

An Analysis on the Effect of Information and Communication Technology on Effective Financial Management

Asst. Umeshchandra Yadav and Kasim Fatima Banoo Mohd

Department of Commerce,
Nirmala College of Commerce, Mumbai
umeshyadav1809@gmail.com

Abstract: *Information technology has shaped every aspect of modern activities, from small to medium to large applications and operations. The patterns of human driven frameworks which are more normal and well known on occasion are currently leisurely and continuously decreasing from our public and confidential corporate foundations. From the very first step of requirement elicitation to the final product's outcome, the most recent, most versatile, popular, and efficient method, whose fundamental approach is computer-centric, has prevailed over nearly all current industrial practices. This computer-centric system is information and communication technology. The efficiency, dependability, effectiveness, and performance of modern commercial operations have all improved as a result of ICT. ICT has expanded and redesigned monetary construction both in quality and amount. In any financial system, ICT has developed sophisticated methods for providing optimal levels of performance and efficiency for transactions. Now is the time to look beyond the curtains and make sure that information and communication technology is properly implemented and maintained.*

Keywords: E-commerce, Application and uses, business, social impact

I. INTRODUCTION

ICT, Financial Management, Traditional Financial Management, E-commerce With the emergence of ICTs and e-governance, the possibility of improving financial management's efficiency and effectiveness looks more like the traditional manual system. ICT business intelligence, labor market research, policy development, and workforce solutions are all areas of expertise in the ICT sector. ICT makes it possible for businesses to create and maintain a competitive advantage in the global market and to use its services to revive innovative trends. A wide range of computerized technologies that make it possible to communicate and electronically capture, process, and transmit information are referred to as ICT. Products and services like desktop computers, laptops, handheld devices, wired or wireless connectivity, software for business productivity, data storage and security, network security, and other related protocols are examples of these technologies. (Murtaza and Ashrafi, 2008) The development of ICT has opened numerous aspects of ventures that on the whole communicate with geologically distributed workstations to do business exercises all the more productively, over computerized networks (Buhalis, 2003). ICT has contributed transparently to take out time, distance and space limitations to outfit the Business exercises easily and productivity by coordinating the capacity of high speed gadgets with high velocity correspondence joins conveying media data. The use of electronic means to collect, store, manipulate, and transfer information is what ICT is all about.

The software and physical devices that connect to various hardware components and transfer data from one physical location to another are referred to as communication technology. Application of ICT to improve the performance of organizations of all kinds worldwide, in addition to reducing costs and increasing efficiency (Spanos et al.). 2002). In conclusion, it is now widely acknowledged that ICT serves as the foundation for all organizations—large and small, public and private, micro to macroscale, education to finance, etc.

Financial management can also be used more frequently thanks to ICT's ability to improve, coordinate, and control the operations of many organizations. When business processes are recorded and reported on time, businesses, particularly small and medium-sized enterprises (SMEs), thrive. In general, information and communication technology (ICT) is regarded as one of the most trustworthy methods for establishing a solid foundation for an efficient financial reporting system. It stands to reason that a reliable information and communication technology system provides a certain and assured medium for the delivery of financial information throughout the company's accounting cycle. ICT facilitates the integration of all financial transactions with the assistance of accounting software to generate financial reports, which would otherwise be extremely challenging to prepare. According to O'Brien and Marakas (2010), accounting information systems are the oldest and most widely used business information systems. A computer-based accounting system records and also generates historical reports on an organization's cash flow as well as important financial forecasts for the future. As a result, ICT has made a significant contribution to resolving the issue that small and medium-sized businesses (SMEs) faced with producing accurate accounting data. Thus, SME business and administrators with huge ICT

