uganda Tea Corporation Ltd.

### **1.7.2 Geographical scope**

The study was carried out from Uganda Tea Corporation Ltd its headquarters are located at Kasaku near Lugazi. Kasaku is about 48km from Kampala and 40km from Jinja Opposite. Namagunga Secondary Girls School/ P.O. Box 8955, Kampala.

### **1.7.3 Time scope**

The study related on various information on the use of Computerised Accounting System basing on the period of 2015-2018

## **1.8 Significance of the study**

- i. The research is important to new generation industries as well as old generation banks that would want to adopt this idea. Also to customers that want to embark on this new system of industries.
- ii. It emphasizes mainly on what others have discovered/existing knowledge in this aspect of banking. It also contributes to already existing knowledge by way of emphasis.
- iii. This research will also enable students and other stakeholders in the banks as well to be aware of the recent development in the banking sector, and how it can affect their performance.
- iv. Also the research would be of benefit to whoever concerns his self or herself with knowing more about information technology which is one of the latest developments in this generation.

## 1.9 Operational Definition of terms

**System:** A System refers series of interconnected elements forming an organized whole with a common objective.

**computer:** computer can be defined as a tool or device which is able to accept facts (data) and figure in a prescribed form, apply prescribed processes to data and supply result of the processes in a specified format as a meaningful information.

**Accounting system:** Accounting system as the art of identifying, recording, classifying measuring and interpreting in a significant manner the financial transaction of an organization for decision making. Summarizing from time to time the information contained in the record, for its significant presentation and interpretation to interested parties as an aid to decision making.

**Computerization:** Computerization is the installation of computers as a part of a process of automation.

**Audit trial:** - a technique that made it possible to retrace processing of data in all other to charge, add or delete records in a file.

**Blocking:** - the storage of more than one term in a record.

**Expert system:** - A computer system which embodies some of the experienced and specialized knowledge of an expert. it enables a non-expert to achieve comparable performance to an extent in the field.

**Application packages:** - These are computer programmes written for the purpose of carrying out specific task for individuals or organizations with similar or related needs.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter includes the theoretical review, conceptual review, literature review, empirical review and research gaps.

#### **2.1 Theoretical review**

##### **2.1.1 Contingency Theory**

Contingency theory suggests that an accounting information system should be designed in a flexible manner so as to consider the environment and organizational structure confronting an organization. Accounting information systems also need to be adapting to the specific decisions being considered. In other words, accounting information systems need to be designed within an adaptive framework. The first paper to specifically focus on the contingency view of accounting information systems in the accounting literature was "A Contingency Framework for the Design of Accounting Information Systems," (Gordon & Miller, 1976). This paper laid out the basic framework for considering accounting information systems from a contingency perspective. Gordon & Narayanan (1984) concluded that environmental uncertainty is a fundamental driver for designing management accounting systems among successful organizations. A key finding in this study was that, as decision makers perceive greater environmental uncertainty, they tend to seek more external, nonfinancial and ex ante information in addition to internal, financial and ex post information. This latter finding has been confirmed by several studies that followed the Gordon and Narayanan paper. Although extensively studied in the last two decades, contingency theory has been given relatively little consideration in terms of the factors that influence the accounting information systems.

##### **2.1.2 Innovation diffusion theory**

Albert Bandura (1960) popularized Innovation diffusion theory (IDT) by establishing a powerful model which has been vastly used to determine factors influencing different type of computer technology and IT adoption including general IT adoption, Electronic Data Interchange (EDI) and web service standards adoption, IT diffusion patterns and the relationship between IT adoption and firms' competitive advantage in both developed and developing countries. Fulk et al, (1990) in the diffusion of innovation theory sees innovations as being communicated through certain channels over time and within a particular social system where individuals are seen as possessing different degrees of willingness to adopt innovations and thus it is generally observed that the portion of the population adopting an innovation is approximately normally distributed

over time when plotted over a length of time representing various categories of adopters namely innovators, early adopters, early majority, late majority and laggards Gable and Raman, (1992). Innovators are the first individuals to adopt an innovation. Early adopters are the second fastest category of individuals who adopt an innovation. These individuals have the highest degree of opinion leadership among the other adopter categories. Early Majority Individuals adopt an innovation after a varying degree of time. This time of adoption is significantly longer than the innovators and early adopters. Late Majority Individuals will adopt an innovation after the average member of the society. These individuals approach an innovation with a high degree of skepticism. Laggards are the last to adopt an innovation. Unlike some of the previous categories, individuals in this category show little to no opinion leadership.

### **2.1.3 Decomposed Theory of Planned Behavior Decomposed**

heory of Planned Behavior (DTPB) was formulated through combination of both Technology Acceptance Model (TAM) (Davis, Bagozzi and Warshaw, 1989) and Theory of Planned Behavior (TPB) (Ajzen, 1988) which was intended for providing better understanding of behavioral intention by concentrating on the factors that are likely to impact systems use. TAM is an information systems theory that models how users come to accept and use a technology. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, notably include Perceived Usefulness (PU) and Perceived Ease-Of-Use (PEOU). Davis (1989), asserted that PEOU and PU influences in a significant way the attitude of an individual through two main mechanisms namely self- efficacy and instrumentality. DTPB model specifies that attitude towards a technology has three dimension namely, relative advantage, complexity and compatibility. Shimp and Kavas (1984), observes that relative advantage refers to the degree to which an innovation provides benefits over and above other existing alternatives. Such benefits may include economic benefits, image enhancement, convenience and satisfaction. In the context of this study computerized accounting system can be considered an innovation and have advantages over the manual systems. The computerized system ease the workload, performs faster and the likelihood of making errors are minimal. Compatibility of an innovation is its ability to fit into the existing values, previous experience and current needs of the adopter (Rogers, 1995). Thus the SME's willingness to adopt computerized accounting system may be influenced by the current needs such as speedily processing the customer's proceeds.

