EFFECTIVE COMPUTERIZED ACCOUNTING SYSTEMS AND QUALITY OF FINANCIAL REPORTS:

A CASE OF CHARMS UGANDA LIMITED

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DEDICATION

This piece of work is dedicated to my lovely family, my dad; Mr. Ssebuliba Simon, my mum Mrs. Ssebuliba Josephine and the Parish Priest of St. Karoli Lwanga Ggaba-Reverend Father Charles Lwanga Ssengendo for his prayers and spiritual support towards my studies as well as everyone who has supported me during my studies and subsequent writing of this my research report.

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ABSTRACT

The study was about Effective computerized accounting systems and quality of financial reports in charms Uganda limited. The study based on the following objectives; to examine the effect of computerized data inputting on quality of financial reports, to assess the effect of data processing on quality financial reporting, to establish the effect of output on the quality of financial reports. The study used a descriptive and analytical research design to establish a relationship between effective computerized systems and quality of financial reports. The study population was 100 employees and a sample size of 80 employees was drawn from various departments using stratified random sampling method. Questionnaires were used to collect data which was processed and presented using tabulation, bar charts and also narrations for easy understanding of the findings.

The findings were that Effective computerized accounting systems alone account for 33.4% change on quality of financial reports in Charms Uganda Limited in Uganda. Therefore, the rest of the 66.6% change in quality of financial reports is influenced by other factors other than effective computerized accounting systems.

Analysis of variance was also performed where findings suggested that there was some significance in the effect. The p value for the test was computed within an acceptable range since it was at 0.04. This is enough evidence to suggest that an effective computerized accounting system does have a significant effect on the quality of financial reports in Charms Uganda Limited in Uganda.

The t statistics for the variable was also within the acceptable range to support their relevance in the model, computerized accounting systems as the independent variable had a calculated t value of 2.001. This implied that it has a predictive potential on quality of reports in charms Uganda.

The p value for the beta of this variable also suggests the same as it was found to be below 0.05. Therefore the null hypothesis is rejected based on the significance level the study reject the null hypothesis and conclude that effective computerized accounting systems provides a transformation to performance of the Charms Uganda Limited in Uganda.

The recommendation is to maintain different books of accounts like receipts, payment journals, invoices, goods received notes. These will help maintain a good financial environment of Charms Ltd. However, the business should ensure that it reduces on its financial costs, and negotiate for fair tax fees, it should also manage and properly manage its resources like time, capital and other organization requirements which will help them eliminate time management problems as per the findings from the research.

<center>**CHAPTER ONE**</center>

1.0 Introduction

This section brought forth the introduction to the research paper as it tackles the background of the study, the statement of the problem, purpose of the study in terms of geography, content/variables and time and eventually the significance of the study. First and foremost whereas accounting itself refers to the process of identifying , measuring and communicating economic information to permit informed and rational decisions, (Omunuk, 2009).computerised accounting is however defined by Alan and Frankwood (2015) as a total suit of components that together comprise of inputs, storage, transactions, processing, collecting and reporting of financial transaction data. Computerised accounting involves the use of computers in processing accounting data into information to facilitate quick decision making through timely preparation of financial reports and financial reporting in this case it refers to the way in which financial information is recorded, processed and converted to the end users of this information in particular.

1.1 Background of the study

Business technology has created significant advances in the area of financial management and accounting software. Powell and Xiao (2010) noted that over ninety four percent of the UK and US companies have fully or largely computerised their accounting systems, whilst fifty percent of the companies have at least partly integrated their IT applications into accounting. Zarowin, (2009) stressed that the extent of computerization is greater in larger companies than in small and medium companies in Europe and china duschinsky and Dunn (2008) surveyed 800 successful and established firms in the UK and revealed that eighty six percent of the firms had computerised their accounting systems, the firms use computerised accounting systems for invoicing, management reporting, sixty payroll and marketing. The deadline in computer hardware and software costs, availability of powerful and user friendly computers, and software packages in UK, USA and other European countries has resulted into an increase of the number of computerised accounting usage in organisations (thong, 2011)

The evolution of computer technology has completely transformed accounting systems in many African countries (haigh,2011) the financial outcome of the firm in Africa will always

depend on how much one invests and improves the accounting information systems being used (Imeokparia, 2013). In the area of accounting and finance, the use of hand in financial reporting has been replaced by the use of computer software in firms in Nigeria, Ghana, south Africa and other countries of east Africa to enable quick reporting and easy processing and storage of financial reporting (Otieno and Oima, 2013) due to facilitation of accounting software, preparation and access of financial statements and use of accounting procedures has been made easy (Kharuddin et al, 2010). In the current business world, failure to use computer software also implies that financial information may not be accurate, delayes in financial reporting and that financial information may not be stated for a long time

In Uganda before the introduction of computerised accounting, the manual systems were inaccurate and inconsistent for many organisation needs especially reporting of financial information. This is because the system was associated with errors since data was collected ,analyzed ,journalized and a trail balance and balance sheet prepared(Meigs 2011) most organisations have not been doing well in financial reporting and accounting records and reports (Indira 2008). However firms in Uganda have greatly improved on the ways of reporting their financial statements through use of computerised accounting packages (Amviko, 2011). This application is in support of the ever advancing technology advancing technology that enables firms to use computer programs to perform tasks that were previously done manually. Ahmed , (2013) argued that computerised packages help firms in Uganda to minimise human errors in transactions recording as in the system there is the existence of reference of every situation.

1.2 Statement of the problem

The quality of financial reports of the organisation in terms of timeliness, usability, accuracy and reliability has improves as a result of computerised accounting information technologies, the manual accounting systems have become gradually inadequate for decision needs (Brecht and Martin, 2015). Consequently charms Uganda limited view computerised accounting as a vehicle to ensure effective and efficient information flow in the recording, processing and analysis of financial data. Amviko, (2010) explained that organisations in Uganda are not enjoying the benefit of computerization of accounting system as they have continued to be inaccurate due to increased number of interruptions due to system failure or breakdown and un-timeliness with its liability left in question. Despite the existence of a well established computerised accounting systems in charms Uganda limited instances of delay, inaccurate

reporting, miss-posting and wrong balances have continued to occur .there has been an increase in accounting problems associated with financial reporting hence killing most business that fall victims of this circumstance. Here, the researcher pursued the aspects associated with manual accounting in comparison with computerised accounting in-order to find out which system will be in a better position to improve on the quality of financial reporting and accounting operations of the business. Thus this study intended to address the following research question; does the use of computerised accounting system affect the quality of financial reports in charms Uganda limited

1.3 Purpose of the study

The study established the relationship between effective computerized accounting systems and quality of financial reports

1.4 Objectives of the study

1. To examine the effect of computerized data inputting on quality of financial reports.
2. To assess the effect of data processing on quality financial reporting.
3. To establish the effect of output on the quality of financial reports.

1.5 Research questions

1. What is the effect of computerized data inputting on quality of financial?
2. What is the effect of computerized data processing on quality of financial reports?
3. What is the effect of computerized data output on quality of financial reports?

1.6 Scope of the study

1.6.1 Geographical scope

The study focused on charms Uganda Limited situated on plot no M466 Ntinda industrial area in Kampala central business district.

1.6.2 Time scope

The study related to the period 2013 – 2016 for which relevant information in relation to the research topic was to be obtained. However, the actual gathering of the data and literature took the researcher 4 months and that is from August 2016- May 2017

1.6.3 Subject Scope

The study focused on effective computerised accounting systems and quality of financial reports in charms Uganda limited. The dimensions of computerised accounting system included computerized data inputting, processing and output, whereas quality of financial reports dimensions were usability, reliability and timeliness.

1.7 Significance of the study

The research will be of prime benefit to the management and staff of charms Uganda limited, since it will enable them identify and understand the risks and problems associated with computerised accounting and financial reporting and how best to combat such problems

This information will also be of great benefit to the students who will be able to access this information that will guide them in research and equip them with knowledge about computerised accounting and its importance as far as financial reporting is concerned.

