BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

THE EFFECT OF THE ADOPTION OF A COMPUTERISED ACCOUNTING SYSTEM AT APPLEVINE (PVT) LTD.

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DISSEYATION SUBMITTED TO BINDURA UNIVERSITY OF SCIENCE EDUCATION
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BINDURA, ZIMBABWE
BINDURA UNIVERSITY OF SCIENCE EDUCATION

THE EFFECT OF ADOPTION OF A COMPUTERISED ACCOUNTING SYSTEM ON THE PERFORMANCE OF APPLEVINE (PVT) LTD.

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF ACCOUNTING DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION, FACULTY OF COMMERCE.

OCTOBER 2010
TOPIC: THE EFFECTIVENESS OF THE ADOPTION OF
COMPUTERISED ACCOUNTING SYSTEM BY APPLE VINE (PVT) LTD

1. TO BE COMPLETED BY THE STUDENT

I certify that this dissertation meets the preparation guidelines as presented in the Faculty guide and instruction for presentation dissertation.

................................................. .................................................

(Signature of student) (Date)

2. TO BE COMPLETED BY THE SUPERVISOR.

This dissertation is suitable for submission to the Faculty. It has been checked for conformity with the Faculty guidelines.

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Signature of Supervisor (Date)

3. TO BE COMPLETED BY THE CHAIR OF THE DEPARTMENT.

I certify, to the best of my knowledge, that the required procedures have been followed and the preparation criteria has been met for this dissertation.

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ABSTRACT

This research sought to assess the effectiveness of the adoption of a computerised accounting system by Apple Vine (PVT) LTD in resolving the problems which were being faced at the company. These problems include failure to produce timely information, many errors and poor presentation and documentation of work. The objective of this research is to investigate the effectiveness of adoption of Computerised Accounting System in addressing these problems. In this study the researcher used the case study method in order to focus the research resources on one entity. The population in this study had 41 individuals from which a sample of 12 was chosen comprising of three company accountants, two managers, one executive director, and three logistics department workers and three other employees from selling and distribution department. These people were selected because they were considered to be the most affected either directly or indirectly by the adoption of Computerised Accounting System of the company. The researcher mainly relied on primary source of data collection as it allowed for new ideas and most relevant information. The instruments used for primary sources are questionnaire and interviews. The major findings of the research revealed that the adoption of a Computerised Accounting System has led to improvement in performance of the company even though there was an increase in some costs. It is recommended that the company uses accounting packages such as Pastel. In order to set a proficient accounting system, the firm must set a training program that will equip employees who use the computer system with any latest development concerning the system. The company can also maximise on the benefits of computerisation by setting a local network to enable sharing and fast transfer of data and this can save time and reduce printing costs.
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DECLARATION

I Allen Tatenda Mbiru, hereby declare that this project is my own work and has not been copied or lifted from any other source without acknowledgement.

Signed……………………………………..

Date…………………………………………

v
DEDICATION

I dedicate this research project to my parents.
ACKNOWLEDGEMENTS

The researcher would like to express profound gratitude to Apple Vine (PVT) LTD staff especially Mr S Chiripamberi, Mr Nemunyadzo and Mr Nyakupinda for their assistance during the research. Many thanks go to my supervisor, Mr Mabhungu, for his expert advice and guidance during the research project, not forgetting all those who gave me support. Special thanks also go to my brother, Blessing Machiva for all the assistance he gave me. I would also like to praise the almighty for his guidance and mighty powers.

Thank you
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CHAPTER I

INTRODUCTION

1.0 Introduction

This chapter introduces the reader to the general research problem and what the researcher aims to achieve at the end of the research. It looks at the general background of the study area and explains the operations within Apple Vine (PVT) LTD. This project explores the use of computers and its importance and how the adoption of a Computerised Accounting System affected the performance of Apple Vine (PVT) LTD. The chapter also highlights the significance of the study, assumptions, limitations and delimitations of the research study.

1.1 Background

Apple Vine (PVT) LTD is a developing company which was formed in March 2006. The company sells phones, lines and airtime at wholesale prices and since the company was formed, a manual system was used to carry out all the transactions which include receipting, invoicing, bookkeeping, recording of serial numbers and controlling stock movement until towards the year end of 2009 when a computerized system was introduced. The company was expanding at a fast rate and hardly three years after its formation, had the company already reached a stage where all the transactions needed to be processed in a paperless environment. The manual system failed to produce accurate records thereby creating loopholes at the company. There were many shortfalls which were recorded as a result of the manual system and there was a lot of information which was missing and it was difficult to track where the shortfalls were coming from. The company lost thousands of dollars which could not be accounted for, thus the need of a new system to improve the situation.
“The decision to automate your accounting system generally depends on your need to have accurate, consistent, and timely data in a variety of reporting formats.” (Guide to computerizing your accounting system 2006). The introduction of computers at the company especially in the accounts sector was necessary because of massive volume of different types of transactions which take place daily. The company introduced the use of computers in October 2009, thus the need of this research to evaluate the changes, if any brought by the adoption of a Computerised Accounting System.

1.2 Statement of the problem

Before the introduction of computer systems, reports were always produced late and inaccurately and the documentation of work was very poor. High operational costs were incurred and if these problems are not addressed they may affect the feasibility of business processes as well as achievement of company’s objectives.

1.3 Objectives of the study

The research proposes to investigate into the effect of adoption of a computerized accounting system on the performance of Apple Vine (PVT) LTD.

The main objectives of this study are:

1. To investigate whether management accounting reports are being produced timely.
2. To investigate whether the frequency of reporting has increased as a result of computerised accounting system.
3. To assess whether Computerised Accounting System has resulted in reduction of operational costs and/or increase in profits.
4. To explore how the use of Computerised Accounting System has impacted on internal controls.
5. To find out if the information being produced now is accurate.
6. To assess whether staff morale has increased since the introduction of Computerised Accounting System.

