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### Impact of Accounting Information Systems on the Financial Performance of Firms

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#### Abstract

Managers who want to stay ahead of the competition in today's day of rapid technological advancement, heightened awareness, and demanding consumers and business owners cannot do it without an accounting information system. This study looks at how a company's bottom line may benefit from a new accounting information system. The major objective is to review the theoretical and empirical research that has been conducted on the topic of accounting information systems and their impact on a company's bottom line. According to the results, the financial

consequences of accounting software have been largely ignored in prior studies examining the effect of accounting data on bottom lines. The bulk of studies that looked at this connection used a survey research strategy, and the great majority of those investigations took place in industrialized economies with widespread use of computerized accounting system approaches. According to the results of this literature review, additional investigation is required to fill up this information gap.

**Keywords:** Accounting System, Financial Performance, Information System

#### Introduction

Managers in today's competitive business environment are increasingly turning to cutting-edge management practices to assist their companies in making better decisions. Most of these techniques were developed to aid businesses in remaining profitable in the face of growing levels of rivalry, enlightened consumers, and stringent product standards. One such example is the widespread adoption of IT systems in businesses (Davoren, 2019) <sup>[1]</sup>.

According to Borhan and Bader (2018) <sup>[2]</sup>, the structure of an organization's information systems determines its capabilities. The terms "data," "process," "rule," "protocol," "skill set," "hardware," "software," "roles," and "responsibilities" all fall under this category. A solid information system is essential to an organization's ability to plan, organize, manage, lead, and regulate its activities. Yaser, Alina, Nor, and Yaser list the following categories of information systems: management information systems, transaction processing systems, office automation systems, decision support systems, expert systems, and accounting information systems (2014). (AIS). In addition to his ideas for ERP and POS systems, Rainer also offered several others, including knowledge work systems (KWS) and delivery systems (DS) (2007). (KWS).

Many people think that a company can't function well without some sort of accounting information system (AIS).

Accounting information systems are frequently listed as one information system that is essential for management functions, including planning, organizing, regulating, and making decisions (Samer, 2016) <sup>[5]</sup>. According to Borhan and Bader, "accounting information systems (AIS) are formal methods for identifying, measuring, collecting, analysing, producing, interpreting, and communicating accounting information about a specific organisation to a specified group" (2018). (AIS). In an accounting information system, both humans and computers work together to compile and analyse financial data for use by a wide range of stakeholders at the right time (Bodnar and Hopwood, 2010) <sup>[6]</sup>.

Each company has to have a reliable accounting information system. With this technology, decision-makers can obtain monetary data that has been derived from information, raw data, or regular data (Dandago and Rufai, 2014; Harash, Al-Timimi, and Alsaadi, 2014) <sup>[7, 8]</sup>. With the use of AIS, data and information regarding events of monetary value may be captured and preserved. In addition, it makes it easier to gather, process, and share this information with stakeholders inside and outside the company (Olusola, Olugbenga, Zacchaeus, and Oluwagbemiga, 2013) <sup>[9]</sup>. Internally and externally, the information, financial statements, and trend analysis supplied by AIS can substantially influence national performance.

There has been a long-held belief that a company's financial results can be affected by its AIS (accounting information system). When considering a company's financial performance, it is important to consider not just its capacity to stay in business in the near term, but also its ability to fulfil its service duties and its long-term financial commitments. The term

"financial performance" refers to the accomplishment of monetary objectives. Financial managers utilize AIS's accounting and financial data to look back at the company's success and look ahead. The outcomes of AIS, which often take the form of financial reports, must be made available to all levels of management and other interested parties. Decisions made at an organization's tactical, strategic, and operational levels can all benefit from incorporating AIS findings. Users have various requirements for the breadth and depth of examination of financial data.

Yet, the cutting-edge accounting procedures that come with using an AIS as a computer-based tool might be challenging for most business owners to implement. The situation is much more dire in third world countries.