This information will be of great importance to other business companies and bodies that have adapted and those that are yet to adopt the system of computerised accounting in knowing the pressure points to be emphasized and well managed in order to pursue the system successfully

1.8 Justification of the study

Individuals and companies day by day hire accountants to help them carry out the mathematical requirements of accounting and balancing of books. Before the introduction of information technology into accounting, these accounting protocols were being performed manually but today many accountants and non accountants like to use computer software to perform theses duties,(Osmond 2011) business owners use computerised accounting to record, report and analyze their company's financial information and in doing this ,

companies often generate several pieces of financial information from business transactions and compile this information into the general ledgers and journals(Weber, 2011).

1.9 Conceptual framework

INDEPENDENT VARIABLES   DEPEDENT VARIABLES

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┌─────────────────────────────────┐        ┌─────────────────────────────────┐
│ computerized accounting systems │        │ Quality of financial reports    │
│                                 │        │                                 │
│   • Inputting                   │──────▶ │   • Usability                   │
│                                 │   ▲    │                                 │
│   • Processing                  │   │    │   • Reliability                 │
│                                 │   │    │                                 │
│   • Output                      │   │    │   • Timeliness                  │
└─────────────────────────────────┘   │    └─────────────────────────────────┘
                                       │
                              Moderating variables
                                       │
        ┌──────────────────────────────┴──────────────────┐
        │                                                  │
        │     • Organization  Policies                     │
        │                                                  │
        │     • Internal Controls                          │
        │                                                  │
        └──────────────────────────────────────────────────┘
```
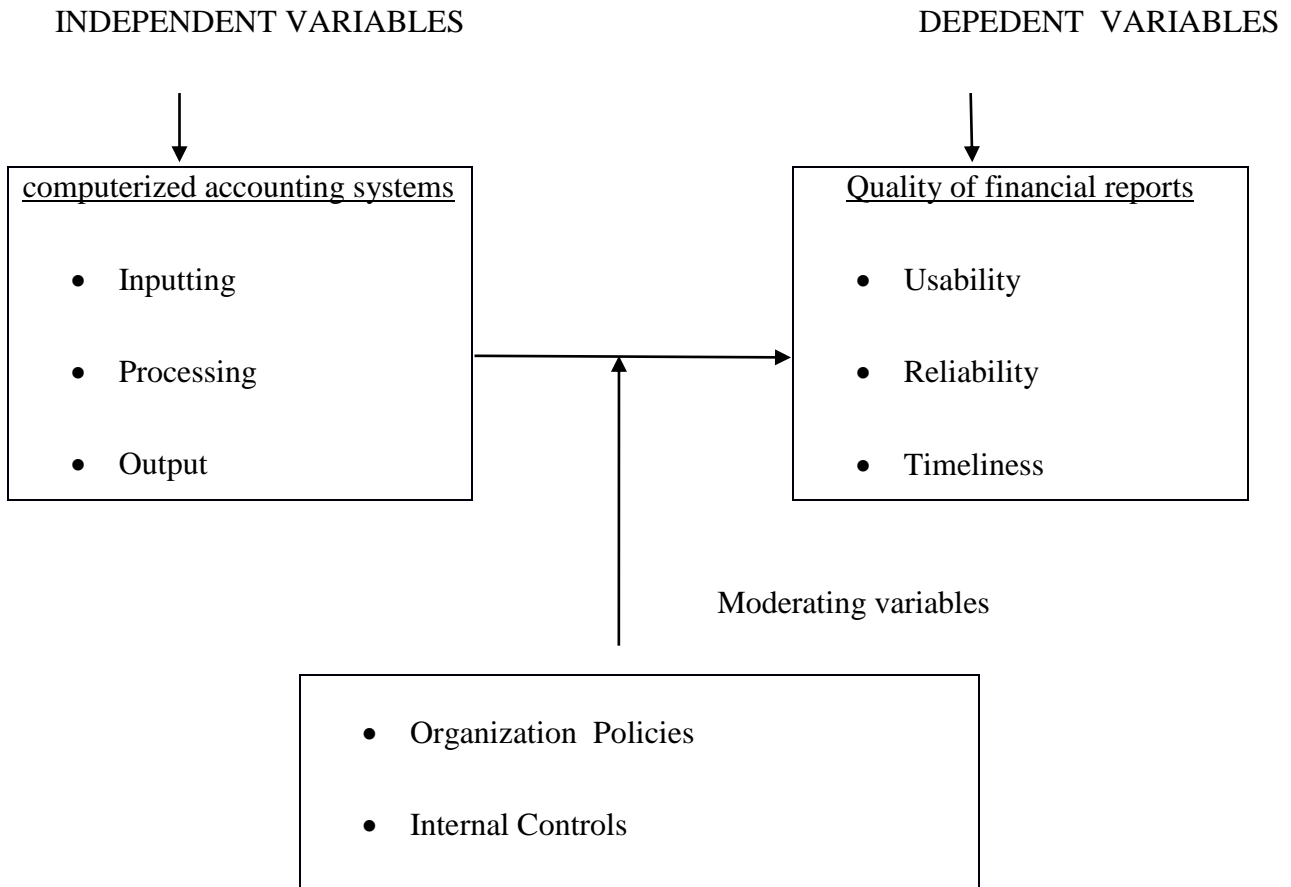
Source: (Developed by Researcher after review of Literature)

The study concentrated on computerised accounting systems being the independent variable and quality of financial reports being the dependent variable. The elements of the independent variable for computerised accounting system were computerised inputting, processing and output, while quality of financial report is considered in terms of usability, reliability and timeliness. As the independent variable computerised accounting system affects the dependent variable quality of financial statements the moderating variable is kept in mind. Specifically as the organisation uses a computerised system, the organisation policies and internal controls are into play to foster achievement of organisation objectives.

1.10 Definition of key terms

Computerised accounting systems; as a method or scheme by which financial information on business transactions are recorded, organised, summarised, analysed, interpreted and communicated to stakeholders through the use of computers and computer based systems such as accounting packages (Marivic ,2009)

Financial reporting: as the process of supplying financial information which is reliable, accurate and complete to the various stakeholders for making economic decisions.

Accounting packages: a type of application software that records and processes accounting transactions within functional modules such as accounts payable, accounts receivable, general ledger, payroll and trial balance

Accounting information system: a computer based method for tracking accounting activity in conjunction with information technology resources.

Accounting personnel: the people employed by or active in an organisation, business to record and manage accounting data

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter discussed and reviews similar or related research and literature published by other author's articles, books, journal, reports and previous dissertations related to the topic in question and its variables in order and its variables in order to give an insight into the study as well as expressing the need for the study.

2.1 Theoretical Framework

This section dealt with the theories that were important to the subject of this study. The theories included systems theory, positive accounting theory, green computing theory, contingency theory and stakeholder theory.

2.1.1 Positive Accounting Theory

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

2.1.2 Green Computing Theory

According to, as per the IFG (International Federation of Green ICT) and IFG standards, green IT (information technology) or ICT (Information and communications technology), is the study and practice of environmentally sustainable computing or IT. San Murugesan notes that this can include "designing, manufacturing, using and disposing of computers, servers and associated subsystems- such as monitors, printers, storage devices and networking and

communication systems- efficiently and effectively with minimal or no impact on the environment.

The goals of green computing are similar to green chemistry: reduce the use of hazardous materials, maximize energy efficiency during the product's lifetime and promote the recyclability or biodegradability of defunct products and factory waste. Green computing is important for all classes of systems ranging from hand held systems to large-scale datacenters.

Many corporate IT (Information technology departments have green computing initiatives to reduce the environmental impact of their IT operations. This theory is still being fully developed. It will also serve as a means to aid in the fight of climate change.

2.1.3 Contingency Theory

According to the Contingency Theory, accounting information system should be designed in a flexible manner so as to consider the environment and organizational structure confronting an organization. It also needs to be adaptive to the specific decisions being considered. In other words, accounting software need to be designed within an adaptive framework.

2.1.4 Stakeholder Theory

This looks at the relationships between an organization and others in its internal and external environment. It also looks at how these connections influence how the business conducts its activities. Think of a stakeholder as a person or group that can affect or be affected by an organization. Stakeholders can come from inside or outside of the business. Examples include customers, employees, stockholders, suppliers, non-profit groups, government, and the local community, among many others.

One of the most important contributors to stakeholder theory is R. Edward Freeman and his book Strategic Management: A Stakeholder Approach (1984). The core idea of stakeholder theory is that organizations that manage their stakeholder relationships effectively will survive longer and perform better than organizations that don't. Freeman suggests that organizations should develop certain stakeholder competencies. These include:

- Making a commitment to monitor stakeholder interests
- Developing strategies to effectively deal with stakeholders and their concerns
- Dividing and categorizing interests into manageable segments
- Ensuring that organizational functions address the needs of the stakeholders.

2.2 Computerized Accounting Systems

A computerized accounting system involves the computerization of accounting information systems which is established in order to facilitate decision making. These are associated with a numbers of benefits like speed of carrying out routine transactions, timeliness, quick analysis, accuracy and reporting. Effective and efficient information flow enhances managerial decision-making, thereby increasing the firm's ability to achieve corporate and business strategy objectives (Manson, McCartney, and Sheerer, 2001). This in turn, may increase the prospects of the firm's survival (Platt and Platt, 2012).This can be evaluated by the procedures, accounting records and tools used (Keating and Frumkin (2003).

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

