

Digital Accounting and it's Growth in India

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Abstract: *Accounting is the business language. Traditional accounting techniques, such as keeping diaries, ledgers, and other records, take a long time and may not be the most efficient approach for a contemporary accounting system. Accounting has seen several technical advances as it transitioned from traditional to modern. There is no doubt that the contemporary accounting system is more effective and efficient. The current accounting software industry has witnessed fast expansion over the last several decades; in fact, digitization of accounting increased the demand for accounting software, as well as continuous software updates when new software is discovered. The worldwide accounting software market was valued at 12.01 billion dollars in 2020, and it is expected to grow to 19.59 billion dollars by the end of 2026.*

Keywords: *Digitalization, Digital Accounting, Tally ERP 9, Focus, Market, Software, Traditional Accounting, Modern Accounting, Cloud Computing, ERP, E-Business*

I. INTRODUCTION

In his work "Natyashastra," Chanakya emphasised the necessity of accounting systems in India. Luca Piccioli an Italian released his work by name named "principles of Double Entry method of Book-keeping". He is also regarded as the accounting father. He presented the three golden accounting standards that make the accountants' work is more dependable and accurate. Because of globalisation, the world has shrunk to the size of a town. When one is prepared with the necessary knowledge abilities, opportunities abound. Companies are looking for competent professionals. Digitalization is another movement that has brought the world under one roof. The process of converting data to electronic representation is known as digitalization. Accounting digitalization refers to the conversion of financial data from paper to electronic format. Data is converted into electronic form using computers and accounting software. Technological advancements had improved the capacity to evaluate and report financial data at fast speeds, more effectively, and efficiently. There are four major areas of digital accounting. They are Cloud Computing, E-Business, Enterprise Resource Planning (ERP) Systems, and Advances in Digital Technology. The notion of digital accounting was developed in order to create a more efficient taxation system. began in 2003 as a Federal Government effort to modernise the Tax and Customs Administration. Later, the Electronic Invoice (NF-e) appeared, followed by the Digital Bookkeeping System in 2009. (Sped). The Digital Bookkeeping System Tax, Social Security, and Labour Obligations were implemented by 2015. Digital accounting does not indicate that an accountant's normal task will be eliminated; rather, it will assist an accountant's working capability. Accounting is the language of business.

Company communication refers to the dissemination of business information to stakeholders. Proper account maintenance aids in proper planning, budgeting, expense control, mistake and fraud minimization, performance assessment, and so on. Because of technological advancements, 90% of accountants say they must use current accounting processes rather than conventional accounting methods. Changes in market needs, client/customer expectations, continuous digitization, and generational shifts have compelled accountants to embrace new accounting systems. Accounting companies' first services include the following.

- 1) Examining
- 2) Advisory Services
- 3) Record-keeping
- 4) Tax obligations
- 5) Payrolls and so on

Accounting data clouding is also the finest platform for storing accounting data. Maintain of accounting data with the use of software make the task simpler and more accessible, globally 67% of accounting professionals favour cloud accounting. The following are some examples of accounting software.

- 1) Google Books
- 2) Concentration
- 3) Generation Ex
- 4) Simple Dec
- 5) The peach trees
- 6) Vaal
- 7) Logic
- 8) My Books
- 9) Tally ERP 9
- 10) India Quick Books

Our Prime Minister, Shri Narendra Modi, initiated the Digital India initiative in 2015 with the slogan "POWER TO EMPOWER" in order to guarantee that government services are easily accessible to residents via electronic means by developing internet infrastructure. commerce and infrastructure by boosting internet connection and empowering the country digitally.

- 1) Digital service delivery is one of the three primary components of digital India.
- 2) Digital literacy; and
- 3) Digital infrastructure

A person may contribute to digital India with a simple Aadhar Card Number. Digital India is built on nine pillars.

- 1) Mobile Connectivity for Everyone.
- 2) E-Governance: Using technology to reform government.
- 3) E-Kranti - Electronic Service Delivery.
- 4) Broadband Expressways.
- 5) Internet Access Program for the Public.
- 6) Electronics production.
- 7) IT for Jobs.
- 8) General Information.
- 9) The Early Harvest Program.

The government launched Jan Dhan Accounts for Indian people as part of the digital India programme. Accounting, marketing, sales, customer service, manufacturing, operations, agriculture, and other industries have begun to use digital accounting and digital wallets such as UPI (Unified Payments Interface). Payment Interface), such as Paytm, phoneme, Google pay, BHIM app etc., are introduced, businesses and customers is growing accustomed with digital payments. In a short period of time, a big number of people have become familiar with digital payments. Digital payments are more environmentally friendly than manual payments since they benefit in a variety of ways. According to the 2020 census, roughly 207 banks offered UPI to their consumers.

II. GOALS OF DIGITAL ACCOUNTING

- 1) Systematic record: digital accounting aids in the maintenance of systematic accounting records, which aid in the understanding of day-to-day company transactions.
- 2) Protect the business: Because accounting information is secured in a methodical manner, it aids in the protection of corporate assets.
- 3) Profit and loss: since the function of accountant is made easier, it is extremely uncomplicated for an accountant to present the position of profit and loss of business at regular intervals.
- 4) Balance sheets: the financial status of a business concern is precisely known by keeping good accounts, and digitization of accounting aids in this knowledge.

III. BENEFITS OF DIGITAL ACCOUNTING:

The term "accountancy" refers to the process of converting a financial statement into a journal entry.

- 2) Accounting digitization aids in the automatic generation of financial statements such as ratio analysis, cash flow statement, income statements, balance sheet, and statements of shareholder's equity.
- 3) The cost of maintaining digital accounting is also lower, making it more cost efficient. It also speeds up work as compared to manual accounting and may be saved in soft copies.
- 4) Time consumption is also reduced as compared to manual accounting because most work is done automatically.
- 5) In any conditions if the data is lost, it may be quickly restored since it is saved in soft copies.

IV. THE METHODOLOGY OF RESEARCH

The paper explains digitization in numerous domains.

Data collection

the study is based on secondary data and a portion of primary data; research is performed through professional interviews.

Statistical Analysis

The current research project is concerned with the rising digitization of the accounting industry. The mean and standard deviation are used to express data. The following is a comparison of statistics for the operation period 2020-2021 for several sectors where automation/digitization is used.

$$\bar{X} = \sum X / N = 136 / 7 = 19.428$$

$$\sigma = \sqrt{\sum x^2 / N} = \sqrt{657.713 / 7} = \sqrt{93.959} = 9.6932$$

V. DIGITAL ACCOUNTING HAS THE FOLLOWING LIMITATIONS

- 1) The installation of digital accounting incurs significant expense. because the programme must be updated whenever a new version is released
- 2) Because the computer does the majority of the job, there is concern that unemployment will rise.
- 3) System failure might cause work delays. 4) Digitalization of accounting necessitates training anytime a programme is upgraded, which adds to the cost/expenditure.
- 5) While digital accounting produces precise numbers, it lacks the capacity to make judgement calls and discover errors and fraud.
- 6) There is a risk of virus attack and software hacking, which can result in tampering with original records.

VI. CONCLUSION

Digital accounting simplifies accounting work, offers more effective trained staff, and gives more accurate data. Accounting digitization allows for instant access to data while also enhancing efficiency. Clients and personnel are being added. Accounting digitization aids in the automatic generation of financial statements such as ratio analysis, cash flow statement, income statements, balance sheet, and statements of shareholder's equity.

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