

# Study on the Impact of Information and Technology on the Implication of Accounting System

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**Abstract:** *The advancements in information technology have significantly influenced accounting information systems, affecting their concepts, scope of activities, and their impact on individuals' and business units' personal and social life. Originally, accounting served to deliver information exclusively to business owners and governments. However, it has evolved into a comprehensive information exchange system that meets the information needs of all stakeholders. The accounting information system has been impacted by advancements in information technology, resulting in cost reduction, decreased human error, enhanced productivity, quality, and effectiveness, as well as the elimination of human error. Furthermore, they have established novel accounting-related domains and users, exemplified by E-books, electronic accounting and auditing, human resource accounting, international accounting, timely production, activity-based costing, quality management, and others.*

**Keywords:** Advantages, Applications, and Challenges, Information Technology

## I. INTRODUCTION

The phenomenon of information explosion has occurred over the past few years as a result of electronic and computer technology and tools. They will undoubtedly have a significant impact on society's orientation and information requirements today, not just for senior executives and executives but also for researchers and other members of the public. Information is always going to be used by academics and businesspeople. Data framework clients use data as a significant wellspring of both capital and work. Since data is fundamental and helpful and is the reason for all association exercises, processes should be laid out to create data and oversee it. The ultimate objective of these systems is to guarantee that the information is accurate, valid, and readily available at the required time.

Information technology is now used in every aspect of a business's operations. Information technology is generally regarded as a useful resource that enhances the capabilities of managers and employees, enables the achievement of the organization's objectives, and effectively boosts productivity. Various researchers call this century the data and correspondence time. Nowadays, the worldwide town speculation has become unbiasedly understood. Communication and the exchange of information in everyday life are now essential thanks to technology. Additionally, new communication tools like the Internet make information sharing simple even in large environments. By connecting as a single network, computer experts have also created the conditions for small computers to maximize resources and facilities.

The general term "information technology" (IT) refers to the utilization of computers for the production, upkeep, and dissemination of timely information. In other words, information technology refers to facilities that receive, store, process, transmit, and deliver information.

The significance of different utilizations of data innovation in life today is very substantial and irrefutable to the degree that at times, without its utilization, exercises will be upset or will require a ton of costs. Traditionally, most sciences have blemishes and issues toward the start and have developed. This is true even for accounting. However, information technology is unquestionably responsible for the sudden advancement of accounting, and the purpose of this paper is to explain the connection between the two fields. Starting around 1950, a lot of logical examination has been finished on mechanical advances. The natural cycle of information technology advancements and a series of international and global laws, such as e-commerce and accounting, has resulted in the creation of additional opportunities for scientific research. A new one has been made by them. In addition, these advantages have been made practical by expediting

communications and transactions, which has resulted in time and money savings. Due to these factors, we will no longer need to justify using information technology in today's world. The accounting information system has moved financial transactions from a paper-based environment to an electronic environment. When performing its services and tasks, an accounting firm will unavoidably employ all or some of the new methods.

As a result, information providers, particularly accountants, must provide relevant and high-quality data for customers to pay a premium for their services. If not, they won't have a spot in the future. Progressively, data innovation IT is connected at the hip with business information. The approach of online business at times requires Web based frameworks and extending their capacities across various occupations, including bookkeeping. Previously, small businesses were only used to keep track of activities, make test papers, and keep balance sheets. Now, they also handle things like budgeting and financing, and industrial accounting serves as a support system. Accounting professionals ought to be involved in data recording as well as Internet and computer applications that are related to information technology. Information technology has undergone significant transformations in recent years, and as a result, transformational trends have emerged in a variety of fields. High-speed data processing, high accuracy, fast access to information, up-to-date information, the possibility of electronic information exchange, high quality, extremely low cost, and increasing volume of operations are its most significant features.

In today's world, we won't need to justify our use of information technology because of these factors. In addition, information technology will have a significant impact on costs, leading to practical accounting improvements, time savings, and an increase in the accuracy of calculations.

