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REVIEW ARTICLE

USE OF COMPUTERIZED ACCOUNTING SYSTEM OF SMALL, MEDIUM ENTERPRISES IN CANDELARIA, QUEZON

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ABSTRACT

This study examined the adoption of computerized accounting systems by Small and Medium Enterprises (SMEs) in Candelaria, Quezon. The study investigated the level of managers' acceptance of using computerized accounting information in connection with its functionality, reliability, usability, efficiency, maintainability, and portability. A descriptive correlational design was used to analyze the degree of relationship or association between variables. A total of 50 respondents from SMEs were selected using a simple random sampling technique. Based on the hypothesis, there is no significant relationship between the level of acceptance and the impact of accounting information systems that were rejected. The study found that managers' acceptance of CAS in functionality, reliability, usability, efficiency, maintainability, and portability had a strong agreement, indicating the effectiveness of CAS in SMEs in Candelaria, Quezon. The researcher suggested that SMEs in Candelaria, Quezon, should consider upgrading to high-end applications that are more useful for their businesses. The results showed a strong relationship between managers' acceptance of CAS and its effectiveness in SMEs in Candelaria, Quezon.

KEYWORDS

Accounting, Computerized Accounting, Small Medium Enterprises, Scope and Limitation.

1. INTRODUCTION

The Bureau of Internal Revenue initially implemented the computerized accounting system through RR No. 09-2009 for the year 2010 in the Philippines, where only major businesses are compelled to utilize this approach; up until this point, no law has been introduced to require small to medium-sized businesses to use a computerized accounting system. Traditional invoicing and manual encoding of SMEs financial data have been an ordinary scenario in their daily operations. While some small businesses in Candelaria, Quezon, try to adapt the changes brought about by technology and use computerized accounting, others are still using the traditional manual system. Investors, especially SMEs, need to understand more about the necessity of using this technology because using Excel-based bookkeeping might delay the release of timely financial reports and expose them to human mistakes.

This study seeks to determine if non users SMEs in Candelaria, Quezon will accept the computerized accounting system. The study will also determine the difficulties faced by business owners who have adopted computerized accounting. In summary, this study aims to determine the degree of SME acceptability or openness to using the Computerized Accounting System and the effects of its use to their businesses.

2. REVIEW OF RELATED LITERATURE

Based on the research explore how technology improves worker productivity. Although the companies and concepts chosen were different, they were similar in terms of the types of tools used to bring about the desired change (Sioco and Narvacan, 2016). A number of attributes were identified to examine the impact of users' use of computerized accounting systems and their perceptions of them. Users believe that using CAS will bring them great rewards, and they feel comfortable using CAS for social influence. The Most Important Factors Preventing Users from Using and Improving CAS Process-ability and performance may improve each time CAS is used (Nasrin and McMaster, 2010).

The "CAS" computerized accounting system, has been in use since BATELEC I in 2003, known as the "service provider" where all documents and reports can be generated automatically. The use of CAS started when one employee conducted research for the purpose of knowing the effectiveness of computerization and suggesting actions to improve it. The employee researcher describes that they were using manual transactions coming from the source documents until they found the digitization of BATELEEC 1 to be effective in terms of software usage, labor productivity, usability, and security. However, at BATELEC, I can use standards and best practices as a guide for software and system decision development (Catena et al., 2014).

Computerized accounting systems compatibly generate financial report results faster. Small business administrators should use one effective computerized accounting system to monitor and control short-term issues such as Costs, Expenses, and Cash Flows (Sugut., 2015). We also help small businesses operating in fast-paced and demanding markets through on-boarding, long-term organizational requirements, and growth strategies (Ababa, 2019).

Small businesses benefit from CAS because it provides accurate, timely, and detailed financial information and accounting records that they can use to assess the success of their current operations and prepare for improvement (Kumar, 2008). Performance by correcting errors in previous action plans (Sinek et al., 2012). Integrating computerized

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accounting systems into small business operations is critical to ensuring effective efficiency and contributing to the national economy. This is because it helps assess the feasibility of alternative courses of action and the status of companies in terms of profitability. Assets, Activities, Leverage, and Manufacturing financial decisions (Dirie, 2022).

