

**THE EFFECTIVENESS OF ACCOUNTING SOFTWARE
TOOLS ON THE QUALITY OF FINANCIAL
STATEMENTS IN SELECTED UNIVERSITIES
IN KAMPALA, UGANDA**

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APPROVAL SHEET

This thesis entitled **THE EFFECTIVENESS OF ACCOUNTING SOFTWARE TOOLS ON THE QUALITY OF FINANCIAL STATEMENTS IN SELECTED UNIVERSITIES IN KAMPALA, UGANDA**, written and submitted by **Amoah Gyamfuaa Rose** in partial fulfilment of the requirements for the degree of Master of Business Administration (Accounting), is hereby accepted and approved.

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ABSTRACT

The problem of the study was that the effectiveness of accounting software tools on the quality of financial statements in Kampala, Uganda was not known. Therefore the objective of this study was to find out the above, establish a relationship between accounting software tools and the quality of financial statements and also to find out the characteristics of accounting software tools that best determine the quality of financial statements. According to several studies, it is very difficult to measure the effectiveness of accounting software tools and how it is related to the quality of financial statements hence this called for more investigation. The study used descriptive and correlational research design to analyse data from 113 accountants that were purposively selected from 10 different universities. A self administered questionnaire was used to gather data and analysis were made. The findings from this study indicated the accounting software tools used in universities were effective due to the presence of these characteristic and they are modules and functionality, system integration, customization and automation which in turn had a positive effect on financial statements hence making them quality. Furthermore, there was a significant positive relationship between the characteristics of accounting software tools and the quality of financial statements apart from modules and functionality and faithful representation that had no significant relationship between them and also report and analysis and faithful representation which means that the more the characteristics of accounting software tools are improved, the more the financial statements will be of quality. Modules and functionality was the best characteristic that determined the quality of financial statements. It was recommended that universities should come up with a way of integrating their accounting software tools to other systems in and out of the university.

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May God bless you all

DEDICATION

This research is dedicated to my dear parents Dr. And Mrs. Amoah and to my sister Amoah Boahemaa Christen for all the love, support and encouragement they gave me in my studies. It is also dedicated to all my relatives for their moral support.

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LIST OF ABBREVIATIONS AND ACRONYMS

CPA	Certified Public Accountant
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IT	Information Technology
SME	Small and Medium Enterprise
SPSS	Statistical Package for Social Sciences
USAID	United States Agency for International Development

CHAPTER ONE

INTRODUCTION

Background to the Study

The development of a computer network and decision-support systems has taken a broader dimension and more flexibility known as the computerization of accounting which is of importance to every accounting sector (Alzoubi, 2011). Selecting the appropriate accounting software has become an important issue for many organizations including institutions of higher learning (Abu-Musa, 2010).

It is important to note that, the evolution of computer technology specifically the use of accounting software tools has ultimately changed accounting systems, and many studies have shown that both financial and non financial outcome of a firm will always depend on how much one invests and improves the accounting software being used (Murungi & Kayigamba, 2015).

Dacosta, Frimpong, Agyei, Owusu & Duah (2012) asserts that the advancements in information technology has ultimately led to the introduction of the use of accounting software tools in making statements that help to generate relevant and faithful representative financial statements for management and all stakeholders for decision making. Therefore the numerous advantages from the use of these accounting software tools in preparing financial statements is one of the engine of growth in business organisation.

Theoretically it is expected that the use of accounting software tools as compared to the use of manual system would result to quality financial statements due to its effectiveness. According to European Union Audit carried out in 2003, it was noted that organisations are not enjoying the benefit of using accounting software due

to its ineffectiveness in relation to automation, and its functionality. This raised the question of the accounting software's effectiveness in relation to the quality of financial statements (Sugut, 2014).

According to International Accounting Standards Board framework for both preparation and presentation of financial statement, the major objective of financial statements is to provide information about not only the financial position of an organisation but also the non financial performance especially in relation to the quality of financial statements that is useful to a wide range of users in making economic decisions (Dacosta et al, 2012).

It is also noted that the issue of faithful representation, and other qualitative characteristics of financial statements has been a dilemma, not only for investors and other stakeholders, but also for business and the accounting industry. The existence of these qualitative techniques seems blurred in the business world due to the excessive use of accounting software yet there are few studies in relation to its effectiveness (Abdullah, 2015).