7. To evaluate whether the company is making use of the information produced by Computerised Accounting System to make decisions.

1.4 Research questions

1. Are management accounts reports being produced in time?
2. Has the frequency of reporting increased as a result of computerised accounting system?
3. Has Computerised Accounting System resulted in reduction of operational costs and/or increase in profits?
4. How has the use of Computerised Accounting System impacted on internal controls?
5. Is the information being produced now more accurate?
6. Has morale of staff been increased by the introduction of Computerised Accounting System?
7. Is the company making use of the information produced by Computerised Accounting System to make decisions?

1.5 Significance of the study

1.5.1 To Bindura University

- Computerization has affected nearly all the sectors of the economy and society as a whole and this study will go a long way in highlighting the computer systems that are common and their uses and how they add value thus the can be utilized as library material in equipping other
students with relevant data.

- The research is carried out in partial fulfilment of the requirements of a Bachelor of Science Degree in Accounting that the researcher is undertaking at Bindura University of Science Education.

1.5.2 To Applevine (PVT) LTD

- The research seeks to give an insight about computerisation to Apple Vine (PVT) LTD and bring out fundamental issues surrounding Computerised Accounting Systems and come out with practical recommendations of what the company can do.
- This study exposes weaknesses that exist within the area of study within company and paves way for change in order to improve performance. It is only hoped that from this research the company will realize how beneficial is the use of designated approaches to Computerised Accounting Systems in achieving departmental and organizational objectives as well as improving accuracy on company reports.
- The study is expected to come out with good ideas which can lead to improved business performance and improved accuracy. There is also likely going to be less pilferage due to effective controls put in place by computerised system.

1.5.3 To the Student

- The research is carried out in partial fulfilment of the requirements of a Bachelor of Science Degree in Accounting that the researcher is undertaking at Bindura University of Science Education.
- This study will go a long way in equipping the student with relevant knowledge which may be of great use in his career.
1.6 Assumptions of the research study

- Other factors which may affect performance were held constant.

1.7 Delimitation

- The study will mainly focus on Apple Vine (PVT) LTD head office which is in the central business district of Harare where the researcher was based. However, the company has other branches around Harare and in Marondera, Masvingo, Bindura and Chinhoyi.

- The research will be covering the period from 2008-2010.

- The research will focus on the use of computers in the accounting department only although other departments also adopted computerised systems.

1.8 Research limitations

- Some of the respondents were not yet employees at the organisation when the computerised system was adopted nevertheless some questions require background knowledge.

- Some of the information requested in the research for secondary source was too confidential and could not be disclosed to the researcher, however, the researcher capitalized on the available information and resources to carry out the study.

1.9 Definition of key terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Performance</td>
<td>The way business is carried out and the output result that permits evaluation and comparison relative to goals, standards, past results, profitability, growth and labour turnover</td>
</tr>
<tr>
<td>AIS</td>
<td>Accounting Information System- used interchangeably with accounting system</td>
</tr>
</tbody>
</table>
1.10 Chapter Summary

This chapter highlighted background of the research, statement of the problem and main purpose of carrying out the study. The first chapter formed the framework of the study and gave an insight for the reasons of carrying out the study. The next chapter is going to cover literature review.
2.0 Introduction

This chapter considers relevant material from various sources by analysing and evaluating them in line with the literature that is related to this study. It involves the documentation of a comprehensive review of published and unpublished work from secondary sources of data in the areas of specific interest to the research. The chapter’s outline is guided by the research objectives.

2.1 Computerised Accounting System defined

Computerised Accounting System is a system of accounting which involves use of computers, contrary to Manual Accounting System whereby all the accounting is done physically. According to Vitez (2009) Computerised Accounting Systems are complex software programs developed to enhance traditional accounting methods. The use of a computer affects the generation of transactions, the processing of these transactions, the storage and communication of information, and could have an impact on the accounting and internal control system. Vitez further described computerised accounting as beneficial use of current technological advances which has revolutionised the traditional paper methods of accounting.

2.2 Timing and frequency of reporting
Computers simplify work and enables production of reports in time if well used. Burgess (1997) put forward that the major benefits of implementing a Computerised Accounting System are to increase business efficiency and to facilitate timely information. In line with production of timely information, Adeline put forward that computerized accounting saves a lot of time since the employees have to record the transactions alone and all the other calculations would be carried out by the software either automatically or by request. However, on the other side she argued that some software takes much time and resources.

Hadler (2009) put forward that the introduction of computerised accounting systems provides major advantages such as speed and accuracy of operation, and the ability to see the real-time state of the company’s financial position and can provide instant reports for management. In agreement of production of timely information Cook (2010) wrote that:

“Because of the minute by minute change in finances, accurate record keeping is critical. Computerizing a business’s general ledger, payroll, and other accounting tasks increase office efficiency. With a computer, you can request and receive an in house balance sheet, an income statement, or other accounting reports at a moment’s notice. While keeping your check book on a computer may not be practical, computers are great for handling complex home financial records. You can get statements on net worth and year’s tax deductible expenses within minutes”.

According to Elmaleh (2008) in a computerized system the entire multiple steps of a manual system are collapsed into one entry and financial statements can be created at any time and as often as needed.

2.3 Cost reduction.

Hadler (2009) put forward that computerised accounting programs reduce staff time doing accounts and reduce audit expenses as records are neat, up-to-date and accurate. In line with reduction of costs, Dalci and Tanis (2003) has it that the use of computers by cost/management accountants will help them
facilitate the use of JIT production system which enables companies to provide their customers with goods and services on time and minimise all kinds of inventory in order to minimise inventory related costs.

2.4 Impact of Computerised Accounting System on internal control.

Romney et al (1997) defined internal control as the plan of organisation and the methods which a business uses to safeguard assets, provide accurate and reliable information, promote and improve operational efficiency, and encourage adherence to prescribed managerial policies.

