**COMPUTERISED ACCOUNTING SYSTEMS AND FINANCIAL REPORTING IN MANUFACTURING INDUSTRIES IN UGANDA:**

**A CASE STUDY OF MUKWANO GROUP OF COMPANIES.**

**BY**

**SHEILA NAMPINGA**

**2017/FEB/MBA/M221051/WKD**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND INFORMATION TECHNOLOGY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTERS’**

**DEGREE IN BUSINESS ADMINISTRATION**

**OF NKUMBA UNIVERSITY**

**OCTOBER, 2019.**

**DECLARATION**

I, SHEILA NAMPINGA do declare that to the best of my knowledge and belief, that this work is my own and has never been submitted to any institution of higher learning.

Signed……………………………………… Date………………………………….…

**SHEILA NAMPINGA**

**2017/FEB/MBA /M 221051/WKD**

# APPROVAL.

The dissertation titled “Computerised accounting and financial reporting in manufacturing industries, a case study of Mukwano group of companies” has been developed under my supervision and is now submitted with my approval as a supervisor.

Signed……………………………. Date ………………………………

**MR OWINO JOSHUA.**

**SUPERVISOR.**

# 

# DEDICATION.

I would like to dedicate this report to my family especially my uncle Dr. James Ssemwanga who piloted the idea of embarking on this journey and my beloved family and my beautiful daughters Sophia and Samira who have given me the zeal to push on to make this research complete and most importantly a special thanks to my supervisor, Mr. Owino Joshua for his guidance and support while exercising patience during the compiling of this report.

**ACKNOWLEDGEMENT**

First and foremost, I would like to thank the Almighty God who has provided me with life, abilities, and fortunes at every moment in life and having enabled me complete my course.

I am greatly indebted to my supervisor Mr. Owino Joshua who constantly supervised the work, patiently read in detail and carefully through the manuscript and made constructive criticism and for the valuable advice given and I feel that without him, this research work would not have been achieved.

I wish to record my appreciation for the great selfless moral and financial support from my sponsor Mr. Muyanja Raymond throughout the entire course of research.

I am grateful to the management and staff (respondents) of Mukwano group of companies who accepted me to do my research with them and as such provided valuable information which enabled me to prepare this research.

I would also like to thank my all my colleagues and friends among others who have made a great contribution towards the accomplishment of my course.

**TABLE OF CONTENTS**

[DECLARATION. i](#_Toc21076521)

[APPROVAL. ii](#_Toc21076522)

[DEDICATION. iii](#_Toc21076523)

[ACKNOWLEDGEMENT iv](#_Toc21076524)

[TABLE OF CONTENTS v](#_Toc21076525)

[LIST OF TABLES xi](#_Toc21076526)

[TABLE OF FIGURES xiii](#_Toc21076527)

[LIST OF ACRONYMS. xiii](#_Toc21076528)

**ABSTRACT**…………………………………...………………………………………………...xv

[CHAPTER ONE xiv](#_Toc21076529)

[INTRODUCTION 1](#_Toc21076530)

[1.0 Overview ……..1](#_Toc21076531)

[1.1 Background to the study 1](#_Toc21076532)

[1.2 Problem statement 4](#_Toc21076533)

[1.3 Purpose of the study. 5](#_Toc21076534)

[1.4 Objectives of the study. 5](#_Toc21076535)

[1.5 Research questions 5](#_Toc21076536)

[1.6 Hypothesis of the study. 6](#_Toc21076537)

[1.7 Significance of the study. 6](#_Toc21076538)

[1.8 Scope of the study 7](#_Toc21076542)

[1.8.1 Subject scope 7](#_Toc21076543)

[1.8.2 Time scope 7](#_Toc21076544)

[18.3 Geographical scope. 7](#_Toc21076545)

[1.9 Arrangement of the study 7](#_Toc21076546)

[1.10 Operational definitions. 8](#_Toc21076547)

[CHAPTER TWO 9](#_Toc21076548)

[STUDY LITERATURE. 10](#_Toc21076549)

[2.0 Introduction. 10](#_Toc21076550)

[2.1 Literature Survey. 10](#_Toc21076551)

[2.2 Literature Review. 11](#_Toc21076552)

[2.3 Theories and Models of Computerized accounting 11](#_Toc21076553)

[2.3.1 Systems Theory 11](#_Toc21076554)

[2.3.2 Positive Accounting Theory 12](#_Toc21076555)

[2.3.3 Resource-Based View Theory 14](#_Toc21076556)

[2.3.4 Technology Acceptance Model of computerised accounting systems. 16](#_Toc21076557)

[2.4 Benefits of Computerized accounting systems 17](#_Toc21076558)

[2.4.1 Computerized accounting and recording of financial information 18](#_Toc21076559)

[2.5 How computerized accounting has enhanced timely production of financial reports for prompt decision making 20](#_Toc21076560)

[2.6 Computerized accounting and streamlined workflow 23](#_Toc21076561)

[2.7 Computerized accounting system and coordination of departmental activities 24](#_Toc21076562)

[2.8 Computerized accounting and tracking of revenues and expenditures 25](#_Toc21076563)

[2.9 Conceptual framework 27](#_Toc21076565)

[2.11 Conclusion 27](#_Toc21076566)

[CHAPTER THREE 28](#_Toc21076567)

[METHODOLOGY 28](#_Toc21076568)

[3.1 Research design 28](#_Toc21076569)

[3.1.1 Research Approach 28](#_Toc21076570)

[3.1.2 Research Strategy 28](#_Toc21076571)

[3.1.3 Research Duration 29](#_Toc21076572)

[3.1.4 Research Classification 29](#_Toc21076573)

[3.2 The target population. 29](#_Toc21076574)

[3.2.1Sample size. 29](#_Toc21076575)

[3.3 Sampling techniques 30](#_Toc21076578)

[3.3.1 Simple random sampling 30](#_Toc21076579)

[3.3.2 Purposive sampling 31](#_Toc21076580)

[3.3.3 Census method 31](#_Toc21076581)

[3.4 Data collection method 31](#_Toc21076582)

[3.4.1 Interviewing 31](#_Toc21076583)

[3.5 Data collection instruments 32](#_Toc21076584)

[3.5.1 Self-administered questionnaires 32](#_Toc21076585)

[3.5.2 Interview guide 32](#_Toc21076586)

[3.6 Validity and reliability of instruments 33](#_Toc21076587)

[3.6.1 Validity 33](#_Toc21076588)

[3.6.2 Reliability 34](#_Toc21076590)

[3.7 Data analysis. 35](#_Toc21076592)

[3.8 Limitations to the study. 35](#_Toc21076593)

[CHAPTER FOUR. 37](#_Toc21076594)

[COMPUTERISED ACCOUNTING SYSTEM STREAMLINING WORKFLOW IN MUKWANO GROUP OF COMPANIES. 37](#_Toc21076595)

[4.0 Introduction. 37](#_Toc21076596)

[4.1 Regular updating of charts of accounts. 37](#_Toc21076597)

[4.2 Computerization aids quick customer service decision making process. 38](#_Toc21076599)

[4.3 Proper accounting documentation builds closer ties with customers. 39](#_Toc21076601)

[4.4 Computerised accounting has enabled automatic update of customer loan accounts. 39](#_Toc21076603)

[4.5 The financial statements prepared by the system are reliable. 40](#_Toc21076605)

[4.6 Easy preparation of customer accounts. 41](#_Toc21076607)

[4.7 Proper storage of financial records. 42](#_Toc21076609)

[4.8 Computerised accounting systems aids audit of accounts 43](#_Toc21076611)

[4.9 Computerised accounting system has simplified tracking of receivables. 43](#_Toc21076613)

[CHAPTER FIVE 45](#_Toc21076615)

[COMPUTERISED ACCOUNTING ENSURING TIMELY PRODUCTION OF QUALITY REPORTS FOR PROMPT DECISION MAKING IN MUKWANO GROUP OF COMPANIES. 45](#_Toc21076616)

[5.0 Introduction. 45](#_Toc21076617)

[5.2 Computerised accounting leads to timely generation of financial reports. 45](#_Toc21076618)

[5.2 Computerised accounting has ensured sound planning at Mukwano group of companies. 46](#_Toc21076620)

[5.3 Financial statements are readily available as and when it is needed. 46](#_Toc21076622)

[5.4 Computerised accounting system enhances productivity of the accounting department. 47](#_Toc21076624)

[5.5 Financial statements produced by the system are reliable. 48](#_Toc21076626)

[5.6 Financial information produced by the system is easy to understand. 49](#_Toc21076628)

[5.7 Financial information produced by the system is dependable. 50](#_Toc21076630)

[5.8 Customer accounts are easily analyzed and updated. 50](#_Toc21076632)

[5.9 There is timely filling of tax returns as a result of computerised accounting system. 51](#_Toc21076634)

[CHAPTER SIX 52](#_Toc21076636)

[COMPUTERISED ACCOUNTING AIDING TRACKING OF REVENUE AND EXPENDITURE LEADING TO PROFITABILITY IN MUKWANO GROUP OF COMPANIES. 52](#_Toc21076637)

[6.0 Introduction. 52](#_Toc21076638)

[6.1 Financial information produced by the system is of quality. 52](#_Toc21076639)

[6.2 The financial information produced by the system meets the international accounting standards. 53](#_Toc21076641)

[6.3 Customer records generated are free from arithmetic errors. 53](#_Toc21076643)

[6.4 The financial statements produced by the system are accurate. 54](#_Toc21076645)

[6.5 Computerised accounting has facilitated the creation of a well-organized data base. 55](#_Toc21076647)

[6.6 Computerised accounting has enabled Mukwano group of companies to track sensitive transactions. 56](#_Toc21076649)

[6.7 Computerised accounting system facilitates timely production of the payroll 57](#_Toc21076651)

[6.8 Computerised accounting system has enhanced tracking of financial information. 57](#_Toc21076653)

[6.9 Data from the system can be retrieved with ease. 58](#_Toc21076655)

[6.10 Processing of information has been made faster as a result of the computerised accounting system. 59](#_Toc21076657)

[6.11 Hypothesis testing. 59](#_Toc21076659)

[6.12 Regression analysis. 59](#_Toc21076660)

[6.13 ANOVAb. (Analysis of Variance) 60](#_Toc21076662)

[6.14 Coefficients. 61](#_Toc21076664)

[CHAPTER SEVEN 62](#_Toc21076666)

[HARMONISATION OF COMPUTERISED ACCOUNTING STSTEMS AND FINANCIAL REPORTING IN MUKWANO GROUP OF COMPANIES. 62](#_Toc21076667)

[7.0 Introduction. 62](#_Toc21076668)

[7.1 How computerised accounting has streamlined workflow in Mukwano group of companies. 62](#_Toc21076669)

[7.2 How computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano group of companies. 63](#_Toc21076670)

[7.3 How computerised accounting has aided tracking at Mukwano group of companies leading to profitability of revenue and expenditure in Mukwano group of companies. 65](#_Toc21076671)

[CHAPTER EIGHT 67](#_Toc21076672)

[SUMMARY, CONCLUSION AND RECOMMENDATIONS OF THE STUDY. 67](#_Toc21076673)

[8.0 Introduction. 67](#_Toc21076674)

[8.1 How computerised accounting has streamlined workflow in Mukwano group of companies. 67](#_Toc21076675)

[8.2 How computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano group of companies. 68](#_Toc21076676)

[8.3 How computerised accounting has aided tracking of revenue and expense leading to profitability in Mukwano group of companies. 68](#_Toc21076677)

[8.4 CONCLUSION 69](#_Toc21076678)

[8.5 Recommendations. 70](#_Toc21076679)

[8.6 Areas for further research. 70](#_Toc21076680)

[References 71](#_Toc21076681)

[Appendix I: Self-Administered Questionnaires (SAQs) 75](#_Toc21076682)

[Appendix II: Interview guide. 79](#_Toc21076683)

# 

# LIST OF TABLES

[Table 3.1: Distribution of the study population and sample size 30](#_Toc21076746)

[Table 3. 2: Showing the Content Validity Index of the study variables 34](#_Toc21076758)

[Table 3. 3: Showing the reliability analysis 35](#_Toc21076760)

[Table 4.1 Regular updating of the charts of accounts. 37](#_Toc21076767)

[Table 4.2 Computerization aids quick customer service decision making process. 38](#_Toc21076769)

[Table 4.3 Proper accounting documentation builds closer ties with customers. 39](#_Toc21076771)

[Table 4.4 Computerised accounting has enabled automatic update of customer loan accounts. 40](#_Toc21076773)

[Table 4.5 Financial statements prepared by the system are reliable. 40](#_Toc21076775)

[Table 4.6 Easy preparation of customer accounts. 41](#_Toc21076777)

[Table 4.7 Proper storage of financial records. 42](#_Toc21076779)

[Table 4.8 Computerised accounting system aids audit of accounts. 43](#_Toc21076781)

[Table 4.9 Computerised accounting system has simplified tracking of receivables. 43](#_Toc21076783)

[Table 5.1 Computerised accounting leads to timely generation of financial reports. 45](#_Toc21076788)

[Table 5.2 Computerised accounting has ensured sound planning at Mukwano group of companies. 46](#_Toc21076790)

[Table 5.3 Financial statements are readily available as and when it is needed. 47](#_Toc21076792)

[Table 5.4 Computerised accounting system enhances productivity of the accounting department. 47](#_Toc21076794)

[Table 5.5 Financial statements produced by the system are reliable. 48](#_Toc21076796)

[Table 5.6 Financial information produced by the system is easy to understand. 49](#_Toc21076798)

[Table 5.7 Financial information produced by the system is dependable. 50](#_Toc21076800)

[Table 5.8 Customer accounts are easily analyzed and updated. 50](#_Toc21076802)

[Table 5.9 There is timely filling of tax returns as a result of computerised accounting system. 51](#_Toc21076804)

[Table 6.1 Financial information produced by the system is of quality. 52](#_Toc21076809)

[Table 6.2 The financial information produced by the system meets the international accounting standards……………….. 53](#_Toc21076811)

[Table 6.3 Customer records generated are free from arithmetic errors. 54](#_Toc21076813)

[Table 6.4 Financial statements produced by the system are reliable. 54](#_Toc21076815)

[Table 6.5 Computerised accounting has facilitated the creation of well- organized data base. 55](#_Toc21076817)

[Table 6.6 Computerised accounting has enabled Mukwano group of companies to track sensitive transactions…….. 56](#_Toc21076819)

[Table 6.7 Computerised accounting system facilitates timely production of the payroll. 57](#_Toc21076821)

[Table 6.8 Computerised accounting system has enhanced tracking of financial information. 57](#_Toc21076823)

[Table 6.9 Data from the system can be retrieved with ease. 58](#_Toc21076825)

[Table 6.10 Processing of information has been made faster as a result of the computerised accounting system. 59](#_Toc21076827)

[Table 6.12: Model summary 60](#_Toc21076830)

[Table 6.13: ANOVAb 60](#_Toc21076832)

[Table 6.14Coefficients 61](#_Toc21076834)

TABLE OF FIGURES

Fig. 2.1: Conceptual framework ……….………..…………………………………………….42

**LIST OF ACRONYMS.**

**CAS:** Computerised Accounting System

**CVI:** Content Validity Index

**ERP**: Enterprise Resource Planning

**FASB:** Federation of Accounting Standards Board

**ICT**: Information Communication Technology

**IFRS:** International Financial Reporting Standards

**MIS**: Management Information Systems

**RBV:** Resource Based View

**SAQ**: Self-Administered Questionnaires

**ABSTRACT**

The study was about Computerised accounting systems and financial reporting in manufacturing industries focusing on Mukwano group of companies. The study was guided by the following objectives: 1)To examine how computerised accounting has streamlined workflows in Mukwano group of companies. 2) To establish how computerised accounting ensures timely production of reports for prompt decision making and 3) To examine how computerised accounting has aided tracking of revenue and expenditure in Mukwano group of companies’ profitability.