A research carried out by Sugut (2014) on Non Governmental Organisations in Kenya, found out that due to the use of accounting software tools, the quality of financial statements were good, where 90% of financial reports were accurate, 89% of the reports helped in accountability, 85% of the reports were timely and relevant whereas 83% of the financial statements were reliable. According to the researcher, though this shows how positively it has affected financial statements, it does not show and mean that the accounting software tool is effective since Sugut (2014) did not mention this in his study.

According to Murungi and Kayigamba (2015), in Uganda little has been said about the effectiveness of accounting software tools in relation to quality of financial

statements provided in different organisations as well as in educational institutions, rather studies are focused on other areas of technology other than the effectiveness of accounting software. This is a concern because it has been noted that many universities in Uganda use different software tools but there are still some issues in the quality of financial statements as proven by many audit firms.

This poses a rhetorical question as to what characteristics really makes accounting software effective, is it its modules and functionality, reports and analysis, system integration, customization, and automation? Also do the above affect the quality of financial statements in relation to understandability, faithful representation and comparability? For this reason this research intends to find out the effectiveness of accounting software tools on the quality of financial statements of selected universities in Uganda.

Statement of the Problem

Different types of accounting software tools are used by different universities in Uganda. Despite the fact that many researchers have discussed about different aspects of accounting software, the criteria to which universities in Uganda use to choose accounting software tools is not fully exhausted. Furthermore, the researcher believes that accounting software tools may be effective but financial statements may not be of quality and on the other hand accounting software tools may not be effective but financial statements may be of quality because the relationship between the two seems blurred. Whereas Byenkya (2011) posits that accounting software tools is invaluable to the quality of financial statements, few studies have been done in regards to modules and functionality, report and analysis, system integration, customization, and automation and how these affect the quality of financial statements in relation to understandability, faithful representation, and comparability in Uganda.

Therefore the researcher intended to find out the effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.

Research Questions

This study aimed to find out the effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.

This study sought answers to the following questions:

1. What are the criteria used by selected universities in choosing accounting software tools?
2. What are the characteristics of accounting software tools used in terms of a) modules and functionality, b) system integration, c) reports and analysis, d) customization, and e) automation?
3. What is the evaluation of the quality of financial statements in the selected universities in terms of a) understandability, b) faithful representation, and c) comparability?
4. Is there a significant relationship between the characteristics of accounting software tools and quality of financial statements?
5. Which characteristics of accounting software tools best determine quality of financial statements?

Hypothesis

The null hypothesis below was tested:

H₀₁: There is no significant relationship between the characteristics of accounting software tools and quality of financial statements.

Significance of the Study

The study sought to find out the effectiveness of accounting software tools which would enable organisations know the areas they need to improve in relation to their accounting software tool based on the characteristics of an effective accounting software tool.

Knowledge about the criteria used to choose accounting software tools would enable other educational institutions and other organisations such as church organisations, small and medium scale enterprises to have a better criterion to select particular software for the success of its operations due to rapid technological changes.

This study would aim at helping accountants and organisations evaluate themselves on how they are performing not in terms of financial performance but rather non financial performance such as viewing performance from the aspect of quality of financial statements prepared in relation to understandability, faithful representation and comparability.

This study would also be beneficial to other researchers that would research about accounting software tools and quality of financial statements. They would either improve the study or quote some information that will help them in their studies as well.

The study would also help software developers to improve accounting software packages in order for it to be much better and useful than it is now.

This study would be beneficial to the entire community by sensitizing them about software tool since the world is becoming more technological and these software tools are not limited to organisations but it extends to all areas including households. For instance a software tool that helps you keep track of your expenses

and revenues at your house for every month and how one is performing in relation to their proposed budget.

Justification of the Study

The main reason this particular research was chosen is due to the gap of how accounting software tools affect the quality of financial statement which is yet to be filled. Around the world there are many debates about reliability of the financial statements since the collapse of Enron Corporation and the blame is placed on financial statements being misleading. Hence companies have been damaging the purpose and quality of the financial statements (Abdullah, 2015).