Marivic (2009) described a computerized accounting system as a method or scheme by which financial information on business transactions are recorded, organized, summarized, analyzed, interpreted and communicated to stakeholders through the use of Computers and computer based systems such as accounting packages. He emphasized that it's a mechanized process of facilitating financial information inflows as well as the automation of accounting tasks such as database recording and report generation. Marivic adds that keeping accurate accounting records is a vital part of any organization. Apart from helping it to keep its float financially and legal, it is a requirement of funding bodies or donors However computerized accounting system involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming fundamental challenges which do not change the principle. The principle of accounting remains the limitations of many accounting and hence producing quality and reliable work.

McRae (1998) adds that computerized accounting systems are advantageous in consolidating information channels meaning that files that were previously been duplicated by several departments will now be consolidated into single file.

2.3 Components of Computerized Accounting Software

Accounting software's are used to implement computerized accounting system. The computerized accounting is based on the concept of database; it is basic software which allows access to the data contained in the database.

The following are the components of computerized accounting software.

Preparation of accounting documents

Computers help in preparing accounting documents like cash memo, bills, invoices and accounting vouchers. Here computerized accounting systems have user defined templates which will provide faster, accurate entry of transaction and therefore all documentation and reports can be generated automatically.

Recording of transactions

Everyday business transactions are recorded with the help of computer software. Every account and transactions is assigned a unique code where the grouping of account is done at the first stage. This process simplifies the work of recording the transaction

Marivic (2009) argued that computerized packages will minimize human errors in transactions recording as in the system there is the existence of reference of every transaction.

Preparation of trial balance and financial statements

After recording of transactions, the data is transferred into ledger accounts automatically by the computer. Trial balance is prepared by the computer to check accuracy of records,

With the help of trial balance; the computer can be programmed to prepare the statement of comprehensive income and the statement of financial position.

2.4 Benefits of Computerized accounting system

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

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

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

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

According to Carol (2002), it is easy to do accounting functions using computerized accounting systems. Posting transactions to the ledger, the principle of double entry can largely be automated when done through the use of computerized accounting system. Although computerized accounting is highly beneficial to an entity, it is worth noting that it is dogged with a couple of pitfalls some of which are: Meigs (1986) stresses that there is a risk of improper human intervention with the computer programs and computer files. Employees in the organization may temper with the computer programs and computer based records for

the purpose of deliberately falsifying accounting information. This may result into distortion of information that would essential be for decision making.

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

Financial Reporting

Financial reporting is the process of producing statements that disclose an organization's financial status to management, investors and the government. (Margaret Rouse)

2.5 The Qualities of Financial Reports

Quality information depends on the intended users of the information and should be evaluated with respect to the users. Accounting qualities include relevance and reliability, neutrality, comparability, consistency and understandability/timeliness.

Reliability: Information is said to be reliable if it is free from material errors and bias and represents faithfully that is purport to represent emphasized (Frank wood, 1999). Reliable information is verifiable faithfully represented.

Neutrality: The demand of accounting information should not be selected to benefit one class and neglect the other. Reliable information is verifiable neutral.

Comparability: Is another characteristic of quality information; user must be able to compare financial statements of enterprises over time in order to identify trends in financial position (Frank wood, 1999).   The relationship

Between two or more pieces of information that enables users to identify and explain the difference between financial data (Nacubo, 2000)

Timeliness: Financial information to benefit user must be presented at the right time

otherwise it loses relevance (Frankwood, 1999).

Understandable: Information can be put to use easily by the users and formatted in a way that is understandable (Wood, 1997). The users are assumed to have reasonable knowledge of business and willing to study and understand the information (Thatcher, 2005).

Relevance: Financial information is relevant if investor can use it to make investment decisions and the information should enable investors to estimate the risk of an investment (Turner, 2000).

Preparation of financial statements

Statement of financial position It provides information about an entity's assets and liabilities, the entity's resource structure (major classes and amounts of assets) and its financial structure (major classes and amounts of liabilities) and ownership interests (Neil, 1996).

Statement of comprehensive income It records sales and purchases as well as expenses incurred during the financial reporting.

Statement of cash flow A cash flow statement (together with its related notes) reflects an entity's inflows and outflows during a period. This information helps user to assess factors such liquidity, risk relationship between profits and cash flow.

2.6 Actual Review (Objective by Objective)

2.6.1 Effect of computerized data inputting on quality of financial reports.

A computerized accounting system involves the computerization of accounting information systems which is established in order to facilitate decision making. These are associated with a numbers of benefits like speed of carrying out routine transactions, timeliness, quick analysis, accuracy and reporting. Effective and efficient information flow enhances managerial decision making, thereby increasing the firms ability to achieve corporate and business strategy objectives (Manson, McCartney, and Sherer, 2001). This in turn, may increase the prospects of the firms survival (Platt and Platt, 2012). This can be evaluated by the procedures, accounting records and tools used (Keating and Frumkin (2003).

In recent times, the usage of computers and other advanced technology have increasingly been adopted in most practices including accounting. Prior to this, accountants were vigorously involved in all accounting activities as the traditional methods were in place. Daily records had to be kept by humans, preparation of financial statements such as the statement of financial position and statement of comprehensive income were done manually by the accountant (Linus, 2012).

According to Francis (2013), the implication of technology has indeed caused obvious changes in organizations relating to their accounting systems and organizational performance, which has been of great concern and interest. Accounting decisions and plans have to be made with consideration of ICT in order for companies to stay relevant and competitive. It is necessary to acknowledge that computerized systems, have improved the functionality of accounting departments in organizations. By so doing, has increased the timeliness of accounting information which enable accountants to prepare reports and operations analysis, which give a clear picture of current operations, useful to the management.

