**Application of Information Technology in Accounting**

**ABSTRACT**

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# **ABSTRACT**

Many organizations have evolved from account booking keeping era to computerised accounts databases management systems. The effectiveness and efficiency of accounting software’s depends on performance and usefulness of the accounting software’s with reduced dependency of manual interventions in financial record maintenance and statement generations. This can be achieved by automation of the financial statement generation, strong data validation rules etc.

To achieve competitive advantage organization acquiring accounting software’s for data validation and generation for financial statements is not sufficient, apart from financial statements generation the capability of analysing the financial statement for effective, accurate and timely decision making process is required. The accounting software should also include the business intelligence handle for analysing the financial statement, apart from data validation and financial statement generation serves as an extended accounting software’s commonly referred as Accounting Information System (AIS). The concern in many organizations is to identify the extent of inter-dependency between the accounting processes and other businesses processes in order to achieve effectiveness in the decision making process.

The main objective of this project is to identify and establish the effect of different information technology software applications in the accounting sector of any organization. The goal of this project is to identify the relationship between the accounting information system (AIS) and an organizations many other business process for organization’s profitability. AIS is the briefly defined as the set of different hardware and/or software systems inter connected to collect, store, process, retrieve the crude financial to generate processed and clean financial information to be used by the management for decision making purpose. Therefore, impact of AIS on elements of organizational performance such as: performance management and financial performance is examined. The objectives of this study includes the creation of the Accounting Information System.

Accounting Information System in this project in a nutshell would be a three step process using three different software’s with varying complexing at each step: Data Validation forms the first step of the Accounting Information System. In this step a standard Microsoft excel software is used with basic data validation rules and summation logic to be incorporated to form the balance sheet, it is up to the personals due diligence to enter the entries in balanced format. The Second step of the Accounting Information System would be a software to read the data from the balance sheet generated from the first step and form different financial statements such as Income Statement etc. The final step of the Accounting Information System be the Business intelligence system which wold take the journal entry excel sheet of an organization and analyse the data to generate dashboards, weekly/monthly/yearly reports, project graphs etc. which would be effective for decision making process

.Conclusively, the study would majorly focus on different information technology software’s for varied difficulty level for collecting, storing, retrieving and maintaining accounting information invariably referred as accounting information systems with extended capability of analysing the accounting information for advanced, accurate, efficient knowledge for enhancing the decision making process of an organization to achieve competitive advantage over the other equally competent organizations in the market.