Lehtinen (2013) posits that many organisations are experiencing nasty flashbacks as a result of the Enron era and recent financial crises; hence it is not surprising that the different interest groups as well as the regulatory authorities have put serious attention towards the quality of financial statements. The researcher agrees with Lehtinen though the Enron era is not the only reason why serious attention has been put towards the quality of financial statements but also due to its importance to investors, creditors and the government.

Furthermore, the quality of financial statements varies a lot even if organisations follow same accounting standards and/or principles. Thus it is believed that many factors contribute to affect on quality of financial statements though it has not been fully exhausted (Lehtinen, 2013). The researcher agrees to the above statement because from reviewing various studies little has been done about how accounting software tools affect the quality of financial statements.

Though use of accounting software has been increasing day by day, there is little literature available in the research field concerning the application and effectiveness of accounting software among which most of them related to technical

discussion of different module of accounting software (Kabir, Rahman, Yunus& Chowdhury, 2015).

Lastly, based on literature review of earlier research and empirical studies it was noted that there is very limited knowledge about the effectiveness of accounting software tools. Also absolute measures had not being found to measure the effectiveness of accounting software tools because according to several writers and researchers it is difficult to measure effectiveness of accounting software (Alves, 2010).

Theoretical Framework

This research used the Task Technology Fit (TTF) theory by Strong, Deshaw and Bandy in 1973 where they argue that information system use and performance benefits are attained when an information system is well suited to the tasks that must be performed. Therefore Task Technology Fit is the degree to which technology assists an organisation in performing tasks (Irick, 2008). Besides that the theory states that in order for technology to have a positive impact on performance, the technology must be utilized and effective; and there must be a good fit with the tasks technology supports. The researcher adopted this theory because the task of accounting software tools in this study is to provide quality financial statements and the way accounting software may assist in achieving this is by the presence of characteristics in the software tools that determines its effectiveness and they are modules and functionality, reporting and analysis, system integration, customization, and automation.

The researcher also used the conceptual framework of accounting because all theories of accounting are bound by the conceptual framework of accounting. The figure below is the framework which is provided by the Financial Accounting

Standards Board and works to outline and establish the key objectives of financial reporting by businesses, both public and private.