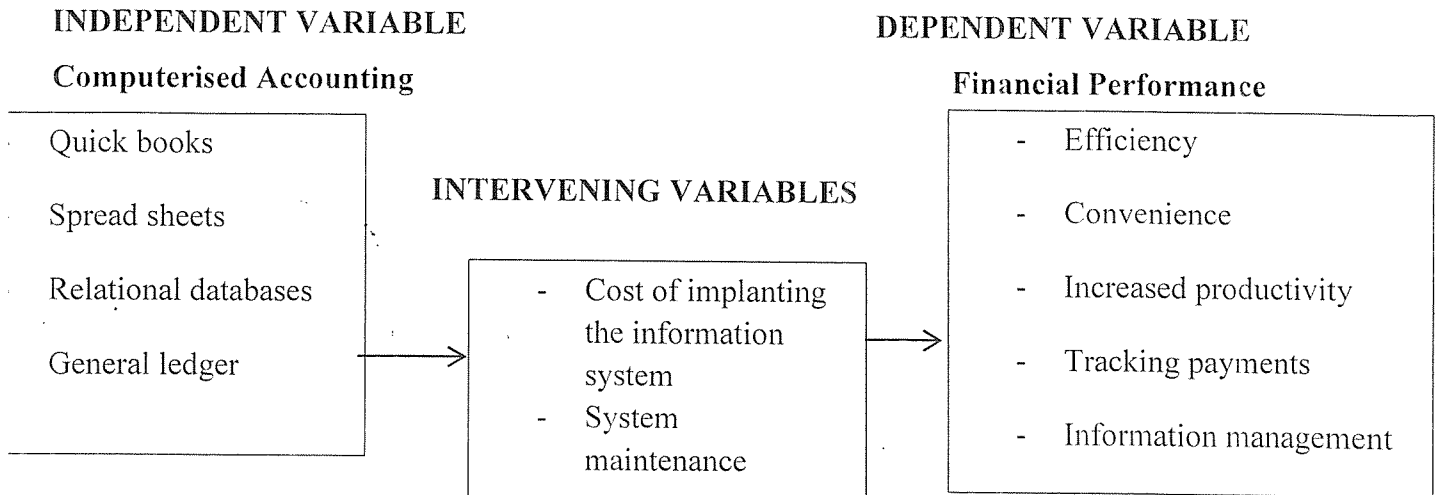
In addition the cost of the system versus the resources available corresponds with the existing values. Given the resources available and the competing needs of the firm, the cost of the system may influence resource allocations towards its adoption. This study was guided by three theories namely; contingency theory, Innovation diffusion theory and Behavioral Theory. The contingency theory explains that accounting information system should be designed in a flexible manner so as to consider the environment and organizational structure confronting an organization. Innovation diffusion on other hands explains that factors influencing different type of computer technology and IT adoption. Lastly, Decomposed Theory of Planned Behavior explains attitude towards a technology related to organizational context.

## **2.2 Conceptual review**

Previous studies Ismail and King, (2007); Guo and Feng, (2008); Awosejo et al., (2014) showed that large companies were highly likely to adopt CAIS than SMEs. This might be due to the high cost associated with the adoption of CAIS. In fact, accounting information system is beneficial and valuable to the all types of business regardless their size, it can provide help during all the process of decision making and enhance business performance and strategies Romney and Steinbart, (2014). Consequently, many organizations should adopt and practice CAIS in order to manage, execute and control adequately in all areas and functions. Furthermore, the development of CAIS enhanced the role played by accounting departments and contributed to the professional added- value of their organizations. Human error factor within automated CAIS developed by software experts occurs much less if compared to non-automated systems Ilhan and Veyis, (2009). Organization's management can better plan and control operations related to business through the CAIS. Nowadays, organizations are more concern to use accounting information systems in order to enhance business performance and to achieve competitive advantages, booming international economy, and improving business conditions. Therefore, there is a growing interest among researchers to gain more insight about the problems and solutions of the practice of CAIS by SME. CAIS in Tanzania is in its initial stages of adoption. There are changes taking place in the IT landscape of Tanzania. This study has come to find out where Tanzania stands in terms of IT adoption especially in the CAIS field and at what level CAIS among SME is being implemented.

### 2.2.1 Conceptual frame work

Figure 2.1: Conceptual framework



Source: Adapted and modified from Chamsers (1995), Cosserrat (1999), Ridley and Chambers (1998)

Conceptual framework of this study explains relationship between independent variables and dependent variable. Independent variables consisted of information technology infrastructure, installation costs and user perception; while dependent variable was the adoption of computerized accounting system.

From the above accounting systems depend on information technology, also without the I.T resources like computers, servers the system can't run, these I.T resources are managed by the I.T personnel, for the accounting system to communicate for example Uganda Tea Corporation Ltd to Communicate with the Head office in Kampala there must be a network, all the above mentioned are costly and needs constant maintenance in order to avoid system crash and break down.

