

IT IS KAIZEN FOR INFORMATION TECHNOLOGY TO SOLVE ACCOUNTING PROBLEM: A STUDY

Hadibandhu Golekh Pradhan and Sulakshana Vishnu Gavali

Western College of Commerce and Business Management Plot No. 2, Sector – 9, Sanpada,
Navi Mumbai University of Mumbai.

Abstract : Accounts are a pure social science which helps to improve the societal economic value of a human being in the society through current scenario. Accounts is that branch of science which is a continuous process due to environment changes from time to time. Information technology is a pure science which helps human being for recording, record keeping controlling, summarizing and auditing. It also helps in collecting data functioning of its accounting system. Information system allows companies to create individual reports quickly and easily for management decision making in different fields.

Keywords: Social science, Continuous process, Information technology, Management information system

1 INTRODUCTION

Accounts are pure science which helps to improve the social economic value of a human being in the society through current scenario. Accounts have a long history before 8500 B.C.

Nowadays accounts are presented through electronic media for quick solution. In research study, there is a limitation of I.T to solve the accounting problem but a kaizen helps to solve accounting without difficulties. It is a social science which includes Law, Mathematics, Economics, Fiscals, Audits, Arts of writing of accounts, statistics, and management through which human economic problem could be solve. Accounts is that branch of science which helps to measure financial performance of the company by writing, classifying, all the accounts like sales, purchase, assets, liabilities in a systematic manner that accept the standard in a country or in the world at large. It helps to evaluate the incorporation past record and performance; present situation and future budgets. Accounting is the art of recording, classifying, summarizing on significant manner, in terms of money transaction and events which are in part at least of a financial character and interpreting the result there of.

INFORMATION TECHNOLOGY:

Information Technology is that area which manage technology and span wide variety of areas that includes accounting and auditing .Information Technology performs variety of professionals and functions that range from installing applications to designing complex computer network and information database which helps to various accounting transactions from one node to another node.

INFLUENCE OF INFORMATION TECHNOLOGY ON ACCOUNTING

Computer server, the internet wireless and personal digital devices have forever transformation the way companies conduct business. Software packages have also improved traditional operations and production process. Accounting has got tremendous advancement thanks to the growth of information technology. Accounting software automates the traditional paper ledgers and accounting books. The software packages may come with a variety of specialized feature that can be customized to current business operation. Companies usually choose accounting programs based on the size of their operations

and the number of users accessing systems.

COMPUTERIZED ACCOUNTING SYSTEM

In a modern world IT has made on accounting is the ability of different organization to develop and use computerized system to track and record financial transactions. Per Ledgers, manual spreadsheets and handwritten financial statements have all been translated into computer systems that quickly present individual transactions into financial reports.

INCREASED FUNCTIONALITY:

Computerized accounting systems have also improved the functionality of accounting departments by increasing the timeliness of accounting information. By improving the timeliness of financial information, accountants can prepare reports and operations analyses which give management accurate pictures of current accounting systems.

ELECTRONIC FUNDS TRANSFER:

Companies can now connect to bank through ETF. This system enables companies to make payment and collection electronically. In This system company wants to pay for accounts payable to a supplier, which can do it via EFT. Whenever company makes sales transactions are immediately charged to consumers bank account and simultaneously credited to company's accounts. Accounting programs can help accountants or business owners create sales forecasts, economic business models and other business decision tools. IT also automatically inputs the business financial information, limiting the number of human data entry errors.

OBJECTIVES OF THE RESEARCH PAPER

- ❖ To study the close relationship with Accounts and Information Technology.
- ❖ To study kaizen of Information technology to solve accounting problem.
- ❖ To study accounts are depends on multi subjects.
- ❖ To study different accounting packages used as per situation requirement of the industries.

RESEARCH METHODOLOGY:

The researchers are collected data from various research papers . Due to time limit Research work followed by secondary data only.

DISCUSSION THE SUMMARY

History of accountancy:

Accounting is a complete economic operations, continuous and systematic records. it calculate necessary for the operation and manage the information by application of the method. Traditional accounting process generally include accounting, accounts double entry, book keeping and audit certificate, costing, inventory of property and preparation of financial statements.

Luca Pacioli who in 1494 first described the system of double entry book-keeping used by venation merchants in his summa de arithmatica, Geometria Proportioni et proportionalita. In 1844 the British Joint stock company Act was an Act of Parliament that allowed companies owned by one or more individuals to be incorporated .