According to Srinivasan (2009), the exercise of computer for processing and storing accounting information may affect the structure and nature of internal controls introduced by the endeavour.

Weber (2010) has it that computerized accounting provides better internal control report system for any given period of time (computer can control thousands indicators simultaneously and create notifications to the appropriate departments or workers if some indicators do not correspond to the normal state), while manual control takes more time.

Basset (1993) wrote that, “... as systems become computerized, the internal controls for that system have to be adapted accordingly. This is because computerized systems bring with them certain unique problems that can only be removed or minimized by adapting the present controls and adding new controls”. The journal further says, “If a computerised system is not set up properly and certain checks not put in then the computer system can be used to defraud the company. The fact that it is difficult to trace who enters the data only adds to the magnitude of this. In order to minimize the risks of errors or fraud occurring in the computer system certain controls have to be put into place. These controls can be broken up into three different categories. They are Administrative Controls, Systems Development Controls and Procedural Controls Administrative.”

2.4.1 Administrative controls
According to Basset (2003) administrative controls are placed on the system to ensure the proper organisation and processing of data. These administrative controls include division of duties, operation controls and file controls.

2.4.1.1 Division of duties

Basset (2003) put forward that duties are assigned to different individuals in the organisation so that no one person can have full control over a transaction and operating of the system. Having one person controlling the system can result in fraud if that person is not trustworthy. Division of duties prevent the company from becoming totally dependent on one person controlling the system, should that person leave no one runs the system. The division of duties ensures that employees can leave without having any major effect on the system.

Romney and Steinbart refer to segregation of duties as dividing responsibility for different portions of a transaction among several people to prevent one person from having total control over all aspects of a business transaction. They further said that segregation of duties make it difficult for an individual employee to steal.

2.4.1.2 Operation Controls

According to Basset (2003) operational controls include rotation of duties, duty logs, and a manual of operating instructions, attendance controls and computer logs. These determine what the computer systems and the employees using them have been doing and allow an audit track of exact actions to be carried so that any errors or improper actions can be easily spotted.

2.4.1.3 File Controls

Basset (2003) has it that file controls are put in place to minimise the number of errors that occur in the file system. These include availability of a skilled technician, proper labelling and indexing of files, protection of storage media from dust, humidity etc. and back up facilities. File controls protect vital
information to the organisation from tempering. Also the protection of the hardware must be put in place as it is a valuable asset of the company. Computer hardware must be placed in a secure area where there is only access to those who need to use it. In line with filing system Romney and Steinbart highlighted that adequate documentation of all business transaction is the key to accountability and well-designed documents and records can help organisations quickly identify potential problems.

2.4.2 Systems Development controls

Basset (2003) described systems development controls as those controls that are put over the design and implementation of the system to ensure that it is developed with a minimum number of errors. These include standardisation, involvement of management, testing controls, and training, running the old and new system concurrently for comparison reasons.

2.4.3 Procedural controls

Procedural controls are placed on daily running of the system to detect whether a system has been tampered with.

2.5 Accuracy of information.

Vitez (2010) agrees that computerized systems allow accountants to create trending analysis and report any variances quickly and accurately. In line with production of accurate information, Hadler (2009) says that Computerised Accounting System provides major advantages such as speed and accuracy of operation.

Dalci and Tanis (2002) outlined that the use of computers enables accountants to perform their activities more effectively and efficiently than before. They further said, “In manual accounting information systems, processing of data is slow and subject to error. Fortunately, improvements in the technology have enable companies to collect, process and retrieve data quickly. In addition there is less likelihood for error when data are processed with
However, Basset (2003) argued that processing errors can occur due to bad design of the program since the computers do all calculations. This can be difficult to detect especially if the error does not occur frequently and only does so under particular conditions.

2.6 Impact of Computerised Accounting System on staff morale.

Hadler (2009) put forward that the computerised system will require staff to be trained to use new skills, which can make them feel more motivated. Further to this with many ‘off-the-shelf’ packages the training can be outsourced and thus making a particular staff member less critical of business operations.

2.7 Impact of Computerised Accounting System on decision making.

Ismail (2003) put forward that with proper systems, new and updated financial information could be readily available for purposes of making decisions. They further said the systems need to be able to capture the non-financial information to support the financial information for better decision making.

Reports can be produced which will help management monitor and control the business, for example the aged debtors analysis will show which customer accounts are overdue, trial balance, trading and profit and loss account and balance sheet (College Accounting Coach, 2009).

With the computer, the extensive application in various fields, more and more companies began to use computers to carry out financial accounting and financial management, such practices contributed to the improvement of corporate financial accounting standard for enterprise management and related departments to provide a more accurate, a more comprehensive and timely information on financial decision-making. (Article-Discussion on the implementation of computerized accounting companies audit, 2010)
In line with decision making, Romney and Steinbart (1997) outlined that the primary objective of accounting is to provide information useful to decision makers.

Computerised Accounting System allows production of timely information. According to Aminu (1986) cited in Ajayi et al (2007), where information required for planning are not available at the appropriate time, there is bound to be poor planning, inappropriate decision making, poor priority of needs, defective programming or scheduling of activities.

2.8 Findings from previous researches

Al-Shammari and Al-Shaikh (1993) carried out a study entitled „Computer utilisation in Jordanian industrial companies“. The sample of the study was composed of 41 companies. The research indicated the majority of companies use computers in their premises, with the computer usage varying according to organizational size. The major advantages of using the computer were: speed; accuracy; cost reduction; storage and retrieval capability; and performance of complex operations.

Ilias et al (2010) carried out a research entitled “End-user computing satisfaction in Computerised Accounting System” at University of Malaysia Sabah which attempted to measure the end-users satisfaction of computerised accounting system using multiple regressions by determining the significant effect of seven factors that influence end users’ satisfaction. This study indicated that most of end users are almost satisfied with the computerised accounting system. In addition, this study has enabled to identify the most critical factor that influences end-user computing satisfaction towards computerised accounting system. The results show that ease of use, content, and accuracy has a significant effect on end-users satisfaction. The Ilias el al concluded that usability of computerised accounting system is enormously important in producing accurate output or content of computerised accounting system.

