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Effect of Accounting Information System (AIS) on Software qualitative

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ABSTRACT: *The new business environment has given way to real time economic. This has showed in a substantive acceleration of business measurement, assessment and decision making processes.*

The role of Accounting Information System (AIS) is vital during the new challenge in business world. Reliability, comparability and relevance in formation has to make financial statements more trustable to users, hence to reach these factors to setup the aims we need software package to make helpful way to the organizations. Therefore questionnaires provided and a sample of 105 was chosen from chartered accountant, PhD student and people who are familiar with AIS and software package in companies from Kerala state in India. results show that accounting information systems and software package are highly affect on comparison capability and relevance to financial statement but there was negative result which is show AIS and software package have lowly affect on reliability of them.

Keywords: *Accounting information system, software feature, Information qualitative*

I. INTRODUCTION

Accuracy of financial and managerial report is very critical to successful business management. Accounting information systems (AIS) of the past focused on the recording, summarizing, and validating of data primarily for the purpose of preparing the balance sheet, the income statement and the cash flow statement [1].The computerized accounting standard is formed by fusing theories and rules of information technology, analyzing function, modules and structures or the like of existing accounting software based on basic theories, basic function and basic procedures of manual accounting. The computerized accounting standard plays important roles in performing accounting data processing and accounting information utilization for standardized electronic information technology, improving the accounting standard and quality, playing accounting function, promoting the research and development of accounting theory and technology etc [2].The automated AIS could speed up information process and overcome traditional human weaknesses [3].Use of software package in AIS in the form of computerized accounting systems can improve in organization abilities in accuracy, ease of use, reliability, timeliness, content, format and satisfaction hence these factors matrix consists of various item instrument to increase management performance and data quality [4].

Today s real-time economy calls for a system that can integrate various transactions that occur in geographically dispersed entities and maintain fidelity of mapping when reports are generated. Innovations in information technology have provided means to track all transactions that occur in an enterprise. By ensuring that these are tracked through the various levels in real time, the financial and managerial reports generated will meet all the quality requirements [1].

Information technology and AIS are key factors for elimination of time and location limitations, improved and rapid access to information, up to data information, therefore it means making AIS and software setup by recognized companies changes work methods and provides and electronic base instead of paper [5].By develop in comprehensive training programmes to get the sufficient knowledge in accounting information system implementation and the important of data quality management can get better performance in the organization hence accounting software by taking place in the new economical environment can serves better financial information which are more reliable, relevance and comparable [6].

II. THEATRICAL FRAMEWORK

In this paper identification of accounting information role has been considered to make helpfully to raise the accounting information quality feature as a vital tool in the hands of managers. It is vital to define AIS clearly in this stage. There are different definitions of AIS. Accounting actually is information system and if we be more precise, accounting is the practice of general theories of information in the field of effective economic activities and consists of a major part of the information which is presented in the quantitative form [7].

Accounting information usually is categorized under two groups 1) information that influences decision-making and mainly used for the purpose controlling the organization and 2) information that facilitates decision-making process and mostly used for coordination within an organization [8, 9].Innovations in information technology have affected all aspects of business including financial and managerial reporting. The quality of information available is increasing exponentially [1].Automated accounting information system by use of software package can provided a tool for financial department to enhance organizational effectiveness especially in this era of global technology advancement hence financial departments should have knowledge about computer skills which is needed to play their roles from making relationship between top managers to analyzing and designing of AIS to better implementation software systems [10].There are two type of software classification first is basic software and second is application software [11].Qualitative feature of accounting information (QFAI) are important component that create suitable information for internal as well as external users .financial statements are clear evidence of this relation hence quality of information are vital role of QFAI [12].There are many feature in QFAI hence in this research three factor has been considered.

There are some AIS processes in factors below:

Reliability: include mange projects and mange investment, requirement analysis, manage quality, Acquire and maintain application software, mange data profiling and data cleansing, system integration and testing and etc.

Comparability: include information quality, monitor and evaluating internal control and information quality monitors and evaluates. Relevance: include find vendor and IT resources, implementing, information quality improvement, define and mange service level and etc [5].

III. LITERATURE REVIEW

MohammadHossein M.J,Javad M.,Mehdi B. and Mohammadhasan T.(2012),results show that the information systems and accounting software have a significant effect on the three main characteristics of financial statement transparency which are being relative, reliability and comparability[13].Emeka nwokeji(2012),finding disclosed that implementation of data quality management lead to cost reduction and adoption of data quality management tools improves organizational performance. The main recommendation of this study is that all the accounting information system users should undergo training so as to update their knowledge with current tools software package that can help prevent consequences of poor data quality [14].