Accounting information systems are becoming increasingly and more intricate as firms strive to accomplish strategic goals and improve performance (Eb, Pretorius, and Zuva, 2013) <sup>[10]</sup>. When it comes to installing an automated accounting system, there are a number of obstacles that small and medium-sized businesses (SMEs) must overcome. There is a shortage of capital and technical obsolescence, cash, management information, scale economies, an IT-oriented management culture, and funding to increase employees' IT skills, among other things (Malarangeng, 2009; Levy, Powel, Yetton, 2011; Francalanci and Morabito, 2008; Marriot and Marriot, 2000) <sup>[12, 11, 13, 14]</sup>.

The purpose of this article is to offer a brief overview of the research on how AIS affects a business' bottom line. Its primary objective is to track the results of empirical studies of accounting information systems and to spot blind spots in our understanding of how these tools affect businesses' bottom lines.

### Conceptual clarifications

In order to support and direct an organization's decision-making process, Manchilot (2019) <sup>[15]</sup> defines an accounting information system as a computerised system that is used to gather, store, process, and distribute financial and accounting data in the form of financial statements. Computers are at the heart of accounting data since they are the backbone upon which other information systems may operate. The PC hosting the AIS must have the requisite accounting AIS software installed.

A system that processes, stores, and regulates data to generate and disseminate important information for decision-makers inside an organisation is what Borhan and Bader (2018) <sup>[2]</sup> call an accounting information system. The use of accounting information follows a logical progression of phases. It's the sum of a company's human, mechanical, and financial assets that operate together effectively inside a predetermined structure to accomplish a certain mission.

Information gathering, analysis, and application constitute what Borhan and Nafees (2018) <sup>[16]</sup> call "the accounting information system." An accounting information system is a computerised system used in accounting for data collection, data processing and evaluation, and data output.

To gather and process data for use in accounting, an accounting information system consists of "people, equipment, rules, and processes," as defined by Kashif (2018) <sup>[17]</sup>. Providing timely data or information pertaining to the functioning of the company is crucial to an AIS's ability to support the actions of employees, owners, customers, and other stakeholders.

### Contextual Importance of the Accounting Information System

The basic objective of AIS is to assign monetary value to past, current, and future business actions (Rehab, 2018) <sup>[19]</sup>. Decisions might be informed by accounting data provided in reports or evaluated on an as-needed basis. Decisions like these may be seen in areas like pricing, production volume and mix, outsourcing, inventory strategy, service quality, customer retention, wage negotiations, and capital expenditures (Horngren, Harrison, Bamber, Willis, and Jones, 2005; Sprinkle, 2003) <sup>[18, 20]</sup>.

The significance of accounting information systems in the carrying out of administrative activities such as planning and control is vital (Samer, 2016) <sup>[5]</sup>. AIS provides information for planning purposes, such as research and analysis of organizational objectives. The degree of reliance and interaction between cost, volume, and profit may also be calculated with the data provided. AIS's planning role encourages interdepartmental cooperation while also helps with the forecasting of future demands and cash flows and the formulation of budgets (Frezatti, Andson, Guerreiro, & Gouvea, 2011) <sup>[21]</sup>. To address distractions, however, the control function needs a detailed strategy that lays out the expected outcomes, establishes the criteria by which those outcomes will be assessed, and specifies how those outcomes will be reviewed. This duty is essential because it serves as a check on the soundness of the organization's decisions and the efficiency with which they are carried out; it also helps ensure that the organization's plans, policies, and standards are being adhered to, that any discrepancies are being addressed, that the interests of its shareholders are being safeguarded, that its resources are being developed and used effectively, and that its goals are being met (Onalapo and Odetayo, 2012) <sup>[22]</sup>.

AIS, which incorporates electronic bookkeeping, has been linked to positive financial and economic outcomes for businesses (Urqua, Pérez, & Muoz, 2011). If used effectively, AIS may help businesses reduce the impact of external changes, improve the efficiency of internal operations, and increase their ability to compete. Companies are in a constant state of change due to the emergence of new online business prospects and the strengthening of the company's external interactions, especially with international clients who have access to the company's website (Pérez, Urqua, & Muoz, 2010).