A study, *Impact of Computerized Accounting Information System On Small and Medium Enterprises In Mogadishu, Somalia,* four surveyed balanced scorecards: (1) financial, (2) customer, (3) operational excellence, and (4) research and progress perspectives, has proven efficient and successful for small businesses by (Abdulle et al., 2019). Adoption of CAS was recommended due to its high benefits and low cost compared to financial statement analysis. Based on the article it is argued that this will lead to the separation of accounting duties, co-learning of accounting and tracking, calculation of large amounts of financial data, increased accountability and authority, and a better understanding of the current financial results of CAS-controlled companies (Bekele., 2017). It is suggested that it is proved by high reliability. We support the improvement of the internal control systems of small and medium-sized enterprises. In addition to this study CAS can quickly produce all forms of management reports, including budget analysis and variance analysis. This makes data collection and interpretation faster and more accurate, enabling managers to make better decisions based on accurate and timely data (Abdulle et al., 2019). As stated in the study Computerized accounting systems can receive balance sheets, financial information, and other accounting documents (Klau, 2015). He also agreed that a computerized accounting system would help managers identify and solve problems quickly.

The computerization of accounting methods has led to significant improvements in corporate performance. It is a fully automated implementation that combines financial, inventory, audit, and regulatory processes with performance-enhancing capabilities (Kumar et al., 2009). The same study also suggests that computerized accounting systems will improve an organization's access to information and decision-making while further improving connectivity (Victor, 2016).

2.1 Related Studies

As a result of information technology improvements, manual accounting methods have largely been replaced by computerized accounting systems in corporate reporting, which helps to provide accurate and timely financial reports that can be used by management and other users to make decisions (Greuning, 2016). Many people have come to the conclusion that computerized accounting systems are the primary driver of growth in company organizations due to the numerous benefits associated with their use in corporate reporting. This was demonstrated by the many benefits computerized accounting has over manual accounting, which necessitates the creation of all invoices, journal entries, and other financial records by hand. Users can enter data into accounting software using computerized accounting. Information is produced significantly more quickly by computerized accounting systems than by manual accounting systems. Databases that may be accessed by users are included in accounting software products like Quick Books and Sage 50 Accounting. Mathematical errors are common in manual accounting systems, as are incorrect numbers. A computerized accounting system automatically calculates firm statistics based on input numbers.

The cost of computerized accounting systems for large businesses can range from hundreds to thousands of dollars, according to a paper titled Comparative Analysis of Computerized Accounting Systems and Manual Accounting Systems of Quoted Microfinance Banks (MFBs) in Nigeria (Nestor, 2017). With the use of a computerized accounting system, the number of hours that men spend producing financial statements and other reports could be decreased. This is the justification for small and medium-sized businesses' frequent use of computerized accounting software. Whenever using a computerized accounting system, reports are produced promptly. Managers can run the business more effectively thanks to the reports produced by computerized accounting software. Making reports in a manual accounting system could make employees more irritable and force them to utilize out-of-date knowledge. Accounting documents stored manually are readily lost or ruined, for example, by coffee spills. Yet, because so many systems are backed up, documents kept by computers are probably safer. often. In the event that a paper pad's pages are misplaced, businesses must do research and again write them in. Businesses just restore the most recent backup and add a few things to a computerized system that were not saved. Accounting software clearly outperforms manual techniques in this area.

All handwritten financial statements examined in paper books and manual spreadsheets were converted to a computer system, allowing individual transactions to be quickly displayed in financial statements. computerized accounting system: Journals, ledgers, reports, and statements in one manual system. A computerized system easily integrates accounting functions and other basic tasks into the "behind-the-scenes" system. Companies can also generate reports, easier financial statements, and improved performance management reviews (Kumar, 2008).

A computer is a programmable device that can operate automatically, perform a series of calculations, or perform other operations on data without human help. Data can be stored, retrieved, and processed according to internal instructions. Computers can be digital, analogue, or hybrid, but most in operation today are digital express computers. A variable is a number, mostly binary; they are used for general purposes. Analog computers are built for specific tasks. Usually scientific or technical. The term "computer" is generally synonymous with digital computers and refers only to business computers (Sirisilla, 2023). The main benefit of business accounting software is that the majority of the program is automated. Accounting errors occur when work is done by hand. Reports empower leaders to make informed decisions, and immediate access only increases the chances of success (Rashid, 2017).

CAS eliminates all the multiple steps of manual systems with one entry. For example, when you create a check, it is automatically and simultaneously posted to your register and general ledger. account. You can create as many annual accounts as you like (Elmaleh, 2017).

Advances in information technology have finally led to the Introduction of a computerized accounting system in company Reporting to create relevant, truthful, and representative financial data Reporting for managers and external users for decision-making (Greuning, 2016). There are many benefits to using these computerized accounting systems. Corporate reporting is the "growth engine" of the corporate organization (Frenzel, 2016). Computers are primitive; they are used as a productivity tool for office workers. It is the company's ability to make these machines and know-how available to its employees. It shows how effective the technique is. Analytical research on Computerization helped identify the composition of the computerized accounting system (Morley and Parker., 2019).