Dalci and Tanis (2001) have concluded in their research at Eastern Mediterranean University on benefits of Computerised Accounting Information System (CAIS) in the JIT production system that CAIS has brought significant time and cost savings and has brought a chance for companies to progress toward paperless office. This research proposes to go beyond Dalci and Tanis in that it brings out the types of costs which were affected and how they were affected.
2.9 Chapter Summary

This chapter focused on the literature review, and various ideas by different authors relevant to the study were highlighted. The chapter also touched on researches done before in relation to computerisation of accounting systems. The next chapter explains the methodology used to carry out the study. It highlights the research design, the sample population and plan and the instruments used in the research. The chapter also looks at the data collection methods and pilot studies.
CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The chapter serves the purpose of explaining the methodology adopted by the researcher. With the topic and the objectives in mind, the researcher had to come up with the best ways to achieve the objectives through the mixing of various research instruments. The instruments selected were mainly based on getting information which would suit the area of study. This chapter will show how the research was carried out and it will go to some extent in explaining the choice of the method used. This chapter also evaluates the design of the population within which the research was conducted, samples drawn from therein and data collection methods used for this research project. It concludes with the consideration of the methodology for presentation of data and analysis of findings.

3.1 Research Design

In this study the researcher used the case study method in order to focus the research resources on one entity, which the researcher could gain enough access to conduct a valid research. Case study can be defined as the development of detailed intensive knowledge about a single case.

The case study design method was used because it allowed evidence to be verified and avoided the missing of data. It went on to give an emphasis in a full context of fewer events or conditions and their interrelations. It allowed the use of multiple sources of evidence and enabled rich information to be gathered from which potentially useful suggestions were generated.
3.2 Subjects

3.2.1 Population

The population in this study refers to the group of individuals which the researcher interviewed in carrying out the research study because of their relevancy. It comprised of three company accountants, three managers, eight logistics department workers, three executive directors and twenty four selling and distribution employees.

The population is tabulated on Table 3.1

Table 3.1: Population

<table>
<thead>
<tr>
<th>Description</th>
<th>No. Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td>3</td>
</tr>
<tr>
<td>Managers</td>
<td>3</td>
</tr>
<tr>
<td>Accountants</td>
<td>3</td>
</tr>
<tr>
<td>Logistics department</td>
<td>8</td>
</tr>
<tr>
<td>Selling and distribution</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total population</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

3.2.2 Sampling

In carrying out this research, the researcher used sampling because all the information necessary for the research to be conducted could be ascertained faster at a much lower cost. The Sampling theory says a correctly taken sample of an appropriate size will yield results that can be applied and provide a good representation of the population as a whole. The researcher used the sample because he deemed it would provide information that is accurate and it is also economic, both in terms of time and money. Overly, it allowed for greater control over available information, since it is a manageable technique.

From the population stated above the researcher chose a sample of three company accountants, two managers, one executive director, and three logistics department workers and three other employees from selling and distribution department as shown in Table 3.2 below. These people were selected
because they were considered to be the most affected either directly or indirectly by the adoption of Computerised Accounting System of the company, all believed to be well acquainted with the use of computers.

Table 3.2: Sample

<table>
<thead>
<tr>
<th>Description</th>
<th>No. Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>2</td>
</tr>
<tr>
<td>Accountants</td>
<td>3</td>
</tr>
<tr>
<td>Logistics department</td>
<td>3</td>
</tr>
<tr>
<td>Selling and distribution</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

3.2.3 Sampling Procedure

Of the population stated above, all the accountants were selected to be respondents i.e. no sample was taken because they were few and the most affected by the area under study.

The sampling procedure for the other groups was classified into two, which is judgmental and convenience sampling.


3.2.3.1 Judgmental Sampling

Castillo (2009) defined judgmental sampling as a non-probability sampling technique where the researcher selects units to be sampled based on their knowledge and professional judgment.

Judgmental sampling is based on personal opinion that the elements (persons) chosen will likely give accurate information. The underlying assumption is the researcher’s subjective belief that the opinions of a group of perceived experts on the topic of interest are representative of the entire target population. The researcher chose three out of eight logistics department workers and three of the twenty-four selling and distribution with the belief that they were knowledgeable enough to provide relevant information about the study, which would represent the whole population.

3.2.3.2 Convenience Sampling

Castillo (2009) defined Convenience sampling as a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

Participants are selected in a way that the easiest population members from which to obtain information are chosen. Respondents who are convenient or readily accessible to the research are used. One of the three executive directors and two of the three managers were selected using this sampling method.

The research chose convenience sampling because it saved on time since respondents who were readily accessible were chosen.

3.3 Research instruments

The researcher used both primary and secondary sources to collect data. These two methods complement each other. The researcher mainly relied on primary source as it allows for new ideas and most relevant information. The instruments used for primary
sources are questionnaire and interviews.

3.3.1 Primary sources of data

Booth (2008) emphasized that primary sources provide the raw data that you use first. Primary data collection used by the researcher involved collecting data personally using interviews and questionnaires. The key point is that the data collected from primary sources was unique to the researcher and his research. The primary data may be qualitative in nature (usually in the form of words) or quantitative (usually in the form of numbers or counts of items assessed), but this study relied heavily on qualitative methods. The researcher used primary sources because the data obtained is current and gives a realistic view to the researcher about the topic under study.