### **Functions of Information and technology**

Whenever information technology is used, at least one of the following operations is carried out, and in most cases, a combination of them:

1- First, conversion: implies switching data starting with one structure over completely then onto the next (for instance, filtering a text and changing it over completely to a document)

2- Capacity: For instance, storing financial data or saving audio to a CD.

3. Processing of information: figuring out the salary, figuring out the balance in the bank, or figuring out what you need to buy.

4- Interaction: such as transferring one or more files between computers.

5- Examination: like software for intelligent construction and industrial design.

6- Remove details: for example, erasing superfluous and pointless data from a PC.

### **Bookkeeping**

Bookkeeping is a framework where the most common way of gathering, grouping, recording, summing up data, and planning monetary reports and bookkeeping explanations is finished in unambiguous structures and models so partners inside the association, for example, supervisors or outside the association like banks, government, and different specialists can utilize this data. As an information processing system, accounting organizes and receives raw financial data. Financial statements and statements are the end result of the accounting system and serve as the foundation for decision-making by stakeholders (managers, investors, the government, etc.). Industrial accounting, financial accounting, government accounting, management accounting, and human resource accounting are the essential accounting branches.

#### **1- Accounting for industries:**

This accounting sub-branch was established as a result of the requirement to determine the cost in industrial units. Industrial accounting was defined as accounting following the industrial revolution and the mechanization of production lines. Industrial accounting techniques have evolved over time in tandem with the development of production tools and methods to the point where even the most extensive and complex industrial units can now calculate the cost of their products in a variety of ways and.

#### **2-Accounting for finances:**

Because its primary function is to prepare the fundamental financial statements that users require, this type of accounting can also be referred to as reporting accounting. The idea of personality separation can be said to have

sparked the development of this type of accounting. Businesses grew and developed as a result of this principle, which made it possible for capitalists who did not engage in business to participate. Stocks and the stock market were created as a result of this kind of partnership. Obviously, the principal justification for making a securities exchange can be the expansion in the quantity of business entities.

### **3. Public accounting:**

The preparation, analysis, recording, and classification of financial information pertaining to government agencies is the primary focus of public accounting. In many ways, government accounting is similar to business accounting. The contrast between the two is in issues, for example, showing the excess record rather than the capital record, the priority of the law over the acknowledged standards of representing the legitimate administration of government financial plans, and a few general definitions. Although the accounting principles are the same, the for-profit and non-profit activities of government agencies use slightly different accounting practices.

### **4-Administration bookkeeping:**

To manage monetary issues connected with the executives bookkeeping, the board is characterized as bookkeeping sub-branches. The economic costs of producing or selling services and goods are the main focus of management accounting. For instance, an administration bookkeeper in a seat fabricating organization ought to work out the expense of fixing or buying the screws utilized in the seat and recommend the more practical choice over the long haul or present moment (contingent upon organization strategies).

### **5-Human asset bookkeeping:**

One of the newest areas of accounting science is human resource accounting, which deals with identifying and reporting investments in human resources. HR are important assets for any business since destiny and achievement are in its workers' hands. Human asset bookkeeping is partitioned into three areas:

- Authentication: preparing statistics and determining an organization's human resources' quantity and quality.
- Analysis: measuring the value of human resources to the economy.
- Monitoring: Which branch of accounting is more suitable for providing accurate financial reports regarding the company's human resources?

### **Accounting ICT:**

After the PC's appearance in 1950, the PC's most memorable logical use was the 1951 US official political race. The development of centralized databases, the idea of informatics (data processing), and its application in the field of information management gained popularity in 1960, when the big computer was introduced. This concept was utilized as decision support and intelligent systems in the 1970s and 1980s. It took on a more concrete form and bolstered the fundamental concept of paperless systems and office automation. The use of computers in banking, hotel management, project management, and other fields is commonplace in other nations like Germany, Japan, and the United Kingdom.