Framework for preparation and presentation of financial statements

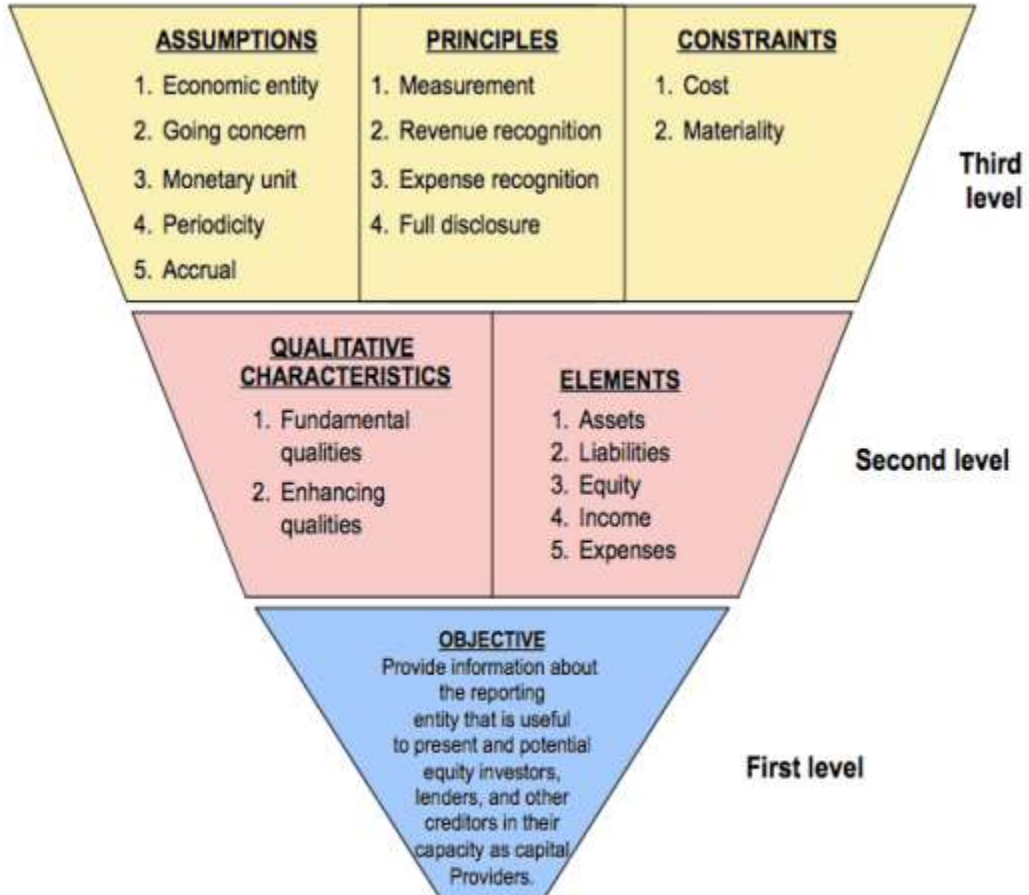


Figure 1. Framework for preparation and presentation of financial statements.

Source: Wiley (2009)

The figure above explained all the three levels of the framework though the researcher dwelt more on the second level and using one category in the second level and that is the qualitative characteristics. As much as all levels and categories are important and they work hand in hand, the International Financial Reporting Standards emphasizes that the information in financial statements must not only be financial but also very useful for the principal users to make decisions about investing in a company and also for many other reasons and it is due to this that the researcher

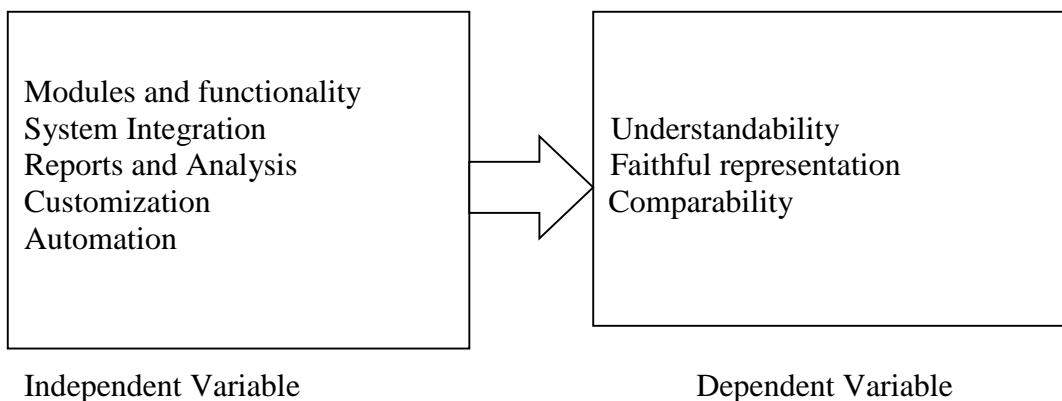
dwelt on the qualitative characteristics apart from relevance (Kuzina, 2013). These qualitative characteristics were faithful representation, comparability and understandability. The researcher used these because of the non financial measurement ability it has.

Conceptual Framework

The conceptual framework underlying this study focused on the effectiveness of accounting software tools on the quality of financial statements in selected universities in Uganda.

Effectiveness of Accounting software

Quality of financial statements



Source: Author and Wiley (2009)

Figure 2. Conceptual framework of accounting software and performance.

The above model showed variables that were used to measure accounting software tools and they were modules and functionality, system integration, reports and analysis, customization, and automation which were under the independent variable.

The above model also showed the variables of the quality of financial statements and they were understandability, faithful representation, and comparability

which are the dependent variables. These are the qualitative characteristics of a financial statement.

Scope of the Study

The study focused on the effectiveness of accounting software tools on quality of financial statements of selected universities in Kampala, Uganda. The respondents were accountants in 10 selected institutions of higher learning.

The study focused on the following variables which are modules and functionality, system integration, reports and analysis, customization, and automation as the independent variables for accounting software tools because of few studies in this area though variables such as existing IT infrastructure, robustness and business processes were not studied because the researcher would not be able to exhaust all these areas. It also focused on understandability, faithful representation, and comparability as the dependent variables of the quality of financial statements.

Assumptions of the Study

The researcher hoped that respondents provided truthful, honest and accurate information about the topic of the study. The study assumed that the results, conclusion and recommendations to be made of this study would be used by software developers, management, accountants, educational institutions of higher learning and academicians to evaluate and provide clear understanding of the effectiveness of accounting software tools on performance of selected universities in Uganda. The researcher assumed that quality of financial statements depended on the effectiveness of accounting software tools.