3. METHODS

3.1 Research Design

The Descriptive research design used in this study is a powerful tool for researchers to gather information about specific groups and phenomena. This type of research provides a detailed and accurate picture of the characteristics and behavior of a particular population or subject. By observing and collecting data on a particular topic, descriptive research helps researchers gain a deeper understanding of a particular problem, providing valuable insights that will aid future research (Sirisilla, 2023).

3.2 Locale of The Study

The locale of this study is the desiccated coconut capital of the world, the Municipality of Candelaria, Quezon. It is the third-largest settlement in Quezon Province, after Lucena City and Sariaya. Among Quezon province communities, Candelaria has some of the driest coconut factories that employ thousands, including Peter Paul Philippines Corporation, Primex Coco Products Inc., Pacific Royal Basic Foods, Superstar Corporation, and Tongsan Industrial Development Corporation. and a refinery.

3.3 Respondents

The respondents to the study were 50 small and medium enterprise owners within the area of Candelaria, Quezon. The Researcher used a descriptive research design to describe the different perceptions of all of the respondents. The study entitled Usage of Automated or Computerized Accounting Systems of Small and Medium Enterprises in Candelaria, Quezon has fifty (50) small and medium enterprise owners within the area of Candelaria, Quezon. They have selected through the use of simple random sampling to make sure that the whole population has an equal opportunity to respond to this study.

3.4 Instruments

A survey questionnaire will be the primary tool the researchers utilize in this study to collect information about the Small and Medium Enterprises in the study area. The survey questionnaire was chosen because the researcher thought it was the most trustworthy way to ensure that respondents provided the required information without hesitation or fear. Additionally, it is less expensive than other instruments.

3.5 Significance of The Study

This research aimed to gain a better understanding of the usage of automated or computerized accounting systems in small and medium enterprises. It aims to educate and advise SME business owners on how to use automated or computerized accounting systems in light of rapidly evolving technology.

4. Results and Discussions

Table 1: The level of manager's acceptance of using a computerized accounting information system in terms of portability:

	Indicators	Mean	SD	Interpretation
PORTABILITY 1	Financial reports are generated within minutes;	2.95	0.90	*Agree*
PORTABILITY 2	Compatible with other business software;	2.93	0.84	*Agree*
PORTABILITY 3	Accessible from different devices and locations;	3.19	0.89	*Agree*
PORTABILITY 4	Allows remote access to financial information;	3.20	0.84	*Agree*
PORTABILITY 5	Has a cloud-based option for data storage;	3.40	0.64	*Strongly Agree*
Overall		3.13	0.83	*Agree*

Legend: 1.0-1.74 Strongly Disagree 1.75-2.49 Disagree, 2.50-3.24 Agree, 3.25-4.00 Strongly Agree

Table 1 illustrates the level of portability that managers are willing to employ in a computerized accounting information system. Strongly Agree has the highest mean score for Indication 5, with a mean of 3.40 and a standard deviation of 0.64. While indicator 2 has the largest interpretation of agree (0.84 standard deviations) and the lowest mean of 2.93, The program or application is easy to use and access in all respects, which contributes to its portability. According to the study, developments in information technology have finally made it possible to implement a computerized accounting system in company reporting to produce pertinent, accurate, and representative financial data reporting for management and external users for decision-making (Greuning, 2016).

Table 2: The level of manager's acceptance of using a computerized accounting information system in terms of reliability:

	Indicators	Mean	SD	Interpretation
RELIABILITY 1	Recording of data is consistent;	3.65	0.47	*Strongly Agree*
RELIABILITY 2	Provide accurate records;	3.63	0.47	*Strongly Agree*
RELIABILITY 3	Keep records for better compiling;	3.79	0.38	*Strongly Agree*
RELIABILITY 4	Reduce human errors in recording;	3.75	0.41	*Strongly Agree*
RELIABILITY 5	Able to view transactions;	3.78	0.40	*Strongly Agree*
Overall		3.72	0.43	*Strongly Agree*

Table 2 shows the level of managers' acceptance of using a computerized accounting information system in terms of reliability indicator 3, which has the highest mean of 3.79 and a standard deviation of 0.38 with the interpretation of strongly Agree. While indicator 2 has the lowest mean of 3.63 with a standard deviation of 0.47 with the interpretation of strongly agree, with regard to the reliability of the application, the small and medium enterprise owners strongly agreed that the generated data from the said application was reliable and valid.