During the 1930 and 1940 there was concern that there was no standard framework for financial accounting. This perceived to be a bigger problem, in the United States where creative accounting- making a company looks more successful than it actual was – was problem and there were a number of high profile case where supposedly profitable companies were able to attract additional investment only to collapse a few months later with huge debts.

There was resolved in 1953 when the committee on accounting procedures produced a standard framework of guidelines for financial accounting called generally accepted accounting principle. In 1959 the committee on accounting procedures was replaced by accounting principle Board. In turn, this was replaced in 1973 by Financial Accounting standard board, who had additional powers to regulate the generally accepted accounting principle(GAAP) In 1990, this task was taken over by the accounting

standard board and today it is the ASB who have the task of setting and monitoring accounting standards.

History Computerized Accounting :

The first computerized accounting system was also implemented in 1953, when Arthur Anderson Consultancy was asked by General electronic to implement an automated payroll processing system at there site in Louisville Kentucky. The first computerized spreadsheet appear in 1961 whilst the first 'off the shelf' accounting auditing system appeared seven years later in 1968. In 1978 two things happen in history .the INTEL -8080 processor and the MOS -6502 Processor became available significantly bringing down the cost of micro computer. Apple Launch the APPLE –II Micro computer and the first commercially available 'off the self spreadsheet packaged was developed VisiCalc. By the mid- 1980, PCs became an every day part of life. The Apple –II was superseded by IBM PC and the IBM pc In turn was superseded by Microsoft window, Visicalc was superseded by LOTUS-123 and then by Microsoft Excel Accounting soft package from ACT and SAGE started to be used and by the late 1990 PCS were used for accounting by most business in the U.K.

In India different accounting software is like Tally -6.3, Tally -6.9, and Tally – 7.2 and ERP-9 are now using on a continuous improvement basis as per requirement from time to time. The role of information technology has shifted over the last decades (Teng & Calhoun, 1996) to become an important part of how companies manage and control their resources. Information technology plays a critical role in modern business, especially regarding the accounting function' (Efendi at al 2006:117) the relationship between IT and firm performance seems to be more complex than previously theorized (stole & Muhanna 2009). The purpose of this paper is to focus specifically on the effects of IT related organizational changes on the management accounting function.

LIMITATION OF THE STUDY:

Research is based on secondary data only. There is no primary data are used for this research papers.

LITERATURE REVIEW:

Dr. (Mrs.) Okoli Margaret Nnenna,(2012) The Use Accounting Information as an Aid to Management in Decision Making , British Journal of Science 52 May 2012, Vol. 5 (1) .page-52-62, The need for information is basic for concrete and explicit management decision to ensure the success and survival of an organization and since the aim of any business organization is "profitability" Accounting information is indispensable to achieving this goal. Hence, this research work studies how effective and efficient the instrument of good accounting information is in decision making in an organization. It also looks at the importance of good accounting information as it relates to maximizing the profitability target of an organization. In carrying out the work, various types of data collection methods were adopted, such as distribution of questionnaires, interviews and observations. These methods were adopted for gathering the primary and secondary data. The statistical instrument used was the analysis of variance (ANOVA) model. Tables and judgment techniques were used to analyze and present findings. From our findings, a good accounting system results in higher profit margins over the years. Organizations should eradicate weak accounting systems by making sure that every staff in the Accounts Department is co-operative and fully conscious of his or her role in the department so as to produce good accounting information.

Kabiru I.Dandago and Abdulaahi Sani Rufai (2014) Information Tehnology and accounting information system in the Nigerian banking Industry, Asian Economic and Financial Review page. 655 to 670 Information technology has tremendously stimulated expansion of the banking networks and range of the offered services during recent years. The information technology has become a critical business resource because its absence could result in poor decisions and ultimately business failure. This study intends to find out the information technology influence on accounting information production in the Nigerian banking industry. Both primary and secondary data were used and Analysis of Variance (ANOVA) was used to test the hypothesis. Judgmental sampling method was used to obtain a representative sample of the population. Although for all Nigerian banks the efficiency has increased, the improvement of cost of efficiency is relatively much smaller than in the case of profit efficiency. It is also observed that accounting information technology can improve banks performance by reducing operational cost and by facilitating transactions among customers within the same or different network. It is, therefore, concluded that accounting information technology is relevant in simplifying issues and in the provision of quality information in the Nigerian banking industry. That explains why the banks spend a greater part of their resources on information technology and consider its application as a comparative edge in the competitive

banking industry. This paper recommends that the impact of the progress in accounting information technology on banking service should not lead to a very strong increase of cost of their processing, which put in question possibility to achieve economy of scale by Nigerian banks. Also all Nigerian banks should continue to utilize and upgrade their information technology for efficient service delivery and profitability.

