

Cloud Computing Accounting: Awareness and Adoption of Accounting Applications on Cloud: Accounting Professionals Perspective

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ABSTRACT

Cloud computing is the recent development in technology and doing accounting on cloud based accounting application is the modern way of accounting. To discuss about this new flanged technology, we carried out extensive study to understand the level of awareness of cloud computing in accounting by accounting professionals. The main reason of this study is to explore the level of awareness and adoption of accounting applications of on cloud by accounting professionals. The objective of this study is to find out the degree of familiarity with cloud computing among accounting professionals and reasons for not using the cloud computing in accounting. For this a well structured questionnaire was sent to 73 accounting professionals out of which 60 responded and related analysis was done. It was found 64% respondents from all 60 respondents are aware with the term cloud computing. Majority of respondents who are not using cloud computing accounting application i.e. 18 out of 30 (i.e. 60%) because of lack of awareness of cloud technology in accounting.

1. Introduction

Cloud computing accounting applications are the software that is hosted on remote server i.e. cloud service provider's location. It is internet based accounting which has record, storage, secure and easy to share and many more facility. Technology has changed the method of doing accounting in an innovative manner. Latest development in accounting like E-accounting, is the perception of enabling accounting professionals of all activities more efficiently, effectively, affordably, flexibly etc, but for doing accounting electronically has one constraint for small businesses or organisations is software cost. Such type of businesses can not afford accounting software so to mitigate such limitation a cloud computing accounting has come in the place. Cloud computing is the on demand availability of computer system resources to store, manage and process on cloud rather than on own local server or personal computer. Cloud computing simply means the use of computing resources or cloud based services through networks, typically the internet. Cloud computing has the main feature of providing the facility to access shared resources and common infrastructure on demand over the internet to perform the business operations and to meet the business needs. Cloud computing is basically for small sized and medium sized business system who can not bear the huge amount on hardware, software and infrastructure and for large companies who don't want to incur higher cost on building larger data centre internally for getting peak load capacity. In both the instances, service consumers use 'what they need on the cloud' and 'pay only for what they use'.

Accounting is the process of recording financial transaction pertaining to business. E-Accounting is the process of recording, summarizing, analysing and interpreting financial transaction through software. Small and medium sized business systems are not able to purchase these accounting softwares because accounting softwares are

more expensive and another constraint is professional expert require to run these softwares. In recent trend in accounting, cloud computing is expected to make accounting easily accessible from anywhere at anytime, less expensive, time saving, scalable, and pay only for what they use. In cloud computing accounting, no need to purchase accounting software, hardware, and infrastructure.

2. Review of Literature

M. Thirimal Rao, T.G. Jyotsna and M.A. Sivani, in their article "Impact of Cloud Computing: Accounting Professional Perspective" has highlighted the overview of cloud computing and its benefits for the users. In this article, they concluded that cloud computing have big impact on the growth of the small and medium enterprises. Later or sooner, every business owner will shift on cloud computing because there are so many benefits they can get from shifting on cloud computing like; cost effectiveness, high security, easy of use etc. it is also stated in this article that cloud computing is the right choice for small and medium enterprises and it can be highly beneficial in terms efficient technology at a lesser cost. Customization offered by cloud computing is a major benefit to any SME for adopting it, which enables SMEs or large businesses to customize cloud based software according to their requirement.

Lipik Aarthiya, Aarti Gupta (2018), in their article "Cloud Computing in Accounting: A Case Study of KPMG Firm" in this article, focus is given on the deployment of cloud based accounting software in SMEs and benefits from them which may tend to big part of revenue by 2020. they focused on to understand the concept of cloud computing and its role in the field of accounting, for this purpose, they studied three reports of KPMG on the concept of cloud computing. In this study, they found that cloud accounting is at level of reliable and scalable data providing source.