### Information System Subsystems for Accounting

Hall (2008) identifies the transaction processing system, general ledger/financial reporting system, fixed asset system, and management reporting system as the four most important parts of an accounting information system. An organisation may save time and effort with the help of a transaction processing system by eliminating the need for manual paper and email dissemination. TPSs, or transaction processing systems, provide back-end assistance for businesses at all levels of operation. Companies that rely on regular, predictable financial dealings need a transaction processing system (Laudon and Laudon, 2006) <sup>[26]</sup>.

The general ledger/financial reporting system produces a variety of financial statements and reports, including income statements, balance sheets, statements of cash flows, and tax returns.

The system's intended function is to provide financial reports for business stakeholders. Information System (AIS) information, customer and supplier information, salary information, instructions on closing the books and creating a trial balance, and a comparison of actual outcomes to the organization's budget should all be included in these statements (Samer, 2016) <sup>[5]</sup>. The firm can save money, boost productivity, and keep its financial footing solid by automating the financial management process.

Internal management may access financial reports and other information useful for decision making through the management reporting system, while fixed asset data can be processed through the fixed asset system.

Samer defines an accounting information system as "a group of components that work together to (2016) <sup>[5]</sup>. Among them are inventory control, client accounting, vendor accounting, and employee payroll. The inventory management system allows for the processing of invoices for stored goods, the identification of stock-out items, and the generation of reports detailing these processes. Using computers in the system can improve customer service, inventory tracking, budgeting, and enterprise document generation.

The customer account system calculates the ultimate amount owed by a client, which considers data collected throughout the purchase and payment procedures.

Second, it generates monthly accounting and credit reports for clients. By automating the creation of invoices and taking advantage of the discount, a customer accounts system improves a business's ability to collect payments and produce working capital.

The information needed to create daily Treasury reports, pay bills, and make checks comes from the supplier accounting system. By streamlining how businesses pay their suppliers, this technology improves the quality of partnerships, allows for more favorable terms on credit purchases, and maximizes cost-cutting options like discounts.

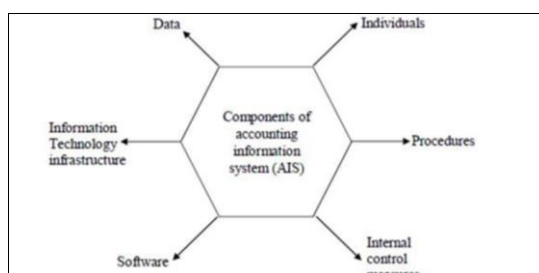
Timesheets, payrolls, pay stubs, and related reports are just some things a payroll system can generate.

Technical reports for things like taxes, returns, deductions, and labor productivity evaluations and costs are more likely to be filed accurately and on time, thanks to computerization.

Because they are designed to assist corporate management with all of their bookkeeping and financial reporting needs, accounting information systems can contain as many subsystems as necessary.

### Accounting Information System Components

There are several components that make up the AIS used by most businesses. Based on the research of Rommeny and Stenbart, the six key components of an accounting information system are depicted in Figure 1 below (2006).



Source: Romany and Stenbart, (2006)

Fig 1: Components of accounting information system

An accounting information system is only as good as the people who use it. They have several roles, including system administrators. Like any other information system, AIS needs access to raw data. In this context, "data" is any numerical information about how a business functions. Manual and automatic means of gathering, processing, and storing information about the organization's activities are equally encouraged. In this definition, "software" encompasses programs that help manage a business. There is a growing trend among businesses to tailor AIS applications to their specific accounting information system requirements. Their importance to AIS quality cannot be overstated. Quality results from frequent usage of accounting information systems are ensured by internal control and the need for information security, both of which are components of the IT infrastructure (Rommeny and Stenbart, 2006) <sup>[27]</sup>.