lacks are probably going to deal with the issue of misquoted monetary data. Preece (2003) emphasized that the investigation of information and communication technology (ICT) tools and their integration with applications for customer relationship management (CRM) are anticipated to bring a number of benefits, including improved product and service quality, customer satisfaction, increased productivity, improved financial performance, and the creation of barriers to entry, enhanced convenience, and improved customer service through the introduction of new products and various delivery/service channels. The emerging information and communication technology supports a number of invaluable benefits, including the ability to view and print financial documents from a distance, apply for loans, check balances, and make transfers. The internet's support for the dissemination of banking services relies heavily on ICTs. Ben Attom), information and communications technology (ICT) creates an environment that is conducive to growth by integrating all financial transactions and utilizing accounting software to generate the financial reports required to influence the decisions of potential and existing investors. Diverse stakeholders benefit greatly from timely and accurate accounting data. They viewed that as 70%

of Medium-Scale endeavors truly do utilize ICT in their monetary and bookkeeping detailing. ICTs and their use in the financial sector have undergone significant growth over the past ten years. Aigbiremolen and Atuma (2014), In the upper hand of different monetary

associations has enormously expanded because of ICTs. Their use of ICT as a strategic and tactical tool has helped them become more competitive. This is on the grounds that; Management, marketing, credit administration, administration, human resources, operational management, strategic management, procurement, accounting, and financial management are all areas in which ICT is utilized in financial institutions.

III. ICT AND FINANCIAL PRACTICES

The business world benefits from information and communication technology (ICT) by enabling organizations to work more effectively and maximize productivity. Some common practices include faster communication, electronic storage, and electronic records. It has now become an unavoidable requirement to incorporate ICT into all workstations in order to tackle all activities in an efficient and effective manner due to the increasing prevalence of ICT across boundaries. Regardless of the kind of business you run, technology is an essential partner in management. With the assistance of information technology and computer applications, you can manage your business with greater accuracy and efficiency. This is true regardless of whether you require computers for the storage, transfer, retrieval, or transmission of information. The advantages of utilizing ICT are unmistakable and can be estimated;

Worldwide Financing

Finance can operate globally thanks to information technology. The first organized, global information markets that utilized network computers are the financial markets.

Financial institutions could not consistently acquire information concurrently with their rivals and financial markets could not respond to global change without information technology. The internet, for instance, makes it possible for all

lenders, insurance companies, and businesses that require financially responsible customers to have continuous access to credit scores and ratings.

Social Media

The internet-based information technology that powers social media and provides financial institutions with useful customer data. By empowering on the web networks related with their items, finance organizations get data as well as energize brand faithfulness. For instance, online stock traders can discuss their picks and offer advice to newcomers on websites like Amazon. Socially determined data innovation permits finance organizations to contact the more youthful socioeconomics that will be in ongoing clients

Putting away and Safeguarding Data

Data innovation makes electronic capacity framework to safeguard organization's important records. As per Graziadio Business Report, Distributed by Pepperdine College, secure upkeep of client and patients records is fundamental to business trustworthiness, capacity frameworks, for example, essential vaults, guard data by just permitting specific clients inside the organization to get to, pull out, add or change the reports and safeguard from being hacked, or cleared out during an innovative fiasco. Electronic security guarantees the safety of your priceless documents. You may already use a computer to store business data, such as sales, inventory, receivables, and payables in Excel. Open Office or a program similar to it keeps these numbers at your fingertips. Your company's payroll data, tax records, and other specialized data are stored in accounting software.

On the internet, marketing is a level playing field for both large and small businesses. You can have web presence, take orders, purchase stock, sell abundance or even work some business totally on the web. A showcasing instrument that utilizes data innovation is the speedy reaction that seems to be a standardized tag. With the help of information technology, we can direct employees or contractors to carry out your internet marketing by utilizing your skills in business management.

Information

You can learn a lot about trends, techniques, software, and human resources on the internet. We can use databases and websites on the internet to find potential employees, compare insurance plans, deal with employee issues, and examine the competition. Managing your business with online information keeps you up to date and knowledgeable.

Email communication is quicker and less expensive than sending a paper letter by mail. Email is widely regarded as the primary medium for the dissemination of information across platforms in business communication within various commercial organizations. Email frameworks not just complete data in text based arrangements rather gives the method for sending mixed media data from client to client also, the other way around.