Computer recorded transactions can be stored for several years with relative ease, giving companies the opportunity to review previous years' information. Such information can quickly be referred to every now and then when making financial reports and also when there's need to compare financial reports over years, hence making decision making much easier.

Computerized accounting implies that the only thing that accountants do is recording transactions into the computer which processes the other steps of accounting cycle automatically or by a request (Weber, 2011)

Computerized system will foster accessibility and faster transformation of information stored in computers, hence financial statements can easily be accessed through online system without delay and timely decision making (Kwarijuka, 1998).

The use of computer based systems in financial institution will enable employees from various function areas and branches to generate timely financial statements which enable managers to monitor business operations and important finance decisions (Wailes, 1999). A computerized accounting system is a delivery system of accounting information as providing reliable accounting information to users. So records of expenditure and incomes and assets,

liabilities, revenue expenses must be documented and transferred to general ledger of firm's financial details to be analyzed for future financial decisions

Everyday business transactions are recorded with the help of computer software. Every account and transactions is assigned a unique code where the grouping of account is 3 done at the first stage. This process simplifies the work of recording the transaction. Marivic (2009) argued that computerized packages will minimize human errors in transactions recording.

According to Larson & Pyle (1988) an accounting system consists of business papers, records, reports and procedures that are used by an organization in recording transactions and reporting their effects. Collins and Collins (1978), underlines that an accounting system is a way of keeping a written record of transactions .Receipts are given for all money that is received by an organization and receipts are asked for every time money is spent. Accountability for non-profit organizations is both a legal and ethical obligation for organizations that use resources received to further their charitable mission, Accountability may encompass a full report of activities as well as justification for the way resources are managed (Gordon et al., 2010).

2.6.2 Effect of data processing on quality financial reporting

Tanenbaum (2010) states that manual processing of accounting data is too slow, and labour intensive in the banking industry. The speed at which computers can get according data processed cannot be matched. Computerized accounting system provides a means for those firms to record, very high volume of transaction with great speed and financial and prepare a wide range of detailed financial reports. Computerized accounting system affects strongly on the accounting work and on the performance of banking industry the computers can handle the recording process able to spend more time analyzing, planning and controlling financial operations for management, this can provide a greater amount of analytical information for use in decision making. Pandey (2007) adds that management is also in a better position to monitor the financial performance of all segments of the organization because a computerized accounting system can produce a broad range of detailed reports at short interval

Ama (2004) defines computerized accounting as the use of specialized machines called calculators and computer in gathering information. It is technically known as Electronic Data Processing (EDP) Accounting System. A computer – based accounting system processes data in basically the same manner as does a manual system. Transactions are initially recorded manually on sources documents, the data from these source documents are then key –

punched into punched cards, which can be read by the computer. The computer process the information and performs such routine tasks as printing journals, posting to ledger accounts, determining account balances and printing financial statements and other reports. A computerized accounting system according free online Merriam is system which allows the user to enter the transaction into the program once and all accounts are updates as necessary.

The primary objective of an accounting function in an organization is to process financial information about the activities of the organization and prepare financial statements at the end of the accounting period. The modern method of accounting is based on the system created by an Italian monk FraLucaPacioli. He developed this system over 500years ago. This great and scientific system was so well designed that even modern accounting principles are based on it (deSantis, 2010).

In computerized system computers are used in processing data and in disseminating accounting information to interested users. Now-a-days most of the small business organizations eventually replace their manual accounting system with computerized accounting system. Computerized accounting systems are software programs that gather the various accounting information related to sales, purchases, receivables, payables, cash receipts, cash disbursements, and payroll. And in this procedure the financial statement is generated. (Islam, 2010).

2.6.3 Effect of output on the quality of financial reports.

Before the advent of ICT in accounting practice, these accounting protocols were being performed manually. However, today many accountants and non-accountants prefer to use computer software to record, report and analyze their company's financial information. This information is collected from transactions and is compiled into financial reports (Weber, 2011).

Computerized accounting system is designed in such a way that it can store, automate and integrate all business operations such a sales, finance, purchases, inventory and manufacturing. (Mc Bride ,2000)

Computerized accounting systems have been credited for their quick processing of transaction speed and large storage capacity. Using computerized accounting system ensures up-to-date account balances are available any time for management to make quick decisions

(Lancouch, 2003). Quality of financial reports is assured with computerized accounting system as compared to manual systems.

Records can be kept and tracked more effectively with the use of computerized system increasing company efficiency and minimizing errors to ensure customer satisfaction. So far, ICT has improved corporate relationships, facilitated speed and enhanced quality delivery in jobs. Computerized storage of transactions has improved productivity and increased value creation of organizations. ICT is important for a firm's growth and survival, it is an integral part and fundamental to support, sustain and grow a business (Ali, Abbas & Reza, 2013). Gartner (2010), reports that despite the current economic slowdown, worldwide IT spending reached $3,4trillion in 2010, a 4.6% increase from 2009, yet such great investment does not guarantee high returns

2.7 Summary of the chapter

This chapter presented the review of literature. It also presented the theoretical framework which includes some theories such as the stake holder's theory, green computing theory.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter described how data was collected and analyzed. It rotated around the research design that was used, study population/area, sample size, data collection methods and instruments, data processing and analysis tools and problems encountered in the execution of the study by the researcher.

3.1 Study Design

A case study descriptive and analytical design was employed because the researcher was more interested in a deeper understanding of the problem other than generalizing the findings across the population. The in-depth investigation in the case was aimed at identifying or questioning an existing theory. Specifically the researcher used qualitative and descriptive methods to conduct the study because the findings of the study were non-numerical (respondent's opinion and view about the variables). These methods enabled the researcher to process and analyze the findings in cross-section of the study.

3.2 Area of study

The study was done in Charms Uganda limited on plot on plot no M466 Ntinda industrial area in Kampala central business district.

3.3 Sample Size and Selection Method

3.3.1 Sample Size