The study used a cross-sectional research design. The researcher embraced both positivism-phenomenological approaches called combination approach, using hypothesis testing and explaining, also using both quantitative and qualitative information. The study population was 142people with a sample of 105 respondents.

Data were analyzed using descriptive statistics, coefficient, regression analysis, and analysis of variance (ANOVA); where the statistics proved that R2 was at 59.7% significance level of 95% confidence level was found and the hypothesis testing proved that there is a relationship between computerised accounting systems and financial reporting at Mukwano group of companies.

The study revealed that 76.47% of the respondents agreed there is regular updating of charts of accounts at Mukwano group of companies hence explaining how computerised accounting has streamlined workflow at Mukwano group of companies. . Though a larger percentage (36.4%) disagreed that computerization aids quick customer care service decision making which showed need to improve the relationship on computerization in line with customer care decision making in Mukwano group of companies. A percentage (38%) was also in agreement that proper accounting documentation does build closer ties with customers at Mukwano group of companies. The percentage of 70.5% agreed that financial statements prepared by the computerised system at Mukwano group of companies are reliable, 67.1% agreed that there is easy preparation of accounts with computerised accounting systems. Also respondents of 68.1% agreed on proper storage of financial records implying that there is proper storage of financial records respondents 68.1% agreed which implies that there is proper storage of financial records at Mukwano group of companies. 66.9% of respondents were in agreement that computerised accounting systems aids audit of accounts.

The study recommended that there is need to sensitize customers on services available for them in respective of improving customer care service decision making in Mukwano group of companies since it was found lacking as well as customer relations so as to improve customer and service provider relationship in Mukwano group of companies.

# CHAPTER ONE

# INTRODUCTION

# 1.0 **Overview**

This chapter presents the background to the study, statement of the problem, objectives of the study, research questions and hypothesis, significance of the study and the scope of the study.

# 1.1 **Background to the study**

The study examines the relationship between computerized accounting system and financial reporting in manufacturing industries in Uganda focusing on Mukwano group of companies as a case study.

The study of computerized accounting and financial reporting is important to any organization because the introduction of computerized accounting systems provides major advantages such as speed and accuracy of operation, and, perhaps most importantly, the ability to see the real-time state of the company’s financial position. Computers have become an important part of accounting because they make accounting processes faster and more accurate. Doing accounting manually takes a lot of time and involves many people, especially if the information to be processed is complex.

Computerized accounting is designed to automate and integrate all the business operations, such as production, purchases, inventory, sales and finance. With computerized accounting, accurate and up-to-date business information is literally at the fingertips of the management. Computerized accounting combined with enhanced management information system (MIS) organization’s capabilities to organize data and simplify business processes including cost effectiveness is guaranteed (Indira, 2010).

Mc Coulson (2012) explains that computerized accounting gives the company sufficient time to plan, manage its finances, increase customer base and enhance customer satisfaction. Computerized accounting system has great potential to increase productivity, streamline work flow, reduce data redundancy, eliminate errors, aid bank reconciliation and help financial managers of businesses to achieve greater performance.

Using computers also enhances security. In the past, it was possible to manipulate accounting records manually, a process that made it easier to defraud companies and individuals. Doing accounting in an automated fashion makes it possible to put measures in place to reduce fraud rates.

The advent of accounting software allows businesses to access financial information immediately, meaning they can generate reports needed for the conduct of business in a moment's time. In addition, individuals and businesses are helped by tax software, which tracks the information needed to prepare and file tax returns (Michael, *et al*, 2002).

Individuals and companies day by day hire accountants to help them carry out the mathematical requirements of accounting and balancing of books. Before the introduction of information technology into accounting, these accounting protocols were being performed manually. However, today many accountants and non-accountants use computer software known as accounting software or package to perform these duties, (Osmond, 2011).

Weber (2011) assert that every company applies accounting because it is generally accepted that companies have to report certain financial and management information to the government and public users and that accounting is an indispensable tool in business decision making process. This has led to the development of information technologies and many computer programs that make accounting more interesting. Romney et al (2009) emphasize that the resulting statistical reports can be used internally by management or externally by other interested parties including investors, creditors, and tax authorities.

The function of financial reporting is to make publicly available information which concerns stewardship (for example, what resources are under control of the organization, and the consequence of their past use) and management's planning (for example, what are the future plans for the controlled resources, and how prior mistakes will be avoided) (Morley and Parker; 2009).The particular services that each financial firm chooses to offer and overall size of each financial-service organization are reflected in its financial statements. Literally, financial statements can be concluded to be a road map that link the past, present, and perhaps the future to abet stakeholders to make better economic decisions (Bell, and Menguc, 2005).

Saleemi (1981) posit that financial reporting is the process of availing financial information which is reliable, accurate and complete to the various stakeholders for making economic decisions..

Van (2005) explains that financial reporting is the process of presenting financial information or data about a company’s financial position, operating performance and its flow of funds for a given period or during a given period of time. According to Pandey (2004) financial reporting is all about presenting useful information to users so that proper decisions can be made. Pandey emphasizes that financial reporting should provide financial information that aid in evaluating the amounts, timing and uncertainties of cash flows and that financial reporting should also furnish information about the entity’s economic resources, claims against those resources, owners’ equity and changes in the resources and claims.

Accurate financial reporting provides management and other stakeholders of the company with relevant information about profitability, leverage, liquidity of the company and its efficiency in operation. Without financial reporting, companies may not be in position to determine whether they are growing their businesses and doing profitably, or if they have the capacity to meet all its current obligations for payroll, utilities, and loan obligations, without running out of cash.

**Mukwano group of companies** is a large private manufacturing industry situated in Uganda. It was established in the late 90s starting its work in1989. Mukwano group is involved in a number of businesses but deals mainly in manufacturing a number of products for example cooking oils, vegetable fats, personal care products, plastics among others. Mukwano is one of the many investment groups in Uganda which operates in the surrounding countries as well.

Mukwano group of companies is one of Uganda’s leading manufacturers helping boost the economy of the Uganda also through provision of direct and indirect employment to citizens of the country. There is no doubt that the Ugandan economy now depends a lot more on the survival of manufacturing industries since a lot of the really large yet seemingly leading exporters are in the manufacturing business. Mukwano group of companies happens to be one of the largest conglomerates in Uganda also being one of the leading manufacturers also through diversification also provides financial services through Exim bank in Kampala.

Mukwano group of companies being an explicitly large enterprise opted to use SAP accounting software. According to Fred Decker, SAP was founded in Germany in 1972 and so happens to be one of the world’s public software company under Windows offering programs that are of great use to accounting in many of the world’s largest corporations. Since it is known that in accounting, one must report the orgarnisations sales, earnings as well as payroll in order to put financial obligations in order, SAP accounting software uses a management view of data called Enterprise Resource Planning (ERP) as its central focus of accounting needs for example sophisticated analysis and reporting, warehouse management, procurement as well as customer/ client relationship management**.**

According to Mukwano group of companies’ finance and accounting regulations, computerized accounting was introduced to achieve the following objectives;

1. To ensure proper recording, processing, maintenance and retrieval of financial information
2. To ensure production of quality, accurate and up-to-date financial statements
3. To ensure timely production of financial reports to aid prompt decision making
4. To eliminate accounting and arithmetic errors
5. To provide coordination of departmental and section activities
6. To eliminate data redundancy( the same data is in the same places)
7. To produce standardized financial statements that complies with IFRS.
8. To enhance effective communication of financial information to the relevant officers within the organization
9. To provide internal control on access to accounting information
10. To streamline workflow in the organization.

# 1.2 **Problem statement**

The key part of information system needed for decision making in an organization is accounting information system. The advancements in information technology has eventually led to the introduction of Computerized Accounting in corporate reporting to help produce relevant and faithful representative financial reports for both management and external users for decision making (Awolede, 2007). The many advantages from the use of Computerized Accounting have led many to conclude that Computerized Accounting is the ‘engine of growth’ in business organizations.

However, there have been numerous reports pointing to the contrary. Internal audit report (2015) pointed out the sales department could not avail the finance department with all the records of debtors and hence making it difficult to track the expected revenue for the financial year.

In the internal audit report (2017) it was pointed out that credit customers who had cleared their debts to zero were still reflected in the company’s books as receivables, resulting in huge receivables hence misrepresenting the records of the company.

It is based on the above evidence that the researcher has been prompted to examine the Relationship between computerized accounting system and financial reporting in Mukwano group of companies.

# 

# 1.3 **Purpose of the study**.

The purpose of the study is to examine the relationship between computerized accounting and financial reports with Mukwano group of companies.

**1.4** Objectives of the study.

The study was guided by the following objectives;

1. To examine how computerized accounting system has streamlined workflows in Mukwano group of companies.
2. To assess how computerized accounting system has ensured timely production of quality reports for prompt decision making in Mukwano group of companies.
3. To examine how computerized accounting has aided tracking of revenue and expenditure in Mukwano group of companies to enhance profitability**.**

# 1.5 **Research questions**

The following research questions will be answered

1. How has computerized accounting streamlined workflow in Mukwano group of companies?
2. How has computerized accounting system ensured timely production of quality reports for prompt decision making in Mukwano group of companies?
3. How has computerized accounting aided tracking of revenue and expenditure in Mukwano group of companies’ leading to its profitability?

# 1.6 **Hypothesis of the study.**

H0: There is no significant relationship between computerized accounting and financial reporting in Mukwano group of companies.

H1: There is a significant relationship between computerized accounting and financial reporting in Mukwano group of companies.

# 1.7 **Significance of the study.**

The study on computerized accounting system and financial reporting may be of importance to a number of stakeholders in and out of the research field in different ways:

## Management of the company

Management of Mukwano group of companies may benefit from the study findings and recommendations, since gaps will be identified in the use of computerized accounting system and this may help the management to design strategies on how to address such loopholes.

## Other manufacturing firms

The study findings, conclusions and recommendations may be used as a benchmark and for comparison by other players in the manufacturing industry and thus adopt the use of computerized accounting system in their financial reporting and hence improve on their performance.

## Academicians and researchers

The findings, conclusion and recommendation will be of practical significance to both academicians and researchers by providing additional literature in this important area of computerized accounting and financial reporting and thus can act as a source of literature for further research in the related area.

# 1.8 Scope of the study

The study scope was divided into subject scope, time scope and geographical scope:

## 1.8.1 Subject scope

This study examined the relationship between computerized accounting system and financial reporting, computerised accounting system as the independent variable and financial reporting as the dependent variable using Mukwano group of companies as a case study. The study will focus on how computerized accounting has enhanced proper recording, processing and retrieval of financial records, how computerized accounting system has ensured timely production of reports for prompt decision making and how computerized accounting system has ensured production of quality, accurate and up-to date financial statements in Mukwano group of companies.

## 1.8.2 Time scope

The study covered a period of four years from 2015 – 2019 this being the period when computerized accounting system was used in Mukwano group of companies for financial reporting.

## 18.3 Geographical scope.

The study was carried out in Mukwano group of companies headquarters which are located on (Mukwano industries Ltd) Plot 30 Mukwano Road in central Kampala, Uganda’s capital city.

# 1.9 Arrangement of the study

The study was organized in eight chapters in relation to the study subject and they can be broken down into the following ways;

**Chapter one**; presents in detail the introduction to the study. It contains the background of the study, statement of the problem, purpose of the study, the objectives of the study, research questions, scope of the study, setting of the study, significance of the study as well as the arrangement of the study report.

**Chapter two;** entails around the study literature on computerised accounting and financial reporting which examines the literature survey and literature review as well as the conceptual framework.

**Chapter three;** presents the methodology that examines the research design, target population, sample size, population and sample size distribution, sampling techniques, data collection methods and tools, validity and the reliability of the instruments used and lastly limitations to the study.

**Chapter four;** presents the findings on how computerised accounting systems have streamlined workflows in Mukwano Group of Companies.

**Chapter five** presents the findings on how computerised accounting system has ensured timely production of quality reports meant for proper decision making in Mukwano group of companies.

**Chapter six;** shows us the findings on how computerised accounting has aided the tracking of revenue and expenditure in Mukwano group of companies leading to its profitability.

**Chapter seven;** presents the harmonization of computerised accounting systems and financial reporting in Mukwano group of companies.

**Chapter eight;** presents the summary of the study as well as the conclusions and recommendations of the study.

**1.10 Operational definitions.**

**Accounting.**

According to *Bierman and Drebin*, accounting may be defined as the process of recording, summarizing and communicating of financial information.

**Financial reporting**

According to the business directory, a financial report is a set of documents prepared usually by government agencies at the end of an accounting period containing summary of accounting data with background notes, forms and other information.

**Computerized accounting.**

Steven Slusser, a former instructor at McCann School of Business and Technology defines computerized accounting as accounting performed using a computer and specialized accounting software. The computerized accounting function may be included as a module for example SAP, Oracle, Sage or could be stand-alone software such as QuickBooks, Xero, Zoho, Wave and Fresh Books.

**Accounting software.**

This can be understood as an application software that records numerous accounting transactions for example journals, ledgers and trial balances.

**CHAPTER TWO**

# STUDY LITERATURE.

# 2.0 **Introduction**.

Studies and some research have been carried out with a focus on accounting where computerized accounting has been found as having an impacting relation to financial reporting in manufacturing industries hence become an area of interest of many academicians and organizational accountants. This chapter focuses on the literature revolving around computerized accounting and financial reporting in manufacturing industries.