## 2.3 Review of related literature

### 2.3.1 Relevancy of computerised accounting systems

Organisations private or public, profit making or non-profit making, large scale or small scale uses Computerised Accounting Systems to make decisions, and the accounting system vary according to information each used requires (Nickels, etl. 2002). Initially the appropriate information was prepared manually by the accountant and this has a number of drawbacks. With the advent of Computerised Accounting Systems, the accountants now has at his proposal a

number of accounting information tools that help him in simplifying issues and providing quality information. age, companies are finding success or failure as increasingly dependent on their management and use of information. Therefore, banks need good Computerised Accounting systems that enable an efficient and effective used of information to give them more competitive advantage, an Accounting system is a set of interrelated sub systems that work together to collect, process, and store, transform, and distribute information for planning, decision making and control. The most obvious example is perhaps the banking industry, where through the introduction of information technology related products in internet banking, electronic payments, security investments and information exchange, banks now provide more diverse services to customers with less man power (Berger, 2003). Indeed, with computerised banking systems, more services can be provided to people with in the shortest time, therefore there is need to embrace the use of computerised Accounting system since it's accurate and fast.

The concept of quality in accounting systems in the Ugandan banks is not entirely new, but the problem is that it is not well articulated and demonstrated. In spite of the accounting software availability, the banking industry still cannot meet up with the demands of the users because they may not be accurately and timely meet the needs of the users. the nature of the application of different accounting software are bound to influence the behaviour of banks, financial statements users. When the applications of software are not properly implemented or not timely used by both preparers and auditors of financial reports, they will have negative impact on the behaviour of banks' financial statements users and the economy as a whole. According to Zozak (2005) banks can use Computerised Accounting System in a variety of ways and for a variety of purposes. For example cash may be deposited, accounts debited and credited automatically. Administration may be assisted by accounting information technology and based management information system or CAS. Indeed Computerised accounting system assist accountants, auditors in making financial reports and through the use of Computerised Accounting system accurate decisions can be made.

According to Hurt (2008) Inter-bank and international money transfers by affected by used of secure utilities such as society for worldwide inter-bank transfer (SWIFT). However, the central historical problem and still the central technological issues for retail banks concern the capture and organisation of account data through branches. The large retail banks have thousands of branches. In each, a variety of account transfers are performed involving cash deposits and withdraws, transfers cheques and standing order. Although many transactions must still be



verified by signature, the main use of computerised accounting System in the banking has been to generate and control a database of account information and effect the transmission of money, which transactions in the account base require, in the past, when customers want to withdraw money from their saving accounts, they have to come to the bank's branch where they opened their account. They filled in certain form; sign on it present some identification for verification(Connor,1997).

According to Primchard, and Cole, (2006) he said that "the use of online computerised system for customer has enabled the customers to check balance, deposit, withdraw, and transfer money at any branch of the bank" he continues and says that the invention of Automated Teller Machines (ATMs) add more convenience to the customer since it enables to do many usual transactions, cash withdraws, transfer between accounts and pay bills 24-hours a day. Furthermore, the introduction of internet banking enables the customers to do transaction without leaving their home or office before the use of online computer system, when a customer transfer money from his/ her account in other bank or in other branch of the same bank., it usually take one to two days for the fund to be effective in the receiving account. This is because transfers were processed manually through the clearing house, which is still using paper-based system. Nowadays, every transaction done by customers can be directly (debited/credited) into their account no matter in which branch or ATMs that do it. Transfer of funds are debited from paying account and credited to receiving accounts simultaneously. This is made possible by the existence of Automated Clearing House (ACH) that connected online with member computer and using the real time gross settlement (STGS) system.

Therefore, customer's accounts are always up to date. On the banks' side, the advantage of banking computer technology has improved the ability of banks to perform their liquidity management more efficiently and profitability. In the past, since there is no online connection between head office and branches, the bank reserve must be maintained in each branch individually. Therefore it is possible that in certain branches there is liquidity shortage while in other branches there is excess liquidity. Thus with online banking system, the bank in certain branches can be compensated with excess liquidity in other branches. Therefore, the amount of unproductive funds that should be kept in reserve can be minimised to the required level, which in turn will reduce the banker's cost of capital. In fact, electronic banking products, the range of bank service which can be delivered to customer's office or home by electronic technology has expanded extensively. Banks now use technology to transmit information(Tam, 2007).

Hunt and Shelley (1998) have suggested that, banks are among the first large organization to invest heavily in computerization. Today, banking is almost entirely dependent on the computer. Under computer control, customers bank statements are prepared and printed out on specially designed, stationary cheques are handled by computers at the clearing banks, a massive operation normally carried out during the night when the system can concentrate on this purpose. The use of computerized accounting system in many organizations today has been necessitated by various factors. One of the main factors which determine the use of computerized accounting system in an organization is the volume of business transactions. If these masses of data have to be processed manually, the result would be chaotic and there would be confusion, delays and excessive amount of errors leading to inaccurate result. The computer, with its high capacity and speed, can process thousands of records or business calculations per minute, and with far greater efficiency than any previous method (Weber, 2010).

Aduda and Kingoo (2012) investigated the Relationship between Electronic Banking and Financial Performance among Commercial Banks in Kenya and concluded that there exists positive relationship between e-banking and bank performance. However, the study had a research gap since it did not distinguish between the three categories of technology innovation, namely customer independent, customer assisted and Customer transparent technology. Nyamwembe (2011) conducted a study on factors hindering the adoption of technological innovation by commercial banks in Kenya and took a case study of Kenya commercial bank (KCB). The author concluded that resistance to change, internal politics and fear of cannibalizing existing products hindered adoption. However, he failed to investigate the effect of technological innovation on financial performance of commercial banks. The research question, therefore, is; what is the effect of technological innovations on the financial performance of commercial banks in Kenya?

Indira (2008) pronounced the improvement in business performance as a result computerization of the accounting systems as it is a highly integrated application that transforms the business processes with the performance enhancing features which encompass accounting, inventory control, reporting and statutory processes. He then says, this helps the company access information faster and takes quicker decisions as it also enhances communication.

McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and

with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing.

According to Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system.