Yong Fuhong (2012) Research on the impact of accounting information on accounting theory and practice, International conference on convergence information technology (page -25-30) Accounting information accounting management system to promote the reform of the entire accounting theory and accounting practice of a fundamental change in the accounting information the accounting theory and practice will have a profound impact. Faced with this trend, the accounting officer must re-examine the basic theory of accounting, to tap a new theory of meaning; accounting personnel must change their ideas to meet the accounting information under the condition of the new accounting; accounting staff must participate in the enterprise information system construction, and information officers with a complete information system and its resources.

Shirzad Amiri and Nikzad Amiri(2014) Information Technology and its role in accounting practice, International Journal of economy, Management and social sciences (Page.-28-32) Today, business world is changing rapidly. Frequent investments and rapid pace of changes in information technology (IT) are reasons for globalization. Organizations are reacting to a wide range of ITs through different practices and with varied proportions based on opportunities and bottlenecks faced. Objectives of this paper are to focus on effects related to organizational changes of IT on performance of management accounting and to help knowledge recognize to what extent the spread of IT can influence empowerment of accounting practice and function. Relationships between IT and accounting practices are examined qualitatively and, also, effects of IT on accounting practice and functions are measured.

Maziyar Ghasemi, Vashid Shafeipour, Mohmed Aslani, Elham Barvayeh (2011) The impact of information on modern accounting systems, Procedia social behavioral science (page-112-116) This paper attempts to clarify the impacts of information technology (IT) on accounting systems. The biggest impact IT has made on accounting is the ability of companies to develop and use computerized systems to track and record financial transactions. IT networks and computer systems have shortened the time needed by accountants to prepare and present financial information to management. This system allows companies to create individual reports quickly and easily for management decision making. Other capabilities of computerized accounting systems are: Increased Functionality, Improved Accuracy, Faster Processing, and Better External Reporting. Finally, this paper shed light on advantages and disadvantages of using information technology (IT) in accounting systems.

Maria do Ceu Gaspar Alves (2010) Information technology roles in accounting Tasks –A multiple – case study, International Journal of trade , Economics and Finance vol-1 (page 103 -107) Nowadays the business world is changing at a faster and faster pace. The reasons given for this is globalization, high information technology (IT) investments and the rapid pace of technological change. Organizations are responding in different ways and at different rates to the wide range of IT based opportunities and pressures. The purpose of this paper is to focus on the effects of IT related organizational changes on the management accounting function and to contribute to the body of knowledge about to what extent IT affects the ability to solve accounting tasks. The relationship between IT and accounting practices was investigated qualitatively using six case studies and we will measure the impact of IT on accountants' tasks. The findings suggest a tendency for change and the decentralization of accounting tasks.

Binod Guragai, Nicholas Hunt, Marc Neri and Eileen Z Taylor North Carolina state University (2012) Accounting information system and Ethics Research: Review, Synthesis, and future ,It reviews and synthesizes ethics research related to the major functions of AIS: Reordkeeping, reporting and controlling with a focus on data and on the use of AIS as a management control system. This paper presented a broad view of data management coverage of ethics and reporting is based on the characteristics of useful information..

CONCLUSION:

Accounting records are varying from time to time due to change in economic policy and legal advancement from one country to another country and world at large. On the basis of change in legal and economic policy the accounting software also change from one year to another year as per requirement of the current scenario. The lack of interest of other managers regarding accounting services which they see as a mere fiscal and legal condition. Advancement in information the technology have enabled companies to computerize their information system. Accounting information system have also been computerized as a result of significant improvements in the technology. As accounting information system are being

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computerized, accountant must gain the skills to use computerize system. The use of computerized accounting information systems has brought opportunities for companies to perform the accounting functions more effectively and efficiently because the use of computerized AIS has brought significant time and cost saving. Companies applying a production system may apply it more effectively if they use computerized systems. Data can be kept confidential by taking advantages of the security password system that most accounting program provides. At the end Information technology has kaizen for accounting system to solve accounting operation management.

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