Respondents were chosen from the various departments by simple random sampling method. In each department, the researcher particularly selected the general manager, three (3) Staff from the department of accounts and finance(57) and information technology (20) and procurement and logistics (20). This makes a sample size of 80 respondents from the various departments picked

from total population of 100

Department	Population	Sample	Sampling method
Managers(general)	3	2	Stratified random sampling
Accounting and finance	57	46	Stratified random sampling
Information technology	20	16	Stratified random sampling
Procurement and logistics	20	16	Stratified random sampling
Total	100	80	

3.3.2 Sampling Method

The researcher used purposive method of sampling. This was dictated by the nature of the study which was aimed at getting information from specific respondents. Convenience sampling was also used by the researcher for convenience purposes just in case the selected staffs are not available at the time of the interview. Stratified random sampling was used to divide the staff and managers and then the researcher was conveniently chose the rest of the staff available in each department.

3.4 Data Collection Tools/Methods

Since a case study is the most strategy that was used, most of the data was collected using a structured questionnaire and interviews. These comprises of questions on the areas of computerized accounting systems and financial reporting.

3.4.1 Questionnaires

The researcher used structured questionnaires as the main data collection method. This instrument was administered to respondents to solicit for information from within the organization.

3.4.2 Interviews

Direct interviews were also used to elicit responses from some members of staff. This helped the

researcher to get first hand information which could be used to draw conclusions on the topic under study.

2.5 Validity and Reliability

2.5.1 Validation of the Instrument

Validity of a questionnaire refers to the extent to which it measures what it claims to measure (Mugenda & Mugenda, 2003). In testing validity, the researcher prepared questionnaires and presented them to the supervisor for scrutiny and suggestions on the relevance, clarity and suitability of the information. The supervisor then made suggestions which were incorporated into the final draft of a questionnaire.

Reliability of research instrument refers to the measure of degree to which research instrument yield consistent results or data after repeated trials .To establish the reliability of the research instruments, the researcher administered the questionnaires and pilot tested them using respondents of another company after which the researcher made the necessary corrections to the questionnaires.

3.6 Data Management

3.6.1 Data Processing

Data collected was processed both manually and by machine through word processor. This involves editing, summarizing and coding of the data. The researcher further edited and tabulated the collected data.

Each questionnaire was ranked for consistency, accuracy, and completeness. Editing was carried out to direct any inconsistence in the collected data.

The researcher reduced the data into frequencies, tables and percentages for ease of analysis.

3.7 Data Analysis

Data was also analyzed using a computer programmer that is Excel package.

This chapter presented the research methodology which comprises the scope and area of the study, the research design, the validity and reliability of the findings, the sources of data, the tools used for the analysis of data, ethical issues, decision criteria for the hypothesis, and ethical issues and the limitation of the study.

3.8 Ethical considerations

- The respondents were assured of the confidentiality of the data they provided.
- The respondents were told that their names were not be included in the questionnaires or interviews.
- There was no forging of data only data was done only data from respondents and interviews were analyzed.

3.9 Summary of the Chapter

This chapter presented the research methodology which comprises the scope and area of the study, the research design, the validity and reliability of the findings, the sources of data, the tools used for the analysis of data, ethical issues, decision criteria for the hypothesis, and ethical issues and the limitation of the study.

3.10 Limitations of the Study

Financial constraints in issuing the questionnaires and making follow up, this was due to high cost of typing and printing of the analyzed data.

Some respondents were uncooperative and always want to dodge the questionnaire.

Difficulties in accessing the relevant information especially the documented materials. This could be so because of the sensitivity of the kind of information sought for.

3.11 Delimitations of the Study

The researcher devoted a lot of time to counter   the respondents to fill the questionnaire at their convenient time.

The researcher ensured proper organization of necessary funds to support the search up to the end.

3.12 Summary of the Chapter

This chapter presented the research methodology which comprises the scope and area of the study, the research design, the validity and reliability of the findings, the sources of data, the tools used for the analysis of data, ethical issues, decision criteria for the hypothesis, and ethical issues and the limitation of the study.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION OF FINDINGS

This chapter presents the research findings in the order, first the personal bio-data about the respondents and then the research objectives. The research data captured was analysed using the SPSS software and then analyzed with respect to the research objectives. The analysis was done using correlations, Regression analysis and variance tables.

 The research objectives were:

- To examine the effect of computerized data inputting on quality of financial reports.
- To assess the effect of data processing on quality of financial reports.
- To establish the effect of output on quality of financial reports.

4.1 Respondents Bio-data

In this study, respondents were described according to department, age bracket, gender, duration in the organization, level of education. In each case, respondents were asked to declare their respective profile information in order to enable the researcher classify them accordingly. Close ended questions were used by the researcher in ascertaining information about their personal profiles and analysis of their responses was done using frequencies and percentage distributions as summarized in table 4.1 below.

4.1.1 Respondents Departments

Table 1: Descriptive statistics for Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Accounting and finance	26	32.5	32.5	32.5
Information technology	38	47.5	47.5	80.0
Procurement and Logistics	16	20.0	20.0	100.0
Total	80	100.0	100.0	

Source: *Research data, 2017*

From the results above the table indicated the job positions of officers in charms Uganda Limited and from the results the researcher was able to establish that information technology department represented by 38(47%) respondents were the majority, the procurement and logistics department had 16(20%) respondents and the minority were the accounting and finance by 26(32.5%) respondents. The implication of having the majority of employees being in IT department is a sign that the organization embraces information technology in its activities.

Figure 1: Pie Chart showing respondents departmental spread
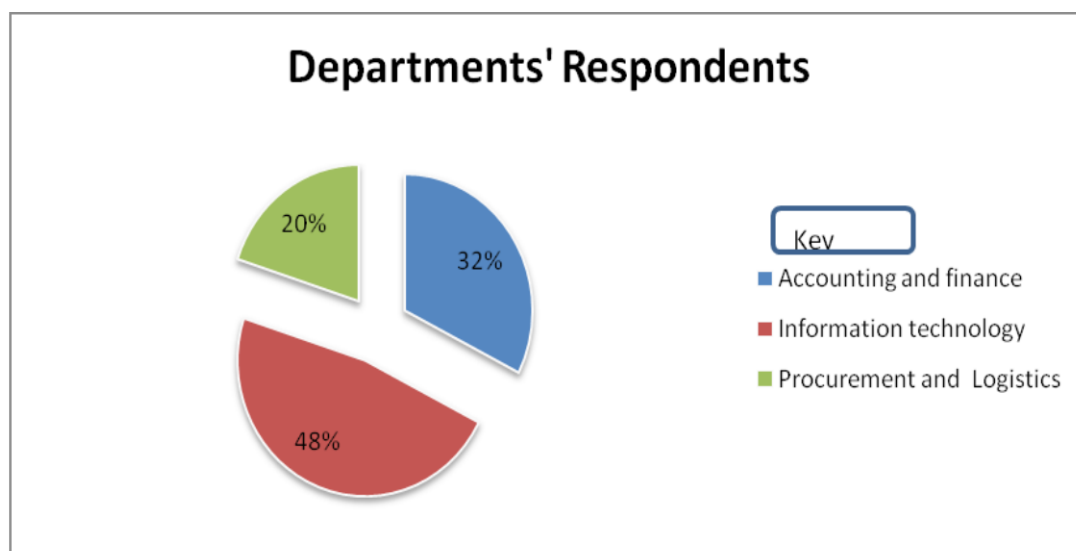
This finding is in line with the response from an interviewee an accountant who said;

"they employee more of the information technology staff because they participate in most of organizational activities that revolve around serving people and providing computer related assistance to computer illiterates in charms Uganda Limited".

4.1.2 Gender of Respondents

Table 2: **Showing the Gender of Respondents**

	Frequency	Percent
Female	51	63.8
Male	29	36.3
Total	80	100.0

Source: *Research data, 2017*

From the table 4.1.2 results indicate that most of the respondents were females 51(63.3%) and males are 29 (36.3%). This implies that though charms values gender balance, it provides more job opportunities to females than males.

Figure 2: Showing the Gender of Respondents
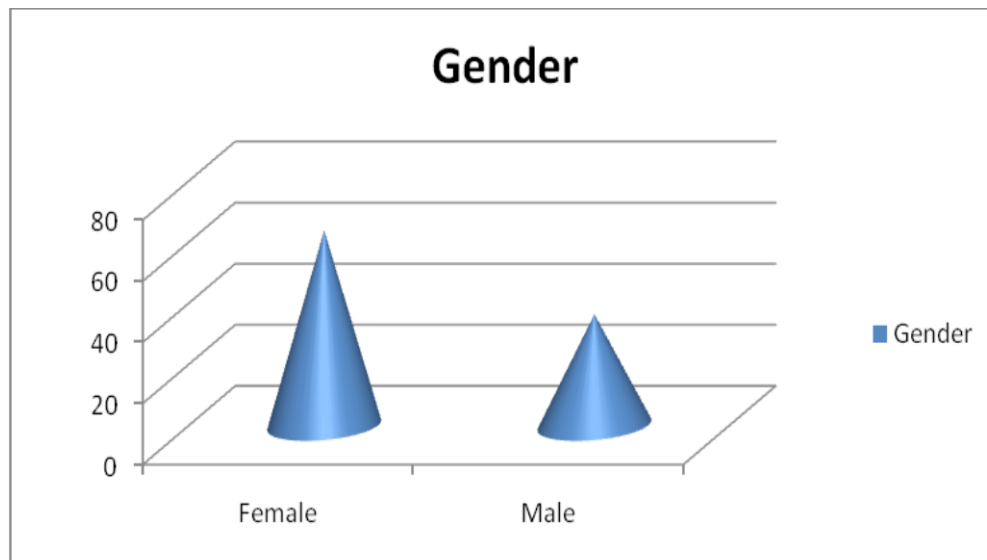
4.1.3 Respondents Age

Table 3: Showing the Age

	Frequency	Percent
18-30 years	49	61.3
31-40 years	13	16.3
41-50 years	9	11.3