Meigs (1986) stresses that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer-based records for the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making. According to Wahab (2003), another threat and limitation of computerized system is the computer virus. Where a computer virus is a computer code (program) specially designed to damage or cause irregular behavior in other programs on the computer. The adverse effect is that it may lead to breakdown of the hardware thus leading to loss of valuable information (for instance in financial institutions information such as customers' accounts, previous financial report, information pertaining loans advanced among others) already saved on the computer.

### **2.3.2 The relationship between computerised accounting systems and performance of Organisations**

McGuckin and Doms (2006), Brynjolfsson and Hitt (2000) said that banker's services are convenient to access most and suggested that all this has been related to the introduction of Computerised accounting system where people can now access services anywhere also added that this has led to increased productivity in the banking sector also in some big organisations like universities, government institutions, companies, industries, have embraced the use of computerised accounting system like in universities where they handle a large number of students so this helps in tracking students payments since manual checking and paper work may be more costly in terms of labour but with accounting system only one accountant can be employed to be operating it, the system also provide up to date information, also various new bank's services which are made possible by use of accounting technology are usually called electronic banking, Which creates links between balance reporting systems and generation of treasury management system or spread sheets and from treasury system to payment system Brynjolfsson and Hitt (2000). It is never uncommon to see electronic banking systems delivering an array of automated services, which according to McGuckin and Doms (2006) include: (i)

Cross border and cross currency bank account reporting and cash management; (ii) On-line access to many banking services including payments, Currency dealing, trade finance and account reconciliation.

According to Milne (2006) said that due to the characteristics of banking business, the bankers, accounting system have specific important features related to their liquidity management of their customer's account information. According to Milne computerised accounting system that can alert the head office in case there is any bank branch that is offline a bank has to manage its liquidity efficiently in order to maximise profit and fulfil regulation, Tam (2007) opined that to perform such duties, the treasury manager need information of consolidated balance of customer's deposits, loans and other placement of bank funds. That information is needed on daily basis so the treasury manager can determine how much reserve is needed and how much money should be placed in or borrowed from the money market therefore it's through information retrieved from the accounting database to check the amount of deposits available and how much to be placed on Money market (Deakin and Welch, 1999).

### **2.3.3 Various computerised accounting systems**

#### **An Accounting System**

According to (Moscove et al., 1999) an accounting system is the information sub system within an organisation that that accumulates information from the entity's various sub systems and communicates it to the organisation's information processing subsystem. The accounting system has traditionally focused on collecting processing and communicating financial – oriented information to a company's external parties such as investors, creditors and tax agencies and internal parties basically management. In general the banker's accounting system has the same role as in other companies that are to provide financial and non-financial information to banks external parties such as investors, creditors and tax agencies.

#### **Input– Process – Output Model**

According to (Awe, 2002) an in put-out-put model, a process that is viewed as a series of boxes (processing elements) connected by inputs and outputs. Information or material objects flow a series of tasks or activities based on a set of rules or decision points. Flow charts and process diagrams are often used to represent the process. What goes in input, what causes the change is the process what comes out is the output. Organizations employ multiple forms of information technology in their accounting information system. Hurt (2008) contend that some of the information technology tools that are often used in accounting information system are:

### **Spread Sheets**

Tam, 2007 said that there two popular today are Excel and SPSS spread sheets can be for virtually any task that requires computation. A company's end-off period financial statements could be exported to a spread sheet and presented graphically to the board of directors.

### **Relational Databases**

An example of database software is the Microsoft Access. Like spread sheets, relational database can capture many different kinds of data. They can perform some elementary types of analysis (such as calculating means) and output various reports. Unlike spread sheets, however, database users can create powerful queries to extract subsets of data based on certain criteria.

### **General Ledger Systems**

General ledger systems are often organized into modules to facilities strong internal control. In a well-designed general ledger system, employees will have access only to the module that pertains directly to their job responsibilities. This helps in guarding against fraud. Peachtree First Accounting package can effectively be used to manage general ledger system.

On the impact of computer technology on accounting, Nickels et al. (2002) observed that most companies have found that computers greatly simplify the task, enabling managers and other employees to get financial reports exactly when they want them. This to a large extent is responsible for the increasing dependent and deployment of information technology in the banking industry.

### **Information Technology**

According to Odunfunwa (2008), information technology is a body of tools, with the convergence of communication and computer. Goldberg (2008) describes information technology as series of machine, which can execute sequences of instructions. The sequence of instructions is a programmed made particularly flexible and not rigid and can be changed depending on the information being processed. Explains that the phrase "information technologies" used to encompass a range of new technologies and their applications, including all aspects of the use of computers, micro-electronic devices, satellite and communication technology. What is news, is that many professions in developing countries like Uganda do not seem to be ready or prepared to embraced this information technology or revolution and join its superhighway as a means for survival and that many practitioners are among such laggards.

Ehindiamen (2008) describes this as quite unfortunate because the world of business and governance in the information age is further complicated by such concepts like democratization, competition, deregulation, privatization, commercialization, liberation, globalization,

internalization and computerization. That makes it impossible for an organization or country to survive and develop. Apparently, Laudon and Laudon (1999) states that computer and other technologies have found their way into all areas of business, industry, banking, education and government, increasingly, far-reaching information networks linking computers and databases provide important benefits, including greater staff productivity and a sharper competitive edge.

## **2.4 Empirical Review**

### **Availability of information technology Infrastructure**

Strong, Portz, & Busta, (2006) identified the three key of information communication technology (ICT) infrastructure pillars which includes; ICT hardware especially Personal Computers (PCs), Software and Connectivity. Therefore, for the full realization of the benefits of computerized accounting system by small and medium enterprises 'availability of the necessarily equipment, infrastructures and technical support is critical. However in Tanzania lacks adequate ICT infrastructure such as electricity, Internet backbone across all towns and telecommunications installations among others (GOK, 2006). Given that most SMEs, they may lack access to key ICT infrastructures that are important factors on adoption of computerized accounting system.