Benefits to the Business

The reliable and consistent matching of ICT services to user needs—also known as service quality—is typically the focus of the business benefits that come from efficient ICT. Which thusly add to the in general outcome of the association's business through higher efficiency. These advantages are accomplished through expanding administration accessibility and quality to clients, better match of limit of prerequisites, more proficient treatment of issues and decrease hazard of disappointment, limiting the impact of such disappointment.

The Design and Planning Process

Within an ICT organization, the Design and Planning process aims to provide general guidelines for the creation and installation of an ICT infrastructure that meets the requirements of all business aspects and the future scope of ICT.

Time reduction:

Transport, Delivery, and Response Time) The main way to save time is to be able to choose when to start working on a process. For instance, a visa application form can be completed whenever the applicant has free time—not during the

Copyright to IJARSCT

www.ijarsct.co.in

consulate's business hours. The information filled are confirmed quickly for legitimacy. As a proof of application, an acknowledgement is sent immediately. Installment is made online with Mastercard subsequently saving the hour of going through the clerk.

Making savings:

The application does not require two trips to the consulate—once for the purpose of collecting the application form and once for the purpose of physically presenting it. The only time he needs to visit the consulate is after the application has been completed online. It saves money to travel the first time. Additionally, paper waste is eliminated. Lessening paper utilization works on the nature of climate, lessen timberland obliteration since paper is created from wood and decrease of waste handling.

Great and heightened safety

transportation, transactions, and tracking of activities) Reducing the number of transportations required to process a visa reduces the risks and insecurity associated with transportation. For instance, reducing the number of vehicles on the road will reduce traffic and, as a result, the likelihood of road accidents. Additionally in nations where street transport comprises some type of risk by arm burglars, decrease of the quantity of transport will likewise decrease openness to arm burglary. There will be a reduction in arm robbery risk and a decrease in bribery temptation as a result of online payment transactions. In point of fact, it is a common misconception that arm robberies are successful because the majority of people do not have any other option but to carry raw cash with them when they travel. As a result, arm robberies are almost always successful. Additionally, the fact that all transactions are recorded helps discourage the practice of bribery because those who engage in it rely on direct contact with the applicant (client) in addition to the absence of any trace of their activities. Online transactions and payments are acknowledged with proof of payment.

The role of information and communication technology (ICT)

In financial management Financial management is concerned with acquiring financial resources and making efficient use of them to achieve organizational objectives. Implementation of general management principles is part of financial management. With the assistance of financial accounting, cost accounting, budgeting, and statistics, the related aspects of financial management known as fallowing can be defined as the raising of funds, profitable use of these funds, planning of future activities, and control of current implementations and future developments. ICT is a web of webs. It's not just one network; rather, it's a global interconnect network that lets people freely share information. It implies making the most practical use of technology as a universal communication tool. Society has undergone unprecedented change as a result. Traversing the whole globe, the net has re-imagined the techniques for correspondence, work, study, schooling, association, amusement, wellbeing, exchange and business. The rise of electronic commerce can be attributed to the adaptable resources and opportunities provided by ICT. E-Commerce, E-Banking, and Corporate Internet Banking (CIB) are examples of two-way systems that were made possible by the transformation of information and communication technology from a conventional system that provided static web pages to a two-way system.

Nearly every industry has benefited from advances in information and communication technology (ICT). The effect of innovation reception especially in the financial area has changed the substance of the business. A strong and enduring banking sector is indicative of a healthy economy because it serves as the economy's foundation. The banking sector's growth inclusiveness was strongly supported by ICT, facilitating inclusive economic growth. ICT not just superior the effectiveness of the banking by fortifying the back and regulatory cycle and furthermore front end activities in this manner cutting down the exchanges costs for clients which has been the significant focal point of the ICT for monetary Administration. Today, banks have centralized operations, and an increasing number of branches and banks are switching to core banking solutions, network-based computing, and information and communications technology (ICT) for CRM. Gaddamsetty says that information and communication technology (ICT) enriches the business environment, contributes to modern corporations' success, provides governance with a well-organized infrastructure, and connects value to the learning process in modern organizations' operations and management. Information and communication technologies (ICT) offer a comprehensive perspective on the nature of technology and its effects on business and

society. In financial management, one of the modules is assumed by ICT. There have been a lot of applications in this area as ICT has grown and developed.

