



International Research Journal of Management and Commerce

ISSN: (2348-9766)

Impact Factor 7.098 Volume 10, Issue 01, January 2023

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"THE IMPACT OF GST ON THE COMPUTERIZED ACCOUNTING SYSTEM: A STUDY"

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Abstract:-

Accounting is an essential function for every company or organization. It is common practise for companies with fewer than 100 employees to keep their books of accounts on computers using accounting software. A computerised accounting system is a system that processes financial transactions in accordance with generally accepted accounting principles (GAAP) in order to provide reports in accordance with the requirements of the business. The database is essential to the functioning of today's computerised accounting systems. A collection of computer programmes that efficiently handle and organise data is what constitutes the concept of a database. The details of each transaction are recorded in the computerised accounting system and saved in a database that is very well organised. The terms "accounts payable," "journal," "general ledger," "payroll," "accounts receivable," and "trial balance" all belong to the category of "application software." Accounting software is a type of programme that records and performs accounting activities. The management of your company's financial transactions can be simplified with the help of computerised accounting software, which is a type of application that runs on a computer. The use of accounting software enables businesses to make more effective use of the resources available in their accounting departments and helps to eliminate errors that could result in significant financial losses. The use of computerised accounting systems results in increased productivity and decreased expenses. Additionally, compared to its manual equivalent, it is more precise, can be utilised more quickly, and produces fewer opportunities for errors.

Keywords:-

Computer, Accounting, Accountancy, Accounting System, Computerized Accounting System, GST

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A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories.

Introduction:-

Computers play an integral role in the processing of financial and business transactions in the modern world. The use of computers and other forms of information technology enables a company to gain access to the information that facilitates decision-making in a manner that is quick, accurate, and timely. The term "accounting software" refers to a category of different types of computer programmes that give you the ability to manage the financial transactions of your company. This contributes to the preservation of the competitive advantage and the enhancement of profitability. The operation of the computer system is dependent on the data, which is then transformed into a response by the hardware in accordance with the instructions given by the user by means of the software. Procedures, data, people, hardware, and software are the components that make up the computerised accounting system (CAS). These are the five pillars that the computerised accounting system is dependent on. On July 1, 2017, the Goods and Services Tax (GST) Act became legally binding in India. The Goods and Services Tax (GST) applies to just one market in one nation. The "Goods and Services Tax" is the complete name for the GST.

In 1954, France was the first country to introduce the Goods and Services Tax (GST), and since then, an estimated 160 other countries have done the same. The Goods and Services Tax (GST) is an indirect tax that has been replaced in India by a large number of other indirect taxes that are levied by both the central government and the individual state governments. Because the software now includes many features that assist businesses in remaining GST compliant, businesses can now use GST accounting software to process their accounts more quickly than they could do so manually. This is because the software now includes these features. A computerised accounting system is a type of accounting information system that processes financial transactions in accordance with generally accepted accounting principles in order to produce reports that are customised to meet the needs of individual users. The implementation of a database requires the use of a database management system. The scope of CAS programmes can vary greatly, with some programmes designed for straightforward bookkeeping and others designed to manage the entirety of a large company's financial transactions. The use of accounting software for bookkeeping not only enables businesses to make better use of their resources but also helps to eliminate many costly errors in bookkeeping. In order to produce the following reports,

CAS uses the accounting transactions themselves as inputs, which are then run through Accounting Software.

Journals

- ✿ Ledger
- ✿ Trial Balance
- ✿ Balance Sheet
- ✿ Profit and Loss Account

Definition:-

- **Computerized Accounting System:-**
Computerized Accounting System Is a system used by businesses for recording their financial Transaction.
- **Accounting:-**
The systematic recording of financial transactions related to a business. It is a process of summarizing, analyzing and reporting of the Business transactions.
- **Goods:-**
Goods are things that are made to be sold. Money can be exchanged for goods or services.
- **Services:**
These are the activities provided by other people, who include doctors, lawn care workers, dentists, barbers, waiters, online servers, consultants, chartered accountants.
- **Tax:**
It is a compulsory contribution to state revenue, levied by the government.
- **Accounting Software:**
It is an application software that records & processes accounting transactions such as accounts payable, accounts receivable, payroll, and trial balance.

Review of Literature:-

1.Marivic (2009) described a computerized accounting system as a method or scheme by which financial information on business transactions are recorded, organized, summarized, analysed, 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. 2. Marivic (2009), 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.