Limitations of the study

Limitations set forth reservations, qualifications and or weaknesses inherent to the research design and the study as a whole (Role, 2016). There are many factors that affect the quality of financial statements but this study was limited to accounting software tools with its variables of modules and functionality, report and analysis, system integration, customization, and automation. Qualitative characteristics of financial statements were also limited to understandability, faithful representation and comparability. Finally, the literature review was limited in relation to some studies conducted by other people in regards to the effectiveness of accounting software because less study has been done in this area using the independent variables in Uganda.

Operational Definition of Terms

Accounting software/ Accounting software tools: Accounting software tools is a type of application software or packages that carries out all accounting processes such as it records and processes accounting transactions as well as prepares financial statements and other reports.

Automation: being able to run processes without any manpower or instructions automatically.

Comparability: This means the financial report of one period can be compared to the financial report of another period as well as the financial report of one branch can be compared to another branch of the same organisation and the information should be similar and also the information in the statement can be compared to its notes and disclosures.

Customization: being able to modify, add, edit and format areas and sections in the software and financial statements that suits the needs of the organization as a whole.

Effectiveness: this refers to the presence of certain characteristics of accounting software tools and they are modules and functionality, reports and analysis, system integration, customization, and automation used to achieve intended results.

Faithful representation: This means the information in the financial statements is complete with no omission, no partiality, free from errors and follows all accounting principles.

Modules and functionality: these are the core elements of accounting such as general ledger module, chart of accounts module, the balance sheet module, accounts receivable module, accounts payable module and functions such as reconciliation, tracking payments, inventory updates, preparing payrolls and batch posting.

Quality of financial statement: statements that have characteristics of understandability, faithful representation and comparability.

Report and Analysis: the financial statements and other reports the software produce can be analysed using ratio analysis, vertical and horizontal analysis

System integration: how the software connects to the bank, to all accounting sectors and to the general system used at the institution as well as all other departments, how it shares data and information; and how it communicates to other systems.

Understandability: This means the information presented in financial reports is concise, complete and clear in presentation, easy to comprehend by the user, and proper organisation of financial statements

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND STUDIES

This section of the study looked closely at the related literature and studies. It consists of the concepts from literature that are related to the variables which will be in the study. According to Role (2016), literature review helps in attacking the problem of the research with deeper understanding and clear knowledge. This means going through indexes and abstracts, journals, online data bases, treasury of government publication, other research papers, and books in the library.

Criterion for Choosing Accounting Software Tools

Selecting the appropriate accounting software has become an important issue for many organizations because selecting the wrong software will lead to major losses in the organisation.

Collins (1999) confirmed that selecting the appropriate accounting software for an organization such as an educational institution, an accounting firm even for the government requires a close investigation of many diverse areas. According to Collins (1999) point of view, long-term needs of an organization in other words going concern needs is an area that often gets lost in the technical assessments of accounting software. It is critical and important that one should evaluate an organization's requirements beyond the immediate and short term needs but also focus on the future needs. The researcher agrees with the above because an organisation exists not just for a short period of time but rather for long hence its needs will change in the long run and software that can adjust to the changes in the long run is favourable. Businesses grow day in and day out at a very fast rate and so do their accounting software needs. It is argued that those making buying decisions rely heavily on the bookkeepers' and

data-entry clerks' though the researcher does not agree with because financial statements go beyond just book keeping. Rather buying decisions should be based on the accountants' assessments of needs.

Even before looking at some of the above criteria's, one should note that the objective of selecting accounting software is to match the product features with the user's needs to meet an organisations objective as well as putting in place the consideration of software that will meet all the accounting standards. Hence the single most important question is whether the accounting software could be customized - and if it could, whether the amount of customization is capable of meeting an organization's needs and requirements.

Morey (1999) agrees with Collins (1999) that despite the need of a software that provides competitive advantage and increases efficiency, the overriding consideration is finding software that is compatible with a company's long-term business goals. However, great caution must be exercised to keep the planning, implementation, and use of information systems and the software focused on supporting organisations objectives, business strategies, organizational structure, and operational requirements-not an end unto itself for the success of the organisation as a whole. The researcher agrees that compatibility is a good criterion for choosing accounting software tools but on the other hand argues that great caution being exercised to keep the planning and implementation details as a criterion for choosing accounting software tools.

Gurton (2001) argued that power and ease of use are no longer the only criteria for selecting accounting software though they are important and cannot be ignored. Ease of use is still important but compatibility has increased in importance and this because companies need to communicate via the internet and intranet. The

researcher notes that compatibility has being mentioned more often than not which shows how important it is as a criterion for choosing accounting software for example a University may have several branches all over the country and each has an accounting department. These departments need to communicate especially to the main campus and they must all conform to the same standards of transmission and file structures hence the importance of compatibility cannot be under estimated. Despite claims of the importance of compatibility, however, it is frequently lacking at the level necessary. Therefore in choosing accounting software the organisation has to take a holistic view of the business's needs to ensure that all requirements, now and in the future, will be met (Gurton, 2001).

According to Mattingly (2001) point of view “businesses that anticipate increasing numbers of transactions, or many additional users, will want a scalable database to handle their growth. This may considerably increase the software's cost and significantly affect the usual variables of implementation and support”. At the end of the day it will be much more beneficial than just providing software based on the current number of users. The researcher believes that scalability only increases costs in the short run but in the long run it is considered cheap hence cost of the software tool should not be a criteria to think twice when choosing accounting software tools.

According to Fisher and Fisher (2001) just like other authors agree that customization capabilities of accounting software is a real concern for many organisation both government and private. Some off-the-shelf applications are offered with very little or no opportunity for customization at any level to meet an organization’s needs, while other reliable vendors will work with the end user to tailor the applications to meet their firm's needs. Fisher and Fisher (2001) also argued that the greater the opportunity for customization the greater the cost of the applications is

but this should not be a hindrance in getting the software because at the end of the day the benefit will surpass the cost (p.16). The researcher agrees with Fisher and Fisher (2001) on his view of customization and reliable vendors but an organisation should take extra effort to prove that indeed a vendor is reliable rather than using hearsay. The success of accounting software largely relies on the vendor because they have the first hand knowledge of the software.

Collins (1999) confirmed what Fisher and Fisher (2001) asserted. Collins agrees that the most important question one needs to resolve or ask him or herself before deciding on an accounting software package is whether it could be customized and, if it could, whether the customization will meet the user needs and requirements (p.61). The main customizations levels according to Collins (2001) in an organisation include financial statement level customization, forms level customization, screen level customization, blank user definable fields, default settings, database level customization, third party integration customization, as well as help level customization. The researcher argues with Collins (2001) on the types of integration and believes that there is more to the above like for instance accounting software tools that has the ability to change languages.

One most important aspect to consider is security. Security is one criterion for choosing accounting software which should not be ignored. We live in a world of risk and everything is risky hence security is paramount. Security of computerized systems is a very broad concept that cannot be exhausted, encompassing not only the consideration for privacy and keeping information of the company and customers' secret (confidentiality), but also the issues of system integrity and availability (Abu-Musa, 2010). Though the researcher agrees that security is paramount, Abu Musa (2010) did not state how security can be observed for instance security in terms of

using passwords, biometric recognition and even through the use of security questions.

Jarrett (n.d.) on the other hand brings out the five important criteria for choosing accounting software are its features, fit, future, flexibility and funds in order to suit the needs and requirements of the particular organisation and though this is may be good Jarrett does not give reasons as to why the above criteria should be used.

As seen above, in summary the researcher perceives that customization, vendors reliability, cost, ease of use, features and not forgetting security is the best criteria for choosing accounting software tools. While the above criteria may work for several organisations, no study shows this criteria has been used in Uganda

Effectiveness of Accounting Software tools

A study conducted by Taposh (2014) in telecommunication in Bangladesh stated that effective accounting software helps in recording various accounting transactions, preparing financial statements and all accounting processes can be handled. He continues to say existence of proper security indicates effectiveness of accounting software because there is assurance of accurate and reliable accounting data and information. According to the researcher this is limited in scope because the researcher believes that there is more to recording accounting transactions, preparing financial statements to prove the effectiveness of accounting software and this call for further investigation.

