# IMPACT OF ACCOUNTING INFORMATION SYSTEM ON FINANCIAL ADMINISTRATION IN COMMERCIAL BANK OF ETHIOPIA( IN CASE OF GUBRYE BRANCH )


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**ABSTRACT**

This study was conducted to show the impact of accounting information system on financial administration in commercial bank of Ethiopia Gubrye branch. The specific objectives of the study is to show the role of AIS in the bank for administrating finance ,to show the impact of AIS on the bank ,to see what looks like the bank towards AIS for administrating finance and to see the employees level of awareness about AIS .The researcher believe that this study is important for researcher to get BA degree in accounting and finance ,for the bank to see impact of AIS in the bank and for other researchers as empirical reference.

The researcher used purposive sampling while doing the research .this means the researcher purposely selected the concerning body and collected the relevant data.

The total population of the study were twenty but the researcher purposely select twelve [12] employees from them for the study .The study was conducted in commercial bank of Ethiopia Gubrye branch .The researcher used both theoretical and empirical literature reviews with proper acknowledgment and citation .

The researcher primarily used primary data during conducting this study especially open ended and closed ended questionnaires andsecondary like previous research papers which are essential to the study. The researcher used cross sectional analysis. The researcher used descriptive type of research that means after I had been collected the relevant data from the concerning body I described the data using percentage and tabulation. After I analyzed and interpreted the data I made conclusions based on the data. Finally the researcher drew /gave recommendations ‘and suggestions based on the output of the study.

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# CHAPTER ONE

## 1. INTRODUCTION

### 1.1.BACKGROUND OF THE STUDY

Accounting information systems /AIS/ is atool which incorporated in to the filed of information and Technology system designed to help in the management and control of topics related to organization economic financial area .Accounting information system is vita to all organizations either they areprofitable or not (Rahmanetal. 1988, wilkinon, 1993wilkinsonetal. 2000). The term accounting information system is the combination of three worlds thus are accounting , information and system .Accounting is one of field of study for business majors and often called language of business. Because performance of business will be communicated to the internal and external users through Accountinginformation.Informational which is business resources .Like the other business resources of raw material, capital, and labor information isvital to the survival of the business organization. System is a set two or moreinterlaced components which interact to achieve the common goal .Accounting information system is a computer based system designed to transform accounting date in to information , can also include transaction processing cycles, the use of information technology and the development of information system (Romeny 2007).

Ponemon and Nagida(1990) Assert that themain reason for which accounting information is generated to facilitate decision-making . Huber ( 1990) agrees that accounting information aids decision making for management of organization . Benefits of accounting information system can be evaluated by its impact on improvement of decision makingprocess ,qualityofaccounting information and performanceevolution ( Bolon ,1998).

Accounting information system is a formalsystem foridentifying,measuring,accumulating; analyzing, preparing, interpreting and communicatingaccounting information about a particular entity to a particular group. According to wilkison( 2007;7) states that accounting information system is a structure that integrated and equipment used to transform data in to information useful for users in making decision . Romeny and Steinbart( 2006) accounting information system is a system which collects records,stores and processes data to produce

information used in decisionmaking Hall ( 2011:14) states that fundamentally the purpose of accounting information system1, to provide information on organization resource used 2, to present information related to management decision making ,3, to provide information for personnel operating personnel to assist the personnel perform their dutieseffectively and efficiency .

Soudani(2012) showed the impact of accounting information system on the organizational performance with the application of regression and correction . He should that the highest correlation 0.662 existed between AIS and financialperformance and the lowest correlation 0.252 was existedbetween financial performance and performance management. Accounting literature argue that strategic successes considered anoutcome of information system design ( Lanfgiled –smith , 1997)

The researcher is initiated to select the title the impact of accounting information system on financial administrationin commercial bank because of the following fundamental factors or reasons

- Since the knowledge of accounting information system is the back bone of financial administration in any organization and AIS and finance are two sides of a coin so, the concept the knowledge AIS has direct impact on administration of finance in commercial bank of Ethiopia
- Without the means of monitoring the events that occurs there would no way determine how well the organization is performance so AIS is essential to any organization including commercial bank of Ethiopia
- To improve operational efficiency and gain competitive advantage in the market as we know AIS is an automaticmachine which performs a lot of activities within short period of time which implies that AIS is efficiency , so, the researcher is selected this title in order to show the impact of AIS in commercial bank of Ethiopia while they administrating the finance.

## 1.2.Statement of the problem

Accounting information system combines the study and practice of accounting with the design, implementations and monitoring of information systems .The impact of financial administration on commercial banks of Ethiopia is very high researcher Legesse (2018)Arbaminch . He showed that the trained of maintaining accounting information system in administrating finance is limited due to the limitation of some banksexperience. The research which was conducted in Hawasa (2016)byDereje shows that the level of awarenessabout the impacts accounting information system in financial administration is low . So as a researcher I also tried to fill the gap by overlooking the results of the previous researchers and the theoretical one. Accounting information system is the back bone of financial administration inany organization includes banks .This means that it is mandatory or compulsory to have the knowledge of accounting information system in order to administrating finance in the bank wisely with efficiency and to achieve the goal of the bank both the managers and the other employee have to or must develop their Awarenesstowards accounting information system otherwise the bank would be bank rapt.

It is also stated thatknowledge of accounting information system is important toadminister finance in any organization. This means that knowledge of accountinginformation system has direct impact on financial administration in commercial banks Ethiopia. In order to make sound decision, fair financial information reporting, the worker(Employees) including the mangers should have solid understanding about accounting information system .A well designed accounting information adds value to the bank by improving the quality and reducing the cost, improving efficiency and improved decision making .