Otilia Dimitrin, Maridan Matei, (2014), in their article “A New Paradigm for Accounting through Cloud Computing Emerging Markets Queries in Finance & Business” they concluded that cloud computing has replaced the traditional way of doing accounting, now a days companies are migrating on cloud based accounting. Numerous benefits of cloud based accounting are considerable and specially for small and medium enterprises.

Ceslovas Christanskar, Regina Miseviciences, (2012) “Cloud Computing Based Accounting for Small Sized Business.” In this study, authors’ investigated that cloud based accounting is the newest trend in accounting information system for small to medium sized business. Accounting on cloud based software is a new and innovative solution that is available at very low cost for small and medium-sized enterprises. SMEs can get a lot of advantages with the newest technology. However, cloud computing has its own risk too. The paper indicates advantages and risks of the newest technology within the business.

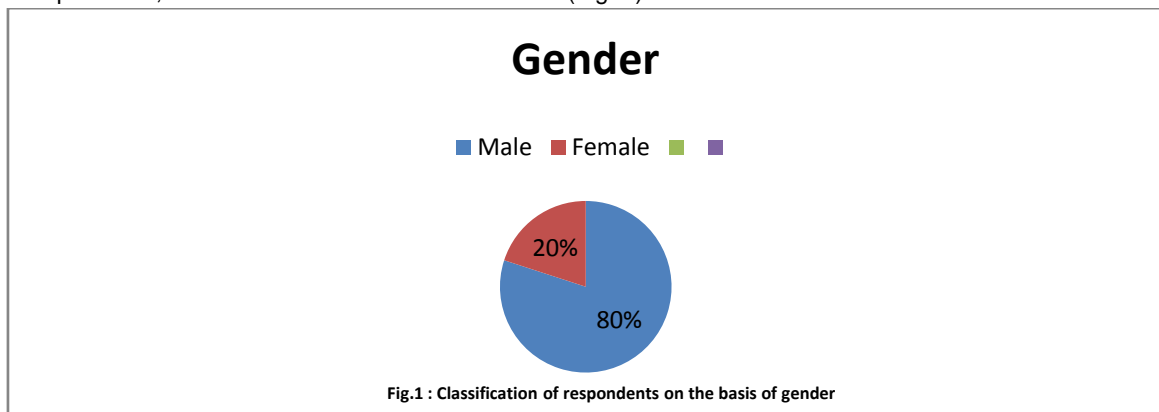
Mozhdeh Sadighi, (2014), “Accounting System on Cloud” In this study, Popularity of cloud computing and its benefits are considered. Many companies have started migrating its all process on cloud. In this study cloud computing migration process has been investigated of Sample Company. The sample company is already established with proper infrastructure but due to firm’s financial status, it is not economical to deploy private cloud. In this paper, author suggested that it is better to deploy public cloud rather than private.

3. Statement of problem and its significance

- Are the Accounting Professionals familiar with Cloud Computing?
- Whether the Respondents consider cloud computing for accounting purposes beneficial to company?

7. Demographic Profile of Respondents

Out of 60 respondents, 48 were males and 12 were females. (Fig. 1)



Among all the respondents 13 in the age group 18-25, 18 in the 26-31, 13 in the 32-37, 8 in the 38-43, 3 in the 44-49, 2 in the 50-55 and 3 in the age group of above 55. (Fig.2)

- What kind of benefits are they getting by implementing these applications for accounting purpose?

4. Objective of the study

- To find out the degrees of familiarity of the accounting professionals with cloud computing application.
- To know, what kinds of benefits are respondents getting from cloud computing accounting?
- To examine the reasons for non adoption of the cloud computing accounting applications.

5. Research methodology

Primary and secondary data was considered. Primary data was gathered by using well structured questionnaire as tool for data collection that was filled by accounting professionals. The questionnaire was sent to respondents using email, whatsapp and other online media. Secondary data was gathered from several books and websites. After completing the collection of primary data and secondary data, the collected data was properly tabulated and analysed.