3.3.1.1 Questionnaires

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents-Galton (1901). The researcher used structured questionnaires to enable standard questions and responses which made allowance for easy data analysis. In preparation of the questionnaire, the researcher presented the questions chronologically with simple English. The researcher used questionnaires to gather information from personnel who seem to be qualified to give a true and representative opinion of the sample based on their level of experience and how they were affected by the adoption of Computerised Accounting System. The questionnaires were made up of open ended and closed questions. The advantage of closed questions is that they are easy to analyse and quick to answer while the disadvantage is that the respondents are forced into an answer, which can only approximate what they want to say. Open ended questions were used to allow respondents to answer according to their own thinking. Respondents gave their views and new ideas which the researcher had not considered at first. The disadvantage of open ended questions is that some of the responses could not be quantified thereby making the analysis of data difficult.
**Advantages:**

- The researcher used it as a method in its own and as a basis for interviewing
- It allowed the researcher to cover a large number of people or organisations at the same time.
- Relatively cheap. It was economical to the researcher
- Respondents were allowed to consider responses. Questionnaire places less emphasis for immediate response. Respondents have enough time to browse through, understand questions and put their facts together before answering.
- They reduce bias; no interview bias. The researcher's own opinions did not influence the respondent to answer questions in a certain manner. There were no verbal or visual clues to influence the respondent.

**Disadvantages:**

- Traditionally slow response rate. However inducements helped and the researcher had to send reminders as the need arose. The researcher used well-designed questionnaires to improve response rates. The researcher also set a deadline to overcome the problem.

**3.3.1.2 Interviews**

R Nordquist (2007) defined interview as a conversation in which one person (the interviewer) elicits information from another person (the subject or interviewee).

An interview is a purposeful discussion between two or more people. It is a face to face questionnaire used to gain access to what is “inside a person’s mind”. The researcher used the questionnaire as the interview guide. The interview questionnaire was administered to only 5 individuals comprising of two accountants, one manager, one employee from logistics and one from selling and distribution department. The interviewee’s were asked questions and their various responses were recorded on the questionnaire by the researcher. Interviews allowed instant feedback which enabled the researcher to effectively appraise the validity of the
responses that were given. Questions that were not understood were rephrased and repeated for 
better apprehension. The interviews were very easy to control and there was a very high response 
rate. The method was efficient in collecting relevant data since the interviewer could ask more 
questions and read additional observations about the respondent such as body language. There 
were low chances of misconception of questions since the respondents were able to ask for 
clarity of questions from the interviewer. The interviewer could also make follow-ups on 
attention-grabbing responses. However, personal interviews had their drawbacks. Personal 
interviews proved very time consuming and they permitted interviewer and interviewee bias. The 
researcher read out the questions in the same tone so as to eliminate any bias emanating from any 
changes in tone of voice.

3.3.2 Secondary sources of data

R. Nordquist (2007) defined secondary sources as information that has been gathered by 
researchers and recorded in books, articles, and other publications. In this research secondary 
data was obtained from the company’s financial statements and reports on the research subject. 
Secondary data was mainly used in assessing whether there were any changes in production and 
presentation of reports since the adoption of a computerised accounting system. It was 
convenient for the researcher as the data was readily available and cheaper to obtain. The use of 
readily available materials did not interfere with the primary sources of the study but were 
mainly used for comparative purposes. However more reliance was placed on primary data 
obtained by the researcher to carry out the research.

3.4 Data collection procedures

The researcher prepared a questionnaire which was then distributed to the targeted population. 
The researcher distributed the questionnaire by hand to individuals and gave them ample time to 
answer before retrieving the questionnaires. Follow ups and reminders were used to motivate the 
respondents to complete and the entire population responded positively. The researcher collected 
the questionnaires and managed to get all the questionnaires in time and made use of the 
information obtained.
Appointments for interviews were made with individuals and this was done by confrontation. Interviews were carried out after all the questionnaires were returned as a way of probing to various responses from the respondents.

3.5 Pilot study

This is a small-scale trial prior to the main survey that tests all question planning. Christensen (1994) defines a pilot study as: “An experiment that is conducted on a few subjects prior to an actual collection of data.” The value of this stage, as elaborated by Bell (1993), emphasized on the need to pilot data collecting instruments so that any items that did not yield usable data were removed. A pilot study was carried out to Molstein Investments and questionnaires were distributed to 5 respondents. A pilot study was conducted to test the questionnaires for clarity of questions and instructions and to check for any offensive, leading or ambiguous questions. An analysis of responses obtained from the respondents was made with regard to layout and appearance of the questionnaire before they were administered. Their answers were then considered in refining the questionnaires and adjustments were made accordingly. The pilot study enabled the researcher to make necessary adjustments on the questionnaires.

An added advantage that accrued with the trial run of the questionnaire was that it provided a great deal of information regarding accuracy and relevancy and thus helped reveal ambiguity in the questionnaires. Some subtle factors for example, the wording and format of items that had the potential for negative influence on the survey were identified and rectified at this phase. These measures ensured that the survey was sufficiently edited to meet the test for validity and reliability.

3.6 Reliability and validity

Reliability and validity are standard measures to assess the appropriateness of any research instruments. In conducting there may be possibilities of errors due to responses by people, either making extreme preferences or maintaining a central tendency as a result of their own
personality. Errors may be experienced because responses are influenced by personal factors e.g. mood, situational factors such as pressure of work and variations in administration of measurement and mechanical factors. It is therefore necessary to ensure that when doing research we measure exactly what is supposed to be measured. The researcher therefore asked questions which he deemed would give the most relevant information with respect to the study. Since the questionnaire was pre-tested, the researcher was able to identify all the areas that needed some clarification and thus, adjustments were made to the questionnaire accordingly, making the final questionnaire used in the survey valid and reliable. In this research reliability of data was checked by piloting the instruments to check how different respondents answer the same questions.

In this research, all the questionnaires were returned, giving a response rate of hundred per cent. Therefore, for this research, the questionnaire responses could be relied on since the response rate is above the acceptable minimum.