3. Lee (1983), Accounting is purely human invention, having no independent existence in nature.

Hence, it cannot in any true sense have been discovered, but it must have been constructed by human minds to serve human needs. Computerised Accounting System objectives as follows; Internal control, including the safeguarding of organization money and other property, the regular collection and payment of sums of money owed to and by it, and the prevention and detection of inefficiency, waste, and dishonesty by employees of the organization.

Measurement of financial data, by means of the recording of transactions and events affecting the financial state of the organization, and their processing in accordance with consistent rules.

Provision of information for planning and decision making to management. Reporting of financial information to properties, investors, and other interested persons. 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.

4. Smith and Wiggins (1991) argued that the use of accounting information could be linked to the success or failure of an Entrepreneur. In order to survive, Entrepreneurs need updated, accurate and timely accounting information (Lohman, 2000; Amidu and Abor, 2005). Accounting systems are responsible for analysing and monitoring the financial condition of firms, preparation of documents necessary for tax purposes, providing information to support business purposes. Without such a system it will be very difficult for entrepreneurs to determine performance, identify customer and supplier account balances and forecast future performance of the business.

To provide accountability is thus an essential feature of an accounting system. However, in the modern business world, information usefulness is also an important, albeit secondary, requirement. Thus, the core of any accounting system is to provide accountability with

information usefulness a necessary adjunct. All computerised accounting systems seek five basic results:

To record an actual, valid transaction, to accurately classify the nature of the transaction, to record the correct value of the transaction, to place the transaction in the proper accounting period; and to generate financial statements containing information about the transaction.

5. Carol (2002) says that computerizing business general ledger, payroll and other accounting tasks increases office efficiency. Computerized accounting systems have also been credited for their quick processing speed and large storage capacity. Using computerized accounting systems ensure up to date account balances are available at any time to aid management in decision making (Lancouch 2003). Computerization saves time on transaction hence leading to quality of financial reporting for instance timely, accurate and reliable information can be generated (Lewis 1999). Financial reporting is largely an effort to assess financial performance, that is, how well or how poorly an entity performed with money entrusted to it, (Sacco, 1998). Financial decisions include raising and spending money as well as making promises that have financial consequences. Financial reporting is considered a part of accountability for financial decisions.

Limitation of Study:-

This study is conducted on the role of Computerized Accounting System in GST.

Objectives:-

1. To study meaning and concept of Computerized Accounting System
2. To understand the role of computerized accounting systems
3. To understand various computerised accounting software
4. To study the use of Computerized Accounting in GST
5. To become acquainted with the various problems of a computerised accounting system

Hypothesis:-

The computerized accounting system plays a moderate role in GST.

Research methodology:-

Primary and Secondary data is used in this research paper. The data is collected through the reference books, text books, reports, newspaper, articles etc.

Role of Computerized accounting system in GST:-

1. Better Quality Work:

The accounts prepared with the use of computers are usually uniform, neat, accurate, and more true than manual jobs.

2. Accuracy:-

By reducing or eliminating human errors in calculation, software in accounts segment can help to increase the accuracy of your records. Manual bookkeeping involves making a lot of mathematical calculations by hand. On the other hand, machines are virtually incapable of making such errors.

3. Speed:

For the purpose of GST compliant Goods and Service Tax accounting software allows businesses to process their accounts with greater speed than manual processing. Now it's available with lots of features of GST that helps businesses.

Lower Operating Costs:

Computer is a labor work and time saving device. Hence, the quality of jobs handled with the help of computers results in an economy and lower operating costs.

Improved Efficiency: Computers bring speed and accuracy in preparing the records and accounts and thus, increase the efficiency of employees.

3. Cost:

Computerized Accounting Software delivers speed, accuracy and efficiency reduced overall costs. Accounting program allows each user of the accounting team to do more in a given time. Tally. ERP 9 is one such solution for these small businesses. Tally.ERP 9 has been a well-known software for small and medium enterprises for more than 2 decades. In India many SMEs are looking for ERP Software to run their business and Tally.ERP 9.GST software is designed to handle GST in a simpler and easier way.

4. Reports:

A software helps businesses to supply the necessary members of staff with timely and accurate financial information. Even Tally.ERP 9 has the facility to generate cash flow statements as well. However, creating such a report manually would be time-consuming. With the introduction of GST in India, the reporting standards have got new responsibilities like GST tax challan reconciliation, generating GSTR 1, GSTR 3B return summary, E way bill reports etc., and with Tally.ERP 9 latest release 6.4.8 all these are available at just clicks

away. An accounting software helps to make this process easier and all of your business's financial details are in one place. The accounting software helps you to calculate your return itself semi-automatically, rather than spending time working out the necessary details by hand.