According to Bernard (2016), using the most recent and current accounting software tool does not guarantee its effectiveness because some organisation still use accounting software that was developed many years back yet it works for them and their performance is of an acceptable level. The researcher does not refute this because accounting software tools such as tally has being there for quite a long time

but it is still being used. Also a study carried out by Ode (2011) about construction accounting software tools brings out another aspect that is for accounting software tools to be effective, it must have program and processes and job essential functions of tracking, inventory updates, consolidation, as well as having modules such as receivables and payables. This ensures that all accounting processes are handled. No matter how sophisticated accounting software may be, the researcher argues that if it cannot handle the basics of accounting as Ode (2011) has posited then it is far from being effective.

Tyndall (2016) agrees with Ode (2011) that the modules present in accounting software tool makes it effective and this modules are general ledger module, charts of account module, trial balance module, balance sheet module, accounts receivable module, accounts payable module, point of sale module and the payroll module. The researcher agrees with this but there is more to this because modules alone cannot determine the effectiveness of accounting software. Daru (2015) on the other hand posits that automation cannot be ignored when the topic of effectiveness of accounting software tools is being tackled. This is because it eliminates issues of making several mistakes and repeating processes.

Though Daru together with other researchers bring out their aspect of effectiveness of accounting software, other aspects have being ignored such as system integration and customization which shows a gap in several studies and much has not being said in regards to the above subject. Though all the above have being said, many research studies show that it is very difficult to measure the effectiveness of accounting software tools and how it is related to the quality if financial statements hence this calls for more investigation due to this gap.

Modules and Functionality

Accounting software is usually categorised by the functions it performs. These different functions are usually referred to as core modules of accounting (Mountain, 2016). According to Jariwala (2015) the number of modules accounting software has makes it more effective but it does not end there but if it also offers the latest functionality which can be used by the user (accountant) to complete a specific task. Also, before accounting software can be deemed effective, one needs to ask him/her self if the module needs third party applications to perform tasks performed by individual modules which he did not really state. The researcher does not agree with Jariwala (2015) on the issue of the number of modules accounting software has makes it more effective but rather modules that are important for accounting processes makes it effective.

On the other hand, Tyndall (2017) made the types of modules needed clear and he posits that the main accounting modules are general ledger module, charts of accounts module, trial balance module, balance sheet module, accounts payable, accounts receivable and payroll. He continues to say modules all together make the accounting software achieve its main objective of fulfilling the requirements of accounting which the researcher agrees to.

Mountain (2016) is in agreement with Tyndall (2017) about the modules but he explains just one aspect of the module which is the general ledger module. He says a general ledger normally uses a double entry book keeping method and included in this are all figures of fixed and current assets as well as liabilities, revenues and expenses which the researcher agrees to. With use of efficient and effective accounting software this module should be able to summarise gains or losses from the general ledger. His explanation of general ledger module misses an important aspect

of a general ledger being the central repository of all accounting records and data and without this a financial statement cannot be obtained. Though Mountain (2016) brings out a good point, he over emphasizes general ledger module making it seem like it is the only important module and the importance of the other modules seem blurred.

In addition to the above, Tyndall (2017) talks about other modules that any accounting software must possess and these are the balance sheet module which is also called the snap shot of an organisations financial condition, the accounts receivable module, accounts payable module and payroll module. The researcher agrees to this because unlike Mountain, Tyndall talks about a vast area of modules.

Furthermore, the importance of accounts receivable module cannot be ruled out. The accounts receivable has a common functionality of handling invoices, processing customer payments and furthermore creates bills or invoices and sends them to customers. For accounting software to be effective, the aspect of accounts receivable module should have the ability to recognize bank deposits so that information can be automatically uploaded and applied to customers account. It should also have a master file that contains information of individuals that owes the organisation (Tyndall, 2017). The researcher agrees to the above because accounts receivable is an important part of accounting that needs attention.

More so according to Mountain (2016), another important module is the accounts payable module. Accounts payable module with the ability to track vendors, discounts and payment terms of all invoices makes accounting software effective. This particular module should also have the ability to print a computer generated checks to vendors.