# 2.1 **Literature Survey**.

There are traces of studies that academicians, authors have carried out on Mukwano group of companies in the past years as a mark able case for a number of different areas of focus of study.

Barigye(2007) carried out a study on inventory management and customer satisfaction in Mukwano group of companies where according to his findings, an organisation that involves production planning, inventories get to be periodically reviewed which in turn gets to improve customer satisfaction emphasizing a positive relationship betweeninventory management and customer satisfaction**.** He continues to add the fact that inventory management techniques were effectively considered in Mukwano recommending that its management should consider providing fringe benefits to its workers in order to assist on improving on their behaviors as well as ensuring that inventory management techniques are practiced by the people who are skilled and at the same time qualified to do so.

Tumushabe (2014), conducted a study on Information Communication Technology (ICT)and employee performance using Mukwano group of companiesas the case study on basis that a number of companies introduce information communication technology in a bid to improve employee performance. In his study using a number of objectives found that at a larger percentage ICT accounts for the variations in employee performance and recommended that on introducing ICT in organizations, employee’s ability should be carefully assessed in order to see if they are in position to use the technology efficiently and effectively and trained adequately as well.

# 2.2 Literature Review.

This study also examines the summary of different sources on evaluating the already existing areas and bodies of work that was compiled by other researchers and scholars on literature on computerized accounting systems

# 2.3 **Theories and Models of Computerized accounting**

# 2.3.1 **Systems Theory**

Kaufmann (1966) developed systems to explain historical development as a dynamic process and was more fully developed by biologist Bertalanffy (1968). Bertalanffy argued that everything is interconnected and therefore, we should study the interconnectedness as a means of understanding the world. The systems theory method of analysis involves, first the deconstruction of what is to be explained that is the phenomenon under consideration, secondly, the formulation of explanation that account for the behavior of properties of the component separately and finally the synthesis of these explanations into an aggregate understanding of the whole. General systems theory like other innovative frameworks of thought passes through phases of ridicule and neglect. It has benefited, however, from the parallel emergence and rise to eminence of cybernetics and information theory. Systems theory is relevant to this study because the methods proposed by the theory is to model complex entities created by multiple interaction of components by abstracting from certain details of structure and component and concentrating on the dynamics that define the characteristics functions, properties and relationships that are internal or external to the system, Computerized Accounting System is a computer based system, which combines accounting principles concepts as well as the concept of information system to record, process, analyze and produce financial information to its users to make economic decisions (Gelinas et al,2005).

Meigs et al, (1998) Computerized accounting system is a system that uses computers to input, process, store and output accounting information inform of financial reports. He adds that accounting system records all transactions that routinely deal with events that affect the financial position and performance of an entity.

Marivic (2009) described a computerized accounting system as a method or scheme by which financial information on business transactions are recorded, organized, summarized, analyzed, interpreted and communicated to stakeholders through the use of computersand computer based systems such as accounting packages. He emphasized that it’s a mechanized process of facilitating financial information inflows as well as the automation of accounting tasks such as database recording and report generation. Marivic adds that keeping accurate accounting records is a vital part of any organization. Apart from helping it to keep its float financially and legal, it is a requirement of funding bodies or donors.

However computerized accounting system involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming fundamental challenges which do not change the principle. The principle of accounting remains in the limitations of many accounting procedures and hence producing quality and reliable work.

# 2.3.2 Positive Accounting Theory

Positive accounting theory was developed by Watts and Zimmerman in 1978 and 1986 which seek to predict and explain why managers elect to adopt particular accounting methods in preference to others. Positive theories are concerned with explanation and prediction (what does/ will happen) and are grounded in empirical data (Ryan et al, 2002). Since they are grounded in empirical data, they appear to offer accounting researchers the prospects, the validity of Johnson and Kaplan’s (Relevance Lost) criticisms of management accounting practice. This form of research draws on a wide range of theoretical frameworks to address financial management accounting issues. Different research methods and methodologies are not viewed as competing but are rather used together to provide a variety of insights into a wide range of management accounting research questions (Ryan et al 2002).

McBride (2000) explained that computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis. Data processing and analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making.

Frank wood (1999) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement or other accounting reports at any moment. He consented that computerized accounting system allow managers to easily identify and solve problems instantly.

Indira (2008) pronounced the improvement in business performance as a resultcomputerization of the accounting systemsas it is a highly integrated application that transforms the business processes with the performance enhancing features which encompass accounting, inventory control, reporting and statutory processes. He then says, this helps the company access information faster and takes quicker decisions as it also enhances communication.

McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reportingwithout using computerized accounting systems. With the system in place, this can be done quickly and with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing.

According to Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system.

Meigs (1986) stresses that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer based records for the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making.

According to Wahab (2003), another threat and limitation of computerized system is thecomputer virus. Where a computer virus is a computer code (program) specially designed to damage or cause irregular behavior in other programs on the computer. The adverse effect is that it may lead to breakdown of the hardware thus leading to loss of valuable information (for instance in financial institutions information such as customers’ accounts, previous financial report, information pertaining loans advanced among others) already saved on the computer.

# 2.3.3 Resource-Based View Theory

The origin of RBV can be traced back to earlier research, Barney (1991) developed the strategic factor markets and the role of expectations can be seen within resource based framework, Barneys framework proved a solid foundation upon which others might build up, the current dominant view of business strategy resource-based theory or resource-based view (RBV) of firms is based on the concept of economic rent and the view of the company as a collection of capabilities. This view of strategy has a coherence and integrative role that places it well ahead of other mechanisms of strategic decision making (Kay, 2005).

The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superiorperformance (Barney, 1995). Building on the RBV, Hoopes, Madsen and Walker 13 (2003) suggest a more expansive discussion of sustained differences among firms and develop a broad theory of competitive heterogeneity. The Resource Based View’s lack of clarity regarding its core premise and its lack of any clear boundary impedes fruitful debate. Given the theory’s lack of specificity, one can invoke the definition based or hypothesis-based logicThe resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superior performance (Barney, 1995). We can also argue that resources are but one potential source of competitive heterogeneity. Competitive heterogeneity can obtain for reasons other than sticky resources (or capabilities) (Hoopes et al. 2003). Competitive heterogeneity refers to enduring and systematic performance differences among close competitors. The theory is relevant to this study because organizations need to compete in their performance in order to achieve their objectives, mission and vision.

Van (2005) stated that financial reporting is the process of presenting financial information or data about a company’s financial position, operating performance and its flow of funds for an accounting period.

According to Wood (1999), financial reporting is all about presenting useful information to users so that proper decisions can be made. His implication about financial reporting is that financial information should aid in the evaluation of amounts, timing and uncertainties of cash flows. Also financial reporting should furnish information about the entity’s economic resources, claims against those resources, owners’ equity and changes in the resources and claims.

Indira (2008) emphasized that financial reports should provide information about financial performance during a period management discharge it’s stewardship responsibility to owners. It should likewise be useful to managers and directors themselves in making decisions on behalf of the owners.

According to Carl’s et al (1999) the quality of financial reports depends on the intended users of the information and should be evaluated with respect to the needs of the users. Federation of Accounting Standards Board (FASB) defined quality as a hierarchy of accounting qualities with relevance and reliability considered as the primary characteristics while representing faithfulness, verifiability, neutrality, comparability, consistency and understandability considered as secondary characteristics.

Wood (1999) stated that information is said to be reliable if it is free from material errors and bias and represents faithfully that is purports to represent.

According to Turner (2000), neutrality is the demand that accounting information should not be selected to benefit one class and neglect to other. Reliable information is verifiable, neutral and has representative faithfulness. Wood (1999) also stresses that users must be able to compare the financial statements of the enterprise over time in order to identify trends in its financial position and performance.

According to Indira (2008), timeliness is also another important characteristic of quality financial information. This arises as a result of perishability of accounting information. To benefit users, financial information must be presented at the right time otherwise it loses relevance.

According to Pallai (2007) understandability as a quality of financial reporting that enables users to perceive the significance of financial information. He argues that users are assumed to have reasonable knowledge of business and willingness to study and understand the information. International Accounting Standards Board adds that information should not be excluded on grounds that it may be difficult for certain users to understand. The influence of computerized accounting systems on financial reporting has been linked to the benefits of applying computer systems while generating financial reports.

According to McRae (1998), the presentation of scheduled reports can be triggered and simplified and prepared at regular interval with ease. With the application of computerization, generation of financial reports will be easy since information can be easily generated and updated on a timely basis.

With the substantial increase in the number of transactions and increase in the need for real time information, maintenance of accounting data on a real time basis has become essential. This is achievable using computerized systems hence promoting the quality of financial reporting.

Carol (2002) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Lancouch (2003) says that computerized accounting systems have also been credited for their quick processing speed and large storage capacity. Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making.

Lewis (1999) also stated that computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated. The influence of computerized accounting systems depends on the end users satisfaction.

Mihir (2002) stressed that higher end users satisfaction leads to a positive attitude towards using the satisfaction and in turn increases the voluntary usage of the system.

Nash (2003) noted that the quality of accounting information and performance of the accounting systems is a great concern to management. A computerized accounting system is a delivery system of accounting information for purposes such as providing reliable accounting information to users, protecting the organization from possible risks arising as a result of abuse of accounting data and system among others.

# 2.3.4 **Technology Acceptance Model of computerised accounting systems**.

In a study carried out by Alan Rogers ( 2016) on examining small business adoption of computerised accounting systems, there is a wide study and accepted use of technology use where there is a consistent thread in technology acceptance models which focus on behaviors the influence the user’s intent to accept or adopt a given form of technology*, Huang and Martin Taylor, 2013)* and pointing out the incorporations of elements of other models such as the perceptions of innovation characteristics model and the theory of planned behavior in order to compare how the models get to interrelate.

The theory on this model was brought to light in 1989 when Davis presented the technology acceptance model where he used the theory of reasoned action and that of planned behavior to develop the model. Davis describes perception on the ease of use on the technology as well as its application supports the user’s performance of the said technology**.**

This model was then further used in the study of the user acceptance of the said technology using the tripartite model of attitudes that emphasizes the knowing, feeling as well as acting as the major areas for human experience

# 2.4 **Benefits of Computerized accounting systems**

According to McBride (2000**),** computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis. Data processing and analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making.

Frank wood (1999) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement orother accounting reports at any moment. He consented that computerized accounting system allow managers to easily identify and solve problems instantly.

McBride (2000) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing.

According to Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system. Although computerized accounting is highly beneficial to an entity, it is worth noting that it is dogged with a couple of pitfalls some of which are shown as below;

Meigs (1986) stressed that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer based records for the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making.

According to Wahab (2003), another threat and limitation of computerized system is the computer virus. Where a computer virus is a computer code (program) specially designed to damage or cause irregular behavior in other programs on the computer. The adverse effect is that it may lead to breakdown of the hardware thus leading to loss of valuable information (for instance in financial institutions information such as customers’ accounts, previous financial report, information pertaining loans advanced among others) already saved on the computer.

# 2.4.1 **Computerized accounting and recording of financial information**

Computerized accounting many has benefits such as accuracy in issuance of bank statements and fast processing of financial statements as well as easing the highly cumbersome auditingprocedure. As electronic commerce is now regarded as the panacea for the survival of any modern day business. The introduction of this computerized banking system will improved banking activitiesin a very convenient way (Noor Azizi, and Rosliza, 2009). This will as result in most banks making huge profits**.** Data processing and analysis at the bank are faster**,** accurateand timely which meets management need for decision-making. Retrieving information such as balance sheets, income statement is made easy. Problems related to balance sheet and income statement can be easily identified and solved instantly.

There will be improvement in the overall performance of the bank as a result of computerization of the accounting system (Noor Azizi, and Rosliza, 2009)

Accounting is not only the oldest but also the most stable of the management disciplines. In spite of its stability and continuity, accounting has seen major changes during the past century. It would be surprising if a century from now, accounting is the same as today. Although we cannot look so far ahead, we can analyze the current conditions for clues about what to expect in the next decade or two (Sioco and Narvacan 2006). Accounting provides financial information about a business or a not-for-profit organization. Owners, managers, investors and other interested parties need financial information for decision making.

Financial accounting is the art of systematically identifying, measuring, recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial nature, and communicating, analyzing and interpreting the results there of (Sioco and Narvacan 2006). Every company applies accounting because it is generally accepted that companies have to reveal certain financial and management information to economic users and of course because accounting is an indispensable tool in business decision-making process. Accounting is an important part of every company thus; businesses are required to keep proper books of accounts.

Meigs et al, (1998) Computerized accounting system is a system that uses computers to input, process, store and output accounting information inform of financial reports. He adds that accounting system records all transactions that routinely deal with events that affect the financial position and performance of an entity. Marivic (2009) described a computerized accounting system as a method or scheme by which financial information on business transactions are recorded, organized, summarized, analyzed, interpreted and communicated to stakeholders through the use of computers and computer based systems such as accounting packages. He emphasized that it’s a mechanized process of facilitating financial information inflows as well as the automation of accounting tasks such as database recording and report generation.

Marivic adds that keeping accurate accounting records is a vital part of any organization. Apart from helping it to keep its float financially and legal, it is a requirement of funding bodies or donors. However computerized accounting system involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming fundamental challenges which do not change the principle. The principle of accounting remains the limitations of many accounting and hence producing quality and reliable work**.** Okoukoni (2011) explained that computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis**.** Data processing and analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making.

Okoukoni (2011) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement or other accounting reports at any moment.He consented that computerized accounting system allow managers to easily identify and solve problems instantly. Okoukoni (2011) pronounced the improvement in business performance as a result computerization of the accounting systems as it is a highly integrated application that transforms the business processes with the performance enhancing features which encompass accounting, inventory control, reporting and statutory processes. He then says, this helps the company access information faster and takes quicker decisions as it also enhances communication.

Okoukoni; (2011) stated that managers cannot easily satisfy statutory and donor reporting requirements such as profit and loss account, balance sheet and customized reporting without using computerized accounting systems. With the system in place, this can be done quickly and with less effort. Computerized accounting systems ease auditing and have better access to required information such as cheque numbers, payments, and other transactions which help to reduce the time needed to provide this type of information and documentation during auditing. According to Morley; & Parker; (2009), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system.

# 2.5 **How computerized accounting has enhanced timely production of financial reports for prompt decision making**

Book keeping is the act of recording transactions in a set of books, while accounting is the summary of all the book keeping entries such that a complete record keeping system is established. Accounting is also considered as the process in which the financial transactions and events of an organization are recorded for the purpose of accumulating and providing financial information. Accounting thus involves; measuring, recording, classifying, summarizing and communicating financial information that is used in making informed judgment and decisions by users of the information (Elliot et al., 1997).