### **User Perception Innovative organizations may avoid using computerized accounting system if it is perceived as complex to use**

Long & MacGregor, (1996), asserted that lack of skills amongst workforce affects the use of computerized system. Thus it is very important for an organization to determine its employee's knowledge or skills on computerized systems because those knowledge or previous experiences may influence organization decision in adopting ICT.

In addition, organization's managers are unlikely to adopt sophisticated technologies if they are not familiar with Reynolds, Savage, & Williams, (1997). The existing literature has proved that the greater the benefits perceived by the 15 organization the higher the possibility of technology based innovation such as the computerized accounting system adoption. Generally the primary motivation for the adoption of new technologies is the anticipated benefits these technologies will bring to the company Premkumar & Roberts, (1999). Several studies by Giovanni & Mario, (2003), have found that ICT in general offers an organization a wide range of possibilities for improving their competitiveness. (OECD, 2004), found out that ICT is able to improve information and knowledge management inside the firm and increase the speed and reliability of transactions. Lymer, (1997), further emphasis that ICT adoption in an organization has the

potential to reduce costs and increase productivity level thus cost-effectiveness is a motivating factor for ICT adoption. Overall ICT improves efficiency through cheaper and faster communications, better customer and supplier relations, more effective and efficient marketing, product and service development and better access to information and training. Though there are many perceived benefits that can be reaped through adoption of ICT, there are still many organizations which have not taking advantage of ICT. According to Davis, (1989), perceived ease of use and usefulness influences in a significant way the attitude towards acceptability and use a technology. Other considerations may include decision for change, application and benefits of computerized system to the organization.

### **Installation costs**

The cost of adoption is an important factor in the adoption and utilization of the technology based innovation Ernst and Young, (2001). The higher the cost of adoption of the innovation, the slower the pace of innovation expansion is likely to be Mansfield, (1968). Two autonomous studies conducted by Seyal & Rahim, (2006), concurs that there is a direct and significant relationship between cost and adoption of technology. The lower the cost of adoption the higher the new innovation such as the computerized accounting system will be adopted by an organization and vice versa. Organizations are less likely to adopt computerized accounting system when its initial set-up cost is high. Donaldkiso, (2009), noted that the equipment costs in computerized accounting include equipment delivery, office equipment, machinery and equipment, such asset includes 16 purchase price, the burden of transportation and handling, insurance on the equipment during transport, the cost of special bases for them, the costs of assembly, installation and costs of testing start-up. The computerized accounting packages also require specialized staff. As a result, huge training costs are incurred to understand the use of hardware and software on a continuous basis because newer types of hardware and software are acquired to ensure efficient and effective use of computerized accounting systems

According to Turner (2000), neutrality is the demand that accounting information should not be selected to benefit one class and neglect to other. Reliable information is verifiable, neutral and has representative faithfulness. Relevance is also a very important characteristic of quality. Frankwood indicates that financial information is relevant if it is capable of making a difference in decisions made by helping users to form predictions about the outcomes of the past, present and future events either to confirm or correct prior expectations. Comparability is another characteristic of quality information. Frankwood (1999) also stresses that users must be able to compare the financial statements of the enterprise over time in order to identify trends in its financial position and performance.

According to Pallai (2007) Understand ability as a quality of financial reporting that enables users to perceive the significance of financial information. He argues that users are assumed to have reasonable knowledge of business and willingness to study and understand the information. International Accounting Standards Board adds that information should not be excluded on grounds that it may be difficult for certain users to understand.

Well, Weber, (2011) emphasizes that every company applies accounting because it is generally accepted that companies have to reveal certain financial and management information to the government and public users and of course because accounting is an indispensable tool in business decision-making process, it has led to the development of information technologies and many computer products (software in terms of accounting packages) that make accounting as easy as ABC for those who use them. From this point accounting can be divided into two basic categories: those which apply manual accounting and those which prefer computerized accounting systems.

## **2.5 Research gaps**

Based on the above empirical literature, it was evident that a good number of researches similar to this study have been conducted in different places, with recommendations and suggested solutions. However, there was no study that specifically searched for the Assessment of the factors influencing adoption of Computerised accounting information system on financial performance of Manufacturing companies. Therefore, data to be collected from this study, the conclusion and recommendations will cover the gap.



## **CHAPTER THREE METHODOLOGY**

### **3.0 Introduction**

This chapter shows a description of research design, study population, sampling design which included the sampling method, sampling procedure and sample size, sources of data collection, data collection methods, data processing, analysis, and presentation, and the limitations anticipated by the researcher.

### **3.1. Research Design**

The study used descriptive and analytical research designs which involve qualitative and quantitative research so as to describe observations and examine the findings to come up with conclusions and recommendations for implementation. Quantitative research allowed the researcher to familiarize herself with the problem or concept to be studied. Quantitative research sought to quantify the collected data for analysing, and find a final course of the action. It was based on statistics, the objects are large number of respondents and it was structured. In this research quantitative method were used to gather the information from Uganda Tea Corporation Ltd own staff who are the beneficiaries of the services provided.

### **3.2 Study Population**

The population study comprised of 50 staff members from Uganda Tea Corporation Limited, these included 15 Staff members from the Accounts Department and 35 Staff members from the Customer care department.