### Financial Performance

The financial performance of an organisation is the total of its current liquidity, its ability to pay its debts as they come due, and its willingness to continue providing its services into the foreseeable future (Weber, 2008) <sup>[28]</sup>. Doing monetary tasks is what is meant by "financial performance." Put another way; financial performance is how well monetary goals have been met. It assigns monetary values to the outcomes of a company's decisions and actions.

A company's success may be measured by how well it achieves its financial goals. Investor and accounting returns are widely used measures of a company's success. Investor return is measured from the perspective of the firm's shareholders, whereas accounting return is concerned with how a company's earnings react to different management techniques (Ofoegbu, 2003) <sup>[29]</sup>.

To paraphrase Farah, Farrukh, and Faizan: "Financial performance is the extent to which a company's financial health over time can be quantified" (2016). Managing a company's assets, financing, equity, revenues, and costs to boost revenue, profit, and stock price is an example of financial management. Its major goal is facilitating informed decision-making among shareholders and other stakeholders. It helps aggregate industry comparisons and assessments of firms in the same sector.

### Measures of financial performance

Results-based performance measurements assess things like competitiveness and financial success, whereas determinants-based performance measures examine the factors contributing to such outcomes (inputs such as quality, flexibility, resource utilization, and innovation). In light of these findings, it seems that performance assessment frameworks may be based on the ideas of outcomes and drivers. On the other hand, Zuriekat, Salameh, and Alrawashdeh (2011) <sup>[32]</sup> stated that performance evaluation systems should be classified as information systems due to their function in evaluating the performance of both employees and the business as a whole.

Several metrics are used to evaluate a company's success. Fiori, Di'Donato, and Izzo's (2009) <sup>[33]</sup> review of the literature suggests that indicators like solvency, repayment capability, profitability, efficiency, and liquidity may be used to assess a company's financial performance.

Financial ratios are commonly used to evaluate a company's performance, as stated by Lin and Liu (2005) <sup>[34]</sup>. Ratios are

a useful tool for analysing a company's financial health by comparing two metrics from the same set of financial records. Financial ratios are one way to assess a business's success.

Success is commonly measured using financial ratios because they provide a clear picture of a company's financial performance in comparison to earlier time periods and may be utilised to boost management effectiveness. Nevertheless, Glautier and Underdoon (2009) <sup>[35]</sup> argued that investors care primarily about two metrics related to a company's financial success. The capacity to turn a profit is a good starting point for evaluating the company's financial success. This is in line with the statements of Pandey (2004) <sup>[36]</sup>, who contends that profit maximisation is the most appropriate measure of a firm's performance since it results in the most efficient use of resources in a free market. Hence, the ratios of profit to sales and profit to assets employed are used to gauge financial efficiency in this context. Second, investors' willingness to pay for a piece of the company's stock is one indicator of the company's financial health. Earnings per share, dividend yield, and price to earnings ratio are all ways to evaluate a company's financial health. Profitability in business may be measured by examining financial ratios.

## Theoretical Foundations

### Contingency Theory

Fiedler initially introduced the contingency theory in 1964 as a philosophy of management leadership. Fiedler (1964) <sup>[37]</sup> argues that the contingency theory suggests there is no optimal leadership style and that what works in one context may backfire in another.

However, the foundation for thinking about accounting information systems from a contingency viewpoint was created by Gordon and Miller (1976) <sup>[38]</sup>, who argued that such systems must be flexible enough to respond to the details of each given set of choices.

Taking into account both the external environment and the internal structure of the business, an AIS should be able to adapt to changing conditions in accordance with the concepts of contingency theory (Dandago and Rufai, 2014) <sup>[7]</sup>.

For managers of businesses to improve performance, this idea suggests they need to pay great attention to how they use accounting information systems, carefully adopting the systems that are most suited to their own circumstances.