Mysore R.,Richard C.,Eugene C. and Gerald C.(2012),Real time economy calls for a new system that can integrate various transactions that occur in different parts of organization. With the information technology ability, reliability and comparability of financial statements will lead business to achieve goal and objective hence software package need to setup those aims [1].

Mikko Siponen and Juhani Heikka(2008),authors role of software package investigated hence there is lack of security features in accounting software. Therefore various secure information system design methods have to be proposing in the time of software package setup in every organization to make reliability of information. In turn, scholars and secure information system design method developers should ensure that future secure information system design methods offer comprehensive modeling support [15].

IV. RESEARCH OBJECTIVES

The business world needs trustful information with timely factors hence According to impending potential of AIS and software package as computer AIS this paper attempt to examine practice of IT and its role on information qualitative features.

V. RESEARCH ASSUMPTION

In this paper there is a main assumption and there are three sub assumptions hence software package in accounting information system (AIS) which affect qualitative features of accounting information (QFAI) in organization population was chosen. Sub assumptions are first, software package and AIS affect relevance feature of information of financial statements. Second, software packages and AIS affect comparability feature of information of financial statements. Third, software packages and AIS affect reliability feature of information of financial statements.

VI. RESEARCH METHODOLOGY

This study is based on the three types of data sampling in Kerala state in India hence sample design to statistical population are included: first, chartered accountant in Kerala state. Second, PhD students in kerala University and third, people who is familiars with AIS and accounting packages in Kerala State companies.

Simple random sampling (SRS) was chosen. A questionnaire was designed. A population of 150 chartered accountant, PhD students and familiar with AIS has been included listed.

For this, the below formula was supposed:

$$n_0 = \frac{z^2(\frac{a}{2})\,var(\theta)}{d^2}$$

In which,

z a/2 = standard normal for 100(1-α)
var(q) = variance of estimated parameter
d = error value

If society volume is infinite, the above formula is used. But, if society volume is definite and

$$n = \frac{n_0}{1+\frac{n_0}{N}}$$

Of course, var(θ) is unknown. If a parameter has two cases, var(θ)=pq is considered. Its Honesty is that maximum value for Var(θ) is calculated. This is when p=q=1/2.

$$n_0 = \frac{(1.96)^2(0.5)(0.5)}{(0.08)^2} = 150.06$$

Thus, n0=150.06 when d = 0.08 and N = 300.

$$n_0 = \frac{150.06}{1+\frac{150.06}{300}} = 100.04 \approx 101$$

Thus, sample of this research is n = 105 for N=300

VII. RESEARCH VARIABLES

We have three Dependent variables which are included relevance, comparability and reliability of accounting information in financial statements. Hence according the research objective two independent variables are information systems and software packages .so, effect level of independent variables on dependent variables was consisted of the question of questionnaire.

VII. DATA ANALYSIS METHOD

Two descriptive and inferential methods applied hence in the descriptive statistics questionnaire include 26 questions and Lickert Spectrum was taken to data analysis and in the inferential statistics Clemogrove-Smironov test used to data normalization, single sample t-student test was used to study effect of AIS and software package on QFAI and so variance test was used to compare effect of AIS and software package on QFAI (comparability, reliability, relevance).

In the main assumption Normalization test (Clemogrov-Smironov) has been taken to test the effect of AIS and software packages on QFAI

Hence we have:

H0: Data is normal (data is from a normal statistical society)
H1: Data is not normal (data is not from a normal statistical society)
So:

If sig. level > α = 0.05 → H0

If sig. level < α = 0.05 → H1

Sig. level of this test = 0.068 > α = 0.05 → H0: data is normal

Significance level for all cases is > α = 0.05, then data is normal. Thus, variables are tested by parametric methods.

8.1. Effect of AIS and software packages on QFAI by single-sample t-student test

According to Main assumption examined Single-sample t-student test for effect of AIS and software packages on QFAI in

Table 1

Number	Average	StD	St. average	T	Freedom degree
105	**3.2468**	**0.4923**	**0.0696**	**3.55**	**0.000**

H0: $\mu \leq 3$

H1: $\mu > 3$

H0: AIS and software packages highly affect QFAI

H1: AIS and software packages lowly affect QFAI

If freedom degree > $\alpha = 0.05$ → H0

If freedom degree < $\alpha = 0.05$ → H1

Freedom degree = 0.000 < $\alpha = 0.05$ → H1

Results show that AIS and software packages highly affect QFAI.

8.2. Disclosed effect of AIS on the Three Subs main assumptions are following:

Firstly- sub assumption 1: Effect of AIS and software packages on relevance of information in financial statements hence the results are included; AIS highly affect relevance of financial statements; Software packages highly affect relevance of financial statements and AIS and software packages highly affect relevance of financial statements.

