

Technological Trends in Indian Accounting System-Its Impact on Business Management

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Abstract— This research paper focuses on recent technological development and in Indian Accounting System. The emerging scenario of accounting system should not be restricted to the traditional accounting system, rather it should incorporate E-Commerce and other software based accounting curriculum. This research paper presents an analysis of Technological Impact of Indian Accounting System on the managing business process. This advance and technical accounting knowledge and skills can make all professional in current scenario. The present paper is based on Accounting System as a whole is still in need to reform so that it is proved to be more effective in reducing unemployment and to face the present challenges of global economy in the field of business and industry.

Keywords— E-Commerce, Accounting System, Technological Impact

I. INTRODUCTION

The Italian Luca Pacioli, The Father of Accounting was the main individual to distribute a work on two fold section accounting, and presented the field in Italy. Accounting System is a systematic process of identifying, measuring, recording, classifying, summarizing, interpreting and communicating financial information. Accounting gives us information about available resource, their use and results. It is a system to manage income, expenses, and other financial activities of a business. It allows to business managers to keep track on all types of business transactions and is capable of generating comprehensive statistical reports that provide management and other interested parties to aid in the decision-making process.

II. Objectives of the Study

- To explain the concept of Indian Accounting System.
- To compare traditional and modern Accounting system in current scenario.
- To know about new trends and technological development in Accounting System.
- To know about recent initiatives in accounting software

III. LITERATURE REVIEW

Vandana (2018) “Green Accounting” , *International Journal of engineering Science and Computing* A study

focuses here on new concept of Green Accounting which gives a special prominence to people, profitability and the planet. This paper deals with cost and the benefits where an environment with the help of an accounting leads for business management. The objective of study was to know the concept, forms, legal framework, process and international initiatives of Green or Environmental Accounting. The study also concluded that Green Accounting as a new trend in an accounting system is a popular expression for environmental and other natural riches of Accounting.

Shalini E. Perumpral, Mark Evans, Sanjay Agarwal, Felix Amenkhienan (2009)

This author address on adoption and implementation of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The key areas were foreign capital and its impact on economic growth. This paper attempt to provide transparency in revised Accounting Standards to deal technological advancement in field of accounting.

IV. RESEARCH METHODOLOGY

This work is based on the secondary data which is collected from different sources like research papers ,websites , books and other secondary sources to illustrate trends and development in Indian Accounting System to meet the needs of future accounting professionals and also encourage change

in accounting curriculum. This research is done to investigate the improvement of decision making through the use of Modern Accounting System. It is essential for managers to use Modern Technology of Accounting to increase reliability, comparability, decision making, controls the cash flow in appropriate manner. It helps managers to choose the best investment method.

V. FORMS OF ACCOUNTING

➤ Traditional Accounting:

Traditional Accounting frameworks are most regularly utilized by private companies, as these frameworks have brought down forthright cost not as much as perplexing accounting system and are moderately simple to utilize. Another favourable position of utilizing an accounting system is that we can simply open up the book and increase moment access to our records. It is less risky because of intensity or internet blackouts, and there are no dangers of delicate data being hacked on the web.

Table 1 Golden Rule:

Type of Account	Debit	Credit
Personal	The Receiver	The Giver
Real	What comes in	What goes out
Nominal	Expenses & Loses	Incomes & Gains

Drawbacks of Traditional Accounting

Accounting practices should be a close function of the business they measure, they sometimes fail to respond quickly to adapt as per changing business environment. New business practices could render certain existing accounting practices unfit. Problems with traditional accounting practices include:

➤ Traditional Accounting Practices

It focuses on cost managing and utilize the assets of an organization, here the business performance measure by increasing product or service sales, the more demand on labor usage and asset investment.

➤ Changing Business Environment

Modern business is less dependent on labour, with the use of machinery business shows the best results. A business may result to technological innovations, high productivity & good customer satisfaction.

➤ Changing Accounting Practices

In today's scenario, all the organization want to match their accounting practice with changing business environment. It provides accurate information to the business.

• Modern Accounting

Modern accounting records the transactions into a book of prime entry. This system mainly uses the computer system. The accounting software sort all the transactions in chronological order and classify the transactions i.e. one type of transactions under one head which is known as ledger book

which contains collaboration of different accounts. After the ledger report software generates the income statement and balance sheet which depicts the profit or loss and financial position of the concern at the year end. If we try to pass an entry in modern approach it is find that there is much easier to apply modern approach in accounting as compared to traditional approach.

