

A Benefits of Technology in Accounting

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Abstract- In the age of technology, it has been easier to manage the accounting process. Needless to say, the role of **information technology** in accounting is increasing day by day. Nowadays, most businesses, from large enterprises to small and medium entities, are using accounting information systems in managing their financial operations. In this paper an attempt has been made to highlight the role of technology in accounting process.

Keywords- Information Technology, Accounting System, Computerized Accountancy, Cloud accounting services, Traditional accounting systems.

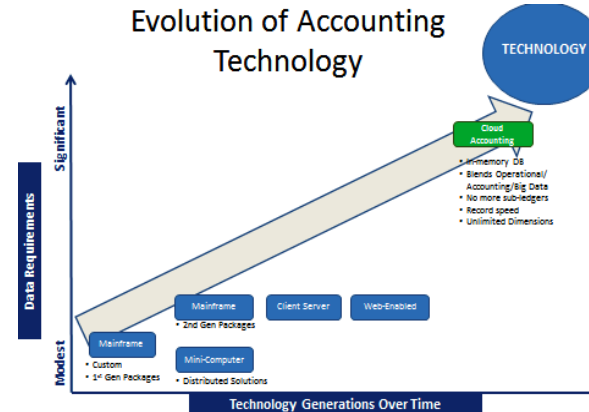


Figure 1 Evolution of Accounting Technology

I. INTRODUCTION

Accounting is a critical component of any business and organisation. Before the development of fast computers and accurate, easy-to-use and reliable softwares, accounting was processed manually. Of late, technology has become an important component of the accounting industry. The assimilation of **information technology** with the accounting system leads to enhanced accuracy and flexibility.

Advancements in **information technology** have dramatically altered accounting systems. Today, most of the organizations use computers as an integral part of their accounting systems. The storage, accumulation and processing of vast amount of data are now the responsibility of the computers. Accountants, on the other hand, are now spending more time operational auditing, financial analysis and managerial planning.

Why move to **computerized accountancy**? There are several good reasons, but what makes **computerized accountancy** a preferred choice is that it makes good business sense. Let's take a closer look:

III. METHODOLOGY

Accuracy is improved:

Accuracy in recording and reporting in accounting work is an absolute must. Unlike humans, computers are not prone to mathematical errors. One of the benefits of using computers in accounting work is that it reduces the possibility of incurring mathematical errors which is one of the problems associated with the manual system.

Speed:

Speed is synonymous with technology. The utilization of technologies results in faster preparation of accounts. You can generate information, reports and statements in a matter of minutes at the click of a button. What makes computerised accounting a cut above the **traditional accounting systems** is the speed of operations which characterise the former.

Mobile accountancy:

Mobile accountancy is the availability of accountancy services in a mobile ecosystem. With the rapid of proliferation of mobile devices, Mobile accountancy is quickly gaining traction, and its growth is impressive. Businesses are embracing the mobile accountancy by demand. Accountants are demanding mobile devices including smartphones and tablets so that they can have access to companies' key accountancy applications from their mobile devices.

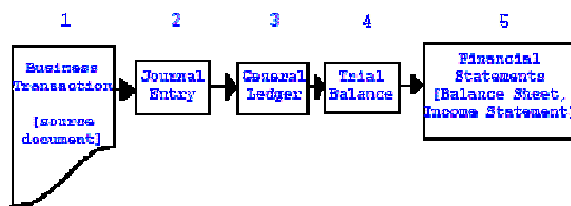
Cloud accounting services helps you save money:

Companies that are switching to cloud based accounting services are saving money and increasing profits. There are several benefits a business can enjoy with cloud computing. Cost savings is one of the reasons for switching to **cloud accounting services**. However, there are other advantages that go beyond money. You don't have to spend money in buying expensive business accounting software programs.



The burden on your company's budget is significantly less with **cloud accounting services** as well. Since there is no need to spend your time in maintaining and monitoring software in a cloud based architecture, this results in increased productivity for your company. Small businesses who have adopted **cloud accounting services** are now singing paeans to the technology.

Cloud accounting system brings adaptability and flexibility to your businesses whilst considerably reducing costs compared to **traditional accounting systems**.



It can be said without a shadow doubt that cloud computing has all the potential of transforming the way accounting is done.

For many businesses cloud computing is the way out for their accounting woes. Today it has come to the forefront in the technology world and is quickly gaining momentum. The reason why cloud solutions are finding favours with the businesses are not far to seek. One of the benefits of cloud

accounting solutions is that they can be accessed to the users from anywhere you may be. All that you need is an internet access.

However according to some experts, cloud based accountancy software is not reliable and secure as it exposes data to risks. Security is a key deterrent for the organizations to embrace cloud based accountancy. Though cloud computing infrastructure is elastic, scalable, highly available and accessible, but the concern that is uppermost in the minds of the users is that if it is safe.

Cost Savings:

There are a number of benefits a business can enjoy with computerized accounting. Cost savings are the most often cited reasons for switching to computerized accounting. To name a few, with computerized accounting companies can increase productivity and enjoy a greater level of flexibility.

In addition to the labour savings, computerised accountancy can be extremely cost effective for organizations thanks to the increase in the productivity of workforce. When you install accounting software, you incur up-front capital costs. But when it comes to cloud-computing, the onus of financing that capital costs is someone else's problem. Since cloud accounting is available in a pay-as-you-go pricing model, you don't have to pay for the software that isn't being utilized. Added to this, you always have the luxury of cancelling pay-as-you-go software at any time. This reduces the financial risk of any software that doesn't work.

V. CONCLUSION

It may be observed that advancements in technology in the forms of computer, mobile, tablets, internet, etc., can help a great deal in collecting, recording and summarizing financial data for management decision-making.

Computers are very effective in supporting many of the tasks that make up the accounting function. Today's paper-based accounting is almost obsolete in most of the organizations. Many companies are already leveraging the cloud computing amounting software. Accounting applications are well on their way to migrate to the cloud.

REFERENCES

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