## 1.3. Research questions

The study attempted to get answer for the following questions

i. Is the creationof awareness about accounting information system is important to administer finance in commercial bank of Ethiopia?
ii. Does the bank properly use accounting information system to administerfinance?
iii. Does the accounting information system has impact on finance administration?
iv. Is accounting information system improveefficiency and decision making?

v. Can the major factors of accounting information system inthe bank be determined?

## 1.4. Objective of the study

### 1.4.1. General objective

The main objective of the study is to examine the impact of accounting information system on financial administration in commercial bank of EthiopiaGubryebranch.

### 1.4.2. Specific objectives

i. To create awareness about accounting information system role in the bank

ii. To determine whether the bank is properly use AIS or not

iii. To find out the impacts of accounting information system on the financial administration in the bank

iv. To show accounting information system improve decision making and efficiency

v. To determine the factors which affects the bank financial administration in the view of accounting information system

## 1.5. Significance of the study

It is clear that this study would be importance for

1. For the researcher This means this research is importance or has significance to the researcher to get BA degree in accounting and finance
2. This study has significance for the bank to see what the employee looks like towards accounting information system to administer finance and this study makes them to have adequate knowledge and practice about AIS to administer finance
3. It has also significance for other researchers the one who has an interest to conduct research on this title this study would help as empirical source

## 1.6. Scope of the study

The study titled impact of accounting information system on financial administration in commercial bank of Ethiopia in case of Gubryebranch can extended to cover the whole commercial banks of Ethiopia and beyond all aspects for the problem, but due to the huge financialrequirementinvolved coupled with the short time frame with in whichthe study is obligated to conducted and completed in commercial bank of EthiopiaGubryebranch .

## 1.7. Limitation of the study

Due to academic stress and lack adequate finance the researcher could not reach as many as the bank organization. This means when the researcher hasenough time and adequate finance, the researcher can do better and cover more than one branch. But now due to Limitation of time constraint (shortage of time) and the limited finance the researcher is limited to do in this specie branch.

## 1.8. Organization of the study

This study wouldorganize into five chapters. Chapter one is about introduction and it would consistof Back ground of the study, statement of the problem, objective of the study,limitation of the study significance of the study ,scope of the study and organization of the paper .Chapter two literature review and it would comprises introduction , theoretical literature review, empirical literature review , conclusion and knowledge gap . Chapter three methodology it would consists of research design, source of data, targetpopulation, sample size and sampling techniques, data collection instruments and data analysis .Chapterfour would contains data analysis interpretation and presentation of the study chapter five wouldgive conclusion and recommendation based on the result found on chapter four.

# CHAPTERTWO

# REVIEWOFRELATEDLITERATURE

## 2.1 INTRODUCTION

This chapter discusses the theoretical back ground and review literature on previous studies on the impact of accounting information system on financial administrations in banks.

2.2 **Theoretical** literatures

### 2.2.1Definition of accounting information system

Accounting information system is system which collects, record, stores, and processes data to produce information used in decision making .Hall(2011) states the accounting information system has the purpose of providing information on organizational resource ,present information related to management decision making assist ,the personnel perform their duties effectively and efficiently . Accounting information system is a computed based system designed to trans from accounting data in to information, can also include transaction processing cycles, the use of information technology and the development of information system ( Romney 2009) accounting information system is vital to all organizations whether the organization profitable or not (Wilkinson 2000:3-4) . Generally the definition of accounting information system is stated as follows based on accounting literature reviews.

Accounting information system is a collection of resources such as people and equipment designed to transform financial data into information. The information is communicated to a wide variety of decision makers.

Accounting information system is a set of interrelated sub systems which collects, records and process data to information which is used to make quality decision. Accounting informationsystem combine the study and practice of accounting with the design, implementation, and monitoring of information system.

Accounting information system is computer based system designed to transform accounting data into information designed to transform accounting data into information which include transaction processing cycles, the use of information technology, and the development of information system.

## 2.2.2 Components of accounting information system

1. The people who operates the system and perform various functions

2. The procedures, both manual and auto mated, involved in collecting, 'processing, and storing data about the organization's activity.

3. The data about the organization's business process.

4. The soft ware used to process the organizations data.

5. The information technology infrastructure, including computer, peripheral devices, and network communication devices.

## 2.2.3 Functions of accounting information system in any organization

1. collecting and storing data about the activities performed by the organization, the resource effected by those events, and the agent who participates in the various activity so that management, employees and interested out sliders can review what has happened.

2. Transforming data into information that is useful for making decisions which enable mangers to plan, execute, and control activities.

3. Providing adequate controls to safe guard the organizations assets including, its data to ensure that dates are available when needed and are accurate and reliable.

## 2.2.4 Values added by accounting information system to an organization

Accounting information system adds value to an organization by providing accurate and timely information. A well designed accounting information system can do this by

Improving the quality and reducing the costs of products and service,

Improving efficiency a well designed accounting information system helps to improve the efficiency of operations by proving more timely information.

Improved decision making by providing accurate information in a timely manner.

Sharing of knowledge a well designed accounting information system can make it easier to share knowledge and expertise, perhaps there by improving operations and even proving

a competitive advantage (stein berg, 2003).

### 2.2.5 Relation of accounting information system and accountants

Accountants are primarily involved in three ways in the accounting information system user, designer and auditor.

All systems which process financial transactions impact accounting function in some way. The accountants participation in the system development should be active by the middle 1970s the accounting profession began to reassess the accountants professional and Legal responsibilities for computer based systems. As a designer the accountants are responsible for the conceptual system and the information technology functions are responsible for the physical system. As an auditor an accountant expresses her /her opinion onthe financial statements fairness which are prepared on the accounting information system.