The American Accounting Association (AICPA), the world's foremost and most prominent professional accountant organization, has identified the following technologies as having the greatest impact on the accounting profession in its report:

- The possibility of issuing electronic licenses using digital signatures
  - Electronic verification using a digital certificate
  - Image Processing
  - Simultaneous data mining and analytical processing
  - Communication tools
- The following technologies are utilized in accounting:

The computer is now at the top of the information technology pyramid because of its ability to maintain and process information across all fields of science, industry, society, politics, business, services, and applications. It also allows for systematic analysis of organized collections from new perspectives and provides application development with the opportunity to examine and evaluate the interrelationships between various factors and variables. The accounting information system evolved as a result of the computer in accounting. It resulted in a system for designing and utilizing financial information, information and communication, financial information in decision-making, public relations, and financial reporting, as well as the combination of accounting and computer science knowledge. Computer-based accounting speeds up the financial operations of economic units, reduces boredom and duplication of office work, and makes calculations simpler. The computer is where the majority of technologies meet, and it is made up of two parts:

**Hardware:**

The central and peripheral processing units, input, output, storage, and telecommunications devices are all examples of hardware, which is the physical equipment in a system that is responsible for the electronic data processing. Software is typically the tangible component of a computer system.

The commands that govern the hardware's activities and functions are defined in software. A computer program is a set of commands that direct a computer to carry out a specific action or task. Computer programming is the process of creating software to carry out tasks and activities.

**Software** can be broken down into two groups: application programming and framework programming

- Framework programming deciphers application orders and gradually decides how the equipment executes them and plans client projects to be finished by a machine language interpretation.

Software is divided into three categories: Systems: software for communication, operating systems, and applications • Application software is software designed to assist users and carry out a particular function. Companies spend a lot of money designing and developing this rare software to take advantage of its economic advantages. Accounting and information processing are effectively carried out by application software, which is the essential piece of software for accountants. Information and communication technology accounting aims to:

For paperwork, transcripts, and paperwork, accounting used to require a lot of accountants. Because of the computerization of bookkeeping frameworks and the chance of involving PCs in bookkeeping, this kind of administration is provided with less labor however more precisely and expediently. Information validity, asset protection, system efficiency, and the economics of the system are the most important goals of information technology accounting. The impact of information technology on the accounting profession:

In the past two decades, information technology has had a significant impact on the accounting profession

1. Electronic worksheets are increasingly being used by accounting firms to make documentation easier.
2. Computer decision-making patterns are being implemented more and more by large accounting firms.
3. Information technology is encouraged to be used by even small accounting firms.
4. The accounting firm's structure and procedures are influenced by information technology, as are the people who work there and their attitudes and behavior.
5. Data innovation builds the quality and proficiency of bookkeeping through robotized bookkeeping, eliminates explicit bookkeeping strategies, and works on the chance of moving data and information.

**Advancements in bookkeeping schooling on the planet:**

The need for advanced training courses has increased as a result of recent changes in the business environment and remarkable advancements in information technology. Because of this, the following topics must be covered in university classes:

- 1-The job of bookkeeper and bookkeeping calling in the public arena
- 2-Examination of bookkeeping data
- 3-How to utilize bookkeeping data and choices
- 4-Chance investigation and control
- 5-Bookkeeping and evaluating norms and how they are finished
- 6-The utilization of data innovation in business and direction

Then again, bookkeepers' information and abilities in answering the business climate's necessities expect that the accompanying courses be remembered for the preparation

Courses. Reporting; group of people; management of risk; a focus on the customer; Enterprise; Language of English; Word and Excel are examples of office software; Electronic commerce, management information systems, and Charge Regulation; Representing non-benefit units; Information systems for accounting; Analysis of financial statements advanced management of money; Continuously used international accounting technologies in accounting education:

E-mail, the Internet, word processors like Word, spreadsheets like Excel, Point Power software, the use of visual aids in the classroom, data analysis software like SPSS and SAS, and some of the rare technologies used in accounting education include the use of audio technologies in the classroom, distance learning, special computer methods, using

films in classes or by students, and using multimedia technology in content presentation. The list of technologies used in accounting training is graded according to the rate of continuous use by accounting professors.