Secondly- sub assumption 2: Effect of AIS and software packages on comparability of information in financial statements hence the results are included; AIS highly affect comparability of financial statements; Software packages lowly affect comparability of financial statements and AIS and software packages highly affect comparability of financial statements.

Thirdly -sub assumption 3: Effect of AIS and software packages on reliability of information in financial statements

The results are included; AIS lowly affect reliability of financial statements; Software packages lowly affect reliability of financial statements and AIS and software packages lowly affect reliability of financial statements.

IX. FINDING THE RESEARCH WORK

9.1. Effect of AIS on qualitative features

Variance analysis test for effect of AIS on three indices (relevance, comparability, and reliability) is showed in table no.2

Table 2

		Sum of squares	Freedom degree	Average of sum of squares	Frequency	Sig. level
Factor 1	**Covalence conformity**	**10.641**	**2**	**5.321**	**21.751**	**0.000**
Factor 1 error	**Covalence conformity**	**23.972**	**98**	**0.245**		

H0: $\mu_1 = \mu_2 = \mu_3$

H1: $\mu_I{}^1 \neq \mu_j$ at least for one i,j

If freedom degree > $\alpha = 0.05$ → H0

If freedom degree < $\alpha = 0.05$ → H1

Freedom degree = 0.000 < $\alpha = 0.05$ → H1

Therefore, they are not equal at least for one i,j. Thus, it examines each index by pair Comparison test. Then, the indices (relevance, reliability, comparability) are ranked according to parametric hence Variance analysis and pair comparison test:
Rank 1 = relevance
Rank 2 = reliability, comparability

Therefore result finding of Sub-main assumption 1; show that AIS and software packages highly affect on Significance of financial statements. By argument about theoretical fundamentals it can be said that wonderful progress of AIS and accounting packages help users in better decision-making due to increase relevance of information. Findings indicate that AIS and software packages affect well-timed information.

9.2. Effect of software packages on qualitative features
Variance analysis test for effect of AIS on three indices (relevance, comparability, reliability)

H0: $\mu_1 = \mu_2 = \mu_3$

H1: $\mu_i \neq \mu_j$ at least for one i,j

If freedom degree $>$ $\alpha = 0.05$ $\rightarrow$ H0

If freedom degree $<$ $\alpha = 0.05$ $\rightarrow$ H1

Freedom degree $= 0.000 <$ $\alpha = 0.05$ $\rightarrow$ H1

Therefore, they are not equal at least for one i,j. Thus, it examines each index by pair comparison
Test. Then, the indices (relevance, reliability, comparability) are ranked according to parametric hence variance analysis and pair comparison test:
Rank 1 = relevance
Rank 2 = reliability, comparability

Therefore result finding of Sub-main assumption 2; show that AIS and software packages highly affect on comparability of financial statements.
Therefore, procedure stability has risen due to using of AIS and software packages. The reason is that a definite format and an equal procedure are used in financial statements. This increases procedure stability and financial disclosure. Thus, it increases comparability of financial information, but, it decreases comparability of different companies because of differences in contents and method of distribution of financial reports.

9.3. Effect of AIS and software packages on qualitative features
Variance analysis test for effect of AIS on three indices (relevance, comparability, reliability)

H0: $\mu_1 = \mu_2 = \mu_3$

H1: $\mu_i \neq \mu_j$ at least for one i,j

If freedom degree $>$ $\alpha = 0.05$ $\rightarrow$ H0

If freedom degree $<$ $\alpha = 0.05$ $\rightarrow$ H1

Freedom degree $= 0.000 <$ $\alpha = 0.05$ $\rightarrow$ H1

Therefore, they are not equal at least for one i,j. Thus, it examines each index by pair comparison test. Then, the indices (relevance, reliability, comparability) are ranked according to parametric
Variance analysis and pair comparison test:
Rank 1 = relevance
Rank 2 = reliability, comparability
So result finding of Sub-main assumption 3; show that AIS and software packages lowly affect on reliability of financial statements hence Using accounting information mostly depends on providers of this information than the providing tools, because providers have different effects if they use correct measurement methods and act neutrally. Generally, financial information is confident when independent auditors confirm it.

X. CONCLUSION

According to objective of this paper effect of AIS and software packages was considered therefore results show that using AIS and software packages significantly affect financial statements of companies in Kerala state in India hence It is mainly dominant in relevance of information which comes from well-timed information. By investigated effect of information systems on qualitative features, effect of software packages on qualitative features and Effect of information systems and software packages on qualitative features in summary results show relevance and comparability on first, second and third assumption have high effect level and in reliability is has low effect level. The reason of low level in reliability is because information always is measured correctly to raise the better features and high effect of relevance and comparability due to helpful on users on decision making showed the stability in it.

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