



IMPACT OF TECHNOLOGY ON ACCOUNTING

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ABSTRACT

Information technology has created significant impact on accounting services. IT systems and PC frameworks have abbreviated the lead time required by bookkeepers to plan and present monetary data to the board and partners. Not just data innovation has abbreviated the lead time required to show monetary data, however it likewise has enhanced the general productivity and exactness of the data. Advancements in technology have dramatically improved accounting systems and quality of information. The transformation of information to the required users has been made very easy and simple. Computers and other digital technologies have increased office productivity facilitating the rapid exchange of documents, research, collaboration with far-flung partners and the collection and analysis of data. With the introduction of technology in accounting and in many business applications, those business areas that involve repeated tasks which are often monotonous and akin to human errors are increasingly being simplified and done accurately. The accountants have to have technological knowledge along with accounting knowledge.

KEYWORDS: Technology, Accounting information, Accuracy, Books of Accounts, Accounting Reports.

INTRODUCTION:

Accounting is a system of a firm or organisation to communicate the results of the operations of the company to the users in a systematic manner. It is considered as one of the most vital parts of the company that plays a crucial role in its day to day working. The recent technological development has transformed the traditional accounting industry to a significant extent with the latest tools and techniques; accounting industry offers irrefutable solutions for the smooth working of an organization. The major aim of accounting is to give qualitative information to the users which enable them to take right business decisions. The stake holders like shareholders, management, investors, lenders etc need true, fair and quick accounting information. The method of accounting has undergone drastic changes over the years. It is because of change in the business environment i.e. closed economy to open economy and Introduction of International Financial Reporting Standards. At the same time the use of technology in providing fast and accurate information to the users has completely changed the dimension of accounting. The problem of stock taking and preparation of financial statements in the middle of the year has become easy because of use of technology. Due to this transformation, the profession of accounting needs more technological support. In this paper an attempt is made to know the impact of technology on the accounting information.

OBJECTIVES OF THE STUDY

The following are the objectives set for the study.

- To study the use of accounting information

- To know the impact of technology on accounting information
- To know the developments in preparation and presentation of financial statements.
- To offer suggestions based on findings of the study

RESEARCH DESIGN

The study is purely based on secondary information collected from various published sources. Apart from this discussions were held with the experts in the accounting field. Teaching fraternity and Businessmen were also involved in soliciting certain information relating to the ground reality of the situation.

ACCOUNTING

Accounting is a language used to communicate to the users about the results of the business operations in an efficient manner. The information provided by the accountant is used for taking business decisions. Most of the business decisions are taken based on the accounting information. The shareholders, Creditors, Investors, Employees, Government, Management etc. are the stakeholders interested in accounting information. The preparation, Presentation and analysis of financial statements are the major tasks of accountants. These statements and notes accounts convey the efficiency and effectiveness of the company's performance in the use of its resources. With the enactment of Companies Act 2013 and convergence to international financial reporting standards has made the huge change in the preparation and presentation of information. The formats, contents and treatments have undergone drastic changes. GST is also one aspect which has made some impact on accounting process. These changes needs to be incorporated in the accounting process. At the same time the accounting information required by different stakeholders should be made available in time. The accountants are required to prepare various reports according to the necessity of users. All these matters should be carried out without any errors and omission and timely. To carry out these tasks accurately and timely without any errors and omissions, the help of technology is quite essential. The use of technology in the preparation and generation of reports and financial statements has changed the dimension of accounting.

ACCOUNTING TECHNOLOGY

Use of technology has created significant impact on accounting services. IT systems and PC frameworks have abbreviated the lead time required by bookkeepers to get ready and present monetary data to the board and partners. Not just has IT abbreviated the lead time required to display monetary data, yet it additionally has enhanced the general proficiency and precision of the data. The greatest effect IT has made on bookkeeping is the capacity of organizations to create and utilize modernized frameworks to track and record money related exchanges. Paper records, manual spreadsheets and written by hand budget summaries have all been converted into PC frameworks that can rapidly exhibit singular exchanges into budgetary reports. Information technology accounting integrates traditional accounting principles with software and information systems to create a centralized location for storing an entity's financial data. This digitization also simplifies the process of analyzing any such data, allowing entities to identify and correct errors or inefficiencies in their financial strategies, Most of the popular accounting systems can also be tailored to specific industries or companies. This enables organizations to make singular reports rapidly and effectively for the executives basic leadership. Furthermore, changes can be joined effectively to mirror any monetary changes in business activities. Increased use of technology in accounting has created many benefits. Many companies have developed accounting softwares which were generally adopted in many business firms. Tally is the one among them widely used in the market. In many cases the independent softwares were developed by software companies to suit their specific requirements. For example HRMS software is used by all the government departments to regulate salaries and allowances namely to prepare payroll. It has become very handy for the government to manage the salary and allowances of its employees.

It generates various reports according to the needs of management. It ensures cent percent accuracy in the matters of salary administration.

Thus the use of technology in accounting has made commendable impact on the accounting profession. The following are the important areas where technology has made impact.

QUICK INFORMATION

Utilization of innovation in bookkeeping has enhanced the usefulness of bookkeeping divisions by expanding the opportuneness and nature of bookkeeping data. By enhancing the opportuneness of money related data, bookkeepers can plan reports and examination of the explanations that give the board an exact picture of current tasks. Numerous quantities of money related reports can be created by electronic frameworks. Income articulations, Departmental benefit and misfortune, piece of the pie reports and so forth are presently increasingly open with modernized frameworks. Any number of reports can be generated within no time. This gives the data to the clients at whatever point and wherever they need. In the meantime it can plan break reports moreover.