5. Advanced Features:

While some accounting software is designed for sole proprietors and small business owners, others are tailored for larger enterprises (e.g. Tally.ERP 9.GST). If your business is operated at a large scale, you may want to consider a computerized accounting system that comes with features like inventory management and multiple user access.

Table 1.1 Awareness of a Computerized Accounting System

Responses	Frequencies	Percent (%)
User friendly	32	94.12%
Risk	31	91.18%
Speed report generation	30	88.24%
Speed	33	97.06%
Time saving	34	100.00%

Various computerised accounting software

1. Zoho Books:

Zoho Corporation is a computer software and web-based business tool manufacturer that is headquartered in India and operates as a multinational corporation. It is best recognised for the cloud-based office suite it provides, which is known as Zoho Office Suite. The company was established in 1996 by Sridhar Vembu and Tony Thomas, and it currently has a presence in seven different locations. Its global headquarters are located in Chennai, which is located in the state of Tamil Nadu, India. The corporate headquarters are located outside of Austin in Del Valle, which is located in the state of Texas. Sridhar Vembu's sister, Radha Vembu, is the owner of the majority of the shares in the business.

Accounting Software

2. Xero Accounting Software:

Xero is a technology company based in New Zealand that offers cloud-based accounting software to companies of all sizes. Xero caters primarily to small and medium-sized enterprises. This corporation maintains offices not only in the United States but also in New Zealand, Australia, and the United Kingdom. The products offered by Xero adhere to the software-as-a-service business model and are licenced on a subscription basis. The price of

the subscription is determined by the type and number of entities that are managed by the user. Over 180 different nations currently make use of the products.

Problems of Computersied Accounting Software:

1. Theft of Computer Time: Information created by one person can easily be copied by another person, who can then claim that the data is his own and that he is the actual creator of the information. There is no such thing as an original copy or a duplicate copy when working with computers.

2. Manipulation of Programs: An intruder, a rival, or a competitor could potentially manipulate, modify, or delete one or more of a company's programmes, rendering the entire software unusable.

3. Unauthorized Access to Information:

The information that is stored in a computer is capable of being copied onto floppies and sent to rival companies. Insiders of a company are able to send confidential information about that company to another company thanks to the availability of modern communication networks. Data can be taken from networks if hackers connect to them.

4. Theft of Software: This is by far the most common form of criminal activity involving computers. It is possible for an employee of a company to make a copy of software that was purchased by the company and use it on his or her personal computer. Protecting hardware and software from unauthorised use can be accomplished through the implementation of various precautions and controls.

5. Controlling Access: The first step in system security should be the controlling of both the hardware and the software. To prevent theft of the hardware, the system should be secured with a lock and key. Techniques of physical and electronic access control such as locking keyboards, maintaining automatic logs, limiting after-hours use, and accessing systems only during business hours are examples.

6. Passwords: It is important that passwords be made available at all levels of the system. They should be changed on a regular basis or whenever there is a need to do so in order to prevent unauthorised users from accessing the system.

7. Copies of Backups:

It is imperative to create frequent backups of all software and store them in a location that is distinct from the typical storage media. Tapes are typically used to store backups, which can then be retrieved in the event that the primary data stored on the system becomes corrupted. In the event that it is required, software programmes should also be taken.

8. Ensure the Safety of Your Backups You should always store your backups in a safe location. If the company loses its backups, it will be in a terrible position. The protection of backups includes storing them in containers that are resistant to fire and in a location that is remote from the location where the computers were installed.

9. Controlling the Network: The majority of businesses likely have computers that are able to share data with one another by utilising a networking architecture. In these kinds of scenarios, users of personal computers are able to connect with one another and access files and services provided by the machine.

Because individuals from the outside, such as competitors, are able to connect to our network, there should be a particular focus on the safety of the systems and data that are located on the internet.

10. Encryption of Data:

The term "encryption" refers to the process of transforming data into a form that cannot be understood, sending that data across a network, and then decrypting that data so that the original contents can be viewed. It is not possible for an unauthorised person to read the contents of the file even if they gain access to it.

Conclusion:-

To summarise the entire situation, a company that has not yet computerised its accounting function should give the idea serious consideration if it wants to remain competitive. After analysing all of the accounting software for small and medium-sized businesses available on the market, we have decided to go with Tally.ERP 9. Tally.ERP 9 is the most comprehensive solution available..

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