Finn et al (2000) refer to validity as the extent to which results of the research can be generalized or whether the hypothesized cause produces the given effect in a piece of research. (Finn et al, 2000). Validity is concerned with the degree to which the instrument is measuring what it is supposed to measure. Validity of an instrument also intrigues on the wording of the questions. Questionnaires that ask simple factual questions are generally answered more truthfully and can be assumed to represent real facts validity. A statement or word may have different meanings to different groups of people; therefore care was taken in choosing words and phrases which the target population would understand. A pilot study therefore was done to check for any vague or ambiguous questions.

### 3.7 Data presentation and analysis

The research presented and analysed data according to logical themes which emerge from the study. In analysing data and presenting it, both qualitative and quantitative techniques were used including tables, pie charts, bar graphs and percentages.
3.8 Chapter Summary

In this chapter the methodology used to carry out the study was explained. The research design, subjects, research instruments and data collection procedures used to carry out the research were highlighted. The advantages of using each method were outlined. The next chapter presents research findings in detail and looks at a critical analysis of primary data.
CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

In this chapter a critical analysis of data is done in line with the key areas of the research questions. Data presentation was done using tables for statistical data. The chapter looks at the key research findings with the intention of drawing conclusions on the effectiveness of the adoption of a Computerised Accounting System by Apple Vine (PVT) LTD. The chapter will present and analyse the findings of the research. The findings obtained will be linked to the research questions and objectives of this research study.

4.1 Response rate

The respondents were asked their opinion and the number of responses obtained from questionnaires was as follows.

Table 4.1: Response rate

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total dispatched Questionnaires</td>
<td>12</td>
<td>100</td>
</tr>
<tr>
<td>Valid Returns</td>
<td>12</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2 Research findings

4.2.1 Average time to produce management reports before adoption of Computerised Accounting System.

Table 4.2: Average time taken to produce reports before adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Day</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td></td>
</tr>
<tr>
<td>Accountants</td>
<td>1</td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
</tr>
<tr>
<td>Percentage</td>
<td>33%</td>
</tr>
</tbody>
</table>

No daily reports were produced possibly because the manual system was inefficient. It can be concluded from the results that it required at least a week to produce management reports and the frequency of reporting was low.

4.2.2 Average time to produce reports after adoption of Computerised Accounting System.

After adoption of Computerised Accounting System more reports are now produced daily as acknowledged by (75%) of the respondents, thus showing that there was an improvement in the time taken, i.e. less time is now taken to produce reports. 25% of the respondents have it that it now takes a week to produce these management reports. Mary (2010) put forward that computerized accounting saves a lot of time and the employees have to record the transactions alone since all the other calculations would be carried out by the software either automatically or by request. From the results obtained it can be proved that it now takes at most one week to
produce management reports, and more contemporary information is now produced while it is still of use. The frequency of reporting has increased. Hadler (2009) put forward that computerisation enables management to see the real-time state of the company’s financial position.

4.2.3 Daily closing time after reconciliation of books before adoption of Computerised Accounting System.

Table 4.3: Knock off time before adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before 6 o’clock</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>2</td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
</tr>
<tr>
<td>Percentage</td>
<td>50%</td>
</tr>
</tbody>
</table>

It can be figured out from the results that the earliest time they usually finished was 7 o’clock and this means they would go home late every day.
4.2.4 Daily closing time after adoption of Computerised Accounting System.

Table 4.4: Knock off time after adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before 6 o'clock</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>1</td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>33%</strong></td>
</tr>
</tbody>
</table>

Thirty-three per cent (33%) of the respondents share the same opinion that the accounts department now finish off balancing before 6 o'clock. 58% have it that they now finish between 6 and 7 o'clock. Only one respondent, the Executive Director has it that they finish between 7 and 8 o'clock, perhaps because he is the last but not the least person to get the reports after everyone else. They now finish work before 7 o’clock as agreed by 92% of the respondents, possibly because the new system is fast and can automatically update all the necessary accounts thereby making it easier to balance up at the end of the day. Hadler (2009) said that computerized accounting programs can provide instant reports for management and this was proved by the results stated above.
4.2.5 Reduced cost since the adoption of Computerised Accounting System

Table 4.5: Costs reduced since the adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Daily operational costs</th>
<th>Administration costs</th>
<th>Auditing expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Accountants</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
<td><strong>4</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>17%</strong></td>
<td><strong>33%</strong></td>
<td><strong>50%</strong></td>
</tr>
</tbody>
</table>

The majority of the respondents agreed that auditing expenses have been reduced since the adoption of Computerised Accounting System; perhaps because since reports are now produced more frequently, it may be easier to trace any anomaly in relation to the period which it occurred so the auditing will be easier and therefore cheaper. As supported by Hadler (2009) who advocated that computerized accounting programs reduce staff time doing accounts and reduce audit expenses as records are neat, up-to-date and accurate.
4.2.6 Increased costs since the adoption of Computerised Accounting System.

Table 4.6: Costs increased since the adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily operational costs</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>1</td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>42%</strong></td>
</tr>
</tbody>
</table>

Forty-two per cent (42%) of the respondents have the same opinion that daily operational costs have increased since the adoption of a computerised system. Daily operational costs include printing costs, stationery, and ink cartridges. The outcome can be possible because various reports are printed daily. The majority (58%) of the respondents have it that administration costs have increased probably because computers bring with them additional costs such as hiring computer specialists, purchases of accounting packages such as Pastel and training of the accountants how to use these packages. Weber (2010) highlighted in his article that computerised accounting have extremely high costs on developing, introducing and using the system, special trainings for personnel and increased personnel costs. This was evidenced by the results obtained.
Table 4.7: Operational costs which increased as a result of Computerised Accounting System

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant 1</td>
<td>Printing and stationery</td>
</tr>
<tr>
<td>Accountant 2</td>
<td>Stationery, ink, stationery</td>
</tr>
<tr>
<td>Manager</td>
<td>Stationery</td>
</tr>
<tr>
<td>Logistics</td>
<td>Printing</td>
</tr>
<tr>
<td>Selling and distribution</td>
<td>Stationery</td>
</tr>
</tbody>
</table>

From the responses obtained from interviews it is evident that stationery and printing costs have increased after the adoption of a computerised system. This can be so because use of computers involves a lot of printing to present the output allow filing.