51 and above	9	11.3
Total	80	100.0

Source: *Research data, 2017*

As regards to age spread of respondents, most of the respondents were falling in the age range of 18-30 years represented by 49(61.3%), followed by those in the age range of 31-40 years represented by 13(16.3%) and lastly 41-50 years & 51 years above both being represented by 9(11.3%). This implies that Charms Ltd is served by youth employees who are presumed to be energetic enough to render high quality services.

Figure 3: Graph showing Age of Respondents
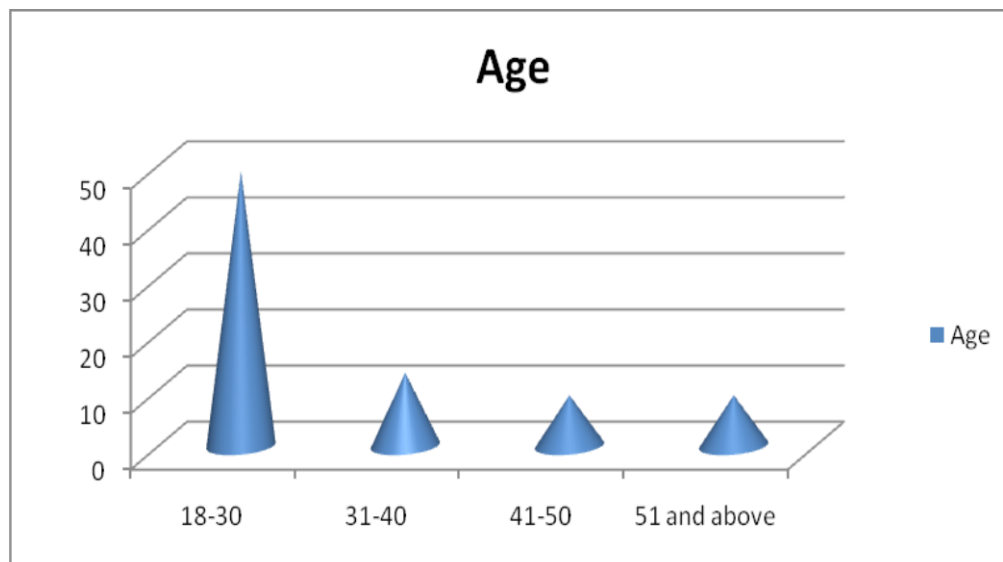
4.1.4 The education of the respondents

Table 4.1.3: Showing the Education

	Frequency	Percent
Up to-S6	11	13.8
Degree Holder	48	60.0
Masters and More	21	26.3
Total	80	100.0

Source: *Research data, 2017*

As regards the level of education of the respondents, most of the staff were degree holders 48(60%), followed by Master 21(26.3%), and up-to senior six 11(13%). This implies that working staff acquired basic education to enable them do quality work in the organization and that they were literate enough to provide quality responses to the questionnaire.
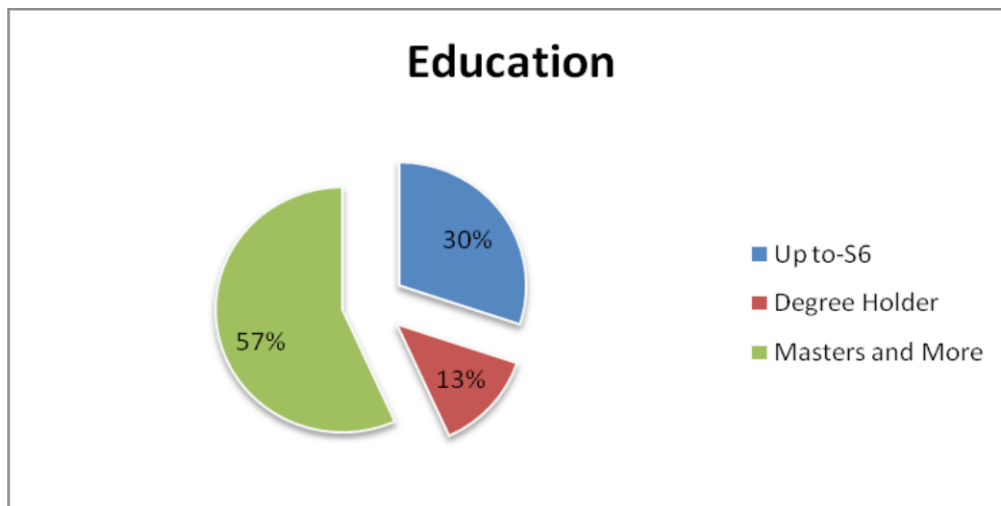
4.1.5 Duration in the Organization

Table 4: Showing the Working period in Charms

	Frequency	Percent
Less than 5years	14	17.5
6-10 yrs	49	61.3
Above 10years	17	21.3
Total	80	100.0

Source: *Research data, 2017*

Table 4.1.4 above indicates that the majority of the respondents had served for 6-10 years 49(61.3%) in Charms Ltd; In addition respondents who had worked for over 10years were 17 representing 21.3%, the respondents who worked for less than 5 years were the least 14 representing 17.5%. This implies that the majority of the respondents had served Charms Ltd long enough to have acquired reasonable knowledge about the activities of Charm to be able to participate in the study pertaining to the effect of computerized accounting systems and quality of financial reports.
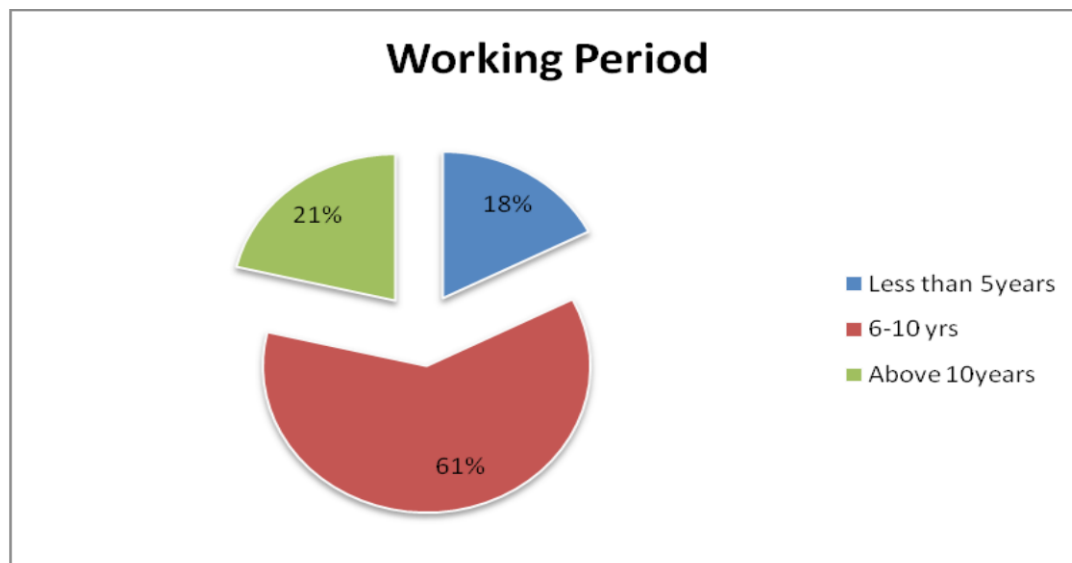
4.2 Descriptive statistics on Computerized Input

Table 5: Descriptive statistics on Computerized Input

Statement	Mean	Std. Deviation	Interpretation
Charms company uses a computerized accounting system.	4.01	.900	High
The computer system in Charms uses software programs installed ease to communication.	2.79	1.187	Moderate
The computerized systems in charms allow creation of documents and reports.	3.64	1.097	High
The system allows to send sounds, thoughts, images or files to others via the computer	3.90	1.010	High
The system records transactions in an electronic form and posts them to general and subsidiary ledger accounts automatically.	2.79	1.187	Moderate
The system provides management with account details data to support decision making.	3.74	1.049	High
The systems make accurate calculations.	3.45	1.204	High
Data is entered into the system through pointing devices like electronic mouse and touch pads.	2.79	1.187	Moderate
Voice can be used in data input at Charms	2.96	1.256	Moderate
Hand writing recognitions can be used in data input at Charms	3.40	1.156	High
Optical scanning can be used in data input at Charms	3.83	.890	High
Average mean	3.40	1.102	High

Source: *Primary Data (2017)*

Table 1 presents the mean response on computerized input in Charms Uganda Limited.

The respondents were highly in agreement with all aspects (Mean 3.40 and Standard deviation 1.102). The respondents highly agreed that the computerized systems in charms allow creation of documents and reports (mean 3.64 and standard deviation1.097).

The respondents moderately agreed that the system records transactions in an electronic form and posts them to general and subsidiary ledger accounts automatically (Mean2.79 and standard deviation 1.187). The respondents highly agreed that the systems make accurate calculations (Mean 3.45 and standard deviation 1.204). The respondents were highly in agreement that the system in Charms allows to send sounds, thoughts, images or files to others via the computer(mean score of 3.90 and standard deviation1.01).

The above findings are in agreement with Byokusheka (2010) who asserted that computerized accounting is the primary function that sets the stage for subsequent quality report activities.

Additionally, Thai (2004) observed that forms and procedures may be convenient and useful tools, but the computerized systems will succeed only with the complete commitment and involvement of top management.

4.3 Computerized Processing

Table 6: Descriptive statistics on Computerized Processing

	Mean	Std. Deviation	Interpretation
The computer system in Charms processes input data.	3.42	1.54	Very high
The system processes input data and produces reports.	1.51	0.84	Very low
The system performs all arithmetic and logic operations to be applied to data.	3.04	1.64	High

The system accepts all instructions in processing data.	2.15	1.36	Moderate
The system performs functions and does computations.	1.68	0.94	Low
The system processes data by carrying out instructions given to it.	2.46	1.53	Moderate
The system accepts instructions for data processing.	2.58	1.57	High
Operational activities are performed basing on the information processed in form of reports.	1.66	0.85	Low
Total average	2.31	1.28	Low

Source: *Researcher Developer, 2017*

The study also examined the computerized processing. To achieve this objective, the Mean 2.31 and Std. deviation 1.28 this shows that effectiveness of computerized processing is moderate, for the work of Charms Uganda Limited carries out strategic actions to enhance quality of financial reports by effecting the work assigned in Charms Uganda Limited.

The respondents highly agreed that the system performs all arithmetic and logic operations to be applied to data(Mean 3.04 and standard deviation 1.64) and they moderately accepted that the system accepts all instructions in processing data(Mean 2.15 and standard deviation1.36) the respondents moderately agreed that the system accepts all instructions in processing data. (Mean 2.15 and standard deviation 1.36) and that the system processes data by carrying out instructions given to it.(mean 2.46 and standard deviation 1.53).

The respondents highly agreed that the computer system in Charms processes input data. With (mean 3.42 and standard deviation 1.54) therefore charms Uganda limited use the systems to input data into the computers

However, the respondents lowly agreed that the system performs functions and does computations (mean1.68 and standard deviation 0.94). And those Operational activities are performed basing on the information processed in form of reports. (Mean 1.66 and standard deviation 0.85)

4.4 Descriptive statistics on computerized output

Table 7: Showing the Computerized Output

	Mean	Std. Deviation	Interpretation
The computerized Accounting system in Charms produces output in form of reports.	2.29	1.59	Low
The system generates all types of financial reports (income statements, Balance sheets)	2.42	1.50	Moderate
The system allows printing of hard copy files of reports generated	3.70	1.46	Very high
The system produces Budgets and provides variance analysis	2.23	1.45	Moderate
The system output can contain sound pictures	1.91	1.27	Low
The processed reports can be displayed for visibility.	3.56	1.42	Very high
Total average	**2.69**	**1.44**	**Low**

Source: *Researcher Developer, 2017*

From the table above the overall level of computerized output in high (Men 2.69 and Std deviation 1.44). In this study the computerized output is low since there are many factors that affect computerized system. Therefore this indicates that there is need to readdress the consequence of computerized output to enhance quality of financial reports in Charms Uganda Limited.

From the results above quality of financial reports is also influenced by computerized accounting system for the given (Mean 2.29) which is low; reflecting its influence on quality financial reports. In this context the rate at which computerized accounting system determine the quality was observed as a major factors in analyzing the activities that computerized accounting go about, for instance accountants report to work on time as stipulated in the staff rules and regulations; mean 2.31 this means that the computerized accounting system, is appropriate with the objective of the effective computerized accounting systems and quality of financial reports.