### **3.3 Sample Size**

A sample of 44 respondents out of the total of 50 of the study population were selected and approached by the use of simple random sampling method and interviewed at different levels.

$$n = \frac{N}{1+Ne^2}$$

$$n = \frac{50}{1+50(0.05)^2}$$

n = sample size

N = the population size

e = level of significance, fixed at 0.05

Therefore N= 44

**Table 3.1: Showing the Number and Type of Respondents**

Category of respondents	Study Population	Sample size	Sampling technique
Staff from the Accounts Department	15	12	Purposive sampling method
Staff from the Customer care department	35	32	Random sampling method
Total	50	44	

**Source: Adapted and modified from Uganda Tea Corporation Ltd archive 2018**

### **3.4. Sampling methods**

The researcher used stratified sampling technique in which the sample populations were divided into different strata (sub-population) such that the elements in each sub-population are of the same composition. Samples were selected independently from each sub-population. Respondents were identified depending on their willingness to participate in the exercise. This technique is preferred because it is easy to acquire clear and accurate information since the strata comprised of people with different perceptions.

### **3.5 Data Source**

The study to be used both primary and secondary data. Primary data was collected from the field using questionnaires and interview guides while secondary data was collected from available published records such as textbooks, journals, magazines, manuals and internet.

### **3.6. Data gathering methods**

The researcher used questionnaires as methods of data collection in order to get information from respondents.

#### **3.6.2 Questionnaires**

The researcher used closed ended questions. They were administered to 44 respondents. This helped to obtain the required data. The questionnaires were answered by respondents and later collected by the researcher.

### **3.7 Validity of Research gathering methods**

Validity methods helped the research to truly measures that which it were intended to measure or how truthful the research results are. (Joppe, 2000). The validity of the study was tested as per the pilot study discussed below. The pre-testing of the both self-administered questionnaires and face-to-face interview questionnaires will be conducted.

### **3.8 Measurement of Variables**

To identify the inter relationship between variables, the researcher made a clear understanding of the objectives and compare them for a conclusion. The researcher determined whether there is a significant relationship between customer care services and the performance of the organization.

### **3.9 Data Analysis and presentation methods**

After data collection was done, the researcher analysed the collected data and as well presenting. It using the frequency tables and percentages. Graphs were used to give a thorough description of the findings.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.0 Introduction

This chapter presents empirical findings in reference to the research questions in chapter one. The findings below were obtained from both the primary and secondary data sources. They were presented and analysed using frequency tables and percentages to establish a relationship between the variables.

#### 4.1 Response rate

**Table 4. 1: Response rate**

Questionnaire	No
Number of Issued questionnaires	44
Number of questionnaires returned	44
Not returned	-
<b>Total</b>	<b>44</b>

Source: primary data(2019)

Table 4.1 shows the response rate from Uganda Tea Corporation Limited, 44 questionnaires were issued to respondents to help in answering the questions which were asked , out of the 44 issued questionnaires, the researcher was able to retrieve all the questionnaires. This implies that there respondents were comparative in the study process.

#### 4.2 Biography of respondents

##### 4.2.1. Gender of respondents

**Table 4. 2: Gender of respondents**

Gender of respondents	No. of respondents	Percentage
Male	33	75
Female	11	25
<b>Total</b>	<b>44</b>	<b>100</b>

*Source: Primary data (2019)*

From the table above; 4.4 of the respondents were male which 75% is, and 5 which is 25% were Female. This implies that most of the respondents were male.

#### 4.2.2 Age group

**Table 4. 3: Age group**

Age of respondents	No. of respondents	Percentage (%)
20- 35	7	15
36-45	22	50
46- Above	15	35
<b>Total</b>	<b>44</b>	<b>100</b>

**Source:** Primary data (2019)

From table 4.3; 7(15%) of the respondents were aged between the age of 20 -35, 22(50%) were between 36 – 45, and finally 15(35%) of the respondents were aged between 46 and above. This implies that most of the respondents were mostly youths.

#### 4.2.3. Educational level

**Table 4. 4: Educational level**

Education of respondents	No. of respondents	Percentage
University	33	75
Tertiary	11	25
Secondary	-	
<b>Total</b>	<b>44</b>	<b>100</b>

**Source:** Primary data 2019

Table 4.4 shows the academic level of respondents, 75% had reached university level and 25% had reached at tertiary level, this indicates that all the respondents interviewed were educated and this implied that at least they have either used or ever heard of Computerised accounting systems.

### 4.3 Findings on the uses of Accounting Information System

**Table 4. 5: Responses on whether, the company uses Computerised Accounting System for its operations**

Response	Frequencies	Percentage (%)
YES	44	100
NO	-	-
<b>Total</b>	<b>44</b>	<b>100</b>

Source: Primary Data. 2019

Table 4.5 indicates that all the respondents (100%) are in agreement that the company actually runs and maintains Computerised Accounting System for its operations. This positive response is of great significance to the study since it enabled deeper research into the topic in question.

**Table 4. 6: Responses showing what major tasks are performed by the Computerised Accounting System**

Major Response (Tasks)	Frequencies (out 44)	Percentage (%)
Data summary	22	50
Data analysis	33	75
Entering/Recording of data	40	90
Reporting (financial statements)	26	60
Data security(password protection)	29	65

Source: Primary 2019

Data by the majority of the respondents it is also evident by the percentage differences above that the respondents mostly appreciate the ability of the system to carry out data entry (90%), security (65%) and production of financial statements or reports also standing at a percentage of 86%.

**Table 4. 7: Responses, showing the financial statements (reports) generated by the Accounting Information System**

Response (reports)	Frequencies(out 44)	Percentage (%)
Statement of comprehensive income	33	75
Statement of financial position	35	80
Statement of cash flows	40	90
Income statement	42	95

Source: Primary Data 2019

The research also aimed at finding out what type of financial statements are produced by the computerised accounting system and as we can see in table 4.3 above, are the various reports of the financial kind that the respondents pointed out during the study. All the financial statements named above rank highly in percentages of interviewee responses. This reveals that the stated

financial statement (Statement of comprehensive income, Statement of financial position, Statement of cash flows and the Income statement), are the most commonly generated financial reports produced by the system at the bank.

