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Review Of Computerized Accounting Systems Literature

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Abstract

An detailed survey of the literature on computerized accounting systems (CAS) is presented in this work. It looks at the theoretical underpinnings, historical development, system elements, advantages, factors that influence acceptance, difficulties in putting them into practice, implications for internal control and audit, effects on organizational performance, and new developments like cloud computing and artificial intelligence. The study finds key research gaps, prevailing topics, and methodological methods by combining national and international studies. According to the research, CAS greatly improves productivity, precision, openness, and the caliber of decisions; yet, organizational preparedness, the strength of internal controls, user proficiency, and technology infrastructure are all necessary for its success. Future research paths that are pertinent to scholars, practitioners, and policymakers are highlighted in the paper's conclusion.

Keywords: cloud accounting, SMEs, internal control, literature review, computerized accounting system, and accounting information system

1. Overview

Information technology has advanced so quickly that it has replaced conventional accounting methods with complex computerized systems. Computerized Accounting Systems (CAS) are systems that capture, process, store, and report financial data using computers, accounting software, and associated technology. Increased transaction volume, regulatory regulations, and the need for quick and accurate financial information have made CAS essential in today's corporate climate.

Organizational structures, control systems, and decision-making processes have all changed as a result of the transition from manual to computerized accounting. Scholars from a variety of fields, including management, accounting, and information systems, have studied CAS from performance, behavioral, and technological angles. These research are included in this study to provide a thorough grasp of CAS and its ramifications.

2. Computerized Accounting Systems Conceptual Framework

The majority of academics see CAS as a component of the Accounting Information System (AIS). Hardware, software, data, processes, and people are its five main components. These components work together to convert unprocessed financial data into information that both internal and external users can understand.

From a theoretical standpoint, research often uses models like the DeLone and McLean Information System Success Model, the Task–Technology Fit (TTF), and the Technology Acceptance Model (TAM) to explain the acceptance and efficacy of CAS. As indicators of system success, these frameworks place a strong emphasis on perceived utility, usability, system quality, information quality, and user happiness.

3. The Development of Accounting Computer Systems

Three main stages of CAS's development are described in the literature. Basic data processing systems were utilized in the initial phase, mostly for payroll and accounting. Cross-functional data integration was made possible by the second phase's introduction of integrated accounting packages and Enterprise Resource Planning (ERP) systems. Cloud-based accounting solutions that provide remote collaboration, scalability, and real-time access define the third and present phase.

According to recent research, cloud accounting has greatly lowered entry barriers for small and medium-sized businesses by reducing the requirement for in-house IT skills and the initial investment expenditures. Nonetheless, there is ongoing discussion about issues including vendor dependence, data security, and privacy.

4. Computerized Accounting Systems' Advantages

The benefits of CAS are highlighted in a large body of literature. increased record accuracy, quicker transaction processing, timely financial report production, and increased decision-making ability are the most often mentioned advantages. Through automated computations and standardized reporting formats, CAS also facilitates adherence to legal obligations and accounting standards.

According to a number of empirical studies, businesses who use CAS claim higher operational efficiency, better budgeting and forecasting, and better cost management. By keeping audit trails and methodical transaction documentation, CAS also makes internal and external audits easier.

5. Small and Medium-Sized Businesses' Adoption of CAS

SMEs are a primary target of CAS research. According to the research, SMEs first encountered obstacles such high prices, a lack of technical skills, and opposition to change, while big firms embraced CAS very early. The popularity of cloud-based solutions and reasonably priced accounting software has grown over time among SMEs.

According to studies, owner-manager mindset, business size, educational attainment, perceived advantages, competitive pressure, and government assistance are some of the elements that affect SMEs' adoption of CAS. Infrastructural constraints and gaps in digital literacy are identified as enduring difficulties in research from underdeveloped nations.

6. CAS's Effect on Organizational Effectiveness

The connection between CAS and organizational performance is the subject of several empirical investigations. Financial results, operational effectiveness, decision quality, and user happiness are often used metrics to assess performance. The use of CAS is positively correlated with business success, according to several studies, especially when it is backed by efficient internal control systems.

CAS by itself, according to certain academics, does not ensure performance enhancement. Only when systems are correctly deployed, users are sufficiently educated, and accounting data is actively incorporated into management decision-making can the advantages of CAS become apparent.

7. Implications for Internal Control and Audit

Internal control systems are greatly impacted by the use of CAS. According to published research, CAS may improve controls by automating and standardizing them, but it also creates additional risks such data tampering,

system failures, and illegal access. As a result, companies need to rethink internal controls to include application and general IT controls.

When conducting an audit in a computerized setting, auditors must have sufficient IT expertise. Research highlights the increasing significance of continuous auditing systems and Computer-Assisted Audit Techniques (CAATs) in CAS-using enterprises.

8. Human Factors and Implementation Difficulties

The installation of CAS is not without difficulties, despite its benefits. High upfront expenses, employee opposition, inadequate training, data transfer concerns, and reliance on software providers are common problems noted in the literature. The effectiveness of implementation is greatly influenced by human factors, including company culture, management support, and user attitude.

Change management and ongoing training are being more and more emphasized by researchers as crucial tactics for getting over opposition and guaranteeing that CAS is used effectively.