The respondents highly agreed that the processed reports at charms Uganda limited can be displayed for visibility. (Mean 3.56 and standard deviation 1.42) They also highly agreed that the system allows printing of hard copy files of reports generated (mean 3.70 and standard deviation 1.46)

The respondants moderately agreed that the system generates all types of financial reports (income statements, Balance sheets) mean (2.42 and standard deviation 1.40) and that also the system produces Budgets and provides variance analysis (mean 2.23 and standard deviation 1.45)

4.5 Descriptive statistics on Quality Reports

Table 8: Showing the Quality of Reports

	Mean	Std. Deviation	Interpretation
The computerized Accounting system in Charms produces reports that are reliable.	3.64	1.49	Very high
The reports are understandable.	3.12	1.56	High
The reports generated are free from material errors and bias	1.52	.99	Low
The reports generated are from Information that is verifiable	1.92	1.39	Moderate
Information generated can be put to use easily by the users and formatted in a way that is understandable.	3.76	1.39	Very high

Information generated by the system is current, unique and distinctive	2.58	1.75	High
The information generated attracts compatibility	1.50	.95	Low
Information generated in complete.	2.92	1.68	Moderate
The computerized system allows timely reporting of transactions in Charms	1.58	1.11	Low
Total Average	**2.50**	**1.39**	**Low**

Source: *Researcher Developer, 2017*

From the graph above, the study respondents mainly stated the computerized Accounting system in Charms produces reports that are reliable (Mean 3.64). This was followed by a (mean 3.12) who stated that the reports are understandable. The study respondents stated that tally is one of the computerized accounting systems however they said;

Stated inability to check for unanticipated errors and security breaches respectively They further added on that recently, *Charms Uganda Limited as an organization lost vast amount of money as a result of its own people using the system for their own gain"* from the interview they stated that; *ill effects on health especially on agents who could work for a long time and opposition from staff since it believed that the introduction of computerized system can take away their job any time"*.

This thus contribute to the inability of quality reports to be presented and this was shown in the average Mean 2.50 and Std. 1.39 which is interpreted as low. Thus the Charms Uganda Limited improve on the computerized accounting system personnel to enhance on the quality reports.

4.6 Regression on (Effect of Effective computerized accounting systems on quality of financial reports in Charms Uganda Limited

Table 9: **Showing Regression**

Model Summary			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667[a]	.444	.334	.18705

a. Predictors: (Constant), Effective computerized accounting systems

ANOVA[b]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.140	1	.140	4.003	.040[a]
Residual	.175	5	.035		
Total	.315	6			

a. Predictors: (Constant), Effective computerized accounting systems

b. Dependent Variable: Quality of financial reports in Charms Uganda Limited

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.459	1.097		.418	.043
Effective computerized accounting systems	.837	.418	.667	2.001	.040

a. Dependent Variable: Quality of reports in Charms Uganda Ltd

Source Field data, 2017

The adjusted R-Square coefficient was computed to be at .334. This figure indicates that effective computerized accounting systems alone have a 33.4% effect on the quality of financial reports in Charms Uganda Limited in Uganda. This also means that the rest of the 66.6% is influenced by other factors other than effective computerized accounting systems. The R-Square coefficient denotes a considerable effect that computerized accounting systems had on quality of reports in Charms Uganda Ltd.

Analysis of variance was also performed where findings suggested that there was some significance in the effect. The p value for the test was computed within an acceptable range since it was at 0.04. This is enough evidence to suggest that an effective computerized accounting system does have a significant effect on the quality of financial reports in Charms Uganda Limited in Uganda.

The *t* statistics for the variable was also within the acceptable range to support their relevance in the model, computerized accounting systems as the independent variable had a calculated t value of 2.001. This implies that it has a predictive potential on quality of reports in charms Uganda.

The p value for the beta of this variable also suggests the same as it was found to be below 0.05. Therefore the null hypothesis is rejected based on the significance level the study reject the null hypothesis and conclude that effective computerized accounting systems provides a transformation to performance of the Charms Uganda Limited in Uganda.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the discussion of the study findings from which conclusions and recommendations are based on. The study was about effective computerized accounting systems and quality of financial reports in Charms Uganda Limited. The specific objectives were to examine the effect of computerized data inputting on quality of financial reports, to assess the effect of data processing on quality financial reporting and to establish the effect of output on the quality of financial reports.

5.1 Summary and Conclusions

Conclusion on effect of computerized data inputting on quality of financial reports

The respondents were highly in agreement with all aspects (Mean 3.40 and Standard deviation 1.102) about computerized data input. In a nut shell, computerization plays a vital role in the day-to-day operations of Charms Uganda Limited. Therefore, constant upgrading of the system coupled with constant repairs and maintenance of the system has had a tremendous positive effect on quality of reports.

The research showed that proper computerized accounting system highly contributed to the quality of financial reports in Charms Uganda Limited that is to say maintain different books of accounts like receipts, payment journals, invoices, goods received notes. This should therefore be taken up by businesses while trying to examine and maintain a good financial environment of businesses.

The computerized financial record maintenance is mostly done by the Charms Uganda Limited in this case. In conclusion computerized accounting systems are maintained and they boost proper decision making, they help in monitoring on income and expenditure and aids audit evidence.

The effect of data processing on quality of financial reports

The respondents were not fully in agreement with all aspects (Mean 2.31 and Standard deviation 1.28) about computerized data processing.

The findings drew conclusions that determination of a financial position of Charms Uganda Limited can also be linked to the quality of financial reports. The use of the computerized accounting systems has made it easy for the business to meet its financial obligations like timely salary payments, stock adequacy, and timely tax payment among others. Although the business has also faced difficulty in maintaining the book keeping culture due to errors and fraud, unforeseen circumstances, business negativity, it has been able to adopt a computerized system of maintaining books of accounts and records. This therefore has made it easy for a business to enjoy a good financial atmosphere.

The effect of output on the quality of financial reports

The respondents were not fully in agreement with all aspects (Mean 2.69 and Standard deviation 1.4) about computerized output.

From the findings above, financial documents/records kept by the business helped in determining the quality of financial reports of the business organizations. In that these financial documents/records kept help in determining the actual financial position of the business and this has been evident by the books of accounts kept; that is, balance sheet, profit and loss accounts, trial balance and documents like sales journal, purchase journal, invoices, cash book and ledgers which helps in determining the profitability of the business. The profitability of the business in this case shows that the business is performing well since it is maintaining high profits levels. The performance of the business in this case is reflected in the timely payment of the business obligation like for the case of the loans acquired from the bank, the business is able to meet its loan repayments on time as per the agreement with the creditors. The business is also able to track its financial performance through the maintained books of accounts and hence has been able to maintain a good financial atmosphere.