The following are major opportunities provided by technological advancements:

- Decreasing expense per exchanges.
- Widened and simpler admittance to target clients.
- More effective methods and a system for handling customer data (CRM).the possibility of expanding into new industries.
- Tools that are more effective for controlling the efficiency of internal processes.

The first objective is to move away from highly standardized, low-value-added, labor-intensive activities and toward computerized applications that can lower transaction unit prices. Research in various nations has exhibit massive expense structure contrasts for interchanges and exchange channels, with progressively imaginative ICT and e-business channels altogether lessening functional costs.

For instance, if the cost of completing a transaction at the counter is valued at a unit cost of one, phone banking cuts that cost in half, home banking cuts it in half, and internet banking cuts it in half. This distinction in cost structure through the remote channels permits forceful estimating and structures a triumphant technique for acquiring portion of the overall industry of clients who arranged to change banks for more cutthroat items. When there is a high volume of transactions, it is only possible to reap the benefits of developing additional channels of communication to reduce costs. Remote banking is unquestionably less expensive than traditional banking for single transactions; However, the virtual bank's establishment necessitates a significant initial investment that must either be subsidized by current activities or funded separately. The interest in ICT framework and foundation has turned into a key component in efficiency and development in the financial business. Industry development and growth have accelerated as a result of increased ICT capital investment (Luka).

IV. E-COMMERCE

Over the past few years, there has been a growing awareness of the use of information and communication technologies (ICTs) to streamline business processes and boost productivity. As a result, the term "e-commerce" (or electronic commerce) has become a buzzword in the business world (Joseph). E-commerce facilitates the exchange of information between individuals, businesses, nations, and, most importantly, between computers by combining a variety of processes such as electronic mail (e-mail), the World Wide Web (WWW), and Internet applications. Internet business contains center business cycles of trading of labor and products and data over the web. The amount of information about e-commerce that is available online is huge and still growing. The Indian e-commerce industry increased its speed. Comparatively, the domestic segment has grown by 33% since 2014.

In order to maximize their competitive advantage in the e-commerce solution sector, Indian software and service companies must engage in some of these vertical segments.

Financial services A lot of people use the internet to get some kind of financial advice. One of the most challenging e-commerce tools is online stock trading. One of the main advantages of online stock broking firms is their ability to provide market access at a competitive price, and this advantage is expanding rapidly in India as well.

. Internet banking continues to grow. Numerous banks, including ICICI and HDFC, are expanding into the ICT sector.

Professional and Legal Services

Legal and other professional services offer Indian companies additional opportunities. There are huge legitimate and administrative ramifications and carrying out a web business. In terms of opportunities for Indian legal service providers, it is anticipated that the number of internet users will increase the demand for expert legal and regulatory advice.

Travel and Tour

E-commerce has easily adapted the travel industry. In an effort to cut costs, they are now placing a greater emphasis on the search for alternative distribution within the sector, particularly in the railway and airline industries. Because of their online reservation system, these industries are well-suited.

Copyright to IJARSCT

www.ijarsct.co.in

Healthcare is one of the most expensive areas of government spending worldwide. By providing high-quality administrative services and integrating information systems, the internet has the potential to improve communications, streamline procedures, and generate new business opportunities.