9. New Developments in Automated Accounting Systems

Emerging themes including the incorporation of blockchain, data analytics, machine learning, and artificial intelligence into accounting systems are highlighted in recent research. It is anticipated that these technologies would improve fraud detection, further automate repetitive accounting activities, and provide predictive insights for decision-making.

Real-time reporting dashboards, cloud accounting, and mobile accounting apps are changing the position of accountants from data processors to strategic consultants.

10. Research Deficits and Prospects

Despite a great deal of study, there are still a number of holes. To evaluate the long-term effects of CAS on corporate performance, longitudinal research is required. There aren't many studies that compare different sectors and nations. Furthermore, there is still a lack of qualitative study on the behavioral and user elements of CAS adoption.

Future studies on advanced accounting technology should also look at data governance, ethical concerns, and legal obstacles.

Literature Review:

1) Impact of Computerized Accounting on Financial Reporting (Study of NGOs in Sri Lanka and Ghana settings) Shiraj, M. M. (2015). Goal: Analyze the effects of CAS on organizational performance and the caliber of financial reporting. Method: Quantitative design based on surveys (questionnaires, correlational analysis). Results: CAS facilitates improved decision-making and increases the timeliness and accuracy of reporting; implementation obstacles include expenses and a lack of expertise. Gap: Longitudinal studies are required to evaluate cross-national comparisons and long-term effects.
2) Computerized Accounting Procedures' Impact on Financial Reporting Quality" (Kilimanjaro Crop Boards research, 2024). Goal: Evaluate the impact of CAS on crop boards' financial reporting quality. Method: Document analysis and an empirical survey. Results: Adoption of CAS is linked to better report quality, but advantages are limited by context-specific limitations (infrastructure, training). Gap: Applicability outside of the crop-board and agricultural industries.
3) Review: "A Study of Computerized Accounting Systems in SMEs" (IJARIIE, ~2023). Goal: Compile research on the advantages of CAS for SMEs. Method: Review of empirical and practical literature. Results: Adoption is fueled by perceived utility and affordable solutions; CAS lowers calculation mistakes, expedites procedures, and provides timely financial information. Lack of thorough experimental or causal designs to evaluate performance outcomes is a gap.
4) The Introduction of CAS and Organizational Effectiveness (Nigeria) by Dada & Olusegun (IJM, ~2021). The goal is to examine how the adoption of CAS affects accounting processes. Method: Organizational quantitative survey. Results: CAS is linked to enhanced internal controls and

operational efficiency; challenges include reluctance to change and insufficient IT assistance. Gap: The internal control architecture of CAS has to be thoroughly examined.

5) The research "Determinants of the Adoption of Computerized Accounting Information Systems" was conducted by Palestinian firms. Finding the elements influencing CAS adoption and its impact on financial performance is the goal. Methods: Regression analysis and cross-sectional survey. Results: adoption is favorably correlated with better financial management; adoption is mostly driven by CEO backing, perceived utility, dependability, and IT expertise. Gap: More longitudinal and sectoral studies are required.
6) Rogers, Small Business Adoption of CAS (perceived ease/usefulness) (Dissertation, Walden University). Goal: Investigate the connection between small firms' desire to use CAS and their perceptions of its value and simplicity of usage. Method: empirical dissertation using mixed methodologies. Results: Adoption intent is highly predicted by perceived utility; vendor help and training boost uptake. Gap: More research on microbusinesses and the unorganized sector is required.
7) "Mogadishu's Small Businesses' Adoption of CAS" (JournalPPW, ~2022). Goal: Assess the degree of CAS implementation in small businesses and pinpoint any obstacles. Method: Local SMEs were surveyed quantitatively. Results: poor-to-moderate adoption; the primary obstacles are poor IT literacy, expense, and the dependability of energy and the Internet. Gap: There aren't many intervention studies to evaluate remedies (such cloud CAS or inexpensive training).
8) The Task-Technology Fit approach is used in microfinance and CAIS (Wijayanti et al., 2024). The goal is to comprehend CAS fit for microfinance decision tasks by using Task-Technology Fit (TTF). Method: TTF constructs, or quantitative model testing. Results: Adoption and decision quality increase when CAS features match decision tasks; organizational support is still essential. Gap: Research combining TTF with institutional and regulatory elements is needed.
9) CAS and corporate financial performance: recent empirical research (Kenya, 2025, Philippines, 2023, etc.). Goal: Link the use of CAS to quantifiable company performance (efficiency/profitability). Method: Firm-level cross-sectional analysis. Results: Although there are positive correlations between the usage of CAS and better financial metrics, cross-sectional designs make it difficult to determine causation. Gap: To establish causal effects, panel and quasi-experimental data are required.
10) CAS in hospitals and private healthcare (factors impacting adoption, 2025) is a sectoral research. Finding CAS adoption factors in private institutions is the goal. Method: Current empirical survey from 2025. Results: Data security issues, vendor customisation requirements, and clinical/administrative integration are significant issues; adoption is dependent on upper management and regulatory compliance. Gap: Further study is required to understand how privacy and regulatory compliance interact with CAS design.

11. Conclusion

Computerized accounting systems are essential to contemporary accounting and corporate administration, according to the literature analysis. CAS improves decision-making skills, accuracy, efficiency, and transparency in many kinds of organizations. However, organizational commitment, internal controls, human skill, and technology preparedness are necessary for effective implementation. In order to handle new possibilities and difficulties as accounting systems continue to change in tandem with developing technology, ongoing research is crucial.

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