However, not everyone agrees with Fiedler's contingency theory. Nevertheless, one of the major complaints about the relevant branch of contingency theory to the research at hand is that it is too rigid (Mitchell, Biglan, Oncken, and Fiedler, 2017) <sup>[39]</sup>. According to Fiedler (1964) <sup>[37]</sup>, a problem is best addressed by replacing the leader, who possesses a predetermined natural leadership style. The idea doesn't give room for leaders to make changes (Mind Tools, 2018) <sup>[40]</sup>.

### Resource-Based View Theory

Barney put out the concept of the "resource-based viewpoint" in 1991. The resource-based strategy put out by Barney (1991) <sup>[41]</sup> states that maintaining an edge over rivals requires consistently outperforming them. One way to assess elements that might provide businesses an advantage is through the resource-based perspective. An essential fact is

exposed by the resource-based view: not all resources are the same, and not all of them can be leveraged to gain a sustainable advantage in the marketplace.

According to the resource-based view, there are three tiers of accomplishment: capability, competence, and skills. To wit, capability, competence, and skills are the three tiers into which Craig, Caldeira, and War categorises successful performance. In particular, Craig, Caldeira, and Ward (2011) <sup>[42]</sup>. A company's capacity, competency, and abilities all have to do with how well it manages its resources and how well it handles technology, management, and business administration generally. In addition to monetary funds and human resources, businesses also have access to accounting information systems. According to the resource-based viewpoint theory, effective management is required for accounting information systems and business performance so that organisations may make optimal use of available resources.

There are several counterarguments to the resource-based strategy. The lack of significant managerial implications and practical application is sometimes cited as a criticism of the theory (Priem & Butler, 2001) <sup>[43]</sup>. It appears to recommend that managers nurture and acquire distinctive and irreplaceable assets, such as an appropriate infrastructure, but provides little direction for actually accomplishing these objectives (Connor, 2002; Miller, 2003) <sup>[44, 46]</sup>.

The resource-based viewpoint theory, according to Wright and Kroll (2006), conflicts with both the descriptive and the prescriptive modes of thought. According to Barney and Clark (2007) <sup>[47]</sup>, the resource-based viewpoint hypothesis was not designed to serve as a guide for management. Instead, it was supposed to clarify how certain businesses manage to stay competitive for so long. If the explanations provided by the resource-based perspective theory aren't very useful or insightful for managers, there may be little reason to insist that it provide suggestions that are consistent with the theory.

### Agency Theory

In 1976, Jensen and Meckling promoted the agency hypothesis. The agency theory explains the relationship between a company's owners (the principals) and the management (the agent), in which the owners place their trust in the manager to operate the company for their benefit (Jensen and Meckling, 1976) <sup>[49]</sup>. The agency idea is an attempt to ease tensions between business owners and those in charge, who may be tempted to exploit company funds for personal gain (Brammer and Millington, 2008) <sup>[48]</sup>. Although corporations generally work to increase their owners' profits, managers' financial interests may take precedence. As the agent (managers) may have access to more critical information than the shareholders, an information asymmetry may exist, increasing the likelihood that managers may act in ways that serve only their interests. The effect of accounting information systems on corporate profits is the primary topic of this investigation. A company's sole purpose is to maximise returns to its shareholders (principals). Management bear full accountability for this (agents). Managers who invest in an accounting information system to improve productivity are so fulfilling an obligation to the agency's shareholders.



### **Impact of Accounting Information systems on the Financial Performance of Firms**

Several researchers have searched through the literature on accounting information systems and their implications on financial performance using a wide variety of analytical tools.

Al-Dalaïen and Khan investigate how AIS affects the bottom lines of a select group of Jordanian real estate companies (2018). Noor Capital, Jordan International Investment Company (JIIC), Ihdathiat Coordinates, Real Estate Development (RED), and Afaq Holding are the five chosen real estate firms. A well-designed questionnaire was used to poll the employees. After the screening, only 175 of the 250 questionnaires sent out by the researchers met the study's inclusion criteria. In this study, we used linear regression statistics to examine the data. Of the companies studied, Jordan International Investment Company was found to gain the most from AIS, whereas Ihdathiat Coordinates saw no positive changes.