As seen above, the study findings on the use of a computerised accounting system and data entry, processing and reporting are paramount. In the first case, we can reveal that the case study actually employs the use of a computerised accounting system for its operations as per the findings of the research and the tasks performed by the system among other found out include those summarized in table 4.7 above. While the system performs several tasks in the bank, the end results zeroed to financial reports generated by the system as shown in table 4.7 above.

#### 4.4 Findings on the pros and cons of a Computerized Accounting System

**Table 4. 8: Responses, on the pros of Accounting Information System.**

Response (pros)	Frequencies (out of 44)	Percentage (%)
<b>Risk management</b>	35	80
<b>User friendly</b>	40	90
<b>Easy communication (funds transfer)</b>	33	75
<b>Easy balancing of daily transactions</b>	42	95
<b>Effective auditing</b>	37	85
<b>Speed</b>	27	65

Source: Primary Data 2019

Table 4.8 shows the advantages of a computerised accountings system as per the study carried out. However, among the several advantages pointed out, those shown above are the most prominent as reflected by their high percentage responses. It is therefore clear that the system actually performs its operations very well as far as auditing, balancing, communication, user friendliness, speed and the time saving factor as per the high percentage of response on these factors shown in the table thus guaranteeing effectiveness and efficiency of business operations.

**Table 4. 9: Responses, on what the challenges of Accounting Information system are.**

<b>Response</b>	<b>Frequencies (out of 44 )</b>	<b>Percentage (%)</b>
<b>Old computers hinder speed</b>	33	75
<b>Computer virus threats and data loss</b>	35	80
<b>Long training period</b>	22	50
<b>Eye strains</b>	37	85
<b>Chances of system failure</b>	40	90

Source: Primary Data 2019

From table 4.9 the study was able to find out a number of appreciations of the system; however, the respondents were also keen on stating some disadvantages of the system as shown in table 4.9. It is also important to note that there were not really many disadvantages revealed by the research as shown on the table above. This does not only show that the system is of higher advanced age to the but it is also notable that most of the system cons regardless of their response- percentage variances, are not of a financial nature and actually contribute less to disrupt the effectiveness and efficiency of the financial operations of the business.



## CHAPTER FIVE

### SUMMARY, RECOMMENDATIONS AND CONCLUSION

#### 5.0 INTRODUCTION

This section of the study reviews and discusses the major findings of the study, drawing conclusions and recommendations in light of the findings according to the study objectives.

#### 5.1 Discussion of major findings from the Study

The study showed that Uganda Tea Factory actually makes use of Accounting Information System. This is evidenced by the results given by the respondents in agreement with the use of the system in the company. Where the uses of Accounting Information System are; the system's ability to perform data entry, data processing, data security and data reproduction or reporting such as the generation of financial statements/reports. All these functions of the system have enabled the bank run its operations smoothly in a much more effective and efficient manner.

To find out the role of Accounting Information System to financial institutions. According to the findings of the study, Accounting Information System is of a great importance to the running of the company but is also associated with its own weaknesses that sometimes hinder efficiency in the company's business environment. The most prominent values of the system being: ability to carry out automatic financial auditing and transaction balancing, easy communication, user friendliness, speed and the time saving factor. With all these values at hand, it is clear that the system actually performs its operations very well as far as guaranteeing effectiveness and efficiency of business operations is concerned.

The irregularities of the system however, count in as well. These majorly include risks of system failure and eye strains among others. Most of these weaknesses of the system can actually be combated easily in order to reduce on the business risks that may come up as a result. For example, system failure can be solved through consistent upgrading of the system and the aspect of eye strains can be controlled by avoiding long working hour on computers and operation through working shifts. Otherwise, it is notable from the findings that the system is actually more of an asset than a liability to the company's business operations and it would therefore be necessary for other financial institutions that have not yet implemented this system, to adopt the idea of establishing it so as to improve on operations in terms of effectiveness and efficiency.

To establish the qualities of financial reports generated by Accounting Information System.

From the findings, financial reports generated through Accounting Information System are mainly consistent, reliable and material among other qualities. These most prominent qualities of financial reports generated through computerized accounting make the system much more unique to the manual accounting system especially where accuracy in financial calculations and reliability in reporting count. It is one of the strongholds as to why 100% of the respondents prefer a computerized accounting system to the manual accounting system. With this in mind, it is worth to recommend a computerized accounting system for business operations especially in of the financial nature as compared to the out dated manual accounting system.

## **5.2 Summary of Findings**

To determine the use of Accounting Information System.

The results from the study confirm that computerized accounting performs several unique tasks in a company which are satisfactory. This is indicated by the tasks noted down by respondents in the questionnaire on this variable.

To find out the role of Accounting Information System to financial institutions.

The findings revealed that computerized accounting is not only advantageous but is also associated with some weaknesses. However, the study results indicate that advantages of a computerized accounting are much more paramount than its disadvantages. This reflects a positive response in the adoption of the use of computerized accounting.

To establish the qualities of financial reports generated through Accounting Information System.

The study findings also identified a number of qualities or characteristics of reports generated through computerised accounting. It is evident that most of these qualities are unique to those of the reports generated through manual accounting, thus making the latter system much preferable.

### 5.3 Conclusions

To determine the use of Accounting Information System.