### 2.2.6 Information system and banking

Different authors define information system and banking in different ways based on their understanding.

According to Daniel (1999) banking is an electronic connection between the bank and the customer in order to prepare manages and control financial transactions. This means banking is a service which allows an account holder to obtain account information through, Mobil banking ATM (automated teller machine), credit a card, debit card and smart card.

Now a day's an electronic banking service is coming into existence. But it is not clear whether all customers clear or not Daniel and storey 1997.

All over the world customers relay on ATMS to with draw money from their demand deposit accounts at any hour ( Mescon:2002).The device are making bank services very easy and convenient compare to the traditional way .

## 2.2.7 Accounting information system in banking sector

The accounting information system has evolved and this has also aided the advancement of technology supporting banking operations. The banks in developed countries employ new technologies in facilitating data processing and information appropriate for speed and timely connection with the world's economic and financial market (Wedyanetal, 2012).

Banks are generally group as central banks, commercial and specialized banks the duties of central bank include supervising and controlling other banks. Management of gold and foreign currency is also the responsibility of central bank ( Maziad, 2009) . Interestingly literature on the measurement and efficiency of banking institutions has continued to grow rapidly in the western world particularly over the last decade (Ahamd y. 2019).

## 2.2.8Characteristics of accounting information

comprehensibly to full fill this quality the user must have sufficient knowledge to understand the information since information is vitally important for decision making .Usefulness of the information, the usefulness of information is presented in terms of its informative content and time lines . Usefulness of information includes relevance, truthfulness, comparability and meaning fullness. Relevance the more the relevant the information is that is the more it can influence the economic decision these using it. Truthfulness this allows for including in accounting information events which really happened with their proper measurement, according to rules accepts as availed by the system. Comparability users for whom this characteristics is met should be able to compare information with other periods, other different companies ( link to monograms. com ). Meaning fullness this measure the ability of accounting information to symbolically represent the company and its performance, its situation at different point in time and the result of its operation with words and amounts.

Reliability the information may be relevant but not very reliable , thus the information should be free of material error bias or prejudice represent transactions and other events bias or prejudice represent transactions and other events faith fully be neutral and lastly be prudent . It ,includes objectivity this implies that the rules under which the accounting information was generated have not been deliberately distorted verifiability : this means that tests can be applied to the system which generated the accounting information and the same result will be change over time and

the same rule for capturing, quantify and presenting the data this characteristic is also called consistency ( Romney 2003) .

## 2.2.9 THE ROLE AIS IN BANKS

The role of accounting information in the bank activity is very important to be successful in the bank (kabi 2004).

Information technology affects the operations of commercial banks in terms of effectiveness, efficiency competitiveness banks interims of effectiveness , efficiency competitiveness, customer based and globalization of the bank ( Daniela, 2008,120) information technology less to increase customer satisfaction , improved operational efficiency, reduce transaction time, reduced the running cost (Liederer and Mendelow, 1988).

## 2.2.10 Accounting information system andits effect on management

In managing an organization and implementing an internal control system the role of accounting information system is very high. Several studies have shown that accounting information plays great role in the strategy management, acting as a mechanism which enables organization strategy ( Chenhall, 2003) . The success of strategy isdepends on accounting information system design ( smith, 1997). The effects on performance of the interaction between certain type of strategies and different design of accounting information system have direct relation. Appropriate review between designing of accounting information and performance of banks analyzing strategies explain that high performance of commercial units depends on a wide range of accounting information system ( Gerdin and Greve, 2004). Internal control helps managers to monitor and measure the effectiveness of their accounting operations performance [vitez,, 2010,p,86-98].

## 2.2.11 factors affecting accounting information system

The factors of accounting information system are input, which represents raw materials which arise from economic processes events happened is side and outside the company (Hussein, 1997). Processes, which represents technical side of the system and is a collection of calculations, logical competition, summarization, classification and starting performed on entered data with a view to converting it in to information provided to the final beneficiary (kasem, lock. output: which represents system works results that access, and the information is

communicated to beneficiaries according to different formats (kasem, 2004) control over the input process and out put.

Feed back : is the process of measuring the response of beneficiaries of accounting information system, to make sure that the system perform its functions as it is supposed to designed[ kassem2004) .Flexibility :- which means the degree of consistent with its environment and organizational structure .

Simplicity of use:- appropriate design of accounting information system which secure support business strategies in a way which increasing the bank profitability and improve performance ,this designed should be described with the easiest input the data and with easiest way to understand the output ( Samuel ,2011) .

Reliability: this means completeness of the information, the accounting information system should be described with comprehensive and the numbers exactly represents what actually happened, in other words any person use the same input should arrive for the same result.

## 2.2.12Accounting information system and decision making

Management is constantly confronted with the problem of alternative decision making especially knowing that resource is relatively scarce and limited. Good accounting information system bemade available for proper and accurate decision making. Maximizing of profitability and optimal utilization of scarce resource (wadia 1966). Accounting information is need Not only by management in directing the affairs of the co- operation but also share holders who require periodic financial statement in order to appraise management performance and it is needed by government for efficient distribution and use of national resource . Accounting is the live wire of any organization without it is likely to remain static (Fess and is Niswonger , 2010) . ( Sajady, 2008) states that the effectiveness of accounting information system depends also on the perception of the decision makers about the usefulness of the information generated by the system.

## 2.2.13Users of accounting information

The accounting process provides financial data for abroad range of individual's . Whose objectives in studying the data vary widely?