Ironkwe and Nwaiwu examined how a company's financial and non-financial variables changed after implementing an accounting information system (2018). The researchers obtained data from 16 different companies, both qualitative and quantitative. Between 2011 and 2014, data were culled from the Nigerian Stock Exchange (NSE) and polls. We do several linear regression analyses on the provided data using a social science-specific statistical tool (SPSS). The study's empirical findings confirm that businesses in Nigeria may boost their financial and non-financial performance indicators by using an accounting information system.

The effects of AIS on the bottom lines of many Jordanian real estate companies are studied by Borhan and Nafees (2018) <sup>[16]</sup>. Research questionnaires were used to interview 175 workers at 5 different Jordanian businesses. In this study, we analyse the data by linear regression statistics. The results indicate that accounting information systems have a major bearing on the monetary well-being of the organisations studied.

Kashif (2018) <sup>[17]</sup> looks at the impact of accounting information systems on the bottom lines of a few Indian fast-moving consumer goods companies. Just 177 of the 400 people who were sent surveys actually filled them out. Hypotheses were assessed at a 95% level of confidence using conventional linear regression on the gathered data. It was revealed that the accounting information system had a considerable effect on the financial results of the chosen FMCG businesses in India.

Rehab examines how a company's productivity is impacted by its accounting information system (2018) <sup>[19]</sup>. Using questionnaires, we collected data from 137 Saudi Arabian SMEs and analyzed and tested our hypotheses using bright partial least squares. The findings demonstrated that all facets of organizational performance, such as reducing costs, increasing quality, and improving decision-making, were significantly impacted by introducing an AIS.

Borhan and Bader (2018) <sup>[2]</sup> analysed how various Jordanian commercial banks' use of integrated accounting information systems influenced their bottom lines. 206 Jordanian bank employees took part in the study by completing online surveys. For this study, scientists employed a method called "Verification of Straight Lines." The findings show that the analysed organisations' bottom lines are significantly impacted by accounting information systems.

Akanbi and Adewoye investigate the impact of AIS on the

bottom lines of commercial banks in Nigeria in their 2018 research paper. For this descriptive study, we chose 80 commercial bank clients at random. The bank's financial statements served as the secondary source for this analysis. Profitability indicators tracked by AIS over the previous decade include return on capital equity (ROCE), return on total assets (ROTA), net operating profit (NOP), and gross profit margin (GPM) (2007–2017). Linear regression was used to examine the massive effect of AIS adoption on bank performance. Based on these findings, it is clear that commercial banks in Nigeria are successfully implementing AIS to raise the quality of their customer service. After using AIS, all indicators of performance shown gains (ROCE, ROTA, GPM, and NOP).

The impact of accounting information system (AIS) implementation on banks' profitability in Jordan is studied by Raed (2017) <sup>[54]</sup>. Data from surveys was used extensively for this investigation. The study included 112 bank workers from Jordan who filled out a questionnaire as part of their participation. The study's issues were addressed with the use of statistical methods including correlations and multiple regressions. It has been shown that banks' financial performance is significantly impacted by their accounting information systems.

Abdullah (2017) is looking into how EAS might be used to give colleges in Jordan, both public and private, quantifiable financial performance assessments. Twenty chief financial officers from Jordanian institutions of higher learning accredited by the Ministry of Higher Education and Scientific Research participated in this survey. We used the t-test to analyse the data and calculated some descriptive statistics, such as the mean and the standard deviation. According to the results, online colleges in Jordan, both public and private, employ accounting information systems that provide quantitative evaluations of financial performance.