The information provided by accounting system is useful as tool for making decisions on how to allocate resources effectively among alternative needs. For example local government chairmen, treasurers, financial secretaries and other staff need the information provided by the accounting system in order to plan and organize their activities.

Similarly the information is needed to make budgets and forecasts (Codkind, 2005).Recording business transactions are a multi-step process. The first step in recording business transactions is to examine the transaction and decide what accounts will be affected. The second step in recording business transactions is to decide what account will be debited and what account will be credited. The third step in recording business transactions is to actually document the transaction in a journal (Bell, et al., 2005).

Usually, a recordable transaction will be evidenced by a source document. A disbursement will be supported by the issuance of a check. A sale might be supported by an invoice issued to a customer. A time report may support payroll costs. A tax statement may document the amount paid for taxes. A cash register tape may show cash sales. A bank deposit slip may show collections of customer receivables. Suffice it to say, there are many potential source documents, and this is just a small sample. Source documents usually serve as the trigger for initiating the recording of a transaction. The source documents are analyzed to determine the nature of a transaction and what accounts are impacted. Source documents should be retained (perhaps in electronic form) as an important part of the records supporting the various debits and credits that are entered into the accounting records (Baren, 2010).

According to Baren, (2010), a properly designed accounting system will have controls to make sure that all transactions are fully captured. It would not do for transactions to slip through the cracks and go unrecorded. There are many such safeguards that can be put in place, including use of pre numbered documents and regular reconciliations. For example, an individual might maintain a checkbook for recording cash disbursements. A monthly reconciliation should be performed to make sure that the checkbook accounting system has correctly reflected all disbursements. A business must engage in similar activities to make sure that all transactions and events are recorded correctly. Good controls are essential to business success. Much of the work performed by a professional accountant relates to the design, implementation, and evaluation of properly functioning control systems.

The company pays for these resources by either incurring liabilities (which is the Liabilities part of the accounting equation) or by obtaining funding from investors (which is the Shareholders' Equity part of the equation). Thus, you have resources with offsetting claims against those resources, either from creditors or investors. All three components of the accounting equation appear in the balance sheet, which reveals the financial position of a business at any given point in time (Bell, et al., 2005).The Liabilities part of the equation is usually comprised of accounts payable that are owed to suppliers, a variety of accrued liabilities, such as sales taxes and income taxes, and debt payable to lenders. The Shareholders' Equity part of the equation is more complex than simply being the amount paid to the company by investors. It is actually their initial investment, plus any sub (Elliot et al., 1997)

Hensley, (2008) stresses that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer based records for the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making.

According to Hensley, (2008), another threat and limitation of computerized system is the computer virus. Where a computer virus is a computer code (program) specially designed to damage or cause irregular behavior in other programs on the computer.

The adverse effect is that it may lead to breakdown of the hardware thus leading to loss of valuable information (for instance in financial institutions information such as customers’ accounts, previous financial report, information pertaining loans advanced among others) already saved on the computer.

According to Hall; M. (2001), financial reporting is all about presenting useful information to users so that proper decisions can be made. His implication about financial reporting is that financial information should aid in the evaluation of amounts, timing and uncertainties of cash flows. Also financial reporting should furnish information about the entity’s economic resources, claims against those resources, owners’ equity and changes in the resources and claims.

According to Carl’s et al (1999) the quality of financial reports depends on the intended users of the information and should be evaluated with respect to the needs of the users. Federation of Accounting Standards Board (FASB) defined quality as a hierarchy of accounting qualities with relevance and reliability considered as the primary characteristics while representing faithfulness, verifiability, neutrality, comparability, consistency and understandability considered as secondary characteristics.

With the substantial increase in the number of transactions and increase in the need for real time information, maintenance of accounting data on a real time basis has become essential. This is achievable using computerized systems hence promoting the quality of financial reporting. Greuning, (2006) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency.

Greuning, (2006) says that computerized accounting systems have also been credited for their quick processing speed and large storage capacity. Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making. Baren, (2010) also stated that computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated. The influence of computerized accounting systems depends on the end users satisfaction.

# 2.6 **Computerized accounting and streamlined workflow**

Amveko (2011), states that using accounting software becomes much easier for different individuals to access accounting data outside of the office, securely. This is particularly true if an online accounting solution is being used. This accounting system is designed to be accurate to the minutest detail. Once the data is entered into the system, all the calculations, including additions and subtractions, are done automatically by software.

Carol (2002) says since all the calculations are handled by the software, computerized accounting eliminates many of the mundane and time-consuming processes associated with manual accounting. For example, once issued, invoices are processed automatically making accounting less time-consuming. Because the calculations are so accurate, the financial statements prepared by computers are highly reliable. When your company grows, the amount of accounting necessary not only increases but becomes more complex. With computerized accounting, everything is kept straightforward because sifting through data using software is easier than sifting through a bunch of papers.

Dacosta (2012) contends that using accounting software, the entire process of preparing accounts becomes faster. Furthermore, statements and reports can be generated instantly at the click of a button. Managers do not have to wait for hours, even days, to lay their hands on an important report.

The latest data can be saved and stored in offsite locations so it is safe from natural and man-made disasters like earthquakes, fires, floods, arson and terrorist attacks. In case of disasters, the system can be quickly restored on other computers.

Indira, A. (2008) agrees that since using computerized accounting is more efficient than paper-based accounting, than naturally, work will be done faster and time will be saved. Viewing your accounts using a computer allows you to take advantage of the option to view your data in different formats. You can view data in tables and using different types of charts. Computerized Accounting represents a technological advancement in the field of business accounting.

# 2.7 **Computerized accounting system and coordination of departmental activities**

Generally, accounting system is the whole of the related components that are working together to collect, store and disseminate data for the purpose of planning, control, coordination, analysis and decision making. On the other hand, an accounting system is the whole of the related components that are put together to collect information, raw data or ordinary data and transform them into financial data for the purpose of reporting them to decision makers (Haigh, 2011).

The most important and oldest of the present systems in businesses is certainly the Management Information System. “Management” and “information” are two inseparable concepts and show the impossibility of the rational execution of management activities without information. Management Information System consists of many subsystems. Accounting Information System is one of these subsystems and the oldest one.

According to Lancouch (2003) the accounting information system that is created in a business is directly related to the organizational culture, level of strategic planning and the information technologies that this specific business has. It is possible to obtain healthier information about the financial structures of the businesses that have set up a good accounting information system. Some of the important functions that an accounting information system perform in a business are: collecting and recording data about the activities and transactions; planning; processing the data and turning it into information to be used in decision-making for planning, application and control activities; and carrying out the necessary controls in order to protect the business assets.

Marivic (2009) agreed that accounting information plays an important role in the process of managing an enterprise’s activity. In the last ten years, there has been an intensive process of implementing accounting system in the world. These systems were implemented in large industrial and small trade enterprises. Later, implementation of accounting system started in other enterprises and state institutions. The implementation of accounting system is quite an expensive investment project for most enterprises. However, in practice, the decision on which accounting system to actually implement is, in most cases, based on advertisement or the suggestions of associates.

Flynn (1992) has found that only 20% information systems were used successfully, while other installation effect was neutral or negative. These arguments show an importance for evaluating the accounting system effectiveness. According to Flynn (1992), the effectiveness of accounting system can be received providing management information to assist concerned decisions with regard to the successfully managing of corporations. By Corner (1989) the effectiveness of accounting system can be evaluated as added value of benefits. Gelinas (1990) considers the effectiveness of accounting system as a measure of success to meet the established goals. The success of accounting system implementation can be defined as profitably applied to area of major concern to the organization, is widely used by one or more satisfied users, and improves the quality of their performance.

# 2.8 **Computerized accounting and tracking of revenues and expenditures**

An accounting system is the system used to manage the income, expenses, and other financial activities of a business. An accounting system allows a business to keep track of all types of financial transactions, including purchases (expenses), sales (invoices and income), liabilities (funding, accounts payable), etc. and is capable of generating comprehensive statistical reports that provide management or interested parties with a clear set of data to aid in the decision-making process (McBride, 2000).

Today, the system used by a company is generally automated and computer-based, using specialized software and/or cloud-based services. However, historically, accounting systems were a complex series of manual calculations and balances (McRae, 1998).

## An accounting system manages the following;

1. [Expenses](https://debitoor.com/dictionary/expense); The amount of cash that flows out of the company in exchange for goods or services from another person or company are the expenses. In older accounting software or with a manual system such as Excel, it is necessary to manually enter, balance, and categorize each expense. An automatic accounting system allows quick entry, categorization and automatic balance of expenses.
2. [Invoices](https://debitoor.com/dictionary/invoice); Creating a professional looking invoice is an important part of developing a positive brand image and building confidence with customers. Today, some accounting systems such as Debtors allow for instant invoice creation with the ability to customize and automatically keep track of paid invoices and income.
3. [Funding](https://debitoor.com/dictionary/liabilities); All the business liabilities, whether accounts payable, bank loans taken to support the business, or mortgages, etc. An accounting system keeps track of these liabilities as payable values and automatically updates the balances as soon a payment is made and accounts are settled.

# 2.9 Conceptual framework

**Independent variables Dependent variables**

**Computerized accounting system**

* Recording transactions
* Processing
* Storage
* Retrieval

**Financial reporting**

* Timeliness of reports
* Quality/ Accurate financial reporting
* Tracking of Revenue and expenditure
* Easy access to information
* Streamlined workflow

**Intervening variables**

* Accounting rules and procedures
* Technology advancements
* Organization’s policies
* Training of staff

**Source: Adopted from Baren, V (2010) and modified by the researcher**

**Fig. 2.1: Conceptual framework**

# 2.11 **Conclusion**

This chapter provided the literature survey and literature review of the written texture concerning the topic under study. The next chapter presents the data collection methods that will be used in the study.

# CHAPTER THREE

# METHODOLOGY

**3.0** Introduction.

According to Redman and Mory (1987) methodology can be understood as different scientific techniques employed by a researcher to study the research problem. It helps a researcher in understanding various concepts that the researcher used during the research.

This chapter presents the methods and procedures that were used to conduct the study. It includes the research design, study population, sample size, sampling methods, data collection methods, data collection instruments, validity and reliability, data processing, data analysis, ethical consideration and limitations of the study.

# 3.1 **Research design**

According to Mugenda (1999) a research design is the basic plan which guides the data collection and analysis phase of the research project. The research design consists: research approach, research strategy and research duration and research classifications.

# 3.1.1 **Research Approach**

The research approach can either be positivism approach, phenomenological approach or combination approach. The researcher used a combination approach using both quantitative and qualitative information.

# 3.1.2 **Research Strategy**

A research strategy is a plan of how to answer the research questions. The researcher used both survey and case study strategy which involved collecting data from respondents to find out the role of computerized accounting in financial reporting in Mukwano group of companies at one point without going back to the field. The researcher asked broad questions and collected data from participants to find out the role computerized accounting has played in enhancing financial reporting in Mukwano group of companies.

# 3.1.3 **Research Duration**

The research duration can either be cross sectional, which is a study of a particular phenomenon at a partial time or longitudinal, which is studying changes and developments over a long period of time. The research duration was from 2015 to 2019, the researcher used a cross sectional research design for this study.

# 3.1.4 **Research Classification**

The research may be classified according the purpose such as: exploratory, descriptive, explanatory, and multi method. The researcher used the explanatory approach to establish the relationship between computerized accounting and financial reporting.

# 3.2 **The target population.**

The research targeted population was of 142 employees of Mukwano group of companies. The units researched on included the organization’s accountants and middle level managers who were briefly informed of the research and its intentions. This population was chosen for the study because it is in one way or another involved in computerized accounting and financial reporting in Mukwano Group of companies.

# 3.2.1**Sample size**.

The sample size was attained using a formula;

Where n = required sample size, N= the study population, e= the level of significance of the study which happens to be 0.05.

=105

## Population and sample size distribution.

# Table 3.1: Distribution of the study population and sample size

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Study population** | **Sample** | **Sampling techniques** |
| Managers | 06 | 06 | Census |
| Board of directors | 10 | 10 | Census |
| Section heads | 08 | 08 | Census |
| Accounting and Finance | 08 | 08 | Census |
| Internal audit | 03 | 03 | Census |
| Production | 50 | 28 | Simple random |
| Marketing and sales | 26 | 18 | Purposive |
| Operations and engineering | 12 | 08 | Purposive |
| Security | 13 | 10 | Simple random |
| IT | 06 | 6 | Census |
| Total | 142 | 105 |  |

**Source: primary data, 2019**

# 3.3 **Sampling techniques**

The study used simple random sampling, purposive sampling and census method.

# 3.3.1 **Simple random sampling**

Simple random sampling means that every member of the sample is selected from thegroup of population in such a manner that the probability of being selected for all members in the study group of population is the same (Moore 2008**).** Simple random sampling was used for giving everyone chance to be included in the.. study and reducing biasness. The respondents from the security and production departments were selected using simple random sampling.

# 3.3.2 **Purposive sampling**

Purposive sampling is also known as judgment, selective or subjective sampling. It is a sampling technique in which researcher relies on his or her personal judgment when choosing members of population to participate in the study. Purposive sampling is one of the most cost-effective and time-effective sampling methods available (Saunders, 2012). Purposive sampling was used to save time and to obtain accurate results from specific persons with relevant information about the topic of study specifically from marketing and sales and operations and engineering.

The researcher used purposive sampling to select respondents from the IT department and security.

# 3.3.3 **Census method**

A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count (Alterman, 1969). The researcher used census method to select respondents from; directors, managers, accounts and finance, heads of sections, internal audit and IT.

# 3.4 **Data collection methods**

The researcher used both primary and secondary sources of data. Primary data was collected by the researcher directly from the respondents. This is first-hand and original information gathered through the use of self-administered questionnaires and interview guide.

Secondary data involved sourcing data from already processed information and data was got by reviewing relevant text books, journals, newspapers, magazines, online published articles and previous records about the search topic. Secondary sources of data were resourceful in preparing the study and giving the research a more defined perspective.

# 3.4.1 **Interviewing**

Interviewing is the process of asking respondents questions face to face in research in order to achieve the objectives of the research. The purpose of interviewing was to explore the views, experiences, beliefs and/or motivations of individuals on specific matters.

The researcher conducted a face to face interview with the board of directors, management team, IT officials and group leaders to fill the information gap that would arise through the use of questionnaire. The interviews were be done on appointment and lasted about 25 minutes with each category of respondent. During the interviews probing of the interviewees was done to obtain clarity. The data obtained was double checked to ensure accuracy and synthesize.