1. Internal users. Those are people within the organization who use financial information. Example owner's , managers and employees.

2. External users those are people outside the business organization who use accounting information. Example suppliers, banks, customers, investors, potential investors and tax authorities.

## 2.3 Empirical literature reviews

Different researchers have conducted a study on the impact of accounting information system on financial administration in case of commercial bank of Ethiopia. Researcher Dereje( 2016) with the same study his finding shows that the low level of awareness about accounting information system by employee and administrative staff at the bank has maintained. Because of lack of trained human resource by accounting information system in the Hawasa branch. Researcher legessehan fanto(2018) according to his study from the same title in Arbaminch branch his conclusion shows that in order to maintain there are challenges which influence to use accounting information system in the financial administration. Those are lack of well trained man power in the bank, lack of staff coordination and requirement of huge implementation cost .Researcher Gassaworks and Muna(2014) with the same stud they show that accounting information system is helpful for administrative and operational decision, but there is knowledge gap on the uses of accounting information system between different levels of management in that particular branch (Addis Abeba ). They suggested the following recommendations. To increase the awareness of management about accounting information system commercial bank of Ethiopia should provide training and technical support, in order to provide good quality of decision commercial bank of Ethiopia should increase the performance of accounting information system.

Researcher Samuel(2013) according to his study with the same study in Addis Ababa branch . He conclude that accounting information system is one of the essential element of the bank in order to achieve organizational objective and the quality of decision in the bank is highly affected by accounting information system which is turn affect the administration. The role of accounting information system in providing the stand red service are showing improvement time to time and the accounting information system has great role in administrating finance.

## 2.4 Conclusionand knowledge gap

Accounting information system are critical to the production of quality accounting information on a timely basis and communication of that information to the decision makers .Accounting information system is the back bone of financial administrations in any organization including banks . As we have seen from the above empirical literature reviews there are different studies which have been conducted on the impact of accounting information system on financial administration and the printed out their outcome based on their study. They show that knowledge of accounting information system has direct impact on financial administration in the banks . This means if the workers in the bank have poor awareness about accounting information system the bank would not achieve its goal. The study would be focus the impact of accounting information system on financial administration in commercial bank of Ethiopia Gubrye branch.

# CHAPTER THREE

## 3.1 RESEARCH DESIGN

The researcher used descriptive type of research.The reason using descriptive type of research is that to describe the data in simplicity and clarity way of the impact of accounting information system on financial administration in case of Gubrye branch. The study adopteddescriptive research design in order to achieve the stated research objective and to answer the questions .The researcher used quantitative approach and the time dimension in which the researcher used wascross sectional.

## 3.2 Study area

The researcher conducted the study on commercial bank of Ethiopia in Gubrye branch.

## 3.3 Target population

For the purpose of assessing the impact of accounting information system on financial administration in commercial bank of Ethiopia in Gubrye branch the whole employee includes the mangers are taking as the target population according to the information obtained from the manager of the bank the total population of the bank were twenty (20) including management.

## 3.4.Type of data and source of data

In order to collect data the researcher primarily used primarydata and partiallysecondary type of data .The researcher used primary and secondary data source.Primarydata werecollected from employees of the bank and secondary were from different documents, manuals and reports related with the study, previous research papers which are essential to the study.

## 3.5. Sampling techniques

While conducting the research the researcher used purposive sampling which isnon-probabilistic. This means when conducting the study the researcher used purposely the concerning body.

## 3.6. Sample size

The researcher took twelve (12) employees from the worker of the bank purposely or deliberately to do the study.

## 3.7.Methods of data collection

As the source is identified above the researcher mainly used primarysource of data for collect relevant data for the study. To collect primary data the researcher used questionnaires. The questionnaires have both closed and open ended types. The open ended questionnaires helped the researcher to get subjective views and the closed ended questionnaires used the researcher to get actual answer.

## 3.8.Methods of data analysis

After gathering the relevant data from the respondents, the researcher analyzed the data by using table,

Percentage, diagram or pie chart.During the analyzing stage,several interrelated data were summarized and arranged to make the analysis easily manageable. Which means the researcher analyzed these collected data by description.

# Chapter Four

## Date presentation analysis and Interpretation

This chapter presents , analysis and interprets the data collected from respondent and documents .The total no of respondents who were taken from the employees of commercial bank of Ethiopia Gubrye branch were twelve(12) all of the 12 questionnaires which I were distributed had been return . which means all respondents fills the questionnaires openly and return to me .The researcher used judgmental sampling for conducting this research .Thus the study tried to analyzed and interpreted the data based on the collected data .

**Table 4.1.Demographic characteristics of respondents**

| No | Item | Description | No of respondents | Prearrange (%) |
|---|---|---|---|---|
| 1 | Sex | Sex | 11 | 91.7% |
| | | Female | 1 | 8.3% |
| | | Total | 12 | 100% |
| 2 | Age | 20-24 | - | - |
| | | 25-30 | 10 | 83.3% |
| | | Above 30 | 2 | 16.7% |
| | | Total | 12 | 100% |
| 3 | Educational back ground | Diploma | - | - |
| | | Degree | 12 | 100% |
| | | M.Sc. and above | - | - |
| | | Total | 12 | 100% |

| No | Item | Description | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 4 | Marital status | Single | 8 | 66.7% |
| | | Married | 4 | 33.3% |
| | | Divorce | - | - |
| | | Widowed / Widower | - | - |
| | | Total | 12 | 100% |
| 5 | Position in the bank | Customer service | 7 | 58.3% |
| | | Senior accountant | 3 | 25% |
| | | Manger | 1 | 8.3% |
| | | Casher | 1 | 8.3% |
| | | Total | 12 | 100% |
| 6 | Experience in year | 1-2 | 3 | 25% |
| | | 3-5 | 9 | 75% |
| | | Above 6 | - | - |

| | | | | |
|---|---|---|---|---|
| | | Total | 12 | 100% |
| 7 | Employment condition | Permanent | 12 | 100% |
| | | Temporary | - | - |
| | | Total | 12 | 100% |

**Source questionnaires, 2021**

Analysis and interpretation of table 4.1 of Demographic characteristics is looks as follows based on the above data which I. were collected from the bank.

As we seen from the above table most of the employees are male which is 91.7% and the no of female who is employed in the bank 1 which is 8.3.% .From this bank the no of employees of male and female is not matched so, the bank should enhance female participation to insure Gender equality. The age of the employees of the bank mostly under the category of 25-30 which is 83.3%that means from my judgmental sampling 83.3% of the a employees are between 25 and 30 which is the most energetic and productive age and remaining employees are above 30 which 16.3% . As I gathered from the bank all employees of the bank which are both the theoretical and accessible employees have BA degree which is 100% of the employees are BA carries no one has below or above BA degree. Out of 12 Employees which I have been select for my study 8 of them are single and the remaining 4 are married .That means In percentage from 66.7% of the emobloyees are single and 33.3% of the employees are married so, from this data of most of the employees are single .Based on my judgmental selection 58.3% of them have a position of the customer service 25% senior accountings 8.3% chiseler and 8.3%s manager the work experience of those employees shows that most of them have an experience of between 3 and 5 years which means 75% of the employees have an experience between 3 and 5 years and the remaining 25% of them have an experience between one and two years . From the bank I have got the data which is related to the employment condition. As I got from the manager all employees are permanent whichmeans 100% of the employees are permanent and no employee of temporally employed.

Part II analysis and interpretation of questionnaires related to the impact of accounting information system (AIS) on financial administration in commercial bank of Ethiopia Gubrye branch. This part states about the interaction of AIS and administration of finance using AIS which all of the following data is totally depends on the response of the Employs from the bank

**Table 4. 2 Impact of AIS on financial administration in the bank**

| No | Item | Response | Number of respondents | Percentage (%) |
|---|---|---|---|---|
| 1 | Do you think AIS/ has an impacts to administer finance in the bank? | Yes | 12 | 100% |
| | | No | - | - |
| | | Total | 12 | 100% |

**Source questionnaire, 2021**

According to table 4.2. All of the employees who selected for this research purpose believe that AIS has an impact for administrating finance in their organization which means 100% of the selected employees for this research think that AIS has a great impact in order to administer finance in the bank . The manager of the bank tells to me that not only the administration but also every singletransactions in the banks is totally depends onAIS , so AIS has large impact for administration purpose in the bank .

**Table 4.3. AIS improve efficiency and decision making**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 2 | Do you agree AIS improve efficiency and decision making? | Strongly Agree | 10 | 83.3% |
| | | Agree | 2 | 16.7% |
| | | Neutral | - | - |
| | | Disagree | - | - |
| | | Strongly Disagree | - | - |
| | | Total | 12 | 100% |

Source questionnaire, 2021

As we have seen from the above questionnaires result and my calculation Based on the questionnaire result most of the employees strongly agree that AIS improves Efficiency and decision making for their organization (Bank).Which means 83.3% of the selected employees strongly Agree that AIS is efficiently used to perform the tasks of their organization and it

greatly improvers decision making the remaining employees agree theta AIS improves efficiency and decision makingthat means 16.7% of the selected employees agree that AIS improves efficiency and decision making ,but no one has response neutral .dis agree and strongly disagree . Which means all of the selected employees sure that AIS improves efficiency and decision making .The only difference is that 83.3%of them are strongly agree and 16.7% of them are agree so, from this questionnaires result I have seen that employees certain that AIS improves Efficiency and decision making .

**Table 4.4. Awareness' of employees about AIS to administer finance in the bank**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 3 | Do you think that employees of the bank have awareness about AIS to administer finance ? | Yes | 9 | 75% |
| | | No | 3 | 25% |
| | | Total | 12 | 100% |

**Source questionnaire , 2021**

As we seen from the about table most of the employees have awareness about accounting information system how to operate different transaction including cash disbursement and cash received that means 75% of the selected employees practically have good practice about AIS for their work in the bank But 25%of the employees have limitation to use AIS fortheir work in the bank.

**Table 4.5. Creation of awareness about AIS in the bank to administer finance**

| No | Item | Response | No of Respondents | Percentage (%) |
|---|---|---|---|---|
| 4 | What do you think about creation of awareness to the employees aboutAIS to administer for finance in the bank? | Mandatory | 11 | 91.7% |
| | | Optional | 1 | 8.3% |
| | | Total | 12 | 100% |

Source questionnaire, 2021

As it stated in the above table 4.5 91.7% of the employees said that creation of wariness to the employee is mandatory and the remaining 8.3% of them said that optional.

Those who said mandatory said that because accounting information system used to simplify or minimize work load so, every employee may not have enough quality to use to simplify or minimize work load . Any service in the bank depends on accounting information system includingprocessingsingle transition of any entry, so, they said that creationof awareness to the employees is mandatory unless and otherwise they face a problem of how to use accounting information system to administer finance in the bank . On the opposite side one employee of the bank said that it is optional and he writes his justification as follows .All Employee of the bank have no enough awareness before and after they employed to the bank ,but they improve them salves with experience so, he said creation of awareness to the employees about accounting information system is optional.

**Table 4.6 major factors of accounting information system**

| No | Item | Response | No of Respondents | Percentage (%) |
|---|---|---|---|---|
| 5 | Do you think that the major factors of AIS can be determined in the bank? | Yes | 10 | 83.% |
| | | No | 2 | 16.7% |
| | | Total | 12 | 100% |

**Source questionnaire, 2021**

The above table 4.6 show that 83.3% of the employees responded that the major factor of accounting information system in the bank can be determined and the remaining 16.7% of the employeesresponsethat the majorfactors of accounting information system cannot be determined which show that the major factors are almost determinable because most of the respondents gives the responses yes.

**Table 4.7. Understanding of AIS in the bank to administer finance.**

| No | Item | Response | Frequency | Percentage (%) |
|---|---|---|---|---|
| 6 | Do you Agree that employees of the bank should have solid understanding about AIS to administer finance? | Strongly agree | 4 | 33.3% |
| | | Agree | 8 | 66.6% |
| | | Neutral | - | |
| | | Disagree | - | |
| | | Strongly disagree | - | |
| | | Total | 12 | 100% |

**Sourcequestionnaire, 2021**

Table 4.7 above indicates that out of 12 Employees that I have select for my study 66.6% of them agree that employees of the bank should have solid(detail) understanding about AIS to administer finance in the bank and the remaining 33.3%of them strongly agree that employees of the bank should have detailed understanding about AIS for the purpose do every work in the bank .AS we have seen from the table no employee say under the last three categories .Totally this table shows that all employees have a commonview point that is all employees should have solid understanding about account information systemeither through training before and after they have been employed to the bank or through gradually process they should to have solidunderstanding about Accounting information system in order to administer finance for the bank.

**Table 4.8. Properly use of AIS for Administrative purpose of finance.**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 7 | Do you think the bank properly uses AIS for administration Purpose of finance? | Yes | 12 | 100% |
| | | No | - | - |
| | | Total | 12 | 100% |

Source questionnaire, 2021

As the table illustrates the commercial bank of Ethiopia Gubrye branch properly use the accounting of formation system foradministration purpose of finance. That means as we have

seen from the table out of 12 employees selected for my research purpose 100%of them responsesthat yes.This showsthat the Bank properly uses accounting information system for administrative purpose of finance in the bank.

**Table 4.9. Does AIS used to minimize risk?**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 8 | Do you think that AIS used to minimize the occurrence of risk during administration finance? | Yes | 11 | 91.7% |
| | | No | 1 | 8.3% |
| | | Total | 12 | 100% |

Source questionnaire, 2021

The above table states that 91.7% of the employeesresponses that yes which means AIS used to reduce the occurrence of risk during administration and the one employees who is afresh employees said that AIS does not reduce .risk. From this table it is clear that 91.7%Say yesand8.3 says no shows that AIS used to reduce or minimize the occurrence of risk during financial administration.

**Table 4.10 Willingness of employees to learn more about AIS to administer finance**

| No | Item | Response | No of Respondents | Percentage (%) |
|---|---|---|---|---|
| 9 | Do you have willingness to learn AIS to clearly administer finance in the bank? | Yes | 7 | 58.3% |
| | | No | 5 | 41.7% |
| | | Total | 12 | 100% |

Source questionnaire, 2021

From the above table out of 12 employees who selected for my research 58.3% response replies that they have willingness to learn more about accounting information system to use it for Administrating finance in the bank the remaining 41.7%of the employees response that they have no willingness to learn more about account information system to administration of

finance .from this data the researcher under stood that most of them have willingness to learn more accounting information system for administrating finance .

**Table 4.11 training about AIS before staring actual work in the bank**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 10 | Do you have taken training about AIS before staring actual work in the bank? | Yes | 6 | 50% |
| | | No | 6 | 50% |
| | | Total | 12 | 100% |

Source questionnaire, 2021

As it has seen clearly from above table 50% of the respondents responded that they have taken training before they starting the actual work .On the other Hand 50% of the respondents responsethat they have no take trading about AIS before starting their work rather they develop their AIS skill for administration purpose through experience.

**Table 4.12. Knowledge of AIS is basic criteria to be an employee to the bank or is not?**

| No | Item | Respondent | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 11 | Do you agree that knowledge of AIS be the key criteria to be an employee in the bank to improve financial administration in the bank ? | Strongly agree | 2 | 16.7% |
| | | Agree | 6 | 50% |
| | | Neutral | 2 | 16.7% |
| | | Disagree | 2 | 16.7% |
| | | Strongly disagree | - | - |
| | | Total | 12 | 100%s |

Source questionnaires, 2021

Table 4.12 above show that out 12 respondents 6 of themor 50% them responses that the knowledge of accounting information system be the key criteria to administrate finance in the bank .This means they assume that Accounting Information system knowledge be the first

criteria to be an employee in the bank in order to administered finance with confidence. 16.7% of them responded that AIS be the most and first criteria to be an employee in the bank as a result they strongly agree. Also 16.7% of the respondents response that they disagree about the criteria of AIS to be an employee because they assumes that the knowledge of accounting information system can develop through process and 16.7% are also neutral from this data the researcher seen that employees have provide that their own perspectives and most of the respondents responded that AIS is basic criteria to be an employee the bank because all works done by using AIS .

**Table 4.13 Factors of AIS which influences administrating finance in the bank**

| No | Item | Response | No of Respondents | Percentage (%) |
|---|---|---|---|---|
| 12 | List the factors of AIS which influences the employees in your organization /bank/ to administer finance? | Lack of staff coordination | 4 | 33.3% |
| | | Lack of openness to learn | 5 | 41.7% |
| | | Lack of trained HR to guiding the new employees | 3 | 25% |
| | | Lack of time to trained | - | - |
| | | Regiment of high cost | - | - |
| | | Total | 12 | 100% |

Source questionnaire, 2021

From the above table we have seen that based on the open ended questionnaires which are provided or responses by the selected respondents 41.7% of the factors are related to lack of willingness to learn or lack of openness to learn about AIS and 33.3% of the factors due to lack of staff coordination and the remaining 25% of the factors are occur due to lack of purely qualified human resource for the bank this means they responses that all of the employees have the same qualification and no one has extra knowledge about account information system due to this reason the administration of finance may not be done as expected because of lack highly qualified humane to improve the technical disabilities from this open ended questionnaires the researcher seen that those factors are exist in the bank .

**Table 4.14. Theoretical and actual performance of AIS in the to administer finance**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 13 | Does the bank perform theoretical aspect to actual accounting information system in admonition of finance | Yes | 10 | 83.3% |
| | | No | 2 | 16.7% |
| | | Total | 12 | 100% |

Source questionnaire, 2021

As It can be observed from the above table out of 12 respondents 83.3% responses that the theoretical aspectsactually performedin the bank, but the remaining 16.7% of the respondents responses that the theoretical and the actual practice the bank to use AIS In order to administer finance is different .From this data the researcher seen that most of the theoretical and actual work are similar with a little variation

**Table 4.15. Relationship between AIS and Its impact to the bank for administration finance**

| No | Item | Response | No of respondents | Percentage (%) |
|---|---|---|---|---|
| 14 | What do you think the relationship between AIS and Its impact to administer finance in the bank? | Direct | 11 | 91.6% |
| | | Indirect | 1 | 8.4 |
| | | Unknown | - | - |
| | | Total | 12 | 100% |

Source questionnaire, 2021

From the above table we have seen that 91.6% of the respondents response that AIS and its impact in the bank has direct relation to administer finance which means when they have good awareness about AIS they administerbetter. IF not they will not .The remaining one employee responses that they have indirect relation from this table the researcher clearly seen that AIS and its Impact have direct relation to administer finance.

# Chapter Five

# Conclusion and Recommendation

## 5.1 Conclusion

The purpose of this chapter is to review the whole part of the paper .That means the overall achievement of the objectives set in the introduction part of the paper and which were analyzed in the analysis part this means based on the researcher finding on commercial bank of Ethiopia Gubrye branch related to the impact of AIS on financial administrative of the bank theresearcher has been draw the following conclusions.

- All of the employees of the bank think that accounting information system has great impact of administrationfinance in the bank
- Most of the employees strongly agree that accounting information system can improve efficiency and decision making while some of them agree that accounting information system improve efficiency and decision making.
- The finding also shows that most of the employees have awareness about accounting information system to administer finance but not all
- The result of the research shows also that major Factors of accounting information system in the bank can be determined
- The employees of the bank agree that employees should have solid understanding about accounting information system to administer finance
- Factors of accounting information system in the bank to use AIS in order to administer finance are lack of openness to learn, lack of staff coordination and lack of trained human resources to Guide the new employees are the core factors.
- The bank properly uses accounting information system for administrating finance which shows that all activities of the bank totally depends on AIS
- Accounting information system is very important to minimize risk level but from the a single individual says not reduce

  - Most of the banks employee have willingness to learn about accounting information system to administer finance Cleary and to being more qualified onAIS.

- Half of the employees take training about accounting information system before starting actual work in the bank to administer finance and the remaining50% of them have no take training before staring actual work in the bank .
- Due to its impact in the bank half of the employees said that Accounting information system be the basic requirements to be an employee in the bank in order to administer finance properly.
- Two of the employees are disagree and the remaining two are strongly agree which show that the requirement is subjective
- Regarding the bank performing theoretical aspect to actual accounting information system in administrating finance most of the employees said that the bank perform theoretical aspect to practical actual work and some of them said that not performed as theoretical. From this the researcher concludes that there is a little limitation or difference between the theoretical and actual use of AIS in the bank for administrative purpose.
- Most of the employees answered that the relationship between accounting Information system and its impact for administrating finance in the bank is direct from this the researcher has conclude that accounting information system and its impact on the bank to administer finance are two sides of a coin which means they are inseparable one depends on the other .
- Good accounting information system is important for accurate decision making and facilitating the administration of finance by saving time, from this the researcher has conclude that AIS used for save time and to make accurate decision / report during their administrative time of finance.
- The study also show that if the employees of the bank have poor understanding about AIS then the bank will not achieve its goal but in contrast almost all employees in the bank have good practical work in the bank so,

  During administrating finance they face little problems.

## 5.2. Recommendation

Based on the findings of the result researcher would like to recommended or forward the following suggestions.

- As we have seen from the respondents' response one individual says that AIS is optional so, the bank should createawareness the impact of AIS to the bank because AIS and finical administration of the bank are inseparable.
- The bank should be have the concept of can because as we have seen from the respondents answer some say thatmajorfactors cannotdetermine.

  This is miss understanding of the employees because if they be live to determine or have interest to do they can which means all things are possible to change in that situation so, the bank should avoid the term cannot from their organization.
- All employees do not assume AIS reduce risk but the converse is true that means AIS has great role to minimize risk so, the bank had better so make all of its employees to have common exception and actual use of AIS to reduce or minimize risk in the bank during administrationfinance in the bank.
- The bank should motivate its employee to develop their skill on AIS to administer finance through different mechanisms because some employees has no willingness to learn more about AIS to administer finance.
- In this branch (Gubrye)of CBE some of the employees have not take training about AIS to administer finance in the bank ,but I, recommended that they ought to take trading before starting the actual work because as we know since the work is financial it needs attention and consideration with adequate back ground knowledge of AIS unless the bank will face a lot of problems so, I, recommended that the bank ought to give training for the new coming employees to keep their profitability as well to develop self-confidence of employees .
- As we have seen from the respondents answer some employees response that AIS is not criteria for the bank to be employee in the bank

  , But I recommended that AIS have to (must) be the first criteria to be an employee in the bank because all activities of the bank totally (100%) depends on AIS so, AIS be the first thing to be considering to be an employee in the bank in order to administeringfinance.
- As they have been listing in the open ended questions of the questionnaire the most factors of AIS in CBE Gubrye branch are lack of staff coordination, lack of openness to learn and lack of more trainedhumanresources to guide the new coming employees so, I

recommended to the bank is that all of the above list factorsshould be minimize if possible avoided unless and other ways they are Obstacles to do their work and administeringfinancebecomecomplex.

- Form thestudy Ihave seen that some employees do not confirm the theoretical aspect of AIS to the actual work of administrating finance so, I recommended that they should share some experience from the others whoconsistedtheoretical and actual work because it is very importance to do uniform and consistency work in the bank to administer finance.
- As per the response of the respondents there is also a single individual who responses thataccountinginformation system and its impact on the bank are far apart [inverse relationship ]so ,from this I understood that either he has not under stood the Questionnaire or he is confuse So, I recommended that the bank should identify his individual and must clear him about the relationship between AIS and its impact to administerfinance in the bank because as we know the accounting information system and its impact in the bank to administer finance are two sides of a coin which means they are inseparable and one depended the other so, the bank (Gubrye) branch should make clear that individual about their reaction unless have to be seen his metal condition because his response has great negative impact on financial administration .

  -To sum up the above recommendations suggested by the researcher based on the research output should be improved in the bank in order to administering finance using AIS to achieve the goal of the bank with short period of time and to provide fast service to the society.

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## Appendix

**WolkiteUniversity**

**College of business and economics**

**Department of accounting and finance**

**Questionnaires prepared by DagnachewAyalew**

**To be fulfill by Employees of commercial; bank of Ethiopia Gubrye branch for partial fulfillment of BA degree in accounting and finance .**

QUESTIONNAIRES

Dear respondents this questionnaire is primarily designed inWolkite university department of accounting and finance by student DagnachewAyalew for the partial full filament of bachelor of art degree in Accounting and Finance.

The objective of this questionnaire is to collect relevant data about the impact of accounting information system on financial administration in commercial bank of Ethiopia Gubryebranch. In this regard I kindly request you to provide relevant information .Thank you in advance for your willingness to fill this questionnaire.

- Instructions

- Do not write your name
- Put tick mark for closed ended questions and write your answer for open ended questions on the space provided.

Part I personal information

1, Sex Male ☐ Female ☐

2, Age [in year] 20-24 ☐ 25-30☐ above 30☐

3, Educational back ground Diploma☐ Degree ☐Msc and above☐ if other specify ……..

4, Maritalstatus single☐ married☐ divorce☐ widowed/widower ☐

5, position in the organization customer service ☐ senior accountant ☐ manager ☐ supervisor☐ other specify ☐

6, Experience in the bank [in year] 1-2 ☐ 3-5 ☐ above 6 ☐

7, Employment condition permanent☐ temporary☐

Part II Questionnaires related to the impact of accounting information system on financial administration in commercial bank of Ethiopia Gubrye branch.

1, do you think that accounting information system has impact on financial administration on your organization?

Yes ☐ no ☐

2, Do you agree that accounting information system improve efficiency and decision making ?strongly agree☐ agree☐

Neutral ☐ disagree ☐ strongly disagree ☐

3, Do you think that all Employees of the bank have awareness about accounting information system?

Yes ☐ no ☐

4, what do you think about creation of awareness to the Employees about accenting information system in your organization?

Mandatory ☐ optional ☐

5, If you say optional in question number 4 why? If mandatory how?.....
.....

6, Do you think the major factors of accounting information system [AIS]in the bank can be determined?

Yes ☐ no ☐

7, do you agree that the Employees of the bank should have solid understanding about accounting information system?

Strongly agree ☐agree☐ neutral ☐ dis agree ☐

Strongly disagree ☐

8,Do you think the bank properly uses accounting information system for administration purpose of finance ?

Yes ☐ no ☐

9, If you say no in question number 8 .Explain the reasons

……
……
……
……..?

10,Do you think that accounting information system used to minimize the courante of risk during administration of finance ?

Yes ☐ no ☐

11, Do you have willingness to learn more about accounting information system to clearly administer finance in the bank?

Yes ☐ no ☐

12, Do you have taken training about accounting information system before starting actual work in the bank ?yes☐ no☐

13, Do you agree that knowledge of accounting information system be the key criteria to be an employee in the bank to improve financial administration in the bank?

Strongly agree ☐agree☐ neutral ☐ dis agree ☐

Strongly dis agree ☐

14 ,list the factors of accounting information system which influences the employees in your organization [if there is]?.....

.....

.....

15, Does the bank perform theoretical aspect in to actual accounting information system practice in administrating finance?

……

……

….

16 ,what is the relationship between AIS and its impact in the bank in the case of financial administration [how do you relate them based on your work in bank] why ?

……

…….