

THE APPLICATIONS OF COMPUTERISED
ACCOUNTING INFORMATION SYSTEMS IN
THE SMALL MEDIUM INDUSTRIES:
AN EXPLORATORY STUDY IN THE NORTHERN
REGION



**UNIVERSITI TEKNOLOGI MARA
CAWANGAN KEDAH**

PREPARED BY:
NORASMILA AWANG
NOR HAFIZAH ABDUL RAHMAN
ROSHIMA HJ. SAID
PROF. MADYA MAZNAH WAN OMAR

DECEMBER 2004

Tarikh: 1 Disember 2004

No. Fail Projek:

Penolong Naib Cnselor (Penyelidikan)

Institut Penyelidikan, Pembangunan dan Pengkomersilan (IRDC)

UiTM, Shah Alam

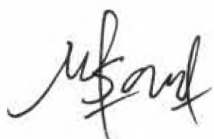
Prof. Dr.

**LAPORAN AKHIR PENYELIDIKAN "THE APPLICATIONS OF
COMPUTERISED ACCOUNTING INFORMATION SYSTEMS IN THE SMALL
MEDIUM INDUSTRIES: AN EXPLORATORY STUDY IN THE NOTHERN
REGION."**

Merujuk kepada perkara di atas, bersama-sama ini disertakan 3 (tiga) naskah Laporan Akhir Penyelidikan bertajuk "The Applications Of Computerised Accounting Information Systems In The Small Medium Industries: An Exploratory Study In The Nothern Region" oleh kumpulan Penyelidik UiTM Cawangan Kedah untuk makluman Prof. Dr.

Sekian, terima kasih.

Yang benar,



NORASMILA AWANG

Ketua

Projek Penyelidikan

TABLE OF CONTENTS

CHAPTER	TOPICS	PAGE NUMBERS
1	INTRODUCTION Objectives Definition of Terms and Concepts	2-6 6 7-11
2	LITERATURE REVIEW	12-27
3	RESEARCH METHOD Sample Data Collection Method Method of Analyzing Data Theoretical Framework Research Questions	28 28 29 29 - 30 31 32
4	FINDINGS Respondents' Analysis Table 4.1 - Company Location Table 4.2 - Types of Industries Table 4.3 - Number of Years in the Business Table 4.4 - Company 's Owner Table 4.5 - Sales Turnover per Year Table 4.6 - Number of Employees The Descriptive Statistics Table 4.7 - Types of Accounting Systems Table 4.8 - Company Using CBAS Table 4.9 - Implementation Method Table 4.10 - Support Services from Suppliers Table 4.11 - CBAS Software Table 4.12 - Data Processing Table 4.13 - Types of Applications Used Table 4.14 - Types of Reports Generated Using the Systems	33 33 33-34 34-35 35-36 36 36-37 37 38 38 38 39 40 40-41 41 41-42 42-44

	Table 4.15 - Types of Person In-Charge	44
	Table 4.16 - Training	44-45
	Table 4.17 - Benefits using the System	45-46
	Table 4.18 - Costs Incurred to Implement the System	46-47
	Table 4.19 - Source of Information on the Computerized Accounting System	47-48
	Table 4.20 - Problems Encountered While Using The System	48-49
	Table 4.21 - Alternative system used	49-50
	Table 4.22 - Reports Generated Using the Manual System	50
	Table 4.23 - Reasons for not Using a Computerized Accounting System	51-52
	Table 4.24 - Possible Benefits the Company would get from the Computerized Accounting System	52-53
	Reliability Analysis - Scale Alpha	54
5	CONCLUSION	55-56
6	RECOMMENDATIONS	57
	References.	58-60
	Appendices.	61

ABSTRACT

Small and Medium Industries (SMIs) serve as a dynamic and integral part of the Malaysian industrial development. In 2003, small medium industries recorded a growth of 11.8 percent in value added and 8.2 percent in the manufacturing sector. The strategic use of Information and Communication Technology within SMIs is seen as one of the key elements that ensure a significant difference in their success. The present study seeks to identify the level of applications of computerized accounting information system in the Small and Medium Industries in the Northern Region. The results showed that 81.6 percent of the SMIs companies have used the computerised accounting systems. UBS is the most popular software package being used by the companies with the adoption rate of 80.6 percent. The findings indicate that the most favoured modules among the respondents were the general ledger, account payable and receivable and sales and purchases. It is also found that all companies used the module of production planning and scheduling. The rest of the applications such as fixed assets management, inventory control, payroll and costing were moderately used. The types of reports generated by the companies were trading, profit and loss account and balance sheet. Other reports include general ledger, trial balance, income and expenses account, debtors and creditors statement and aging reports, manufacturing account, bank reconciliation, sales and purchases report and fixed asset depreciation.