Teru, Idoku, and Ndeyati's Accounting Information Systems for Efficient Internal Control: A Literature Analysis (2017) This study employed a qualitative approach based on a comprehensive literature search. The study's trustworthy results were compiled using primary and secondary sources. The results demonstrate that the performance and accuracy of financial reporting are improved by the establishment and maintenance of controls, to the advantage of both internal and external users of the organisation.

Alnajjar investigates the relationship between accounting information systems and performance management and corporate success in his 2017 study. Data were collected from 74 SMEs using a survey research method. The data from this investigation were analysed using a regression model. Accounting information systems, which have an impact on performance management and the bottom line, rely heavily on the expertise of accounting managers and the support of upper management.

Isa (2017) <sup>[56]</sup> investigates the positive effects of integrated accounting information systems on Nigeria's public sector managers. This probe made use of an exploratory strategy. Secondary sources provided the bulk of the information used. This research investigated the possible outcomes of introducing a CAIS for the heads of government ministries, departments, and agencies in Nigeria by analysing the current accounting framework and operational processes of the public sector. The paper highlights several problems with implementing CAIS, including the high costs of

hardware and software installations, the costs of maintaining the system, and the need for specialised expertise. Less staffing, lax security, and an antiquated method of storing and printing documents all play a role. Benefits of deploying CAIS were discussed in the study, including cost savings, increased productivity, expanded capabilities, better external reporting, more precision, and quicker data processing speeds. Nevertheless, the impact of computerised accounting information systems on Nigeria's government department and agency heads was mainly considered in terms of the accounting framework and operational processes.

Khan looks at how P&G's productivity changed when it implemented its new accounting information system (2017). This study used a descriptive survey approach. Information was gathered using questionnaires using a five-point Likert scale. The poll includes responses from 174 employees of P&G Ltd. Simple linear regression was used for the analysis. Marketing was shown to be the area where AIS had the most impact, followed by occupational productivity. The impact of financial outcomes was ranked lowest. According to the findings, P&G Limited's productivity increased after implementing a new accounting information system.

How well do AISs meet the criteria of cost-effectiveness and efficiency in management? It is looked at by Nizar, Ahmad, and Mohamad (2016) <sup>[58]</sup>. The private healthcare sector in the United States was investigated by surveying 38 people. Union of the Arab Emirates The mean and standard deviation are used to analyse the study's results. In this study, the hypothesis was tested using a one-sample t-test. The results imply that private hospitals in the United Arab Emirates have access to the resources (accounting information systems) necessary to produce successful monetary outcomes.

The effects of computerised accounting systems on the productivity of banks in Nigeria were studied by Akesinro and Adetoso (2016) <sup>[59]</sup>. Fifty customers from three distinct Nigerian DMBs were chosen at random to take part in the survey for this research. A correlation analysis was performed on the research data. Using a computerised accounting system helps the bank's bottom line and drives more consumer activity.

Taiwo (2016) <sup>[63]</sup> conducts an empirical investigation to determine whether or not the proliferation of IT has increased the efficiency with which accounting tasks may be completed. This research made use of both primary and secondary resources. Twenty accounting and finance professionals from Nigeria's Covenant University provided the bulk of the study's primary data. Pearson's correlation was used for the analysis in this research. The findings showed a strong connection between ICT and the company's accounting system and productivity.

Esmeray (2016) <sup>[61]</sup> investigates how accounting info systems influence productivity in businesses. This study used a descriptive survey approach. In-depth interviews with 60 different companies provided the data for the study. To examine the information, we employed a method called generalized least squares. Managers with higher levels of education are more likely to employ AIS, as shown by the statistics.

Samer (2016) <sup>[5]</sup> analyses how AIS affects manufacturing production for Jordanian publicly traded enterprises. The study's sample included 42 firms from a wide range of

industries in Jordan and trading on the Amman Stock Exchange (ASE) as of the study's conclusion date, December 2012. The results confirmed the usefulness of AISs utilised by industrial firms, particularly with regards to fulfilling planning needs. The outcomes also showed that the boards of directors of impacted companies frequently agreed with the personal viewpoints of corporate CEOs.