5.2 Recommendations

The findings show that much as various documents are used such as receipts, purchases journal, sales journal, cash books it is difficult for these books to be maintained by the business due to high required costs, inadequate time, as well as lack of computer skills. However the business should ensure that it reduces on its financial costs, it should also manage and properly manage its resources like time, capital and other business requirements which will help them eliminate time management problems as per the findings from the research.

The findings showed that the business is well performing and experiences high profitability levels and this is evidenced by timely salary payments, stock adequacy, proper staff welfare as well as timely tax payments as required by the authorities. Although the business has got good performance, it also experiences some factors that affect book-keeping according to the findings and the respondents highly suggested inadequate record keeping skills, Errors and fraud, unforeseen circumstances, and business negativity.

With this therefore, the business is urged to properly keep accounting and auditing practices which will help the business to easily detect errors and fraud, plan for unforeseen circumstances and change the business attitude to eliminate negativity. For the business to experience prosperity, it should take up proper research and development due to the changing technology and advancement of proper record keeping.

The findings from the research showed that the business holds a bank account and can easily access credit like loans from various banks; this is because it maintains the relevant book of accounts and the required financial documents. Although the business has got such opportunity it is urged to properly plan its acquired resources so that it can easily meet its timely obligations like on timely payment of the acquired bank loans. The business should also properly maintain their financial statements which include trial balance, balance sheet, income statement which includes involvement of auditors while trying to manage the performance of the business with the help of these statements.

Training should be offered to staff on how to use computers. This can be achieved by liaising with training institutes to teach their employees the value of having quality reports. Seminars and workshops should be organized to equip staff with skills on the value of effective computerization. Fraud control as an issue should be put into consideration since they mainly deal with quality of reports. This can be achieved by putting in place internal controls. Follow up on customers complaints should be adhered to.

5.3 Areas for Further research

Although this study aimed at examining the effectiveness of computerized accounting on quality of financial reports in charms Uganda limited, it was limited to the quality and timely preparation and presentation of financial statements by the AIS. Interested researchers on this topic should carry out further study on the accuracy and transparency of the information presented by the accounting information system in the financial statements as a result of the use of Information and Communication Technology devices/services in the AIS. That is, the impact of ICT on AIS in terms of accuracy and transparency of the financial statements prepared and presented by the AIS.

- Secondly further research should be done on the extent of adaption of computerized accounting systems by SMEs in Uganda.
- There is need for more research on how accounting records can be maintained in providing in depth exposure to accounts and quality of financial reports
- Further research also needs to be undertaken to establish the role of management in promoting the quality of financial reporting in an entity.

5.4 Summary of the Chapter five

This chapter presented the discussion of the findings, the conclusion and the recommendations. The findings of this study showed that computerized accounting had an affect on quality of financial reports, and firms or organizations using a computerized accounting system tend to be of a more competitive advantage than others using a manual based accounting system in terms of speed, accuracy, relevance, understandable, timely and complete preparation of their financial reports.

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APPENDIX I

QUESTIONNAIRE

Am Kisakye Maria am final year student of Uganda martyrs university conducting a purely a purely academic study as a partial requirement that leads to the award of the degree of bachelor of business administration.

The research is on effective computerized accounting systems and quality of financial reports. The answers provided will be treated with utmost confidentiality and only for academic purposes. I therefore kindly request you to respond appropriately to the following questions

AGE BRACKET

18-30

31-40

41-50

51 and above

GENDER

Male

Female

DURATION IN THE ORGANISATION

LESS THAN   5YEARS

6-10YRS

Above 10YEARS

LEVEL OF EDUCATION

Upto-S6 ☐

Degree Holder ☐

Masters and More ☐

DEPARTMENT

Accounting and finance ☐

Information technology ☐

Procurement and ☐

Logistics

COMPUTERISED INPUT

		SD	D	NS	A	SA
1	Charms company uses a computerized accounting system.					
2	The computer system in Charms uses software programs installed ease to communication.					
3	The computerized systems in charms allow creation of documents and reports.					
4	The system allows to send sounds, thoughts, images or files to others via the computer					
5	The system records transactions in an electronic form and posts them to general and subsidiary ledger accounts automatically.					
6	The system provides management with account details data to support decision making.					
7	The systems make accurate calculations.					
8	Data is entered into the system through pointing devices like electronic mouse and touch pads.					

		SD	D	NS	A	SA
9	Voice can be used in data input at Charms					
10	Hand writing recognitions can be used in data input at Charms					
11	Optical scanning can be used in data input at Charms					

How has computerized accounting system assisted Charms?

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COMPUTERISED PROCESSING

		SD	D	NS	A	SA
1	The computer system in Charms processes input data.					
2	The system processes input data and produces reports.					
3	The system performs all arithmetic and logic operations to be applied to data.					
4	The system accepts all instructions in processing data.					
5	The system performs functions and does computations.					
6	The system processes data by carrying out instructions given to it.					
7	The system accepts instructions for data processing.					
8	Operational activities are performed basing on the information processed in form of reports.					

What challenges does the computerized accounting pose for Charms?

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Computerized output

		SD	D	NS	A	SA
1	The computerized Accounting system in Charms produces output in form of reports.					
2	The system generates all types of financial reports (income statements, Balance sheets)					
3	The system allows printing of hard copy files of reports generated					
4	The system produces Budgets and provides variance analysis					
5	The system output can contain sound pictures					
6	The processed reports can be displayed for visibility.					

QUALITY REPORTS

		SD	D	NS	A	SA
1	The computerized Accounting system in Charms produces reports that are reliable.					
2	The reports are understandable.					
3	The reports generated are free from material errors and bias					
4	The reports generated are from Information that is verifiable					
5	Information generated can be put to use easily by the users and formatted in a way that is understandable.					
6	Information generated by the system is current, unique and distinctive					
7	The information generated attracts compatibility					
8	Information generated in complete.					
9	The computerized system allows timely reporting of transactions in Charms					

How has computerized accounting system improved the quality of reporting in Charms?

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Interview Guide questions: