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COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

ASSESSMENT OF ACCOUNTING INFORMATION SYSTEM (AIS) IN BANK MANAGEMENT ACTIVITIES (A CASE STUDY OF NIB INTERNATIONAL BANK IN GUBRYE BRANCH)

A RESEARCH PAPER SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR BA DEGREE IN ACCOUNTING AND FINANCE

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List of Acronyms

AIS: Accounting Information System

CITP: Certified Information Technology Professional

CPA: Certificated Public Accountant

FDIC: Federal Deposit Insurance Corporation

FRB: Federal Reserve Bank

IT: Information Technology

VAR: Value Added Reseller

Abstract

This research was conducted on the assessment of the Accounting information system in management activates of nib bank. The main objective of this research was to assess

Accounting information system in bank management activities of Nib bank in order to overcome problems like; Low level awareness of AIS by employees as well as management staffs of Nib bank, failing of network connection /network Interrupt**,** Human resource problem in AIS department and the bank don't imitate customers to give comment on his service backed by AIS. This study was used both primary and secondary data. The primary data was collected by questionnaire of Nib bank employees. The questionnaire was collected with direct distribute to employees of bank of Nib used by judgmental study method. Secondary sources of data were collected from documents such as annual reports, Internets and books. To overcome the drawbacks in bank of Nib must consolidate or networking all the activities of the bank for effective bank system, The bank also must improve human resource problems it by hiring employees who have profession in accounting information system in order to make advanced decision and satisfy the needs of customers and bank of Nib should initiate all customers to give comment on his service backed by AIS in order to improve his service in the future and to be leading bank in the domestic by increasing his strong side and correcting his weak side

Key words: Accounting Information System, Bank Management, Customer Satisfaction, Nib International Bank, Financial Reporting

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

Accounting has involved, as have medicine, law, and most other fields of human activity, in response to the social and economic needs of society. As a business and society have become more complex over the year, accounting has developed new concepts and techniques to meet the every increasing needs for financial information. Without such information many complex economic developments and social programs might never have been undertaken.

Accounting is often called the "language of business ,"this language can be viewed as an information system that provides essential information about the financial activities of an entity to various individuals or groups for their use in making informed judgments and decisions. Generally, Accounting is the process of identifying, measuring, and communicating economic information to permit informed judgments and decisions by users of the information.

Accounting has several specialized fields, some of them are:
Financial accounting is concerned with the recording of transactions for a business enterprise or other economic units and the periodic preparation of various reports from such records. Auditing is a field of activity involving an independent review of the accounting record, in conducting an audit; public accountants examine the records supporting the financial reports of an enterprise and give an opinion regarding their fairness and reliability. Cost accounting emphasizes the determination and the control of costs; it is concerned primarily with the cost of manufacturing processes and of manufactured products.

Managerial accounting uses both historical and estimated data in assisting management in daily operation and in planning future operations. It deals with specific problems that confront enterprise managers at various organizational levels. Tax accounting encompasses the preparation of tax returns and the consideration of the tax consequences of proposed business transactions or alternative course of action. Budgetary accounting presents the plan of financial operations for a period and through records and summaries, provides comparison of actual operations with the predetermined plan. Not for profit accounting specializes on recording, reporting and planning the operations, such as churches, charities, and educational institutions.

Accounting information systems were tools when incorporated in the field of information and technology systems (IT) were designed to help in the management and control activity related to firm's economic and financial data. Currently society is information dependent. Now a day's information system helps prominent role in day to day activities of an individuals, not only an individual but also it's essential for business organization; it's become important function like marketing, human resource finance and others globally. (James A. hall, 2010).

Information is a consumption and purpose of an organization and accounting information system plays an important role in helping it adopt and maintain strategic position achieving a close fit among activity requires that data to be collected about each activity. Traditionally accounting information system has been referred to as transaction processing system because its concern in financial and accounting transaction. (Marshall Romney, (1997).For example, when a sale is took place the accounting information system would be record a journal entry that showing any data of sale a debt to either cash or accounting receivable and credit to sale.

Effective AIS is essential to any organizations for long run success. Without a means of monitoring the events that occur in every organization also need to track the effects of various events on the resources and its necessary to assign responsibility for actions taken. Generally this research would be to assess how accounting information system contributes for customer satisfaction and how it is capability of nib bank management for the awareness of accounting information system.

1.2. Statement of the problem

Accounting is a collection of principles and rules that governs the transaction of data in to information used in the management process to deliver financial and managerial information prepared in a known way about revenue, expenses, assets, liability, and equity in order to make advanced decision by the management. Most of the time majority of business organization utilize accounting information system (AIS) for administration purpose, because it plays critical role in management and administration activities business enterprise like banking, insurance companies, government agencies and large corporations by collecting, recording, storing, and processing data to produce information for decision makers, so nib bank is one of the bank required to use Accounting information system (AIS) in order to make advanced decision, but the bank have its own drawbacks like: Low level awareness of AIS by employees as well as management staffs of the bank, failing of network connection /network Interrupt**,** lack of Human resource in AIS department, delays in communication, Inadequate Data Security Measures, Poor System Integration, Insufficient Employee Training, Resistance to Technological Adoption, Compliance Challenges, Frequent System Downtimes, Lack of Real-Time Reporting, Data Accuracy Issues, High Maintenance Costs, Customer Experience Gaps of all the activities.

The existing literature on Accounting Information Systems (AIS) predominantly focuses on organizational effectiveness, strategic decision-making, and technical functionalities in developed or generalized contexts. However, this study identifies critical gaps in the following areas:

Context-Specific Challenges in Emerging Economies: While prior studies (e.g., Jordanian banks) address AIS effectiveness, there is limited exploration of how regional factors—such as Ethiopia’s infrastructural limitations, cultural dynamics, and regulatory frameworks—affect AIS implementation. Issues like network instability, data redundancy, and resistance to technological adoption in NIB's Gubrye Branch highlight unique challenges not thoroughly examined in existing literature.

Employee-Centric Barriers: The study reveals low AIS awareness among employees and management, compounded by inadequate training and human resource gaps. Existing research emphasizes technical aspects of AIS but often overlooks the role of workforce competency and organizational culture in successful AIS adoption, particularly in smaller bank branches.

Customer Interaction and Feedback Mechanisms: While customer satisfaction is linked to AIS efficiency (e.g., fast service), the lack of structured customer feedback integration into AIS processes remains underexplored. Prior studies rarely address how banks in developing regions can leverage customer insights to refine AIS-driven services.

System Integration and Real-Time Reporting: The study identifies delays in communication and data accuracy issues, pointing to gaps in seamless integration of AIS with other management systems. Literature lacks actionable strategies for improving real-time reporting and interoperability in resource-constrained environments.

Regulatory and Compliance Nuances: Though compliance challenges are noted, there is insufficient analysis of how Ethiopia's banking regulations specifically influence AIS design and operational efficacy compared to global standards.

Addressing these gaps would enhance AIS frameworks tailored to the socio-economic and infrastructural realities of Ethiopian banking institutions, fostering sustainable improvements in efficiency, decision-making, and customer satisfaction.

1.3 Basic research Questions

The above problem affects both the bank and the customer in nib bank. In his study the following research question would be answered.

A. How does AIS contribute for customers' satisfaction?
B. What looks customer satisfaction towards the bank administration?
C. How does AIS affect the organization encounter over the past year?

D. What way the AIS of Nib bank add a value in the organization?
E. How does AIS aware about the employee and management staff of the bank?

1.4 Objective of the study

1.4.1 General Objectives

The general objective of this study is to assess accounting information system in management activists of nib bank in Gubrye branch

1.4.2 Specific objective

1. To assess the contribution of Accounting Information system (AIS) to the customer satisfaction.
2. To examine the prospects of Accounting Information system (AIS) in management activities of the bank.
3. To identify the effect of Accounting Information system (AIS) in the organization encounter over the past years.
4. To examine the existing accounting information system in management activities of the bank.
5. To asses nib bank employees and management staff about the awareness of accounting information system.

1.5 Significance of the study

The study would have helped the researcher to gain much knowledge in accounting information system (AIS). After detail investigation and analysis this study would be gives a possible recommendation and suggestion about the importance of accounting information system in nib bank at Gubrye branch and also this study serve as bench mark for other related researchers to carry out the same line of the study. The result of the study helps the bank of Nib understand the weakness related to Accounting information system (AIS).

1.6 Scope of the study

Accounting information system is a comprehensive term that exists in each and everywhere and it has great importance to management activity or administration. Any existing organization administration needs AIS to be effective. The scope of this study would be limited on the assessment of Accounting Information system (AIS) in management activities of Nib bank in Gubrye branch.

1.7 Limitation of the study

There are many constraints that the researchers focus at the time of gathering information. Among the constraints there is limitation or difficulties to get available source document or reference for current information, lack of reliable data and adequate information for the study were the major problems.

1.8 Organization of the paper

This study organized in to five chapters. The first chapter includes the introduction part of the background of the study, statement of the study, objective of the study, research question, and significance of the study, limitation of the study and organization of the paper .The second chapter concerns with related literature review .The third chapter provides the methodology used how to obtain data and how the data is analyzed. The fourth chapter including data presentation and analysis and the last chapter contains summary, conclusion, and recommendation of the research.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Definition of accounting information system

Accounting information system is a system of collection, recording storing and processing of financial and accounting data into information that is used for decision making. Accounting information system is generally a computer-based method for tracking accounting activity in conjunction with information technology resources. The result of statistical reports can be used internally by management and externally by other interested parties including investors, creditors and tax authorities. (Marshall Romney 2012)

2.2 Objectives of Accounting Information system

An accounting information system provides accurate and timely financial information for internal management purposes. While those systems can include paper manuals and ledgers, most systems in today's business environment are built upon accounting software programs or applications. These systems provide financial or operational reports for business owners to make decisions. An accounting information system can also integrate and fulfill departmental and company-wide objectives. (William, Shopword)

2.2.1 Central Information Collection

Accounting information systems collect information for various purposes in a business. Large organizations often use this system to gather and organize financial and other information from multiple business departments or divisions. An accounting information system can also benefit for the organizations with several national or international locations. This system allows for the electronic transference of information from many sources into a central location where accountants gather and process this data. (McGraw Hill, 1982)

2.2.2 Checks and Balances

Accountant, managers and supervisors use an accounting information system to separate tasks and ensure controls for different accounting functions. Accounts payable, accounts receivable, payroll, departmental financial data, fixed assets and purchasing each work under separate modules in an advanced accounting system and demand for individual handling processes and procedures. Each of individual modules summarized data into the general ledger. Reports can be generated from individual modules to ensure accuracy of data before being passed on to a company's general ledger. (McGraw-Hill, 1982)

2.2.3 Improving the Flow of Work

Improving the flow of work in individual departments often gets a boost by the implementation of an accounting information system. Departments outside of accounting must understand how critical information is processed through the company's internal financial information system for a variety of reasons. Source documents, such as invoices, purchase orders, employee expense reports, time cards for payroll input, bills and asset acquisition all forms must find in their way from the originator to the accounting department.

Depending upon the software the accounting system requires a variety of information for different parts of the process be manually input into the system. This often determines the work flow of other departments in regarding to processing financial data. Procedures and processes that clearly delineate the needed information, the steps to process that information and the approval process aid in reducing redundancy of work and ensure that the accounting department has the necessary approvals to process financial data. An accounting system serves to inform interested parties of past performance and to provide guidance for future performance. It should provide information. (Paul stein Bart 2012)

2.3 Features of an Accounting Information System

One of the features of AIS is the flow of information. It is illustrated here by the use of a pyramid with management on the top, middle and operations management below those operations personnel representing the base for the flow of information. Information concerning the performance of the company drifts upward to all levels of management through the personnel. The top management is responsible to the shareholders or owners of the company for the information they receive. Contributing to this information about the performance of the company are customers and suppliers, with whom the operations personnel have day-to-day contact with the use of this information the top management filters down information on the company's budget and instructions on how to change or improve the day-to-day interactions with the customers and suppliers. Information from suppliers and customers is known as external information flows. Those from personnel to management and management to personnel are known as internal information flows.

Processing Transactions Another feature of AIS is processing of transactions. AIS process two different types of transactions. The first type of transaction is the financial transaction which is any transaction monetary in nature that affects the assets or equities of a business organization. The second type of transaction is non-financial transaction is a decision that, while it is not measured monetarily, can affect the overall accounting health of the company. For example, if the company decides to change suppliers due to a substantial rise in prices from a current supplier, the immediate effect is not financial in nature until the first order is placed. All transactions are entered into the accounting Information system for the purpose of affecting the decision-making of the top management. If top management is aware of a coming increase in costs, taxes or a potential loss of client, decisions can be made to counter negative consequences of future events. (James hall 2011)

Model of AIS

A typical model often AIS illustrates these features and includes three different steps in handling information. First is the data collection. It is considered the most important of all three steps; as if errors go undetected the system may create unreliable output. The two main requirements of the data collection process are that the data used be both relevant and efficient. It is in the data collection stage that the relevance of the data should be weighed to filter out all irrelevant facts from the system. Efficiency involves collection of the same set of data only once. Failure to do so leads to redundant data.

The second step is data processing or the attempt to organize the data in such way that management can make decisions in regarding to the financial decisions of the company. One example would be in using sales data to forecast future sales expectations. Based on those expectations decisions can be made about staffing requirements.

The third step is the actual generation of information that leads to decision-making. Whether the decision is based in financial or non financial transactions, the decision can affect the day-to-day operations of the business and possibly the financial outlook of the company. (James hall 2011)

2.4 Accounting Information Systems Used in Banking

Banks have Different components to comprise a bank accounting information system. Bank systems are classified as "hybrid" systems, which provide basic accounting operations, bank information systems, decision support software and offline banking products implemented and initiated on intra- office networks to serve customers. Bank accounting systems are in under state and federal regulatory agencies to ensure the accuracy and integrity of bank accounting systems. (Richard, 2011)

2.4.1 General Ledger Systems

The general ledger is at the core of account processing and information systems in banking. The general ledger is the record accessed to perform account transactions. It records every transaction, which interfaces with a designation of accounts. A bank general ledger can be slightly different from modern industry general ledgers because of certain compliance rules set by the Federal Reserve Bank (FRB) and the Federal Deposit Insurance Corporation (FDIC). Banking general ledger systems operate on mid-range software, which can be turnkey software out of the box software customized for banking industry applications. (Richard, 2011)

2.4.2 Loan Accounting Applications

Banks make the majority of their money through loans and investments. Through loan accounting software and bank personnel can process the forms and paperwork needed to make a decision on a customer's credit standing. The managerial side of a loan accounting application is managers can access the data to examine the bank loan portfolio, generate compliance checks for auditors and track loan loss reserve accounts. Loan origination software can interface with an accounting information system through most PC-based systems. (Richard, 2011)

2.4.3 Customer Account Applications

Within online and offline banking system applications, Customer account information is also Customer account applications provide unique primary key identifiers to link customer information to an account number assigned by the information system during a creation of the account. The customer account is maintained on the system and referenced by account number, which is held in a field on the general ledger. The customer account number is the link for customers to interact the basis for transaction exception reporting for various customer account issues. (Richard 2011)

2.5 Importance of Accounting Information Systems

Information system is designed to keep records of a business in an efficient accounting information system is typically a computerized accounting program that keeps record in accounting manner. The company information entered into the system, the system tracks and organizes the accounting information. The accounting information system also used to provide detailed information about the company, including financial statements” (Vernon, 2013)”.

2.5.1 Business Transactions

An accounting information system is designed to record all transactions of a business. An accounting clerk enters all business transactions into the program and the transactions automatically are posted to the corresponding accounts. This is important because any time information is needed it can found on the computer and it’s organized. (Vernon, 2013)

2.5.2 Accounts Payable

An accounting information system allows for easier payments made on accounts payable. Many systems are designed to pay all bills due with a click of a button. A date is selected and checks are automatically made out for all bills due. Most systems allow a clerk to unselect certain bills if a company is not ready to pay a specific bill. (Vernon, 2013)

2.5.3 Accounts Receivable

This type of system also allows for easier billing. Information is recorded on the system and a clerk chooses when to print bills. This is done daily, weekly or monthly, depending on the business. The system generates all bills efficiently and easily for the clerk. (Vernon 2013)

2.5.4 Financial Statements

An accounting information system generates all financial reports without the clerk calculating anything. The dates for the reports are entered into the system and the computer generates reports for that specific period. This comes in handy when a report from a different period is needed immediately. The system has the capability of producing reports for any period that the information was recorded for. (Vernon, 2013)

2.5.5 Year-End Closing

Year-end closing is often a tedious process for an accountant. An unadjusted trial balance is created, adjusting entries are made and recorded, an adjusted trial balance is calculated, closing entries are made, and, finally, a post-closing trial balance is generated. This process is complicated and time consuming, but with an accounting information system, the computer does most of the work on its own. (Vernon, 2013)

2.6 Role of Accounting Information Systems

According to (Patrick, 2014) Accounting Information Systems is a subset of a company’s total Management Information Systems. Companies use the management information system (MIS) to aid their business decisions and ensure profitable business operations.

History

The classic AIS included paper ledgers that contained all financial transaction of a company. With the growth of technology over the past several decades, accounting software has replaced the old paper system. (Patrick, 2014)

Features

Accounting information system software has two main features: financial transaction recording and financial information reporting. After accountants input financial transactions into the AIS, reports can be generated to review this information. (Patrick, 2014)

Considerations

Company management must decide how large the AIS will be and what type of information must be collected. Information may be recorded electronically, by passing human input and allowing managers quicker access to select information. (Patrick, 2014)

Benefits

Many accounting information system programs are web or server based, allowing managers to gather and review financial information from multiple locations at one time. Centralized reporting can shorten turnaround time for implementing changes in business operations. (Patrick, 2014)

Warning

Failing to review the information collected and reported may hamper the effectiveness of the AIS. Ineffective AIS programs create a “garbage in, garbage out” environment, causing delays for management decisions. (Patrick, 2104)

2.7 The main characteristics of accounting information system

Understandability

This implies the expression with clarity of accounting information in such a way that it will be understandable to users who are generally assumed to have a reasonable knowledge of business and economic activities. (Barry 1994)

Relevance

This implies that the accounting information system to be useful must assist a user form confirm or maybe revise a view usually in the context of making a decision. It reduces uncertainty by helping you predict what will happen or confirm what already has happened. (Barry 1994)

Consistency

this implies consistent treatment of similar items and application of accounting policies. (Barry 1994)

Comparability

this implies that the ability for users to be able to compare similar companies in the same industry group and to make comparisons of performance over time. Much of the work that goes into setting accounting standards is based around the need for comparability. (Barry 1994)

Reliability

this implies that the accounting information that is presented is truthful, accurate, complete (nothing significant missed out) and capable of being verified. (Barry 1994)

Objectivity

This implies that accounting information is prepared and reported in a "neutral" way. In other words, it is not biased towards a particular user group or vested interest. (Barry 1994)

Completeness

This implies that the accounting information it does not leave out which is anything that is important.(Barry, 1994)

2.8 The information environment

We begin the study of AIS with the recognition that information is a business resource. Like the other business resources of raw materials, capital, and labor, information is vital to the survival of the contemporary business organization. In every day of business vast quantities of information flow to decision makers and other users to meet a variety of internal needs. In addition, information flows out from the organization to external users, such as customers, suppliers and stakeholders who have an interest in the firm. A business operation forms the base of pyramid. These activities consist of the product oriented work of the organization, such as manufacturing, sales and distribution. Above the base level, the Organization is divided into three management tiers: operations management, middle management, and Top management. Operations management is directly responsible for controlling day-to-day operations.

Middle management is accountable for the short-term planning and coordination of activities necessary to accomplish organizational objectives. Top management is responsible for longer-term planning and setting organizational objectives. Every individual in the organization, from business operations to top management, needs information to accomplish his or her tasks. The horizontal flow supports operations-level tasks with highly detailed information about many business transactions affecting the firm. This includes information about events such as the sale and Shipment of goods, the use of labor and materials in the production process and internal transfers of resources from one department to another. The vertical flow distributes information downward from senior managers to junior managers and operations personnel in the form of instructions, quotas and budgets. In addition, summarized information pertaining to operations and other activities flows upward to managers at all levels. Management uses this information to support its various planning and control function. (James A hall, 2012)

2.9 Core Concept of Accounting Information Systems

Accounting Information System (AIS) courses plays a great role for the employment opportunities available within the discipline. Career opportunities abound for those with a solid foundation in AIS, including traditional accounting vocations in financial and managerial accounting, as well as careers in consulting and information systems auditing and security.(George H Bonder)

Traditional Accounting

Certainly a number of traditional accounting jobs are also available to those who choose to major in accounting information systems. After all, what accounting system is not also an accounting information system? Because now a day's technology plays s a strong role in accounting, AIS majors enjoy for the advantage of understanding both traditional accounting concepts and information systems concepts. Recognizing the importance knowledge of accountants about information systems, the AICPA recently developed a new designation: Certified Information Technology Professional (CITP), which accountants can earn with business experience and by passing an examination. (George H Bonder)

Systems Consulting

A consultant is an outside expert who helps an organization solve problems or provides Technical expertise on an issue. Systems consultants provide help with issues concerning Information system, for example, by helping an organization design a new information System to select computer hardware or software, or reengineering business processes so that they operate more effectively. One of the most important assets a consultant brings to his or her job is an objective View of the client organization and its processes and goals. AIS students who are skilled in both accounting and information systems make particularly competent systems consultants because they understand how data flow through accounting systems as well as how business Processes function. Systems consultants can help a variety of organizations, including Professional service organizations, private corporations, and government agencies. This Broad work experience combined with technical knowledge about hardware and software can be a valuable asset to CPA clients. Because it is likely that a newly designed system will include accounting related information, a consultant who understands accounting is particularly helpful. Consulting careers for students of accounting information systems also include jobs as Value-added resellers (VARs). Software vendors license VARs to sell a particular line of Software products and provide consulting services to companies, such as help with their Software installation, training, and customization. A VAR may set up a small one-person Consulting business or may work with other VARs and consultants to provide alternative Software solutions to clients. (Marshal Romany, 2012)

Information Technology Auditing and Security

Information technology (IT) auditors concern themselves with analyzing the risks associated with computerized information systems. These individuals often work closely with financial auditors to assess the risks associated with automated AIS in a position in high demand because so many systems are now computerized. Information systems auditors also help financial auditors decide how much time to devote to auditing each segment of a company. (Marshal Romany 2012

2.10 Empirical review

(Onalope A.A&Odetayo T.A) in 2012: -indicate that Automated Accounting Information System (AAIS) provides a tool for finance department to enhance organizational effectiveness especially in this era of global technology advancement. The study examined the effect of accounting information system on organizational effectiveness with special reference to selected construction firms in the Ibadan metropolis. Specifically, the study examined the effects of accounting information on quality of financial reports and decision –making. Purposive sampling technique was adopted in selecting a total of ten personnel from each of the selected companies as sample for the study. A hypothesis was formulated and both descriptive and inferential statistical tools were employed to analyze the data. The results show that accounting information system has effect on organizational effectiveness& on major activity of the managers which is decision making. Recommendations were subsequently made to both the managers of such organization and government on how the use of AAIS known as 'Contract Plus– Financial and Project Accounting' package software can enhance performance in Finance Departments& in all managerial acts.

Samira and Fuad June 2014, AIS and its impact on administration. The study was focus on the accounting information system and its impact on administration of NIB bank in Gubrye branch. The main objective of the research is to examine the impact of AIS on the administrative quality of nib bank in Gubrye branch. To fulfill this objective the researcher used descriptive study and sample of 16 from 16 total population selected based on purposive sampling method. The study used primary data. A primary data was collected through questionnaires and interview. Finally, the research concluded that, AIS have one of essential component of the organization to achieve organizational objective. In my case NIB use AIS effectively to meet its objectives but there is a knowledge gap on the use of AIS between different levels of management. Regarding to AIS problem existed in NIB by misunderstanding about the system properly. The researcher recommends to increase the awareness of the management about AIS, NIB should provide training and technical support and update its AIS in order to competitive in this sector.

(Md.Hafijullah, Jamil Ahmed Khonadakar&SyedaTamannaFahim) in 2014;the study revealed that AIS are critical to the production of quality accounting information on timely based. Proper use of AIS helps the management in making efficient & effective decisions in a business organization. Since strategic decisions have long term effect on the business and therefore it's important to analyze accounting information for making long term strategic decisions. This study was an endeavor to evaluate the usage of accounting information by the decision maker in practice in strategic decision area. Five strategic decision areas such as basic, manufacturing, human resource, long term investment decision& marketing decision were considered for the study. The result of the study proves that there is a significant relationship between accounting information & strategic decision and strategic decision in all the selected areas significantly depend on accounting information and it is also observed from the analysis of the opinion of the respondents that 44.44% of the respondents always use accounting information in making strategic decision in manufacturing industries in Bangladesh.

(Taraq Hammed, Almbadian) in 2014:- The study aimed to investigate the extent of accounting information system effectiveness in Jordanian banks. The researcher designed a questionnaire consisting of (29) paragraphs in order to achieve the objective of the study where he gathered the primary information for study sample. The statistical package for social sciences (SPSS) program was used to analyze and examine the hypotheses. The study sample consists of (197) individuals in Jordanian private commercial banks. The study used many statistical methods. After analyzing the study hypotheses, the study reached to several conclusions; the most important ones were as follows:

- The accounting information system in Jordanian banks is effective in applying the needs of the planning operations.
- The accounting information system in Jordanian banks is effective in applying the needs of the observation operations too.
- The accounting information system in Jordanian banks is effective in regard of applying the needs of the decision-making operations as well.

Therefore, this research not only identify the problem of the administrative quality of nib bank, but also clearly understand the nature and the practice of AIS.

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

3.1 Description of Study Area

Gubrye Sub-city is located in the Guraghe Zone of the Central Ethiopia Regional State of Ethiopia. It's approximately 10 km from Wolkite town and 158 km from Addis Ababa. Specifically, it is situated at 37° 47' 60E longitude and 8° 11' 60N latitude. Its altitude is 1931 meters above sea level.

3.2 Research design

This study was conducted on assessment of accounting information system (AIS) in nib international Bank (NIB) at Gubrye branch. This study was descriptive types of research design such as table and percentage method because it is easy to describe what the study can perform.

3.3 Data source and data type

3.3.1 Source of data.

The data was collected from primary and secondary source.

Primary data means original data that was collected specially for the purpose in mind and a real time data which was collected from the field by the researcher him/herself or under the control and supervision of an investigator.

3.3.2 Data type

The study was use both qualitative and quantitative data type.

Qualitative data is concerned with qualitative phenomenon, i.e. phenomena relating to or involving quality or kind.

Quantitative data is based on the measurement of quantity or amount and applicable to phenomena that can be expressed in terms of quantity or numerical value.

3.4 Method of data collection technique

The study was uses both primary and secondary source of data, the primary source of data was collected through questionnaires from the target population of nib bank in Gubrye branch and the secondary source of data was collected through document such as annual report and journal.

3.5 Target population, sample techniques and sample size

The target population of the study was in nib bank at Gubrye branch, the study was uses judgmental sampling techniques and all are used as ample, because this target population is professional, good knowledge and awareness it gives necessary data about the study.

3.6 Method of data analysis and presentation

After the necessary data was collected, it was edited, organized and summarized by using tables and percentage; the analysis will include discussion and presentation.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter concentrates on a brief decapitation of Nib bank on AIS contribution and effective administration. Data analysis and interpretation is also include in this chapter based on the primary data collected from questionnaire and by the managers whose day to day activity mainly concerned with accounting information system and uses it directly in the management activity of the bank. Questionnaires were distributed to 16 target population of Nib bank who has direct work relationship in the management and all respondents are complemented and submitted the questionnaire.

4.2 Demographic characteristics of respondents

Table 4.1.Gender of respondent

Factor		Frequency	Percent%
Gender	Male	12	75%
	Female	4	25%
Total		16	100%

Source: Questionnaire, (2017 E.C)

The above table shows that 75% of the respondents is male and 25% of the respondents are female. It implies that most of Nib bank employees are male.

Table 4.2. Age of the respondents

Age	No of the respondent	Percentage
Below 25%	3	18.75%
25-35 years	11	68.75%

36-45 years	0	0
Above 45 years	2	12.5%
Total	16	100%

Sources, questionnaires (2017 E.C)

As indicated from the above table, 11(68.75%) of the respondents fall between the age of 25-35 years and 3(18.75%) of the respondents are found in the age of below 25 years and 2(12.5%) of the respondent are found above 45 years. Most of the employees in the bank are between 25-35 years. This indicates that nib bank have productive group of employees.

Table 4.3 Background of respondents

Questionnaire	Respondent	Percentage (%)
Education background	No	
Diploma	4	25%
First degree	10	62.5%
Masters	1	6.25%
Above first degree	1	6.25%
Total	16	100%

Sources, questionnaires (2017 E.C)

The majority of employees (62.5%) hold a first degree, indicating that the bank's workforce is moderately educated, with a smaller proportion having advanced qualifications. This could influence the efficiency of AIS adoption, as higher education levels often correlate with better technical adaptability.

Table 4.4. Position of the respondents

Position	No of respondents	Percentage (%)
Supervisor	2	12.5%
Junior officer customer	4	25%
Clark customer officer	4	25%
Manager	1	6.25%
Auditor	1	6.25%
Signor accountant	1	6.25%
Infamy	3	18.75%
Total	16	100%

Sources, questionnaires (2017 E.C)

The workforce is predominantly composed of junior and clerical staff (50% combined), with fewer managerial and specialized roles (e.g., auditors, senior accountants). This distribution suggests that operational tasks are handled by mid-level employees, while decision-making roles are less represented in the sample.

Table 4.5 Service year of employees

Service years	No of respondents	Percentage
Below 5-years	7	43.75%
5-10 years	9	56.25%
Above 10 years	0	0
Total	16	100%

Source: Questioner; (2017 E.C)

The service year of the respondent are concerned 43.75% of employees are below 5year of service and 56.25% of employees are between5-10 year. The staff of the bank has maximum level of service years, this implies that the bank can provide and maintained quality information system

4.3 The capacity management scale for the awareness of AIS

Table 4.6 The capacity management scale for the awareness of AIS

Question	Respondents	Percentage
no awareness	0	0%
total awareness	10	62.5%
partial awareness	6	37.5%
Total	16	100%

Source Questionnaire, (2017 E.C)

The above table shows that the majority or 62.5% of the respondent have total awareness and 37.5% of the respondent has partially awareness and am concludes that employees of Nib bank in Gubrye branch are effective as well as efficient for the awareness of AIS. Because majority of the respondent have fully or totally awareness of AIS. But it's not enough, so the bank of Nib better to upgrade his employees about the knowledge of AIS

Table 4.7 Human resource problem in the AIS department

Question	No of respondent	Percentage
Is there strong man power in AIS processing department		
Yes	10	62.5%
No	6	37.5%
Total	16	100%

Source: Questionnaire, (2017 E.C)

From the above table the am noticed that 62.5% of the respondents agree that there is strong man power in AIS processing department and also 37.5% of the respondents who replies that there is no strong manpower in the processing of AIS department. According to the above table the bank has strong manpower in AIS processing department. But it's not much effective, so the bank it better to improve this.

Table 4.8 Possible problems observed in Nib bank

Question	No of respondents	Percentage (%)
What is the possible problem observed in Nib bank		
Delay in process	4	25%
Data redundancy	2	12.5%
Delay in communication	10	62.5%
Inconsistency	0	0%
Total	16	100%

Source: Questionnaire, (2017 E.C)

According to the questionnaire 62.5% of the respondent agreed that among the possible problem observed in the bank communication delay is the major one. The bank should use more recent software to make its service faster and free of delay in communication. Among the respondent 25% agreed delay in process they belief that when processing data's sometimes a networking problem that makes the data processing to delay it mainly happen when the bank serve number of customers at the same time. There is also 12.5%of the respondents agreed that data redundancy is the problem observed in the bank. Therefore the bank should minimize the above problems to be effective.

Table 4.9 Standard service provide by the bank through the aid of AIS,

over past years

Question	No of respondent	Percentage
Have improved	12	75%
Have deteriorated	0	0%
Have not change	0	0%
Do not know	4	25%
Total	16	100%

Source: Questionnaire, (2017 E.C)

Based on the data 75% of the respondent understands that over the past year there has been an improvement in the service provide through the help of accounting information system, on the other hand 25% of respondent who say do not know the standard service provided in the bank through the aid of AIS over the past years. There for the bank try to create awareness about AIS.

Table 4.10 Contributions of AIS towards customer satisfaction

Question	No of respondents	Percentage
In what way does AIS contribute to the satisfaction of customers		
By keeping confidential data	8	50%
Reducing time	3	18.75%
Rendering fast service	5	31.25%
Did not increase customer satisfaction	0	0%
Others	0	0%

Total	16	100%

Source: Questionnaire, (2017 E.C)

From the above table, am understands that half of the respondents agreed that AIS contribute to customer satisfaction by keeping confidential data. 31.25% of the respondents believed that rendering fast service is the way that AIS contribute to the satisfactions of the customer and the remaining 18.75% of the respondents understand that AIS contribute to customer satisfaction by reducing time. But this is not enough AIS contribute to customer satisfaction, so the bank increases rendering fast service, keeping confidential data and reducing time for the satisfaction of customer.

Table 4.11 Benefits of AIS to the bank

Question	No respondent	Percentage
In what way AIS add value to your bank		
Improve your quality and reduce cost of service	4	25%
It improves efficiency	2	12.5%
It improve decision making	3	18.75%
It improves chain of communication	2	12.5%
It adds value stated above	5	31.25%
Others	0	0
Total	16	100%

Source: Questionnaire, (2017 E.C)

In this question the respondents applied that AIS plays an essential role in a variety of tasks in the management of Nib banks to extent 25% % of the respondents agreed that AIS to the bank in away listed in the above table improving quality and reduce the cost of service 12.25% of respondents agreed on that AIS improve efficiency for the bank. In case of decision making also 18.75% respondent replay as AIS have benefit to the bank, there are also respondents that agree that AIS improve chain of communication. The researcher conclude that bank of Nib provide all service.

Table 4.12 Effect of AIS on the bank

Question	No of respondent	Percentage
Increase income	14	87.5%
Decrease income	0	0
Not changed its income	0	0
Not sure	2	12.5%
Total	16	100%

Source: Questionnaire, (2017 E.C)

As it can observed on the table above 87.5% of the respondents said that AIS helped the bank to increase its income while 12.5% of the respondents said that AIS do not sure about change income of the bank. As shown in the above table the effect is good for the bank so the bank improve the use of AIS.

Table 4.13 customer comments on AIS

Question	No of respondent	Percentage
Yes	14	87.5%
No	2	12.5%

Total	16	100%

Source: Questionnaire, (2017 E.C)

According to the questionnaires only 2 which constituent 12.5% from the whole said as the bank do not give chance for customers comment about banking service baked by AIS. For 87.5% respondent who says "yes" it is very good and the bank should initiate all customers to give comment. So it better to develop AIS in the future to improve his service.

Table 4.14 customer comments on AIS

Question	No of respondent	Percentage (%)
Very positive	6	37.5%
Positive	10	62.5%
Negative	0	0%
Weak	0	0%
Total	16	100%

Source: Questionnaire, (2017 E.C)

From the above table 37.5%of the respondent agreed that the quality of AIS provided them very positively in past years and more than half of the respondents 62.5% are to some extent satisfied and they said it has been positive for the users of AIS over that last years, Therefore the bank have to continue the use of AIS for the future experience.

Finding

- Nib bank has not skilled man power in the department of AIS.
- In nib bank there is a problem of delay in communication which directly affects banking transaction.
- Inconsistency is not observed in nib bank
- Accounting information system of the bank has an improvement over the past year.
- In nib bank the satisfaction of customer is depend on rendering fast service, reducing time and by keeping confidential data.
- The staff of the bank has maximum level of service years. This implies that the bank can provide and maintain quality, reliable and accurate information system.