4.2.7 Internal controls affected by Computerised Accounting System.

![Percentage](image)

Fig 4.1: Internal controls affected by Computerised Accounting System.

Segregation of duties was affected by the adoption of Computerised Accounting System. This is in line with Basset (1993) who said,
“Duties are assigned to different individuals in the organisation so that no one person can have full control over a transaction and operating of the system. Having one person controlling the system can result in fraud if that person is not trustworthy. Segregation of duties prevent the company from becoming totally dependent on one person controlling the system, should that person leave no one runs the system. The Segregation of duties ensures that employees can leave without having any major effect on the system”.

Forty-two per cent (42%) of the respondents share the same opinion that file controls have been affected by adoption of Computerised Accounting System. These controls were apparently put in place to minimise the number of errors that occur in the file system. These include availability of a skilled technician, proper labelling and indexing of files, protection of storage media from dust, humidity etc. and back up facilities. Basset (1993) emphasized that file controls protect vital information to the organisation from tempering and the protection of the hardware must be put in place as it is a valuable asset of the company. Computer hardware must be placed in a secure area where there is only access to those who need to use it.

Minority of the respondents has it that operational controls have been affected. These controls include rotation of duties, duty logs, and a manual of operating instructions, attendance controls and computer logs. These determine what the computer systems and the employees using them have been doing and allow an audit track of exact actions to be carried so that any error or improper action can be easily spotted.

It was established from interviews that all the respondents have the same view that new controls were introduced. These controls were apparently put in place to minimise the number of errors that occur in the file system. These include availability of a skilled technician, proper labelling and indexing of files, protection of storage media from dust, humidity etc. and back up facilities.

The manager further said that duties are rotated and assigned to different individuals in the organisation so that no one person can have full control over a transaction and operating of the system.

One logistics employee and one distributor agreed that computer hardware was placed in a secure area where there is only access to those who need to use it. The distributor further said
that a proper filing system was put in place so that a track of records can be monitored.

Both accountants have it that rotation of duties, duty logs, and a manual of operating instructions, attendance controls and computer logs were put in place as these determine the computer system’s and employees’ actions and allow an audit track of exact actions to be carried so that errors can be easily spotted.

### 4.2.8 Average number of errors recorded per week during the use of Manual Accounting System.

Table 4.8: Average number of errors recorded per week during Manual Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 errors</td>
<td>2-3</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td></td>
</tr>
<tr>
<td>Accountants</td>
<td></td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>25%</strong></td>
</tr>
</tbody>
</table>

The majority of the respondents agree that more than 3 errors were generated per week during the use of Manual Accounting System. Dalci and Tanis (2002) outlined that processing of data is slow and subject to error in Manual Accounting System. From these results it shows that the information produced by the manual system was not accurate and could not be absolutely relied on.
4.2.9 Average number of errors recorded per week since the adoption of Computerised Accounting System.

Table 4.9: Average number of errors recorded per week after adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-1</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>2</td>
</tr>
<tr>
<td>Logistics department</td>
<td>3</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>83%</strong></td>
</tr>
</tbody>
</table>

From the results obtained, the researcher deduced that the information produced now is more authentic and can be relied on. This is in line with Hadler (2009) who said the introduction of computerised accounting systems provide major advantages such as speed and accuracy of operation.

4.2.10 Type of errors usually recorded before Computerised Accounting System

Table 4.10 Types of errors recorded before Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>arithmetical</td>
</tr>
<tr>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>2</td>
</tr>
<tr>
<td>Logistics department</td>
<td>3</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>66%</strong></td>
</tr>
</tbody>
</table>

It was established that before Computerised Accounting System, arithmetical errors were
the most recorded type of errors as admitted by majority of the respondents.

4.2.11 Type of errors being recorded now

The majority (92%) of the respondents have the same view that typing errors are being realised now. This shows that computerisation has come with a new type error which seems to be dominating. Once data been input into the system, automatically the output are obtained hence the data being input needs to be validated for accuracy and completeness. If wrong data is entered all the automatically updated accounts will be wrong (GIGO (Garbage in Garbage out) because computers have no judgment of its own so they cannot pick up on errors as a human being does.

Only 1 accountant has the opinion that omission errors are still recorded. From the results it can be concluded that errors of omission and incomplete entries have been eliminated by the adoption of Computerised Accounting System. Dalci and Tanis (2002) outlined that the use of computers enables accountants to perform their activities more effectively and efficiently than before. They further said,

“In manual accounting information systems, processing of data is slow and subject to error. Fortunately, improvements in the technology have enable companies to collect process and retrieve data quickly. In addition there is less likelihood for error when data are processed with computers.”
4.2.12 Number of absenteeism of employees per week before the adoption of Computerised Accounting System

Table 4.11 Number of absentees/week before adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-1 absentees</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>1</td>
</tr>
<tr>
<td>Logistics department</td>
<td>1</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>25%</strong></td>
</tr>
</tbody>
</table>

The majority of the respondents agree that between 2 and 4 employees absent themselves. From the results obtained, it shows that the absenteeism rate was high, probably because employees had low morale as a result of shortcomings of using Manual Accounting System. The manual system is irksome and workers usually went home late and these non-attendances could have been artificial.

4.2.13 Absenteeism number per week since the adoption of Computerised Accounting System.

Table 4.12: Number of absentees/week after adoption of Computerised Accounting System.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-1 absentees</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
<tr>
<td>Managers</td>
<td>1</td>
</tr>
<tr>
<td>Accountants</td>
<td>3</td>
</tr>
<tr>
<td>Logistics department</td>
<td>3</td>
</tr>
<tr>
<td>Selling &amp; Distribution</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td><strong>83%</strong></td>
</tr>
</tbody>
</table>
83% of the respondents have the same view that the number of absenteeism per week after the adoption of Computerised Accounting System is 1 or less. 17% agree that between 2 and 4 errors are recorded no one has the view that there are more than 4 absentees. From the results obtained, it shows that the absenteeism rate was high before the adoption of Computerised Accounting System. Hadler (2009) put forward that the computerised system will require staff to be trained to use new skills, which can make them feel more motivated. The manual system is irksome and workers usually went home late and these non-attendances could have been artificial as sign of low morale. The number of absentees has decreased since the adoption of Computerised Accounting System.