From the findings, response is high that the company (case study) runs its financial operations, right from the beginning point of data entry, data processing and security to the end point of data reporting of a financial nature in a computerized manner. It is therefore fair to conclude that Uganda Tea Factory actually make use of a computerized accounting system.

To find out the pros and cons of computerized accounting to financial institutions

The results revealed that much as a computerized accounting system has got satisfactory advantages, it also comes with its disadvantages. However, the study findings show that the advantages of computerized accounting are more paramount as compared to its disadvantages even as far as financial reporting is concerned. This therefore zeroes to the computerised accounting as more of an asset than a liability to business operations and reporting.

To establish the qualities financial reports generated by a computerized accounting system. The study also established a number of qualities of financial reports generated through computerised accounting. From these findings however, it is evident that reports produced through manual accounting have also got their own strengths characteristically but all the same, financial reports generated through computerised accounting have much more paramount and unique qualities that still leave computerised accounting as a better option to financial reporting.

## **5.4 Recommendations**

To determine the uses of Accounting Information System.

I strongly recommend that financial institutions should continuously adopt a culture of utilizing computerized accounting systems that provide easy preparation of financial reports. As seen from the earlier chapter, computerized accounting systems perform enormous tasks which if performed correctly provide the company with accurate, efficient and timely reports.

To find out the pros and cons of computerized accounting to financial institutions The Accounting Information System has got its own strengths and weaknesses while in operation. However, the study findings show that the system is actually more of an asset than a liability to the company's business operations and it would therefore be necessary to recommend that other financial institutions that have not yet implemented this system, get to adopt the idea of establishing it so as to improve on operations in terms of effectiveness and efficiency.

To establish the qualities of financial reports generated by Accounting Information System.

In the business world of a financial nature, daily financial operations have reported several weaknesses such as errors and intentional figure manipulations being common to financial reports generated through the manual accounting system. However, the introduction of a computerized accounting system as far as the study was concerned, brought with it qualities of financial reports that are very unique to those reproduced manually. This gives a strong stand for a company that is in need of smooth operations and reliable reporting, the computerized accounting system is recommended.

## **5.5 Limitations to the Study**

Time in collecting data from the field is most likely not to be sufficient.

Financial constraint since the researcher had to travel while collecting data, data analysis costs, typing and printing and internet.

The company did not allow the researcher to include in the report some sensitive data got in the findings.

### **5.6 Areas for further study**

The study did not exploit all areas of interest due to limited time therefore further studies should be carried out on the impact of Computer Technology on business performance

Another area of study could be on influence of Information Technology on workers performance.

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## APPENDIX 1

(Research Questionnaire)

KAMPALA INTERNATIONAL UNIVERSITY

### QUESTIONNAIRE ON COMPUTERISED ACCOUNTING SYSTEM ON ORGANISATION EFFICIENCY.

Dear respondent,

I am a final year student in Kampala International University conducting a purely academic study as a partial requirement that leads to the award of the degree of Bachelor of Business Administration.

The research is on computerized accounting system and organisation Efficiency. The answers provided will be treated with utmost confidentiality and only for academic purposes. I therefore kindly request you to respond appropriately to the following questions.

#### SECTION ONE:

##### SECTION A:

##### Bio Data

Please tick the appropriate box

1. What is your sex?

Male ☐

Female

☐

2. How old are you

18-23 yrs ☐

24-28 yrs ☐

29-32yrs ☐

33-37yrs ☐

38-42 ☐

43 and above ☐

3. What is your current marital status?

Single ☐

Married ☐

Widowed ☐

Divorced ☐

4. What is your Religious Affiliation?

Anglican ☐

Catholic ☐

Moslem ☐

Pentecostal ☐

Orthodox ☐

Other (*Specify*)-----

5. What is your level of Education?

Certificate ☐

Diploma ☐

Degree ☐

Post graduate ☐

Masters ☐

Others (please specify) .....

## SECTION B:

### THE RELATIONSHIP BETWEEN COMPUTERIZED ACCOUNTING SYSTEM AND ORGANISATION EFFICIENCY.

1. According to you do you think the performance of Uganda Tea Corporation Ltd depends on Computerised accounting?

Yes ☐

No ☐

2. If yes how

.....

.....

.....

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Quick books are mainly used in computerized accounting					
Spread sheets are commonly used in computerized accounting					
Relational databases are the mainly used by Uganda Tea Corporation Ltd for storing data.					
General ledgers are used for proper accounting					

3. What are the disadvantages of computerized accounting systems?

.....

.....

4. What do you think are some of the Accounting Systems used by Uganda Tea Corporation Ltd?

.....

.....

.....

### C) THE USE OF A COMPUTERIZED ACCOUNTING SYSTEM

1. Does your organisation/company employ the use of a computerised accounting system?

Yes ☐ No ☐

2. What are the major tasks performed by the system?

.....

.....

3. List down the names of financial statements prepared by your organisation/company through computerized accounting:

.....

.....

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Computerised accounting leads to efficiency in reporting financial statements					
Using computerized accounting leads to increase in goods and services.					
Using computerized accounting enhances organisations performance					
Computerised accounting is very convenient for both users and managers					
Computerised accounting provides accurate information.					

Thank you for your Co-operation.

## APPENDICES C: BUDGET ESTIMATE

ITEM	TOTAL COST (UGX)
Library	50,000
Transport	50,000
Communication	50,000
Typing	100,000
Printing	50,000
Binding	21,000
Internet	10,000
Miscellaneous	90,000
<b>Total</b>	<b>421,000</b>

# APPENDICES D: WORK PLAN

ACTIVITY	TIME IN MONTHS						
	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Research and writing							
Supervising and writing							
Interviews and writing							
Collection							
Analysis							
Writing and editing							