A Comparative Analysis of Computerized Accounting Systems and Manual Accounting Systems of Quoted Microfinance Banks (MFBs) in Nigeria stated that for large firms, the price of computerized accounting systems can range from hundreds to thousands of dollars. Men's hours spent producing financial statements and other reports could be reduced with the adoption of a computerized accounting system. This is the rationale behind the widespread use of computerized accounting software by small and medium-sized firms. When using a computerized accounting system, reports are produced promptly. Managers can run the business more effectively thanks to the reports produced by computerized accounting software. Making reports in a manual accounting system could make employees more irritable and force them to utilize out-of-date knowledge. Accounting documents stored manually are readily lost or ruined, for example, by coffee spills. Yet, because so many systems are backed up, documents kept by computers are probably safer. often. In the event that a paper pad's pages are misplaced, businesses must do research and again write them in. Businesses just restore the most recent backup and add a few things to a computerized system. purchases that weren't saved. Accounting software clearly outperforms manual techniques in this area (Nestor, 2017).

Table 3: The impacts of CAS in terms of the quality of accounting reports

	Indicators	Mean	SD	Interpretation
QUALITY OF ACCOUNTING REPORTS 1	Provide real-time financial reporting;	3.19	0.72	*Agree*
QUALITY OF ACCOUNTING REPORTS 2	Generate reports that meet legal and regulatory requirements;	2.96	0.80	*Agree*
QUALITY OF ACCOUNTING REPORTS 3	Generates report easy to understand and interpret;	3.04	0.94	*Agree*
QUALITY OF ACCOUNTING REPORTS 4	Allows customize financial reporting;	3.20	0.84	*Agree*
QUALITY OF ACCOUNTING REPORTS 5	Generate accurate and detailed financial reports;	3.50	0.64	*Strongly Agree*
Overall		3.18	0.79	*Agree*

Table 3 illustrates the effects of C.A.S. on the timeliness and quality of accounting reports. Indicator 5 has the highest mean of 3.50 and the strongest interpretation of strongly Agree, with a standard deviation of 0.64. While indicator 2 has the lowest mean of 2.96 and the lowest standard deviation of 0.80 with an interpretation of agree, some of the respondents concurred that the caliber of the reports produced by the program is credible and genuine and that they can be used as the foundation for various reports. With a single entry, CAS replaces all the many processes of manual systems. For instance, when you create a check, it is automatically and concurrently posted to your register and general ledger account.

Table 4: The challenges encountered by small and medium enterprises				
	Indicators	Mean	SD	Interpretation
PRODUCTIVITY 1	Requires significant investment in hardware and software;	3.43	0.57	*Strongly Agree*
PRODUCTIVITY 2	It is prone to viruses and malware;	3.30	0.51	*Strongly Agree*
PRODUCTIVITY 3	Required training and hiring of specialized staff;	3.65	0.47	*Strongly Agree*
PRODUCTIVITY 4	Requires significant customization to meet specific business processes;	3.41	0.57	*Strongly Agree*
PRODUCTIVITY 5	May face compatibility issues with other business software;	3.63	0.47	*Strongly Agree*
	Overall	3.34	0.52	*Strongly Agree*

Table 4: Indicator 3 had the greatest mean of 3.65 and the highest standard deviation of 0.47, with a Strongly agreed assessment of the issues faced by small and medium firms. While indication 2 has the lowest mean of 3.30 with a 0.51 standard deviation and a Strongly agreed interpretation, there is a negative influence of this program on the owners of small and medium-sized businesses nowadays, with everyone defending technology; thus, it is crucial that the owners have a greater understanding of the said program. Computers are rudimentary tools used by office workers to increase productivity (Morley and Parker., 2019).

5. Conclusions

The level of managers' acceptance of using a computerized accounting information system in the following sub-variables, portability, has an overall interpretation of strongly agree. It indicates that managers in SMEs in Candelaria, Quezon, accept the advantage of using a computerized Accounting System. While the impact of computerized accounting information systems on the following sub-variables, such as quality of accounting reports and productivity, has an overall interpretation of agree, based on the impact of CAS on small and medium enterprise owners, they all agreed that all of the data generated from the program is reliable and valid.

Recommendations

- Upgrade the high-end application that will be more helpful for small and medium enterprises' businesses.
- If possible, make a feasibility study before utilizing different applications in business.
- Since this study was focused more on "what" concerns, a similar study may be conducted concentrating on the "how" and "why" concerns, which are not yet addressed.

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