4.3 Summary

This chapter looked at data analysis and presentation in line with key areas of the research guided by the questionnaire and interviews sent to the target population of the study. Data was analysed and presented into tables. The next chapter covers the research conclusions and recommendations together with a summary of the whole research.
CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The preceding chapter focused on the findings obtained from the research. This chapter is the finale of the research. Commendations based on the information gathered during the research are highlighted. These aim at how the effectiveness of Computerised Accounting Systems can be improved regardless of shortcomings of using computers.

5.1 Summary

This study was meant to ascertain the effectiveness of the adoption of a Computerised Accounting System on the performance of Apple Vine (PVT) LTD. From the data analysis made in Chapter four the major findings of the research are:

- The average time taken to produce management reports has improved since the adoption of Computerised Accounting System. More reports are now produced daily as acknowledged by the results shown in Chapter 4. Therefore this shows that computerised system is faster as compared to manual system.

- The frequency of reporting has increased after the adoption of Computerised Accounting System. The new system simplifies work and allows more management reports to be produced.

- The study found out that although the adoption of Computerised Accounting System has resulted in reduction of auditing costs; operating costs and administrative costs have increased. These operating costs include printing and stationery whereas administrative costs are training costs and purchases of accounting packages.
• There are new controls which were put in place as a result of computerisation to improve efficiency of the new system. Computers bring with them certain problems and the company put new internal controls in place so as to get rid of them.

• From results obtained it shows that less errors are now recorded thereby showing that the accuracy of information produced improved after computerisation. However, errors are still recorded which includes typing errors and omission errors.

• Staff morale has increased as shown by decline in number of absenteeism.

5.2 Conclusion

It can be concluded that there is a positive association between the adoption of a computerised system and performance. There was an improvement in time and frequency of reporting, and more accurate information is now produced as a result of computerisation of the accounting system. However, there was an increase in costs but it is perceived that in the long run some of the costs will decrease, for example training costs and purchases of accounting software. Although there was an improvement in performance, the company is not making maximum use of computers. The company can

5.3 Recommendations

In light of the above conclusions, it is recommended that the company uses accounting packages such as Pastel. Pastel can design packages on request specifically for the company which most suits with how it operates. There is need to find an accounting system that is compatible with the type of transactions so as to simplify work for the accountants at the same time improving efficiency.

In order to set a proficient accounting system, the firm must set a training program that will equip employees who use the computer system with any latest development concerning the system. By so doing the system will always performs at its best and the problems observed in the system will be minimised.
The company can also maximise on the benefits of computerisation by setting a local network and internet connection to enable sharing and fast transfer of data and this can save time and reduce printing costs. The use internet is also vital in modern business environment as it allows e-commerce, e-banking and transfer of information with customers and suppliers.
Reference


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APPENDICES

APPENDIX I

Computerised accounting system questionnaire: Apple Vine (PVT) LTD employees

Dear respondent

Good day to you. I am Allen Tatenda Mbiru, a Bachelor of Accounting Degree student at Bindura University. I am currently undertaking a research on the effectiveness of the adoption of a Computerised Accounting System by Apple Vine (PVT) LTD. This is being done in partial fulfilment of the degree Programme and any information provided will be treated as confidential and used for academic purposes only. Would you please kindly complete this questionnaire by filling in the spaces provided and providing ticks in the appropriate boxes? Your views and contributions would be greatly appreciated.

Thank you very much for taking your time to complete this questionnaire.

Position of respondent...........................................................................

(TICK THE ANSWER)

1. On average, how long did it take to produce management’s accounting reports before the adoption of Computerised Accounting System?

   Day
   Week
   Fortnight
   Month

2. What is the average time now taken to produce these reports?

   Day
   Week
   Fortnight
3. What time did the accounts department finish closing their books daily before adoption of Computerised Accounting System?
   - Before 6 O'clock
   - Between 6 and 7
   - Between 7 and 8
   - After 8

4. What time do they finish now?
   - Before 6 O'clock
   - Between 6 and 7
   - Between 7 and 8
   - After 8

4. Which costs have been reduced since the adoption of Computerised Accounting System?
   - Daily operational costs
   - Administration
   - Auditing expenses

6. Which costs have increased?
   - Daily operational costs
   - Administration
   - Auditing expenses
7. Which internal controls have been affected by Computerised Accounting System?
   - Division of duties
   - File controls
   - Operational controls

8. During the use of Manual Accounting System, on average how many errors were recorded weekly?
   - 0-1
   - 2-3
   - 4+

9. How many are recorded now?
   - 0-1
   - 2-3
   - 4+

9. Which types of errors were mainly recorded before Computerised Accounting System?
   - Arithmetic
   - Omission
   - Incomplete entries
10. Which errors are being recorded

- Transposition
- Omission
- Typing errors

12. What was the absenteeism number of employees per week before the adoption of Computerised Accounting System?

- 0-1
- 2-4
- 5+

13. What is the absenteeism number now?

- 0-1
- 2-4
- 5+

THANK YOU.
APPENDIX II

Interview guide: Apple Vine (PVT) LTD employees

Position of respondent.................................................................

1) Which daily operational costs have increased as a result of the adoption of Computerised Accounting System?

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............................................................................................................................
.........................................................................................................................

2) Which administration costs have increased as a result of adoption of Computerised Accounting System?

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.........................................................................................................................

3) How has internal controls been affected by the adoption of Computerised Accounting System?

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