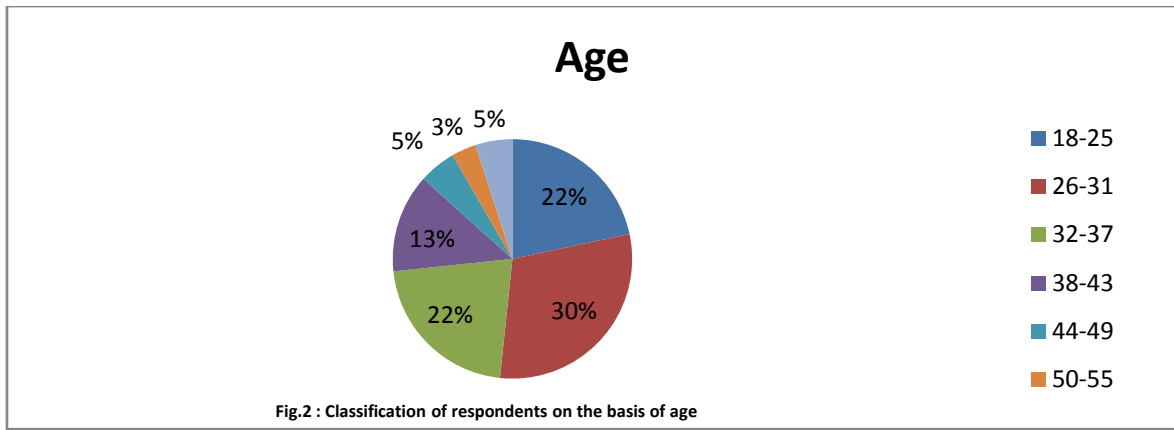
6. Hypothesis

H1: Most of the accounting professionals would not have been familiar with the concept of cloud computing.

H2: Lack of awareness and regarding the usefulness of cloud computing for accounting purpose is the major constraint for non adoption of cloud computing accounting.

H3: Cloud computing accounting require huge amount for implementing and technical expertise for using cloud computing accounting applications.

Responses from 60 Accounting Professionals were received. Demographic Profile of respondents is as follows:



Among all the Respondents, 27% were graduates, 55% were post graduates, 5% were Doctorate and 13 % were other professional or diploma holder. (Fig.3)

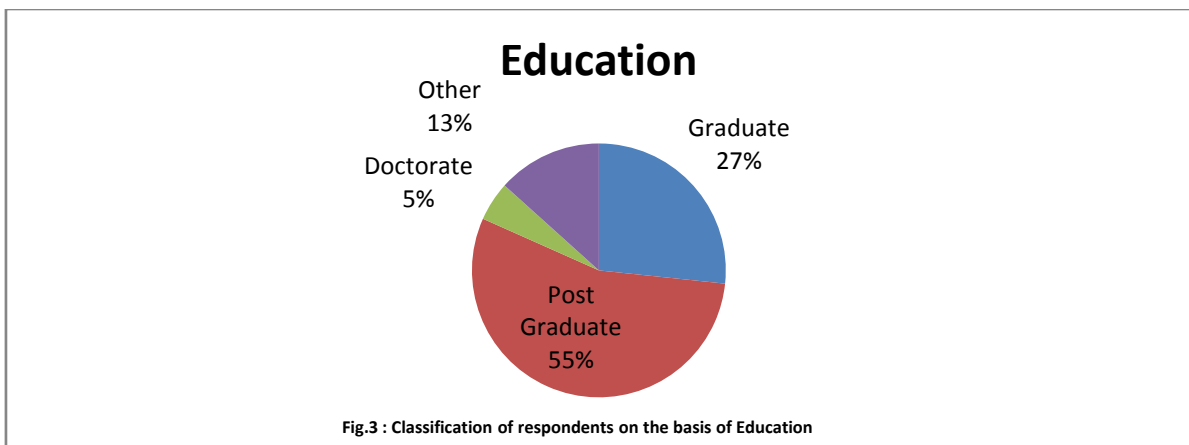


Table 1: Familiarity with the cloud computing for the purpose of accounting

	Male	%	Female	%
Yes	24	64.86	14	60.86
No	13	35.14	09	39.14
Total	37	100.00	23	100.00

The above table-1 indicates that around 65% male respondents and 61% are familiar with the cloud computing in accounting.

