

A SURVEY
ON THE
COMPUTERIZED BASED ACCOUNTING SYSTEM
USE AMONG
MANUFACTURING COMPANIES
IN KUCHING, SARAWAK

PREPARED BY:

CORINA JOSEPH
TAMOI JANGGU

JANUARY 2003

Date : March 2003

Project File No: 100-UiTMKS (UPP5/2/18/5KK)

Professor Dr. Azni Zain Ahmed
Deputy Vice-Chancellor (Research)
Bureau of Research and Consultancy (BRC)
MARA University of Technology (UiTM)
40450 Shah Alam, Selangor Darul Ehsan
Malaysia

Dear Professor

FINAL RESEARCH REPORT ON "A SURVEY ON THE COMPUTERIZED-BASED ACCOUNTING SYSTEM USE AMONG MANUFACTURING COMPANIES IN KUCHING SARAWAK"

With reference to the above, enclosed are three copies of the Final Research Report entitled, "A SURVEY ON THE COMPUTERIZED-BASED ACCOUNTING SYSTEM USE AMONG MANUFACTURING COMPANIES IN KUCHING SARAWAK" by a group of researchers at UiTM Sarawak.

Thank you.

Yours sincerely



CORINA JOSEPH

Leader
Research Project

TABLE OF CONTENTS

	Page
Title page	i
Letter of submission	ii
Research team	iii
Acknowledgement	iv
Table of contents	vi
List of Tables	viii
List of Figures	ix
List of Appendices	x
Abbreviation	xi
Abstract	xii
CHAPTER ONE : INTRODUCTION	
1.1 Introduction	1
1.2 Objectives of project	4
1.3 Significance of the project	4
1.4 Organization of the project	5
CHAPTER TWO : LITERATURE REVIEW	
2.1 Introduction	6
2.1.1 Manufacturing sector in Malaysia	10
2.2 The development of accounting system	12
2.3 Consideration in purchasing and selection of accounting software	15
2.4 Benefits of using the computerized accounting system	16
2.5 CBAS and productivity	16
2.6 Barriers to the implementation of computerized accounting system	17

ABSTRACT

This study reports on the survey of computerized based accounting system (CBAS) use among the manufacturing companies in Kuching Sarawak. As there is limited published research carried out on this area, this report aims to identify the extent of CBAS adopted in the Sarawak manufacturing companies. This study is conducted through the questionnaire survey method. Besides exploring the types of accounting software adopted, this study also attempts to investigate the problems and impact in using the CBAS on the employees' work productivity. The results of this study have revealed that the CBAS is moderately used in the companies. The statistical analysis demonstrates that the respondents disagree to all the problems listed in the questionnaire distributed to them and gave positive responses to all the impacts listed in the questionnaire in using the CBAS and on the work productivity. The study concludes that the average adoption rate among the respondents is attributed to small size of the companies, lack of exposure and awareness, attitude problem, business needs and requirement and others. Some recommendations have been made to improve the existing scenario. They include increasing awareness especially among the small companies, implementing more stringent policy for certain procedures in order to increase high usage of CBAS and reviewing the existing accounting curriculum especially pertaining to the computerized accounting area.

CHAPTER ONE

INTRODUCTION

1.1. Introduction

Malaysia is working towards achieving Vision 2020 when it hopes to step into the ranks of developed nations. In line with this, one of the crucial aspects of the National Development Policy is the promotion of human resource development including the creation of a productive and disciplined workforce and the development of the necessary skills to meet the challenges of a developed economy. This involves the roles played by the accountants in handling all aspects of business activities, which has become both broader and more specialized especially with the rapid changes in accounting practice and in the overall business environment. The changes include the growing trend of globalization of business activity especially with the onslaught of AFTA in 2005 and WTO in 2006, the ever growing importance of information technology, rising public expectation and changing consumers' needs. The globalization of business and the rapid advancement in information and communication technology (ICT) call for serious changes to be implemented in order to strengthen the accounting profession. The new-millennium accountant must have a high level of competency in ICT in order to be covenant with global business practices and provide relevant, effective and value-added services. (MIA 2001 annual report). This directly has a significant impact on the manufacturing industries in Malaysia which has been identified as one of the major sectors contributing to the growth during the Eighth Malaysia Plan (8MP).

In the 8MP (2001 – 2005), the Malaysian economy is projected to grow at an average rate of 7.5% per annum. One of the key strategies to be undertaken by the manufacturing sector during the 8MP period is to expand the usage of information communications technology (ICT) within and across sectors to accelerate the growth