Table 2 New Rule of Accounting:

Type of Account	Debit	Credit
Asset	Increase	Decrease
Liability	Decrease	Increase
Capital	Decrease	Increase
Revenue	Decrease	Increase
Expenses	Increase	Decrease
Drawings	Increase	Decrease

VI. COMPARISON BETWEEN TRADITIONAL & MODERN ACCOUNTING

Table 3

Traditional Accounting	Modern Accounting
More time consuming	Less time consuming
Maximum chances of error	Minimum chances of error
More suitable for small business	Best for both small and large business
Hard to recover	Easy to recover
Less secured	More secured
No need of electricity to maintain records	Need electricity to maintain records
Difficult to understand by top management	Easy to understand by top management
Maximum duplicacy	Minimum duplicacy
Work done manually	Fully automation
Improper Information due to manual	Accurate information

VII. TECHNOLOGICAL CHANGES IN ACCOUNTING

Accounting programme helps to the accountants in their work. For instance, journalizing the transactions, posting into ledgers, paying bills and reporting and other concerns. Use of accounting software in the market that is easy to use and affordable, making them very popular in all business fields.

Recent Trends in Accounting System:

1. Cloud Accounting
2. Increase in Automation
3. Collaborative Accounting
4. Outsourcing
5. Green Accounting

Cloud Accounting:- It is a new way of accessing our accounting software from the web browser without installing it in system. It is also referred to as “online accounting”. This helps both the managers and top management to work on the same system simultaneously from different location. It reduces the cost, easy accessible, requires only availability of Internet. It is the safe method to secure business transactions.

Automation & Process:- In current scenario, all work is to be done through machines, Automation in accounting is one of the most crucial part of modern world. It works faster like bill payments, bank transactions, managing of goods, etc. It consumes less time and connects us globally. It maintains day to day records easily so that at the end of year the balance is automatically created. It is very useful for both small and large business. Chances of duplicacy become less in comparison with traditional accounting. It lowers the burden of managers and saves the time. Automated financial tools are designed to improve the efficiency of the company.

Collaborative Accounting :- Cloud and intelligence technologies upgrade the accounting procedure more as compare to old one. With cloud-based accounting arrangements, accountant can sign in wherever, at whatever point and give ongoing understanding to customers. The idea empowered by the wide scale appropriation of the Cloud by associations of each size.

Outsourcing:- Outsourcing is the way toward enlisting another individual or organization, either universally or locally, to oversee different business exercises of organization. Accounts outsourcing is one of the most rising patterns in today business requirement. With accounting programming, organizations still need to contract and prepare experts. This was a rising worry of the organizations as far as the expense.

Green Accounting:- Green Accounting is a new concept of Accounting System that aims at accounting for the environment. It is completely a new field of accounting introduced by Professor Peter Wood in 1980's. It focuses on business profit/ loss or its revenues/ expenditures in the growing field. The adoption of green accounting system in portrays the commitment of business managers towards the environment safety and security.

Recent Software's updation in Modern Accounting System:

- Tally ERP 9
- Profitbooks
- Busy Accounting Software
- Marg Accounting Software
- Saral Accounting Software
- Zoho Books
- MProfit
- Quickbooks
- Wave Accounting

VIII. IMPACT OF TECHNOLOGICAL CHANGES IN ACCOUNTING SYSTEM ON BUSINESS MANAGEMENT

- Technological changes fasters the data processing
- It increases the accuracy
- Easy to operate
- Easy accessible from different location
- Automation process
- Updated with the rules & regulations, Zero errors, no penalties
- Ample of time to focus on growth and expansion of business
- It is flexible and can be altered as per the changing requirements for better improvement and execution process
- It reduces the workload for employees who once manually created reports.

IX. CONCLUSION

Recent changes and development in Accounting software help accountants to forecast sales with the help of different economic business models and other business decision tools. They automatically process data into information, hence the number of human data entry errors decreases. This paper briefly explains the drawbacks of traditional accounting approach and focuses on positive aspects of Modern Accounting approach. Modern accounting approach provides better speed, low cost and ensures accuracy and reliability over traditional accounting approach. In present scenario, an accountant having basic qualification is itself not enough to deal with latest software's and development in accounting system of business management they should be aware about technological trends and business environmental changes to cope up with modern accounting approaches to effectively manage their business process.

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