**3.4.2** Documentary review.

This method involves the process of reading through and analyzing of previous and already existing documents. The researcher reviewed documents and literature as well as publications of other researchers and writers including a few of those at Mukwano group of companies

# 3.5 **Data collection instruments**

The following instruments were used during data collection:

# 3.5.1 **Self-administered questionnaires**

The main data collection instrument that was be employed in the study is self-administered questionnaires (SAQs), this was designed and administered to relevant employee of the different departments of Mukwano group of companies. The questionnaire comprised of statements requiring the respondents to opt for one answer out of five options using the Likert scale (1= strongly disagree; 2= Disagree, 3 = Not sure, 4= Agree and 5= Strongly Agree). SAQs were used to allow the busy respondents’ time to fill at their convenience. The questionnaire was anonymous and it is hoped that respondents would provide more truthful answers since their identity was not required.

Amin (2005) asserts that questionnaires are popular with researchers because information can be obtained fairly, easily and the questionnaire responses are easily coded. This instrument of self-administered questionnaires (SAQs) enabled the researcher to collect large volume of data at shortest period of time and these questionnaires were sent and filled by the employee of the organization with consultation of their records and policies in the organization.

# 3.5.2 **Interview guide**

Interview is a face-to-face interaction between the interviewer and interviewee about a given topic to obtain relevant facts. Interview guide was used to collect data from the employees of Mukwano group of companies. The information obtained supplemented those obtained through the use of questionnaires. According to Mugenda (1999), interviews were advantageous in that they provided in-depth data, they gave the interviewer a chance to probe and clarify questions which were not possible with the questionnaire.

Interviews were conducted with board of directors, senior management and IT department in order to obtain information about the computerized accounting and financial reporting in Mukwano group of companies.

# 3.6 **Validity and reliability of instruments**

# 3.6.1 **Validity**

Validity determines whether the researcher truly measures that which it was intended to measure or how truthful the research results are. The process of validation involves collecting and analyzing data to assess the accuracy of an instrument.

Odiya (2009) in support of Amin (2005) holds that validity of an instrument as the ability of the instrument to collect justifiable and truthful data; that is, measuring what it is developed to measure (Odiya, 2009). My supervisor and other experts in the field were consulted about the content of instruments, ambiguity of question items and their relevancy. Therefore, the instrument(s) were given to rates who rated the relevancy of each item and a content validity index (CVI) was computed using the following formula.

CVI=

*Where*

CVI = content validity index; R= Total number of items rated as relevantly = Total number of items rated as Neutral; and IR= Total number of questions rated as irrelevant

So using the formula above, the researcher calculated the content validity index for the questionnaire as follows: The closer to one the CVI the more valid is the instrument. The results of the CVI are shown in table 3.2.

**Table 3. 2: Showing the Content Validity Index of the study variables**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | **Number of items judged** | **Number of items** | **CVI** |
| Control Environment | 6 | 5 | 0.83 |
| Compliance with the relevant laws and procedures | 24 | 20 | 0.78 |
| Information and communication controls | 8 | 6 | 0.90 |
| Performance | 9 | 7 | 0.94 |
| **Average** |  |  | **0.86** |

***Source: Primary data (2019).***

The computed CVIs were above the 0.60 threshold postulated by Odiya (2009) and an average of 0.86 is above this implying that the instruments that were used in collection of the data were valid.

# 3.6.2 **Reliability**

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. To ensure reliability, examination of trustworthiness is crucial. For the reliability of the instruments, Alpha coefficient with values equal or greater than 0.5 confirms the reliability. The Cronbach’s Alpha will be calculated using the following formula adopted from Amin (2005):

, where is the sum of variances of the *k* parts (usually items) of the test is the standard deviation of the test.

The results obtained were as follows;

**Table 3. 3: Showing the reliability analysis**

|  |  |  |
| --- | --- | --- |
| **Variable** | **Number of items** | **Cronbach’s alpha coefficient** |
| Control Environment | 5 | 0.96 |
| Compliance with the relevant laws and procedures | 20 | 0.76 |
| Information and communication controls | 6 | 0.95 |
| Performance | 7 | 0.87 |

***Sources: Primary data reliability test***

Table 3.3 show the alpha values of 0.96 for control Environment, 0.76 for compliance with the relevant laws and procedures, 0.95 for information and communication controls and 0.87 for Performance which are higher than 0.60 recommended for social research by Odiya (2009) suggesting that all the items used to measure each variable were consistent in measuring the variable. Table 3.3 reveals that all the variables have Alpha Values above 0.6 marks and therefore all the variables in the instrument are deemed reliable.

## 3.7 Data analysis.

Data from the questionnaires was compiled and sorted to see if there were any noticeable frequencies in the given responses and then captured for analysis. This involved the adoption of the use of the software for statistics (SPSS) as a tool of analysis where some questions raised on both the dependent and independent variables used the Likert scale where answer could be ranged in categorized groups for example, 1= agree, 2=not sure, 3=disagree assisting the respondents to quickly make up their minds as per the question asked.

# 3.8 Limitations to the study.

There following limitations occurred during the study, some of which included;

* Limited time to carry out the research where despite having other active pending areas in the researcher’s life, one had to ensure they schedule the limited time in order to collect( inclusive of the research interviews) and organize data collected in order to become meaningful to the study.
* Financial constraints also limited the research study because data collection was costly and compiling the collected data was an added expense which is pushed further into organizing and presenting it.
* Un responsiveness, where only 85 responses were got out of the 105 anticipated responses from the study population of Mukwano group of companies.

# CHAPTER FOUR.

# COMPUTERISED ACCOUNTING SYSTEM STREAMLINING WORKFLOW IN MUKWANO GROUP OF COMPANIES.

## **4.0 Introduction**.

This chapter presents the analysis and interpretation of the study findings on the first objective of the study on how computerised accounting systems streamlining workflows in Mukwano group of companies. The efficiency of any office or production operation depends on workflow. This saves overall employee time, making the team more effective and able to do more with less stress or frustration.

Out of the 105 questionnaires issued out, 85 of them were filled out and returned making an 81% response rate

## 4.1 Regular updating of charts of accounts.

Claudia Bienias Gilbertson, 2016 explains that in computerised accounting, charts of accounts serving as primary reference are key-entered ensuring quick regular update thereby reducing delays and errors in the computerised accounting process. The respondents were asked about the charts of accounts being updated regularly and the responses are seen below;

# Table 4.1 Regular updating of the charts of accounts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percentage** | **Cumulative percentage** |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 4  6  10  31  34  85 | 4.7  7.05  11.7  36.47  40  100.0 | 4.7  11.75  23.45  59.92  100.0 |

**Source: Field data (2019)**

Results in the table 4.1 show that 4(4.7%) of the respondents strongly disagreed, 6(7.05%) disagreed, 10(11.7%) were neutral, 31(36.47%) agreed and 34(40%) strongly agreed which leaves a bigger percent (76.47%) in agreement which implies that there is regular updating of charts of accounts at Mukwano group of companies hence explaining how computerised accounting has streamlined workflow at Mukwano group of companies.

## 4.2 Computerization aids quick customer service decision making process.

Namanya,2011 on computerised accounting aiding quick customer service decision making process noted that a number of customers associate quality service from their provider so companies ensure their customers receive consistently high quality service encounters that include delivery of products ,demonstration of products before sale among others.

The respondents were asked if computerization aids quick customer service decision making process at Mukwano group of companies, their responses are shown below;

# Table 4.2 Computerization aids quick customer service decision making process.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative percent** |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 26  15  16  20  8  85 | 30.5  17.6  18.8  23.5  9.4  100.0 | 30.5  48.1  66.9  90.4  100.0 |

**Source: Field data (2019).**

Findings in table 4.2 show that 6(30.5%) strongly disagree, 15(17.6%) disagree, 16(18.8%) are neutral, 20(23.5%) agree and 8(9.4%) strongly agree that computerization aids quick customer care service decision making. The larger percentage (36.4%) disagreed that computerization aids quick customer care service decision making which indicates that there is need to improve the relationship on computerization in line with customer care decision making since there is a concern in the said area in Mukwano group of companies.

## 4.3 Proper accounting documentation builds closer ties with customers.

On being asked about proper accounting documentation builds closer ties with customers, the respondents response are shown below;

**Table 4.3 Proper accounting documentation builds closer ties with customers.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 12  14  21  29  9  85 | 14.11  16.4  24.7  34.11  10.5  100.0 | 14.11  30.51  55.21  89.32  100.0 |

**Source: Field data (2019)**

The data from table 4.3 indicates that 12(14.11%) strongly disagree, 14(16.4%) disagree, 21(24.7%) are neutral, 29(34.11%) agree and 9(10.5%) strongly agree that proper accounting documentation builds closer ties with customers in Mukwano group of companies. A larger percentage (38%) agrees proving that proper accounting documentation does build closer ties with customers at Mukwano group of companies. Setting up the right accounting record keeping system for the business for example cashbooks or any other financial accounting programs keeps particular details keeps particular details that can be used for customer interaction and relations with cases of product inquiries, complaints about products or services and then required steps taken to resolve them while ensuring customer satisfaction.

## 4.4 Computerised accounting has enabled automatic update of customer loan accounts.

Respondents were required to assess how computerised accounting has enabled automatic update of customer loan accounts and the responses are seen below;

**Table 4.4 Computerised accounting has enabled automatic update of customer loan accounts.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 2  6  15  31  31  85 | 2.35  7.05  17.64  36.4  36.4  100.0 | 2.35  9.4  27.04  63.44  100.0 |

**Source: Field data (2019)**

The data from the table 4.4 shows that 2(2.35%) strongly disagreed, 6(7.05%) disagreed, 15(17.64%) are neutral, 31(36.4%) agree and (36.4%) strongly agreed that computerised accounting has enabled automatic update of customer loan accounts. Computerised accounting has online accounting software that allows management of money in and out of the business where a client base is studied and loan servicing software that has quick lending processes where customers are provided with complete solutions for loan servicing and then quickly updated once payments are made.

## 4.5 The financial statements prepared by the system are reliable.

The respondents when asked about financial statements prepared by the system being reliable, the responses are presented below;

# Table 4.5 Financial statements prepared by the system are reliable.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 3  7  15  22  38  85 | 3.5  8.2  17.6  25.8  44.7  100.0 | 3.5  11.7  29.3  55.1  100.0 |

**Source: Field data (2019)**

The data from the table 4.5 suggests that 3(3.5%) strongly disagree, 7(8.2%) disagree, 15(17.6%) are neutral, 22(25.8%) agree and 38(44.7%) strongly agree that financial statements prepared by the system are reliable. The bigger percentage (70.5%) are in agreement that financial statements prepared by the computerised system are indeed reliable. Computerised accounting envelopes around computer software carrying out the whole entire accounting data process which includes classifying, sorting, calculating and summarizing accounting data that leads to production of quality financial statements with minimized or no miscalculations and errors.

*“During the course of the interview, one of the section heads stated they could be rest assured that the reports are reliable giving them confidence enough to present to their superiors”*.

# 4.6 Easy preparation of customer accounts.

Respondents were asked about easy preparation of customer accounts and their responses are shown below;

# Table 4.6 Easy preparation of customer accounts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 7  9  12  28  29  85 | 8.2  10.5  14.1  33  34.1  100.0 | 8.2  18.7  32.8  65.8  100.0 |

**Source: Field data (2019).**

The above table 4.6 indicates that 7(8.2%) strongly disagree, 9(10.5%) disagree, 12(14.1%) are neutral, 28(33%) and 29(34.1%) strongly agree that there is easy preparation of customer accounts at Mukwano group of companies. *Gary Hadler* states that computerised accounting enhances updating of customer accounts particularly in the sales ledger with automatic document production of fast and accurate invoices, credit notes, and purchase orders among others that are all done automatically with ease.

*“The head of Marketing and sales agreed on easy preparation of customer accounts of Mukwano group of companies that are in very large numbers*”

# 4.7 Proper storage of financial records.

Respondents on proper storage of financial records had responses shown below;

# Table 4.7 Proper storage of financial records.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 2  9  16  32  26  85 | 2.35  10.5  18.8  37.6  30.5  100.0 | 2.35  12.85  31.65  69.25  100.0 |

**Source: Field data (2019)**

The findings in the table 4.7 indicate that 2(2.35%) strongly disagree, 9(10.5%) disagree, 16(18.8%) are neutral, 32(37.6%) agree and 26(30.5%) strongly agree that there was proper storage of financial records at Mukwano group of companies. Majority of the respondents 68.1% agreed which implies that there is proper storage of financial records. Computerised accounting alongside the internet and networks in information technology, there is easy back up and restoration of files as well as the use of passwords to avoid unauthorized parties from accessing data which keeps financial records safe in storage.

# 4.8 Computerised accounting systems aids audit of accounts

The employee respondents of Mukwano group of companies were asked on computerised accounting, their response are seen below;

# Table 4.8 Computerised accounting system aids audit of accounts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 3  6  19  35  22  85 | 3.5  7  22.3  41.1  25.8  100.0 | 3.5  10.5  32.8  73.9  100 |

**Source: Field data (2019)**

The findings in the table 4.8 above indicate that 3(3.5%) strongly disagree, 6(7%) disagree, 19(22.3%) are neutral, 35(41.1%) agree and 22(25.8%) strongly agree that computerised accounting systems aid audit of accounts.

# 4.9 Computerised accounting system has simplified tracking of receivables.

Respondents were asked about computerised accounting system simplifying tracking of receivables and their responses were shown below;

# Table 4.9 Computerised accounting system has simplified tracking of receivables.

|  |  |  |  |
| --- | --- | --- | --- |
|  | frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 10  17  23  17  18  85 | 11.7  20  27  20  21.1  100.0 | 11.7  31.7  58.7  78.7  100 |

**Source: Field data (2019)**

The findings in the table 4.9 indicate that 10(11.7%) strongly disagree, 17(20%) disagree, 23(27%) are neutral, 17(20%) agree and 18(21.1%) strongly agree that computerised accounting system has simplified tracking of receivables. The biggest percentage 41.1% agree which implies that computerised accounting system has simplified tracking of receivables in Mukwano group of companies.

# CHAPTER FIVE

# **COMPUTERISED ACCOUNTING ENSURING TIMELY PRODUCTION OF QUALITY REPORTS FOR PROMPT DECISION MAKING IN MUKWANO GROUP OF COMPANIES**.

# **5.0 Introduction**.

This chapter examines the findings and interpretation of the second objective that sought to explain how computerised accounting ensures timely production of quality reports for prompt decision making in Mukwano group of companies. The findings obtained are shown below;

# 5.2 Computerised accounting leads to timely generation of financial reports.

The respondents were asked if computerised accounting leads to timely generation of financial reports. The responses are shown below;

# Table 5.1 Computerised accounting leads to timely generation of financial reports.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 3  8  18  27  29  85 | 3.5  9.4  21.1  31.7  34.1  100.0 | 3.5  12.9  34  65.7  100 |

**Source: Field data(2019)**.

The table 5.1 indicates that 3(3.5%) strongly disagree, 8(9.4%) disagree, 18(21.1%) are neutral (21.1%) 27(31.7%) agree and 29(34.1%) strongly agree that computerised accounting leads to timely generation of financial reports at Mukwano group of companies. The biggest percentage of 65.8% agrees which clearly indicated that computerised accounting leads to the timely generation of financial reports at Mukwano group of companies.