Table 2: Level of Awareness (n=60)

	Male	%	Female	%
Very Low	3	12.50	3	21.42
Low	5	20.83	5	35.71
Medium	8	33.33	3	21.42
High	6	25.00	2	14.28
Very High	2	08.33	1	07.14
Total	24	100.00	14	100.00

Table 3: Use of Cloud Computing for the purpose of Accounting (n=60)

Response	Respondents	Percentage
Using	36	60.00
Not using	24	40.00
Total	60	100.00

The above table-3 indicates that 60% respondents were using cloud computing in accounting.

Table 4: Reason for using cloud computing application for the purpose of accounting (n=38)

	Reason	Frequency	%
1.	Lower cost (Saving cost through lower total cost and no need to invest in upfront system i.e. no startup cost or long term commitment)	33	86.84
2.	No installation or updation required	35	92.10
3.	Automatic backup i.e. fear of loss of data is very less in cloud	28	73.68
4.	Accounting software on cloud can be access from any where at any time	36	94.73
5.	Cloud accounting applications run from data center which provide high security.	22	57.89
6.	Scalable i.e. available on demand	24	63.15

The above table-4 indicates the reasons for using cloud computing in accounting. Among all the benefits stated in above table around 94% respondents were using cloud

computing because of remote access i.e. access of application from anywhere at any time, 92% because of easy installation no updation, 86% because of lower cost.

Table 5: Reasons for not using cloud accounting applications (n=30)

Reason	Frequency	%
Because I don't know about Cloud technology	18	60.00
Data security, because data is stored on cloud which can be accessed by hackers.	11	36.67
Because it require high speed internet which may result in increase of cost	9	30.00
Lack of ability to customized	12	40.00
Network break issue may result in delay in work	11	36.67

The above table 5 indicates that, the main reason behind not using cloud computing accounting applications is because of lack of awareness amongst different accounting professionals i.e. 60% who were not using cloud computing accounting applications because of lack of awareness of cloud technology, 36.67% because of data security, 30% because of requirement of high speed internet, 40% because of lack of ability to customized and 36.67% because of network break.

purpose is the major constraint for non adoption of cloud computing accounting, is *accepted*

8. Findings and Discussions

As a result of systematic analysis of data obtained for the present study, Investigators observe the following facts about the awareness and uses of cloud computing accounting application by accounting professionals.

H1: Rejected: Around 64% respondents from all 60 respondents are aware with the term cloud computing. Thus, Hypothesis -1 i.e. Most of the accounting professionals would not have been familiar with the concept of cloud computing, is *rejected*.

H2: Accepted: Majority of respondents who are not using cloud computing accounting application i.e. 18 out of 30 (i.e. 60%) because of lack of awareness of cloud technology in accounting. Thus, Hypothesis-2 i.e. Lack of awareness and regarding the usefulness of cloud computing for accounting

H3: Rejected: as stated above, easy implementation, no startup cost and no technical expertise required are the benefits of cloud computing accounting applications. Thus, Cloud computing accounting require huge amount for implementing and technical expertise for using cloud computing accounting applications, is *rejected*.

9. Conclusion

The rapid development in technology creating a lot of opportunities to accounting professionals, but there is gap between the rapidly growing technologies and usage of those technologies by accounting professionals. Cloud computing in accounting is also recent development in accounting where accounting can be done from any where at any time, data can be stored, secured on remote servers. Our objective of this study is just to explore the level of awareness and adoption of cloud computing in accounting. In this study, we found that most of the accounting professionals are familiar with the cloud computing in accounting and rest of the respondents who are not using cloud computing in accounting just because of lack of awareness. Further who are using cloud computing, they find cloud computing beneficial in many ways like; easy installation, no updation required, lower cost, remote access i.e. from anywhere at anytime, scalable etc.

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