The role of information and communications technology (ICT) in the decision-making process varies from organization to organization. In most associations navigation is relying upon the monetary volume of the task. Through the processing of information, statistics, econometrics, and data mining, ICT can make decision-making more efficient and effective. With ICT's help, these tools became extraordinarily powerful. Decision-making processes can use ICT to evaluate emerging trends and innovations and encourage their adoption when necessary. ICT is able to manage and control telecommunication services across the entire office as well as provide efficient and cost-effective services for things like procurement, housing, health and safety, energy, printing, filling, and other logistical issues. ICT strategy is a crucial component of ICT effective financial management. ICT making the budget processing more responsive to priorities and management practice more flexible so that defined priorities are easier to achieve and strengthening the competitive pressure among providers of public services. It provides the foundation for achieving a comprehensive vision by enhancing existing ICT efforts and launching new ICT initiatives that will assist in the achievement of the organizational goals and serves as a blueprint and guideline on the future direction and performance of ICT for the relevant time period (typically 4-5 years) (Zhang and Chuklow). Its objective is to generate value through the efficient application of ICT. By aligning information and communication technologies with business requirements and imposing efficiency through timely adoption and use, an ICT strategy is expected to improve an organization's effectiveness. ICT key priorities, investments, and deliverables for a given period of time that support and are aligned with the organization's mandate, strategic plans, and operations are typically included in the strategy. It frequently likewise frames the associations ICT and the executives system. In order to describe the stages of the decision-making process, a number of frameworks have been proposed. According to Poole and Baldwin, a phase is a period of consistent activity that carries out a decision-related function like problem definition, orientation, solution development, or social emotional expression.

V. CONCLUSION

In conclusion, ICT has enabled every modern system to carry out all of its functions in accordance with the "computer as the middle" principle. The utilization of ICT in Monetary administration has likewise accounted a great deal more achievement and proficiency in performing different tasks connected with various exercises to commit a monetary exchange. As a result, ICT's efficiency and effectiveness have significantly improved, acceptable, and reliable throughputs. The plan and the development of additional security measures to guarantee authentic and secure client-server communication are the urgent requirements.

REFERENCES

- [1]. Aliyu A.A. and TasminR.B.Hj, "The Impact of ICT on Bank Performance and Customer Service Delivery in the Banking Industry," in International Journal of Latest Trends in Finance, Economics, and Science, 2(1), 2012: 80-90.
- [2]. Adwin A.M, Opkara A, Mike A.O, Francis A.O (2014), The Effect of ICT in The Key The board of Monetary Establishments, Global Audit of The executives and Business Research, 3(3):1588-1602
- [3]. Attom E B (2012), The Effect of ICT on Business Development Procedures of SMEs in the AwutuSena East District of Focal Area of Ghana, Asian Diary of Business and The executives Science, 3(2): 13-28.
- [4]. Adesola M.A, Moradeyo O.A, Oyeniyi K.O (2013), Effect of ICT on Nigeria Banks Activities:An Investigation of Joined Banks for Africa (UBA) Plc, Global Diary of Business and The executives Innovation, 2(9): 7-12.
- [5]. Murtuza, Ashrafi M., "Use of Impact of ICT on Small and Medium-Sized Enterprises in Oman," Electronic Journal of Information System and Evaluation, 10: 125-138.
- [6]. Gichoya D (2006), Variables Influencing the Fruitful Execution of ICT Projects in Government, Electronic Diary of E-Government, 3(4): 175-184.

- [7]. The impact of ICT on Commercial Bank Performance: Binuyo A.O. and Aregbesola R.A. (2014) Problems and Perspectives in Management, 12(3): Evidence from South Africa 59-68.
- [8]. Improving Public Sector Efficiency: A Study by Curristine T., LontiZsuzsanna, and I. Jaumard (2007) Opportunities and Challenges, 7(1), OECD Journal of Budgeting: 1-42.
- [9]. GadamsettySaiArun (2013), understandin monetary consideration in India and job of ICT in ICT,Worldwide Diary of Creative Innovative work, 2(12): 198-201.
- [10]. E-Commerce An Indian Perspective, Joseph P.T., S.J., pp. 12–19, New Delhi: Prentice Hall Private Limited, 2005.