ACCURACY OF ACCOUNTING INFORMATION

When we prepare accounts manually, there are more chances of human errors in preparation and presentation. If we use computerized accounting systems and tailor-made software to prepare and present the information to the users, there is a little chance of creeping of errors in accounting. Many times it detects the mistakes immediately and prompts us to correct before finalising. The system of accounting does not accept wrong inputs leads to accurate accounts and reports. Automated frameworks will likewise not enable diary sections to be out of parity when posting, guaranteeing that singular exchanges are legitimately recorded. Exactness is additionally enhanced by restricting the quantity of bookkeepers that approach budgetary data. Less access by bookkeepers guarantees that money related data is balanced just by qualified chiefs.

PROCESSING OF ACCOUNTING INFORMATION

Automated bookkeeping frameworks enable bookkeepers to process a lot of money related data and process it rapidly through the bookkeeping framework. Speedier handling time for individual exchanges has likewise reduced the measure of time expected to finish off each bookkeeping period. Month-or year-end shutting periods can be particularly saddling on bookkeeping offices, bringing about longer hours and higher work cost. Shortening this era helps organizations in cost control, which builds generally speaking organization productivity.

BETTER EXTERNAL REPORTING

Reports issued to outside financial specialists and partners have been enhanced by mechanized bookkeeping frameworks. Enhanced revealing enables financial specialists to decide if an organization is useful for speculation for development openings and can possibly be a high-esteem organization. Organizations can use these speculators for value financing, which they use for extending business tasks. Many reports can be generated within no time which will gives more information for better decision making

PREPARATION OF PAYROLL

The technological advancements have changed the way companies prepare their payroll. Today companies have the option to choose the best-suited payroll technology for their organization. Unlike the traditional payroll system, the latest payroll technology offers more flexibility, efficiency, and accuracy. Even the government departments are using Human Resource Management System (HRMS) to prepare and disburse salary to its employees. Use of technology in pay roll preparation helped the organisation to a greater extent. It avoided duplicate payments; computation of arrears of salary has been made very easy. By using cloud-based payroll technology, a company can reduce its cost effectively as there will be no need to

spend on an in-house method for preparing payroll. For its innumerable benefits, cloud-based payroll is gaining popularity in the corporate world.

CLOUD-BASED ACCOUNTING

Cloud-based accounting is one of the top emerging trends in the accounting industry. It offers better alternative solutions for various in-house functions. Also, it helps in reducing expenses of the company efficiently. Data can be accessed anywhere. Location is not the barrier for accessing the information.

DATA SECURITY

Accounting information is needed for various stake holders at different point of time. These information should be safe and secure. Every company has to maintain lots of valuable data for the purpose of audit and taxation. It is essential that data is stored safely and securely so that it can be referred when required. Also, loss of data can hinder the process of legal compliance which can attract the penalty for non-compliance. The technological advancement has enabled the companies to store such valuable data more securely. Now, businesses prefer network drives instead of traditional ways for storing the crucial data. Network drives offer security and easy access anytime anywhere.

AUTOMATION

Maintenance of accounts manually requires lot of time and energy of employees. Preparation of final accounts takes many days to complete the task. There are more chances of errors in the preparation of financial statements if it involves human element. Automation tools are becoming favourite day by day, and one of the main reasons for its growing fame is that it saves a significant amount of time which otherwise would have been charged as overtime by the employees. Since manual data entry is a time-consuming task and the risk of inaccuracy is quite high. Thus automation tool saves time, money and effort of the business. These tools are handy in generating complex financial reports in few minutes; therefore, companies now prefer to use automation tools.

PERSONALIZED & CUSTOMIZED SERVICES

Various technical groups are providing customised software services to their clients based on their specific requirements. The trend of using personalized and customized services is also becoming popular among corporate. Companies creating accounting software are now providing customized accounting software based on the needs of the client. Thus, companies need not spend money on the features of the software they don't require.

OUTSOURCING

Outsourcing of various works and services is common now a days. Accounting service is not an exception to this. Outsourcing of accounting and financial services is one of the top accounting trends in recent years. Companies can reduce the expenses since there will be no need for setting up a separate accounts department. By using the accounts outsourcing services, the company gets access to the team of experts at very reasonable cost.

CHALLENGE FOR ACCOUNTANTS

The growing use of technology in accounting made the communication of accounting information accurate, quick and easy transfer and generation of various reports within no time and without the place constraint. At the same time it is giving a warning to the accountants to have skill not only accounting but also technology. Within few years from now primary accounting process is automatically done by computer. The accountant has to give a final touch. This has made the accountant to be tech savvy.

CONCLUSION

Advancements in technology have dramatically improved accounting systems and quality of information. The transformation of information to the required users has been made very easy and simple. Advancements in technology relating to accounting has changed the dimension of accounting. Earlier everybody depends upon the accounting reports prepared at the end of the year to take business decisions. With the use of technology extensively in accounting profession has reduced the time required to prepare reports and the accuracy is not at all compromised. The required reports can be generated anywhere at any time. This has allowed the accounting professionals to concentrate more on technical aspects rather than routine matters. Computers and other digital technologies have increased office productivity facilitating the rapid exchange of documents, research, collaboration with far-flung partners and the collection and analysis of data. With the introduction of technology in accounting and in many business applications, those business areas that involve repeated tasks which are often monotonous and fallible to human errors are increasingly being simplified and done accurately by combining the cost, effectiveness, simplicity of use, efficiency, reliability and accuracy of the computer to obtain, analyze and interpret data information for efficient business decisions. Information technology advancements made effective and efficient information flow that enhances managerial decision making, thereby increasing the firm's ability to achieve corporate and business strategy objectives. Now the accounting profession not only need the knowledge of accounting but also need the knowledge of technology. Therefore, an accountant should be multidimensional personnel.

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