*An operations manager also added that in peak working periods, they can rely on computerised accounting systems generating them good quality financial reports in a very short timing*.

# 5.2 Computerised accounting has ensured sound planning at Mukwano group of companies.

Respondents were asked on computerised accounting ensuring sound planning at Mukwano group of companies and the responses are shown below;

# Table 5.2 Computerised accounting has ensured sound planning at Mukwano group of companies.

|  |  |  |  |
| --- | --- | --- | --- |
|  | frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 12  8  19  26  20  85 | 14.1  9.4  22.3  30.5  23.5  100.0 | 14.1  23.5  45.8  76.3  100.0 |

**Source: Field data(2019)**.

The table 5.2 shows that 12(14.1%) strongly disagree, 8(9.4%) disagree, 19(22.3%) are neutral, 26(30.5%) agree and 20(23.5%) strongly agree, with the biggest percentage of 54% agreeing which indicates that computerised accounting does actually ensure sound planning at Mukwano group of companies.

# 5.3 Financial statements are readily available as and when it is needed.

Respondents were asked if financial statements were readily available as and when they were needed, their responses are shown below;

**Table 5.3 Financial statements are readily available as and when it is needed.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 1  3  8  36  37  85 | 1.1  3.52  9.4  42.3  43.5  100.0 | 1.1  4.62  14.02  56.32  100.0 |

**Source: Field data (2019).**

The table 5.3 above indicates that 1(1.1%) strongly disagree, 3(3.52%) disagree, 8(9.4%) are neutral, 36(42.3%) agree and 37(3.5%) strongly agree where the larger percentage of 85.8% agreed that financial statements are available as and when they are needed at Mukwano group of companies.

# 5.4 Computerised accounting system enhances productivity of the accounting department.

Respondents were required to assess whether computerised accounting systems has enhanced productivity of the accounting department and their responses were given below;

# Table 5.4 Computerised accounting system enhances productivity of the accounting department.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 3  5  14  28  35  85 | 3.5  5.8  16.4  33  41.1  100.0 | 3.5  9.3  25.7  58.7  100.0 |

**Source: Field data (2019).**

The findings in the table 5.4 above indicates that 3(3.5%) strongly disagree,5(5.8%) disagree, 14(16.4%) are neutral, 28(33%) agree and 35(41.1%) strongly agree where the larger percentage of 74.1% agreed which shows that computerised accounting system enhances productivity of the accounting department at Mukwano group of companies.

# 5.5 Financial statements produced by the system are reliable.

Respondents were asked if the financial statements produced by the system are reliable and these were their responses are shown below;

# Table 5.5 Financial statements produced by the system are reliable.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 1  5  17  25  37  85 | 1.1  5.8  20  29.4  43.5  100.0 | 1.1  6.9  26.9  56.3  100.0 |

**Source: Field data (2019)**

The findings in the table 5.5 show that 1(1.1%) strongly disagree, 5(5.8%) disagree, 17(20%) are neutral, 25(29.4%) agree and 37(43.5%) strongly agree, where the larger percentage of 72.9% agreed which indicates that financial statements produced by the system at Mukwano group of companies are reliable.

*An auditor at Mukwano group of companies during the interview agreed saying that with the use of computerised accounting systems, they can safely say to their customers and other stakeholders that the financial information they have is indeed reliable.*

# 5.6 Financial information produced by the system is easy to understand.

Respondents were asked if financial information produced by the computerised accounting systems were easy to produce and the responses are shown below;

**Table 5.6 Financial information produced by the system is easy to understand.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 3  2  16  23  41  85 | 3.5  2.35  18.8  27  48.2  100.0 | 3.5  5.85  24.65  51.65  100.0 |

**Source: Field data(2019)**

The findings in the above table 5.6 show that 3(3.5%) strongly disagreed, 2(2.35%) disagreed, 16(18.8%) are neutral, 23(27%) agreed and 41(48.2%) strongly agreed, and the larger percentage of 75.2%agreed which indicates that financial information produced by the system at Mukwano group of companies is easy to understand.

# 5.7 Financial information produced by the system is dependable.

Respondents were asked if financial information produced by the system is dependable and their responses are shown below;

**Table 5.7 Financial information produced by the system is dependable.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 8  5  15  39  18  85 | 9.4  5.8  17.6  45.8  21.1  100.0 | 9.4  15.2  32.8  78.6  100.0 |

**Source: Field data(2019)**

The findings in the above table 5.7 show that 8(9.4%) strongly disagreed, 5(5.8%) disagreed, 15(17.6%) are neutral, 39(45.8%) agreed and 18(21.1%) strongly agreed, and the larger percentage of 66.9% agreed which indicates that financial information produced by the system at Mukwano group of companies is dependable.

# 5.8 Customer accounts are easily analyzed and updated.

Respondents were asked if customer accounts are easily analyzed and updated. The responses are shown below;

**Table 5.8 Customer accounts are easily analyzed and updated.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 4  9  16  22  34  85 | 4.7  10.5  18.8  25.8  40  100.0 | 4.7  15.2  34  59.8  100.0 |

**Source: Field data (2019)**

The findings in the above table 5.8 show that 4(4.7%)strongly disagreed, 9(10.5%) disagreed, 16(18.8%) are neutral, 22(25.8%)agreed and 34(40%) strongly agreed, and the larger percentage of 65.8% agreed which indicates that customer accounts are easily analyzed and updated at Mukwano group of companies.

# 5.9 There is timely filling of tax returns as a result of computerised accounting system.

Respondents were asked whether there is timely filling of tax returns as a result of computerised accounting system. The responses are seen below;

**Table 5.9 There is timely filling of tax returns as a result of computerised accounting system.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 10  7  15  27  26  85 | 11.7  8.2  17.6  31.7  30.5  100.0 | 11.7  19.9  37.5  69.2  100.0 |

**Source: Field data (2019)**

The findings in the table 5.9 show that 10(11.7%)strongly disagreed, 7(8.2%) disagreed, 15(17.6%) are neutral, 27(31.7%)agreed and 26(30.5%) strongly agreed, and the larger percentage of 62.2% agreed which indicates that there is timely filling of tax returns as a result of computerised accounting system.

*The head of the accounting and finance department also agreed that computerised accounting has software that make the filling of tax return at Mukwano easy,” which puts Mukwano in a safe spot with the legal authorities”*

# CHAPTER SIX

# COMPUTERISED ACCOUNTING AIDING TRACKING OF REVENUE AND EXPENDITURE LEADING TO PROFITABILITY IN MUKWANO GROUP OF COMPANIES.

## 6.0 Introduction.

This chapter also seeks to examine the ways in which computerised accounting aided tracking of revenue in Mukwano group of companies. The findings obtained are shown in the tables in this chapter as seen below;

# 6.1 Financial information produced by the system is of quality.

Respondents were asked if the financial information produced by the system is of good quality, the responses are shown below;

# Table 6.1 Financial information produced by the system is of quality.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 4  2  20  21  38  85 | 4.7  2.3  23.5  24.7  44.7  100.0 | 4.7  7  30.5  55.2  100.0 |

**Source: Field data (2019)**

The findings in the table 6.1 show that 4(4.7%) strongly disagreed, 2(2.3%) disagreed, 20(23.5%) are neutral, 21(24.7%) agreed and 38(44.7%) strongly agreed, and the bigger percentage of 69.4% agreed which indicates that financial information produced by the system at Mukwano group of companies of good quality.

*A manager at Mukwano group of companies came out during the interview to say that they do admit that on using computerized accounting systems, they are assured that the financial information produced by the system is of quality.*

# 6.2 The financial information produced by the system meets the international accounting standards.

Respondents were asked if the financial information produced by the system meets the international accounting standards and their responses are shown;

# Table 6.2 The financial information produced by the system meets the international accounting standards.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 6  7  34  18  20  85 | 7  8.2  40  21.1  23.5  100.0 | 7  15.2  55.2  76.3  100.0 |

**Source: Field data (2019)**

The findings in the table 6.2 show that 6(7%) strongly disagreed, 7(8.2%) disagreed, 34(40%) are neutral, 18(21.1%) agreed and 20(23.5%) strongly agreed, and the larger percentage of 44.6% agreed which indicates that the financial information produced by the system at Mukwano group of companies meets the international accounting standards.

# 6.3 Customer records generated are free from arithmetic errors.

Respondents were asked if the customer records generated were free from arithmetic errors and their responses are shown;

**Table 6.3 Customer records generated are free from arithmetic errors.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 10  12  6  28  29  85 | 11.7  14.1  7  33  34.1  100.0 | 11.7  25.8  32.8  65.8  100.0 |

**Source: Field data (2019)**

The findings in the table 6.3 show that 10(11.7%) strongly disagreed, 12(14.1%) disagreed, 6(7%) are neutral, 28(33%) agreed and 29(34.1%) strongly agreed, and the most percentage of67.1% agreed which indicates that customer records generated at Mukwano group of companies are free from arithmetic errors.

# 6.4 The financial statements produced by the system are accurate.

Respondents were asked if the financial statements produced by the computerised accounting systems are accurate and their responses are shown below;

**Table 6.4 Financial statements produced by the system are reliable.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 2  6  13  29  35  85 | 2.3  7  15.2  34.1  41.1  100.0 | 2.3  9.3  24.5  58.6  100.0 |

**Source: Field data (2019)**

The findings in the table 6.4 show that 292.3%) strongly disagreed, 6(7%) disagreed, 13(15.2%) are neutral, 29(34.1%) agreed and 35(41.1%) strongly agreed, and the larger percentage of 75.2% agreed which indicates that financial statements produced by the system at Mukwano group of companies are accurate.

# 6.5 Computerised accounting has facilitated the creation of a well-organized data base.

Respondents were asked if computerised accounting has facilitated the creation of a well-organized data base and their responses are shown;

# Table 6.5 Computerised accounting has facilitated the creation of well- organized data base.

|  |  |  |  |
| --- | --- | --- | --- |
|  | frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 5  11  14  28  27  85 | 5.8  12.9  16.4  32.9  31.7  100.0 | 5.8  18.7  35.1  68  100.0 |

**Source: Field data (2019)**

The findings in the table 6.5 show that 5(5.8%) strongly disagreed, 11(12.9%) disagreed, 14(16.4%) are neutral, 28(32.9%) agreed and 27(31.7%) strongly agreed, and the most percentage of 64.6% agreed which indicates that computerised accounting has facilitated the creation of a well-organized data base at Mukwano group of companies.

*The company auditor also agreed saying that computerised accounting system has assisted in arrangement of the very large numbers of databases that they hold in their company,” it is really of great help in keeping data in check and organized”*

# 6.6 Computerised accounting has enabled Mukwano group of companies to track sensitive transactions.

Respondents were asked whether computerised accounting has enabled Mukwano group of companies to track sensitive transactions. The responses got are shown;

**Table 6.6 Computerised accounting has enabled Mukwano group of companies to track sensitive transactions.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 13  15  10  19  28  85 | 15.2  17.6  11.7  22.3  33  100.0 | 15.2  32.8  44.5  66.8  100.0 |

**Source: Field data (2019)**

The findings in the table 6.6 show that 13(15.2%) strongly disagreed, 15(17.6%) disagreed, 10(11.7%) are neutral, 19(22.3%) agreed and 28(33%) strongly agreed and the bigger percentage of 55.3% agreed which indicates that computerised accounting has enabled Mukwano group of companies to track sensitive transactions.

*The chief accounting officer of Mukwano group of companies also emphasized that in cases of complicated customers, it has computerised accounting has actually saved the day when data with actual accurate records is brought out to clear the situation*

# 6.7 Computerised accounting system facilitates timely production of the payroll

Respondents were asked if the computerised accounting system facilitates timely production of the payroll and their responses were;

**Table 6.7 Computerised accounting system facilitates timely production of the payroll.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 4  9  19  31  22  85 | 4.7  10.5  22.3  36.4  25.8  100.0 | 4.7  15.2  37.5  73.9  100.0 |

**Source: Field data (2019)**

The findings in the table 6.7 show that 4(4.7%) strongly disagreed, 9(10.5%) disagreed, 19(22.3%) are neutral, 31(36.4%) agreed and 22(25.8%) strongly agreed and the bigger percentage of 62.2% agreed which indicates that computerised accounting has facilitated timely production of the payroll at Mukwano group of companies.

# 6.8 Computerised accounting system has enhanced tracking of financial information.

Respondents were asked if computerised accounting system has enhanced tracking of financial information and the responses got are displayed in the tables shown;

**Table 6.8 Computerised accounting system has enhanced tracking of financial information.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 4  9  13  29  30  85 | 4.7  10.5  15.2  34.11  35.3  100.0 | 4.7  15.2  30.4  64.51  100.0 |

**Source: Field data (2019)**

The findings in the table 6.8 show that 4(4.7%) strongly disagreed, 9(10.5%) disagreed, 13(15.2%) are neutral, 29(34.11%) agreed and 30(35.3%) strongly agreed and the bigger percentage of 69.41% agreed which indicates that computerised accounting system has enhanced tracking of financial information at Mukwano group of companies.

*“During the interview, the chief accounting officer of Mukwano group of companies agreed to computerised accounting system enhancing tracking of information of financial nature however old it may be”*

# 6.9 Data from the system can be retrieved with ease.

Respondents were asked if the data from the system could be retrieved with ease and the responses are shown;

**Table 6.9 Data from the system can be retrieved with ease.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 1  3  21  32  28  85 | 1.1  3.5  24.7  37.6  33  100.0 | 1.1  4.6  29.3  66.9  100.0 |

**Source: Field data (2019)**

The findings in the table 6.9 show that 1(1.1%) strongly disagreed, 3(3.5%) disagreed, 21(24.7%) are neutral, 32(37.6%) agreed and 28(33%) strongly agreed and the bigger percentage of 70.6% agreed which indicates that data from the computerised accounting system at Mukwano group of companies can be retrieved with ease.