CHAPTER FIVE

5. CONCLUSIONS AND RECOMMENDATION

5.1 Conclusions

Accounting information system is the most important tool to implement effective administration system in the entire activities of a given organization. Its ultimate goal is to make the administration of the organization more effective so as to improve the effectiveness of employee and to provide routine and non- routine information which is used for decision making and also to attract customers. Asked on the analysis carried out in previous chapter the following conclusion is drown standard of service of the bank has improved through the use of accounting information system

The accounting information system has improved the bank customer relation by rendering effective service over the past years and also it contribute to the satisfaction of the customer by rendering fast service

- Using accounting information system adds value to the bank in money ways such as improving quality and reduces cost of service.
- Service provided by AIS helps nib bank to increase its income
- AIS helps to maintain each customer's confidential data in separated file and fillies did not expose to any third party without permit of Nib bank customers.
- The staff of the bank has medium level of education background.

5.2 Recommendation

Based on the finding and conclusion of the study the following recommendation is forwarded.

Bank of Nib administration better to offer training for the employees to ensure and develop their knowledge of AIS this enable the staff of the bank to make service reliable and effective.

- To avoid delays in communication the bank better to consolidate or networking all the activities of the bank for effective bank system.
- In order to be effective as well as efficient in the activity of bank all employees have fully aware of accounting information system and to do this Nib bank better to upgrade his employees about the knowledge AIS.
- The bank better to render fast service, keeping confidential data and reducing time that customer satisfaction are increase and also the bank profit increase.
- Nib bank should initiate all customers to give comment on his service backed by AIS in order to improve his service in the future and to be leading bank in the domestic by increasing his strong side and correcting his weak side.
- Nib bank has not skilled man power to the use AIS and this leads to bank ineffective so the bank must improve it by training of employees and who have profession in accounting information system in order to make advanced decision and satisfy the needs of customers.

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APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING AND FINANCE

Dear respondents. The objectives of this study used to assess the accounting information system in Nib bank at Gubrye branch. The study is going to be use for the requirement of senior essay in partial fulfillment of BA degree in Accounting and Finance. These inspire me to conduct a research on this specific area of the study in this branch. Quality and success of this study depends on your kind and genuine information. All information you provide will be used for academic purpose only. Thus I am kindly requesting you to fill and return these questionnaires.

INSTRUCTION

❖ No need of write your name on any page of the Questionnaires. Write your response on the space provided and use tick mark (✔) on the box it was appropriate and if you add more explanation you can write.

Structure of questionnaires

Part one: Back ground of the respondents

1 Your gender?

A. Male

B. Female

2 Your age?

A. Below 25

B.Betewen25-35

C.Betewen35-45

D.Above45

3. What is your education level?

A. Diploma

B. First degree

C. Masters

D. Above

4. Your position in the organization?

A .Supervisor

A. Junior officer customer

B. Clark/customer service offic

C. Manager

D. Auditor

E. Senior accountant

F. If any

5. Service year?

A. below 5 year

B. 5-10 year

C. Above 10 year

Part two: Questions related to the study

1.The capacity management scale of Nib bank in Gubrye Branch for the awareness of Accounting information system, the rate is 0 1 2 3 4 5 or 0-5

A. no awareness

B total awareness

C. Partial awareness

2. Is there a strong of manpower in AIS processing department?

A. Yes

B. No

3. From question number 2 your answer is NO, specify the reason;

…………………………………………………………….

…………………………………………………

4, what are the possible problems observed in Nib bank?

A. Daily in process

B. Data redundancy

C. Daily communicatio

D. In consistency

5, How do you rate the standard service provider in the bank through the aid of AIS over the past years?

A. Have improved

B. Have deteriorated

C. Do not known

D. Have not changed

6. In what way does AIS contribute for the satisfaction of customers?

A. By keeping confidential data

B. Reducing time

C. Rendering fast service

D. Did not increase satisfaction of custor

E. Other specify…………………………………………….

7. In what way AIS add value to your bank? You can tick or circle more than One choice

A. It improves quality and reducing the cost the product or se

B. It improves efficiency

C. It improves decision makin

D. It improves the chain of communica

E. It adds all value stated above

F. Other place specify---

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8. How AIS administration of your bank is changes/affect your bank income in the last years?

A. Increased income`

B. Not sure

C. Not changed

D. Decreased its incor

9. Do you request the customer for comment on your service backed by AIS?

A. Yes

B. No

10. From question number 9 your answer is NO, specify the reason; ----------------------
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11. In your experience of being a user of AIS during the last years has been?

A. Very positive

B. Positive

C. Weak

D. Negative

Interview questions for Bank Manager

This interview questions are prepared for the manager of Nib bank in Gubrye branch. The purpose of this study is to assess the accounting information system in bank management activity in case of Nib bank in Gubrye branch. You have played a great role for the achievement this research is based on your interview response. I hope fully expect that your response carefully and appropriate.

Interview question related with the study

1. When does AIS start in your bank?
2. How does AIS support the operation of bank?
3. What is the management activity of AIS in a bank?

4. What are the major problem concerning the application of AIS?
5. How do the AIS provide information for management activity?
6. What is the advantage of using AIS for the bank?
7. How to develop AIS to your organization?