In each unit, the accounting department begins by recording the data and information that, after being processed, eventually results in financial statements. Before the use of computers of processors, accounting systems utilized manual technologies that were simple to comprehend, but it was difficult to use that data to obtain accurate financial information. Time and effort are required to obtain timely and useful information. It cost a great deal. Then again, speeding up and precision of activities and diminishing data support costs are the benefits of involving data innovation in recording bookkeeping information. Naturally, it is essential to keep in mind that human error in data entry can result in errors that can be minimized by receiving in-service and in-service training and comprehending the significance of increasing accuracy when carrying out accounting tasks. Accounting event processing software is commonplace for data entry and can automate accounting procedures that have been carried out manually for centuries.

**The advantages** of using technology for communication and information:

Today, data innovation's significance to speed up and exactness of different associations' exercises coming about because of expanding their efficiency has been distinguished. Particularly, this technology helps organizations or institutions that are responsible for carrying out a variety of tasks and whose parts are scattered across geographical boundaries to solve numerous of their issues.

- Increment the precision of work
- Speed up admittance to data
- Increment dependability
- Store huge volumes of data
- Decrease debasement
- Supply full-time administration
- Taking care of business from a distance
- Decrease framework or association costs
- Disposal of air contamination and traffic
- Eliminate portrayal assumption
- Online business

**Difficulties of data innovation and the necessity to shift the job of bookkeeping to data framework:**

Because of flaws in the accounting information system, users suffer irreparable losses when information is not provided to them promptly. Information technology has an impact on the structure, operation, and management of organizations, and the development of business strategies for economic units cannot be accomplished without taking into account the process of information technology. Accounting is defined as an information system whose job it is to process raw data and turn it into information that can be understood. Then again, changes in data innovation are extremely fast and boundless. Accounting systems fulfilled management information requirements in the past, when there were fewer facilities for preparing information and the economic and market environment was not as complex as it is now. However, as information requirements increased, accounting systems expanded. Despite this, there was a lack of synchronization in the business environment, and there was a chance to switch from separate, limited accounting systems to comprehensive, integrated management information systems. A portion of the difficulties of utilizing data and correspondence innovation have been referenced

- Unpracticed venture chiefs
- Inabilities of programming organizations
- Inadequate agreements
- Absence of particular labor force
- Opposition of clients and associations in tolerating new frameworks
- Speaking with clients and clients and not including clients in the venture
- Absence of satisfactory speculation for research in the field of programming

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- Low interest in the confidential area and absence of government support
- Disappointment in utilizing a solitary norm
- Modest programming and not thinking about it as an item
- Months of the year, public occasions, and time arranging
- Absence of acknowledgment of endlessly intellectual property regulation

## II. CONCLUSION

Despite the complexity and scope of financial events and operations, it would be impossible to maximize our needs without the use of information technology if the aforementioned accounting and ICT concepts and definitions were prearranged; however, maximization Profit and cost reduction, in addition to increasing customer satisfaction, are the most important goals and policies of any organization; Because the primary benefit of utilizing information technology is the reduction of costs (such as those associated with personnel, supplies, production planning, and so on), some instances may see costs rise rather than decrease. However, despite the fact that there has always been resistance to switching from the old system to the new one, they are a part of the organization's main objectives (such as timely and helpful preparation of financial reports that increase user satisfaction with financial statements and the impact of IT). We can see the widespread application of technology in accounting if the benefits are clearly stated and go beyond professional and professional biases. Because everything is affected by technology and information, all businesses and institutions must invest in this field for survival, and accountants must reduce its risks by training and learning to recognize new technologies and use them effectively with appropriate solutions. It is a brand-new, wealth-generating post-industrial paradigm that takes the place of the existing industrial paradigm and significantly alters business practices.

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