*“The acting financial officer during the interview was in agreement to data being retrieved with ease since it is just by the click of a button then one has all the information they need in just one quick action”*

# 6.10 Processing of information has been made faster as a result of the computerised accounting system.

Respondents were asked whether processing of information has been made faster as a result of computerised accounting system and their responses are;

**Table 6.10 Processing of information has been made faster as a result of the computerised accounting system.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Frequency | Percent | Cumulative percent |
| Strongly disagree  Disagree  Neutral  Agree  Strongly agree  Total | 9  11  17  28  20  85 | 10.5  12.9  20  33  23.5  100.0 | 10.5  23.4  43.4  76.4  100.0 |

**Source: Field data (2019)**

The findings in the table 6.10 show that 9(10.5%) strongly disagreed, 11(12.9%) disagreed, 17(20%) are neutral, 28(33%) agreed and 20(23.5%) strongly agreed and the bigger percentage of 56.6% agreed which indicates that processing of information at Mukwano group of companies has been made faster as result of the computerised accounting system.

# 6.11 Hypothesis testing.

Hypothesis H0:  There is no significant relationship between computerised accounting systems and financial reporting in Mukwano group of companies.

Hypothesis H1: There is a significant relationship between computerised accounting systems and financial reporting in Mukwano group of companies.

# 6.12 Regression analysis.

Multiple regression analysis was performed in order to establish the extent to which computerised accounting systems explained the degree of variance in financial reporting in Mukwano group of companies. The result is presented in the model summary table;

**Table 6.12: Model summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std.Error of Estimate** |
| 1 | .680a | .597 | .560 | .69097 |

1. Predictors: (constant), Computerised accounting systems.
2. Dependent variable: Financial reporting.

The results in table show that R square 59.7% of computerised accounting systems in Mukwano group of companies is accountable for financial reporting while the remaining 40.3% is attributed to other factors that are unavailable in this area of study in turn also indicating that at a bigger percentage if Computerised accounting systems are not properly used, there would be a problem with financial reporting in Mukwano group of companies.

**6.13 ANOVAb. (Analysis of Variance)**

**Table 6.13: ANOVAb**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Model** | **Sum of squares** | **df** | **Mean square** | **F** | **Sig.** |
| 1 Regression  Residual  Total | 12.427  13.138  25.565 | 3  70  73 | 4.142  1.88 | 22.032 | 0.00 |

1. Predictors (constant): Computerised accounting systems.
2. Dependent variables: Financial reporting.

The table shows that the independent variables statistically and significantly predict the dependent variable, F (3, 70) =22.032, p< .0005. Therefore the regression model is a good fit for the data. The significance level of 000 is less than the significance level for 95% confidence and implies that Computerised accounting systems influences financial reporting in Mukwano group of companies. Therefore, the null hypothesis is rejected.

# 6.14 Coefficients.

# Table 6.14 Coefficients

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Un standardized  coefficients  b Std.Error | | Standardized Coefficients Beta | T | Sig |
| ( constant)  Financial reporting | -2.816  .432 | .825  .181 | .238 | -3.306  .2388 | .001  .021 |

1. Dependent variable: Financial reporting.

The table 6.14 shows computerised accounting has an influence on financial reporting in Mukwano group of companies because the results indicate that financial reporting has Beta= 0.238, with p<0.21 and T statistic =2.388 showing that the model fits the data and that there is a significant relationship between computerised accounting systems and financial reporting in Mukwano group of companies.

# CHAPTER SEVEN

# HARMONISATION OF COMPUTERISED ACCOUNTING STSTEMS AND FINANCIAL REPORTING IN MUKWANO GROUP OF COMPANIES.

## 7.0 Introduction.

This chapter present the harmonization of computerised accounting and financial reporting in Mukwano group of companies.

# 7.1 How computerised accounting has streamlined workflow in Mukwano group of companies.

The accounting cycle is one of the key area in manufacturing business. Streamlining accounting workflows allows space for value to be added elsewhere so there is room for better financial reporting in Mukwano group of companies. With computerised accounting, the charts of accounts being updated reduces data and arithmetic errors made delays in the accounting process being backed with the percentage of 76.47% who agreed that the charts of accounts regulated on a regular basis streamlines workflows in Mukwano group of companies and secondly, computerization aids quick customer service decision making process and accountability at Mukwano group of companies where customers are brought closer to the company and have their business needs taken well care of improving communication and sense of trust among the two parties aiding streamlining of workflow though there is need to improve on relations with customer service because as indicated by the larger percentage of 36.4% who disagreed with computerization aiding quick customer service decision making process and accountability in Mukwano group of companies. Customer relations are crucial in manufacturing industries.

Byenkya(2016), Emphasis on documentation in the appropriate journal as soon as possible after a transaction is made and documents should be filed away in a system where they can be retrieved if and when needed for proper billing, generating sales transaction records helping you stay organized once dealing with your customers (one needs to know how much and when they owe their customers before telling them) for proper accounting documentation building proper ties with customers of Mukwano group of companies as well as enabling automatic update of customer loan accounts where there are cases of offering of credit services to Mukwano’s customers.

According to Nash and Hearly,2003 , a computerised accounting system is a good delivery system of accounting information for the purpose of providing reliable accounting information to users which is backed by the 70.5% respondents at Mukwano group of companies who are in agreement that financial statements produced by the system are reliable so information is free from material errors and bias and faithfully represents the purpose emphasized in line with streamlining the workflow at Mukwano group of companies.

B. Ankoma, 2012 expresses that computerised accounting systems reduce staff time when preparing accounts and reduce audit timing where financial reports are reduced on time in order to aid auditing of accounts of customers in Mukwano group of companies.66.9% respondents agreed that computerised accounting does aid audit of accounts in Mukwano group of companies in favor of streamlining workflow in the industry as well.

Nakyobe 2013, tracking customer balances with the use of computerised accounting system where account receivable system track purchase and payment transactions f customers so statements are easily generated at the end of the month so due balance statements are presented to customers usually via emails and typed documents. 41.1% of respondents at Mukwano group of companies are in agreement that computerised accounting has simplified tracking of receivables especially since a big number of customers make a large number of transactions so computerised accounting systems are in place to ensure the role of aiding the streamlining of workflow at Mukwano group of companies.

# 7.2 How computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano group of companies.

Kwarijuka,1998 expresses that computerised accounting system will foster accessibility and foster transformation of information stored in computers hence financial reports can be easily accessed through an online system without delay and ensure timely decision making. 65.8% of respondents at Mukwano group of companies agreed that computerised accounting leads to timely generation of financial reports. The use of computer based systems in manufacturing firms will enable employees from various function areas and branches to generate timely financial reports which enable managers to monitor business operations and important financial decisions (Wailes, 1999).

54% respondents agreed that computerised accounting has ensured sound planning at Mukwano group of companies because with proper accounting documentation, timely reporting and quick decision making there is supported sound planning at Mukwano group of companies.

Computerised accounting enables manufacturing industries to stay organized because when financial information is entered into the system, it makes finding the information easy employees can look up financial information when it is needed (Frimpong, 2012) and 85.8% respondents agreed that with computerised accounting, financial statements are readily available as and when they are needed at Mukwano group of companies.

Computerised accounting involves the use of computers to handle large volumes of data with speed and efficiency aimed at overcoming physical limitations of manual accounting and production of quality reports, ACCA, 2009. 74.1% of respondents agreed that computerised accounting system enhances productivity in the accounting department of Mukwano group of companies since performance appraisal can be done in light with computerised accounting system to improve the efficiency of employees at Mukwano thereby enhancing the timely production of financial reports for prompt decision making at Mukwano group of companies.

According to Pallai (2007), understandability as a feature of a good financial report enables users to perceive the significance of financial information. 75.2% of respondents in Mukwano agreed that financial statements produced by the system are easy to understand and to determine the effectiveness of financial reporting, individuals understand the objectives of the report so information is easily put to use by users in a way that is very understandable thereby enhancing timely production of financial reports for prompt decision making in Mukwano group of companies.

Computerization saves time on transaction hence leading to quality financial reporting for instance timely, accurate and most importantly reliable reports can be generated. Lewis (1999). Of the respondents in the research, 66.9% agreed that financial information produced by the computerised accounting system is dependable. Information is mostly free from arithmetic errors and not biased making it dependable for use by both the interested parties.

Accounting records are automatically updated and so accounts balances are always up to date.65.8% of respondents in this study agreed that customer accounts in Mukwano group of companies are easily analyzed and updated. In computerised accounting, the journals, ledgers and customer accounts are updated instantly with each transaction. Receipts from customer accounts are made in the receive payments section, a typical computer accounting software offers automatic updating of customer accounts in the sales ledger once a transaction is made which facilitates quick analysis of accounts of specific mukwano customers enhancing timely production of financial reports for prompt decision making in Mukwano group of companies.

Accounting software includes data collecting and reporting functions which make easier to accumulate and expense data to accurately populate tax returns on either cash or accrual basis. 62.2% respondents agreed that there has been timely filling of tax returns in Mukwano group of companies as a result of computerised system in turn enhancing the timely production of financial reports for prompt decision making at Mukwano group of companies.

# 7.3 How computerised accounting has aided tracking at Mukwano group of companies leading to profitability of revenue and expenditure in Mukwano group of companies.

Many manufacturing industries use computerised accounting to track expenditures and income where assets, liabilities, revenue, expenses and equity must be documented and transferred to a general ledger containing the company’s financial details. Computerised accounting allows you to set up income and expense accounts such as rental or sales income, salaries, advertising expenses and material costs.

69.4% of respondents agreed that financial information produced by the system is of quality. Nash (2003) expresses that the quality of accounting information on performance of accounting systems is a great concern to management. The financial information generated confirms to quality attributes of a good financial report that is crucial to aiding tracking at Mukwano group of companies which in turn leads to profitability of revenue and expenditure in Mukwano.

The bid to ensure accounting information is at par, meeting international accounting standards, financial information generated from computerised accounting should be inclusive on the grounds that it is easy for all its receiving parties to be able to comprehend the information in the financial reports and in the above case, 44.6% of respondents in Mukwano agreed that financial information produced by the system meets the international accounting standards at Mukwano group of companies.

Large number of customers call for large number of transactions in manufacturing industries which presents chances of error in reporting of these large volumes of data.67.1% of respondents agreed that customer records generated by the computerised accounting system are free from arithmetic errors. With automatic computation, arithmetic errors are remarkably reduced. Computerization of a system can certainly help in minimizing some errors when preparing accounting records (Mike et al, 2006). Errors that would pose a threat to financial information are dealt with in the system which puts in line the aiding of tracking of revenue and expenditures that eventually lead to profitability in Mukwano group of companies.

The accuracy of diverse financial statements through computers is a lead in improved accounting tools and the reliability of financial statements. 75.2% of respondents in Mukwano agreed that financial statements produced by the system are accurate as seen in its use of the SAP accounting software program they use in accounting operations at Mukwano. An accurate financial record is vital part of any organisation to assist in keeping it afloat financially and legally.

# CHAPTER EIGHT

# SUMMARY, CONCLUSION AND RECOMMENDATIONS OF THE STUDY.

## 8.0 Introduction.

This chapter examines the summary basing on the study objectives, conclusion and recommendation made to computerised accounting systems and financial reporting in Mukwano group of companies.

The study used field data collected from questionnaires presented to the staff of Mukwano group of companies. Quantitative data was analyzed using descriptive statistics with the qualitative data analyzed using content analysis. The study findings were as follows;

# 8.1 How computerised accounting has streamlined workflow in Mukwano group of companies.

The findings revealed that a bigger percent of 76.47% of the respondents agree that which implies that there is regular updating of charts of accounts at Mukwano group of companies hence explaining how computerised accounting has streamlined workflow at Mukwano group of companies. . Though a bigger percentage (36.4%) disagreed that computerization aids quick customer care service decision making which showing the need to improve the relationship on computerization in line with customer care decision making in Mukwano group of companies. A percentage (38%) is in agreement that proves that proper accounting documentation does build closer ties with customers at Mukwano group of companies. A relatively large percentage of 72.8% is in agreement that computerised accounting has enabled automatic update of customer loans accounts at Mukwano group of companies. The percentage of 70.5% are in agrees that financial statements prepared by the computerised system at Mukwano group of companies are I reliable.67.1% agree that there is easy preparation of accounts with computerised accounting systems. Also respondents of 68.1% agreed on proper storage of financial records implying that there is proper storage of financial records respondents 68.1% agreed which implies that there is proper storage of financial records at Mukwano group of companies. 66.9% of respondents were in agreement that computerised accounting systems aids audit of accounts. A percentage of41.1% agrees that computerised accounting system has simplified tracking of receivables in Mukwano group of companies.

# 8.2 How computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano group of companies.

Research findings on the second objective mostly agree that computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano group of companies; 65.8% agreed that computerised accounting leads to the timely generation of financial reports at Mukwano group of companies. 54% of respondents agree that computerised accounting does actually ensure sound planning at Mukwano group of companies. 85.8% agreed that financial statements are available as and when they are needed at Mukwano group of companies. 85.8% agree that financial statements are available as and when they are needed at Mukwano group of companies. 74.1% agree that computerised accounting system enhances productivity of the accounting department at Mukwano group of companies. Respondents of 72.9% agree that financial statements produced by the system at Mukwano group of companies are reliable. 75.2% of the respondents agree that financial information produced by the system at Mukwano group of companies is easy to understand.

A percentage of 66.9% agree that financial information produced by the system at Mukwano group of companies is dependable. Respondents of 65.8% agree that customer accounts are easily analyzed and updated at Mukwano group of companies, a percentage of 62.2% agrees which that there is timely filling of tax returns as a result of computerised accounting system in Mukwano group of companies.

# 8.3 How computerised accounting has aided tracking of revenue and expenditure leading to profitability in Mukwano group of companies.

Research findings on the third objective on how computerised accounting has aided tracking of revenues and expense leading to profitability in Mukwano group of companies;

69.4% respondents agree that financial information produced by the system at Mukwano group of companies of good quality, 44.6% respondents agree that the financial information produced by the system at Mukwano group of companies meets the international accounting standards,67.1% agree that customer records generated at Mukwano group of companies are free from arithmetic errors and then 75.2% agree that financial statements produced by the system at Mukwano group of companies are accurate, 64.6% of the respondents agree that computerised accounting has facilitated the creation of a well-organized data base at Mukwano group of companies, while a percentage of 55.3% agrees that computerised accounting has enabled Mukwano group of companies to track sensitive transactions. 62.2% of the respondents agree that computerised accounting has facilitated timely production of the payroll at Mukwano group of companies and 69.41% of respondents agree that computerised accounting system has enhanced tracking of financial information at Mukwano group of companies. Even a 70.6% of respondents agree that data from the computerised accounting system at Mukwano group of companies can be retrieved with ease, 56.6% of respondents agree that processing of information at Mukwano group of companies has been made faster as result of the computerised accounting system.

