

Electronic Accounting: The Essentiality of Rising Indian Business

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ABSTRACT

Electronic accounting is a rising concept in the area of accounting. In e-accounting, the procured documents and bookkeeping records are available in digital form instead of on a paper. This concept is also acknowledged at global level. The e-accounting helps in reducing the time, electricity, paper reduction and cost reduction at source. Due to advancement in Technology, new software are available for recording the bookkeeping and other monetary transactions Accounting has its own significance in carrying out the various functions in any organization and it is also called as the replica of the business. The conventional accounting is a time consuming method and it requires a year to complete the cycle process. Whereas, modern accounting gives a better and accurate results by one command through the computer.

1. Introduction

Accounting is a practice of classifying, calculating and corresponding the financial information of an organization to its users and stakeholders who call for the details in order to make decision. It is a process of discovering dealings and events of a specific entity. The information gathered by various branches of accounting, such as cost accounting and management accounting, tax accounting, forensic accounting, auditing are very useful in assisting the management to make a knowledgeable judgment.

Latest tools, like computers, internet and mobile technologies have opened doors for new business openings. There has been a constant development in the application of information and communication technology in business to support the exchange of data and information within and among organizations.

With the introduction of the internet, there has been a great revolution in the mechanization of trade and commerce. Internet technology has a noteworthy effect on accounting systems because of changes in the practices in the trade and commerce. Earlier entrepreneurs used manual techniques for book keeping and accounting. Nevertheless, the traditional accounting systems were prone to inaccuracy and errors which were time consuming. The accounting process has evolved due to automated and computerized accounting system. The introduction of E-accounting has facilitated to make use of financial data faster and more competentlyⁱ.

2. Concept of electronic accounting

Electronic Accounting is an accounting mechanism that depends on information and computer technology for gathering, dealing out and carrying out various accounting functions of financial transactions and data of various business institutes. E-Accounting is the latest innovation in the accounting area. Now days, all the financial transactions and related data are stored in electronic form instead of storing in paper documents.

Majority of companies have started using e-accounting. Several bookkeeping functions are performed by e-accounting such as, research in accounting, the accounting guidance and education through various accounting software such as Tally, SAP etc for making well-organized evaluation. There are no hidden charges involved for the installation for organization as it is just a single user investment for the companies. It is beneficial to both parties involved – company as well as employees as it provides them to work more accurately, saves time and cost. Through this approach a huge amount of money can be saved instead of storing the data manual or paper based form.

3. Need for the study

The study is proposed to focus on the topic of E-accounting applications adopted by the existing businesses. Various studies reveal that due to globalization, business needs to adopt digitalization willingly or unwillingly. Many organizations are not able to process business successfully for the reason that of unavailability of high technology, low quality of material, not availability of train staff, management hurdles but main reason is the accounting practices adopted by the businesses. So it is need for the businesses that they must have to accept E-accounting practices as substitution for the conventional practices.

4. Review of literature

ToshniwalRitu (2016): explores that e accounting is the key role player in recent time. E- Accounting is process where accountant can work easily with speed but for that they need sound knowledge of Accounting.ⁱⁱ

Como(2016): E accounting or online accounting is a recent development which has several benefits like it minimizes the paper work, it saves record in digital format, with help of various management applications likeERP,CRM, project management is help full for accounting online. But the major limitation of e accounting is that firms don't want to invest in purchasing software. The most important thing in the e accounting is interpersonal communication channels to

communicate and to gain knowledge. But sometime software failure is biggest problem in the e accounting.ⁱⁱⁱ

Guney, A. (2014) Today e accounting plays an important role in modern accounting business the research reels that the quality of accounting is a major factor which influences the employees and companies directly. So here it is need to change the education and its syllabus to teach and to create quality student for e-accounting.^{iv}

5. Objective of the study

The main objective of present research study is as follows-

1. To know the concept and background of the term E-accounting.
2. To study pros and cons of E- accounting.
3. To learn about the variety of accounting and financial software utilized by the business these days.

6. Research methodology

The entire research study is purely based on secondary data. The secondary data is collected from a range of books and National and International research journals associated to E- Accounting and auditing and also from different websites and other related research articles.

7. Benefits of e-accounting

Today e-accounting's importance increases due to the immense speed of accounting transactions, preciseness and lower cost of managing the business transactions. The following are the importance of e-accounting.

1. It helps to boost up the speed of accounting as compared to manual process and give more accuracy in accounting transactions.
2. The current computerized accounting system is capable enough for sharing of the data and exchanges of accounting activities.
3. Online information access creates immediate reporting and action
4. It improves performance of an organization in terms of accounting
5. It facilitates to keep confidential data safe and secured as compared to manual accounting.^v

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8. Limitations of E-Accounting

1. Computer software requires heavy expenditure of installation it also requests timely need of up-gradations to newer versions.
2. Special cost is to be brought upon in order train the staff to enable them towards efficient use of the system.
3. Disruption in the work can be experienced due to the system crashing owing to some failure in hardware.
4. E-Accounting has an immense threat of hacking and thrashing of data of security of system.

9. Conclusion

E-Accounting is a revolutionary concept in the field of accounting and finance. All the accounting transactions and records are preserved in electronic form instead of paper based document.

Today all the accounting firms whether it is national or international, small or big have started adopting electronic accounting in some way or the other.

The major significance of electronic accounting practices helps in carrying out fair and systematic audit practices, synchronizing the accounting practices, saving a lot of time and cost and has become user friendly.

One thing important in the e-accounting is network security but sometimes network issues creates obstacles in carrying out the work smoothly

Sound knowledge of e-accounting is another crucial aspect of because it creates trust and confidence among the clients.

The leading feature of e-accounting is that it has an aptitude of storing enormous data and facilitates cutback of clerical works.

Thus e-accounting is useful to maintain the privacy of financial records and whenever required the financial records can be archived easily anytime as well as data is also secure.