According to research by Ali, Bakar, and Omar (2016) <sup>[60]</sup>, accounting information systems (AIS) have a major impact on business outcomes. In this research, we assess the relationship between service quality, information quality, data quality, and system quality to predict AIS performance. The necessary information was collected from 273 people in the banking industry in Jordan through their replies. We used PLSSSEM to analyse this data set. It was found that the three most important criteria in the success of AIS in enhancing organisational performance were service quality, information quality, and system quality. The study found that financial institutions that adopted and implemented AIS success criteria saw significant performance improvements. Mehdi, Mahmoud, Mostafa, and Ebadollah conducted research in 2015 on the effects of accounting information systems on the efficiency, profitability, and productivity of small and medium-sized enterprises (SMEs) in Iran. This study employed a descriptive survey approach. Over the years 2007 and 2013, information was collected from 118 SMEs trading on the Tehran Stock Exchange. Questionnaires were used to compile the data. Descriptive statistics, ordinary least squares (OLS), and the Pearson correlation coefficient were employed to analyse the data. Based on the findings, it appears that the P/E ratio and Tobin's Q are positively correlated with the extent to which SMEs listed on the Tehran Stock Exchange have effectively adopted and implemented AIS.

Dekeng and Prabowo (2015) <sup>[64]</sup> summarised studies that found that standardising AIS led to higher production in small and medium-sized businesses. Secondary data culled from scholarly publications forms the basis of the study. The results of this research indicate that organisational, individual, and external factors all have a role in determining the degree to which SMEs achieve AIS alignment.

The effects of AIS on key efficiency metrics are analysed by Hla and Teru (2015) <sup>[65]</sup>. This study was speculative in nature and made use of only previously available materials. The most significant effect that information technology has had on accounting is the capacity of organisations to build and deploy computerised systems for monitoring and documenting financial transactions, which has improved management decision-making, internal controls, and the accuracy of the financial report.

The economic effect of AIS is studied by Patel (2015) <sup>[66]</sup>. The research strategy was exploratory and based exclusively on secondary literature. The literature review indicates that organizations often succeed when using customized accounting information systems. Profits may be increased with the aid of accounting information systems by improving managerial decision-making, fortifying internal controls, generating better financial reporting and performance indicators, and expediting financial transaction procedures.

Saeidi (2014) <sup>[67]</sup> explores the impact of accounting information systems on company success. For this study, we surveyed forty high-ranking executives from Tata

Consultancy Services (TCS) businesses in India. The data was put via SPSS (Statistical Package for the Social Sciences) analyses and hypothesis tests. Decision-making, financial performance, and the availability of organizational resources were all demonstrated to be influenced by accounting information systems' connections to data held by managers and accountants. This study demonstrates a favorable relationship between managers' and accountants' knowledge and understanding and managerial and financial outcomes.

### Conclusion and Areas for Future Research

In order to increase their productivity, efficiency, and competitive edge, numerous businesses have adopted accounting information systems. In this analysis, we look at how implementing an AIS may improve a company's bottom line. The IT facet of AIS is expected to significantly affect businesses since it facilitates the monitoring, recording, and generating of financial and accounting data. Paper ledgers, manual spreadsheets, and hand-written financial statements have been replaced by computerised systems, which quickly present individual transactions into financial reports. The majority of research examining the link between accounting information systems and corporate performance employed a survey study technique, as evidenced by the empirical works under review. Much of the research in this area relied on survey methods and employed very small samples. The majority of the reviewed projects were located in Europe and Asia, both of which had more developed economies than any parts of Africa. Most research also relied on either made-up measurements or metrics already in the public domain to judge the efficiency of the accounting information system. Finally, the impact of accounting information systems as a whole has been the subject of numerous studies, rather than the financial performance of firms. Further study of the topic is needed to find solutions to the problems that have been identified.

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