# 8.4 Conclusion.

The following conclusions were made from the above findings;

**Computerised accounting streamlining workflow.**

The study concluded that computerised accounting has streamlined workflow in Mukwano group of companies. Charts of accounts are updated on regular basis at Mukwano group of companies though there is need for computerization to improve aiding quick customer care decision making process and accountability at Mukwano group of companies. Proper documentation builds closer ties with Mukwano customers and computerised accounting at Mukwano has enabled automatic update of customer loan accounts. The financial statements prepared by the computerised accounting system are reliable and there is easy preparation of accounts with proper storage of financial records at Mukwano group of companies. It was also concluded that computerised accounting system aids audit of accounts and has simplified tracking of receivables at Mukwano group of companies.

**Computerised accounting enhancing timely production of financial reports for prompt decision making at Mukwano group of companies.**

Secondly, the study concluded that computerised accounting has enhanced timely production of financial reports for prompt decision making at Mukwano; it leads to timely generation of financial reports, ensures sound planning and enhances productivity in the accounting department at Mukwano group of companies. Financial information produced by the system is dependable, reliable and so easy to understand and yet the financial statements are readily available when needed so customer accounts are easily analyzed and updated as well as timely filling of tax returns because of the computerised accounting systems at Mukwano group of companies.

**Computerised accounting has aided tracking of revenue and expenditure leading to profitability in Mukwano group of companies.**

Thirdly, the study concluded that computerised accounting has aided tracking of revenue and expenditure leading to profitability in Mukwano group of companies; financial information produced by the system is of quality, meets the international accounting standards, is accurate and in addition the computerised accounting system facilitates creation of well-organized data base, has enabled Mukwano track sensitive transactions, facilitate timely preparation of the payroll and enhanced tracking of financial information at Mukwano group of companies.

# 8.5 Recommendations.

From the study findings, it was noted that there was lacking in customer care service decision making and accountability at Mukwano, thereby recommending that sensitizing customers on customer services and the products available whilst using promotions and test run services so as to capture customer attention giving them the ultimate experience in order to acquire quick customer service decision making process at Mukwano group of companies.

Customer relations should also be improved with reminder that customer is the boss and without them, there is no business so their relationship with the service provider is crucial and should always be kept in check through emphasizing anonymity in cases of customer feedback.

**8.6 Areas for further research.**

The current study focused on computerised accounting systems and financial reporting in Mukwano group of companies, the study then points to the following areas for empirical further studies;

Computerised accounting systems and its effect on employee performance in Mukwano group of companies.

Computerised accounting systems and service delivery in Mukwano group of companies.

Financial reporting and its effect on service delivery in manufacturing industries.

**REFERENCES**

Adesina, A. A. and Ayo, C.K. (2010), an Empirical Investigation of the Level of Users

Acceptance of E-banking in Nigeria, Journal of Internet Banking and Commerce, Vol. 15, No. 1.

Ajzen, I. & Fishben, M. (1980). Understanding attitudes and predicting social behavior.

Eaglewood Cliffs, NJ: Prentice Hall.

Baltzan, Philips (2008). Business Driven Information Systems. New York: McGraw-Hill/Irwin

Companies Inc.

Baren, V., (2010). The Importance of a Computerized Accounting Sys­tem.

Barney, Jay (March 1991). "Firm Resources and Sustained Competitive Advantage". Journal of Management.

Byenkya Denis Mark (2011)**;** the Impact of Computerized Accounting on Financial Reporting In

Manufacturing Firms in Uganda; a Case Study of Uganda Breweries Limited

Bell, S.J and Menguc, B (2005).Raising the Bar of Service Quality: The role of the Sales Person-

Organization Relationship and Organizational Citizenship Behaviors. New York.

Carol L. Cook (2002); How computers have simplified Accounting, <http://www.Yala.edu>

Codkind, A. (2005). “Automating the Business Process.” CMA—the Man­agement Accounting

Magazine

Elliot Berry and Robin Javis (1997); Accounting Business Context 3rd Edition, Thomson

Business Press London United Kingdom.

Elmaleh, M. (2007) Cost Saving from Computerized Accounting are Not What They Should Be

Evans D.S. and Schmalensee R., 1999, *Paying with Plastic: the Digital Revolution in Buying and*

*Borrowing*, published by MIT Press.

Fraenkel, J. R., & Wallen, N. E. (2000). *How to design and evaluate research in education* (4th ed.). New Jersey: TheMcGraw-Hill Companies, Inc.

Frank W. and Alans (1999); Business Accounting: Sixth Edition (International Student Edition

Pitman Publishing).

Frankwood & Alan Sangster (1999). *Business Accounting* 2 (Eighth edition), Prentice Hall, Britain.

Frenzel, C. W., (2006), Management of Information Technology

George J. Nacubo and Gerald W. Mc Kean (2000), Business Data Processing 2nd Edition

Houghton Mifflin Company, Printed in United States of America.

Greuning, H., V. (2006): International Financial Reporting Standards; A practical guide, 4thed.

The World Bank

Glen L. C (2002): Strategic Management and Marketing in Service Sector. Marketing Science

Institute, Christian, MA

Hall; M. (2001). Access to Higher Education Race, Resources & Social Exclusion. The Journal

Of South African & American comparative Studies

Hensley, R. (2008). “Owner Quandary: How Much to Spend on New Tech­nology?” Cincinnati

Business Courier.

Indira A. (2008). Computerized Accounting System .

John Sacco, (1998). *Financial Reporting in Government.* (Revised ed)**,** George Mason University.

Johnson S.P., Menor, L.J., (2000). A critical evaluation of the new service development process.

Thousand Oaks, CA Sage: 1-32.

Kakuru (2003); Financial Decisions and Business; Business Publishers, Kampala

Kirk. J. and Miller, M. L. (2006), *Reliability and Validity in Qualitative Research*, Sage Publication Inc.

Kothari, (2000) Research Methodology Methods and Techniques 2nd edition, New Age international publishers, New Delhi pp: 63

Lancouch, A.A. (2003), “The Perceived Threats to the security of computerized Accounting

Information Systems” The Journal of American Academy of Business Cambridge USA,

Larson et al (1998) Fundamental Accounting Principal; Eleventh Edition (Statement of Cash

Flow edition).

Malhotra, Y. & Galletta, D. F. (1999). Extending the technology acceptance model to account for

Social influence: Theoretical bases and empirical validation.

Marivic A. (2009), “Evaluating the security of computerized information systems: An Empirical

Study on Egyptian Banking Industry” Ph.D. Thesis, Aberdeen University, U.K.

McBride, P. (2000). *Guide to Computerizing your Accounting System*. Retrieved on December 20th, 2013.

McRae, T.W (1998). *Computers and Accounting 1st Edition.* Great Britain: Pitman Press Bath.

Meigs, F.R. and Mary. A (1998). Financial Reporting 9th Edition. United States of America:

Irwin McGraw hill publishers.

Meyer, Christopher; Schwager, Andre (2007): Understanding Customer Experience. (Harvard

Business Review, February 2007).

Morley; D. & Parker; C.S. (2009), Understanding computers today and tomorrow, 12th Edition.

Nasrin, M. (2010). Users Perception towards Using Computerized Accounting Software in

Leasing Companies in Bangladesh’. Journal of Socioeconomic Research and

Development.

Natuherwa Edris (2011); Customer care and customer satisfaction in hotels; a case study of

Sheraton Hotel. Un published master’s thesis

Neuman, (2006).Social Research Methods: Qualitative and Quantitative Approaches. 6thed

Boston, Pearson.

Noor Azizi, I. & Rosliza, M.Z. (2009). Usage of accounting information among Malaysian

Bumiputra small and medium non-manufacturing firms. Journal of Enterprise Resource Planning Studies. 2009(101113), 1-7.

Okoukoni; T. (2011). Computerization in the workplace and work effi­ciency of non-teaching

Employees of Lyceum of the Philippines University, Unpublished Thesis, Lyceum of the Philippines Uni­versity, Batangas

Olive Mugenda and Abel Mugenda (2009), Research methods in Special Education London:

Sage Publication

Onyango, (2002).Data Collection Instruments in Information Sciences and Practical

Applications. Colorado: West View Press.

McBurney, D. H. (2007). *Research methods*. New York: Matrix Productions

Sekaran, (2003). Research Methods for Business, A Skill-Building Approach (4th Ed.), New

York: John Wiley & Son Inc.

Sioco; B.N & Narvacan; J.C.P. (2006). The impact of Technology to Work­er’s Productivity

Between a Service Oriented firm and a manufacturing firm, Unpublished Thesis, AMA Computer College, Lipa City, Batangas

Vijayasarathy, L. R. (2004). Predicting consumer intentions to use on-line shopping: the case for

An augmented technology acceptance model*. Information & Management*, 41, 747-762.

Wahab, A. (2003). *An approach to Accounting 2nd Edition*. United States of America: Irwin McGraw Hill Publishers

Wang, Y. S. (2002). The adoption of electronic tax filing systems: An empirical study.

*Government Information Quarterly,* (20), 333-352.

Wynne, A. (2004). Is the Move to Accrual Based Accounting a Real Priority for Public Sector?

Accounting? *A century of innovation and responsibility in accounting 1904 –2004.*

Wuburoko E.S, (2001)**:** *Introduction to information technology* (second edition), I.A.C.E,

Makerere University, Edsoft computer institute.

**Appendix I: Self-Administered Questionnaires (SAQs)**

Dear respondents,

I am Nampinga Sheila a student from the school of Business Administration Nkumba University pursuing a degree of master of business administration (MBA) carrying out a research on “Computerised Accounting System and Financial Reporting in Mukwano group of companies as partial fulfillment of the requirement for the award of a Master’s of business administration (Accounting) of Nkumba University. You have been identified as someone with the required information for the study; therefore you are kindly requested to spare part of your time and answer the questions honestly. The information you provide will be treated with confidentiality and entirely used for purposes of the study.

**SECTION A: BACKGROUND INFORMATION**

*Instruction: Please tick against your most appropriate answer and fill the spaces provided.*

1. Gender : Male Female
2. Age group of respondents

20-30 31-40 41-50 51-Above

1. Highest level of Educational attained

Primary Secondary Diploma

Degree Masters PhD

**For each of the following statements in section B, C D and E below, specify your level of concurrence by ticking one of the given statements using the following 5 point scale defined as follows:**

|  |  |
| --- | --- |
| 1. | Strongly disagree |
| 2. | Disagree |
| 3. | Neutral |
| 4. | Agree |
| 5. | Strongly Agree |

**SECTION B: HOW COMPUTERIZED ACCOUNTING HAS STREAM LINED WORK FLOW IN MUKWANO GROUP OF COMPANIES**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Question** | **1** | **2** | **3** | **4** | **5** |
| 7. | The chart of accounts are updated on regular basis to reduce delays |  |  |  |  |  |
| 8 | Computerization aid quick customer service decision making process at Mukwano group of companies |  |  |  |  |  |
| 10 | Proper Accounting documentation Build closer ties with customers |  |  |  |  |  |
| 11 | Computerized accounting has enabled automatic update of customer loan accounts |  |  |  |  |  |
| 12 | The financial statements prepared by the system are reliable |  |  |  |  |  |
| 13 | There is easy preparation of customer accounts |  |  |  |  |  |
| 14 | There is proper storage of financial records |  |  |  |  |  |
| 15 | Computerized accounting system aids audit of accounts |  |  |  |  |  |
| 16 | Computerized accounting system has simplified tracking of receivables |  |  |  |  |  |

**SECTION C: ASSESSING HOW COMPUTERIZED ACCOUNTING HAS ENHANCED TIMELY PRODUCTION OF FINANCIAL REPORTS FOR PROMPT DECISION MAKING AT MUKWANO GROUP OF COMPANIES**

In your assess the level of agreement with the statement of how computerized accounting has enhanced timely production of financial reports

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Statement | 1 | 2 | 3 | 4 | 5 |
| 18. | Computerized accounting leads to timely generation of financial reports |  |  |  |  |  |
| 19. | Computerized accounting has ensured sound planning at Mukwano group of companies |  |  |  |  |  |
| 20. | Financial statements are readily available as and when it is needed |  |  |  |  |  |
| 21. | CAS enhances productivity of the accounting department. |  |  |  |  |  |
| 22. | Financial statements produced by the system is reliable |  |  |  |  |  |
| 23. | Financial information produced by the system is easy to understand. |  |  |  |  |  |
| 24. | Financial information produced by the system is dependable. |  |  |  |  |  |
| 25. | Customer accounts are easily analyzed and updated. |  |  |  |  |  |
| 26. | There has been timely filling of tax returns as a result of computerized system. |  |  |  |  |  |

**SECTION D: ASSESSING HOW COMPUTERIZED ACCOUNTING HAS AIDED TRACKING OF REVENUE AND EXPENDITURE LEADING TO PROFITABILITY AT MUKWANO GROUP OF COMPANIES**

In your view, assess the level of agreement with the statement that computerized accounting has aided tracking of revenue and expenditure leading to profitability

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 27. | Financial information produced by the system is of quality. | 1 | 2 | 3 | 4 | 5 |
| 28. | The financial information produced by the system meets the international accounting standards. (IAS). |  |  |  |  |  |
| 29. | Customer records generated are free from arithmetic errors. |  |  |  |  |  |
| 30. | The financial statements produced the system is accurate. |  |  |  |  |  |
| 31. | Computerized accounting has facilitated the creation of a well-organized data base. |  |  |  |  |  |
| 32. | Computerized accounting software has enabled Mukwano group of companies to track sensitive transactions. |  |  |  |  |  |
| 33. | Computerized accounting system facilitates timely preparation of the payroll. |  |  |  |  |  |
| 34 | Computerized accounting system has enhanced tracking of financial information |  |  |  |  |  |
| 35 | Data from the system can be retrieved with ease |  |  |  |  |  |
| 36 | Processing of information has been made faster as a result of the computerized system |  |  |  |  |  |

# Appendix II: Interview guide.

1. Do you understand computerized accounting?
2. Can you operate a computerized accounting system software?
3. Are the charts of accounts updated on regular basis?
4. Does computerization aid quick customer service decision making process and accountability at Mukwano group of companies?
5. Does proper accounting documentation build closer ties with customers?
6. Has computerised accounting enabled automatic update of customer loan accounts?
7. Does computerized accounting lead to timely generation of financial reports?
8. Has computerized accounting ensured sound planning at Mukwano group of companies?
9. Are financial statements readily available as and when they are needed?
10. Does computerised accounting system enhance productivity of the accounting department?
11. Is the financial information produced by the system of quality?
12. Does the financial information produced by the system meet the international accounting standards?
13. Are the customer records generated free of arithmetic errors?
14. Are the financial statements produced by the system accurate?
15. Has computerised accounting facilitated the creation of well-organized data base?
16. As computerised accounting enabled Mukwano group of companies to track sensitive transactions?