Thomas (2017) in his study brings an interesting aspect of functionality. He does not dwell much on the modules although he talks about a few but rather

emphasizes functionality. According to him, the ability of software to help in stocktaking and inventories is a huge and major function because this is a critical area in many organisations. This is by recording and updating a cost of all stock in the organisation and also producing a list of all current stock available. The researcher agrees with the above because inventory is one of the vulnerable aspects in accounting that need attention. He continues to say the inclusion of payroll information in accounting software makes it effective because payroll is an aspect which cannot be ignored in accounting. Hence the accounting software should have the ability to calculate all salaries and wages including information on taxes paid, bonuses and any other deductions made.

In addition to the above, all organisations and institutions need to reconcile their accounts and this is very important. Hence a bank reconciliation module is as important as all other modules. This module automatically checks the bank transactions and compares it to the transactions at the organisation. It also automatically checks postings from accounts payable, accounts receivables as well as verifying all outstanding checks (Mountain, 2016). The researcher agrees to this though the accounting software should be able to check other areas such as deposits in transit because it's crucial for reconciliation.

The researcher believes that using accounting software tools without these modules and functionality will make the accounting software tools ineffective because this is the backbone of the software. Though the above may be very true, it does not show the impact it has on the quality of financial statements.

System Integration

The main aim of system integration is to bring all systems together in order to achieve accurately and completely the same outcome as the systems will bring out

if they were separate but with complete efficiency. Integrating the organisations system with the accounting system (accounting software) has a greater advantage of flexibility in the organisation. (Litan, Copcea, Teohari, Mocanu, Surugui, & Radatu, n.d.). The researcher agrees with the authors above about how important system integration is though they did not state the disadvantage of system integration and that is if one system breaks down, it means all other systems cannot function.

It is true that different systems are used for different tasks but currently it is necessary to integrate all these systems. This prevents some data from being entered multiple times and this in turn increases time required to do tasks involving different system. Hence when all systems can communicate and work hand in hand, the system is said to be fully integrated (Jariwala, 2015). Though the researcher does not refute Jariwala's view, the researcher is sceptical about a fully integrated system because if at one point a mistake is made, it means it will be carried forward to all areas of the organisation which can distort a lot of things. Jariwala continues to posit that accounting software that runs on the same platform with other systems of the organisation makes it effective this is because there will be less need to constantly switch to use different applications. Also, this also prevents the user from re-entering data because data can be exported directly for instance from a registrar's office of a university directly to the accounts office which the researcher agrees to though this is not a guarantee of not re-entering data.

It is of much importance that different departments and functional units in an organisation integrate. This is the extent to which discrete and interdependent organisation units or components work together to form a unified whole. System integration is not about homogenizing components of a system so that such integration would erode specialization of distinct units but rather different and

complementary components acting in unison without becoming a single entity which is very true (Mohamed, Mahadi, Miskon, Haghshenas, & Hafizuddin, n.d.). The authors above bring out a very important point but this is not an assurance that one organisational unit will not overstep its boundaries and also these organisational units will have to work at the pace of other units because of integration. This poses a rhetorical question that can system integration really prove the effectiveness of accounting software tools?

There are many forms of system integration according to Mohamed et al (n.d) and some of them are strategic integration. This integration is about systems supporting organisation's core strategic plans. Hence the integration of accounting software with other systems in the organisation is not considered as a goal in itself but rather as a means to achieve organisational goals. The researcher totally agrees with Mohamed et al though organisations differ hence if one organisation does not consider system integration as a goal in itself, other organisations will.

Vertical integration is the form of integration where accounting software has the ability to access information at the various levels of the organisation hierarchy and in all other departments in the organisation (Mohamed et al., n.d.). Though the above about vertical integration may seem as an advantage, the researcher is sceptical because it requires security because information that is not meant to be accessed may be accessed for different reasons. They continue to write about data integration as another form of integration. This focuses on the degree to which all the activities in different departments within an organisation are consistently coordinated by sharing a number of databases. In other words for accounting software to be effective, it should have the ability to get or extract data from all other departments as well as share data with other departments. This in turn brings a rhetorical question as to what if one

database breaks down, what will happen to the other databases since its being shared and integrated?

Furthermore, the advantage of system integration and or integrating accounting software with other systems in the organisation is elimination of internal difficulties of communication between internal and external results. The researcher supports the above because communication is a vital part in every organisation. The external part is integration with banks and other financial institutions. This also reduces complexity, and there is efficiency and cost reduction in accounting. A bank does not have to print a full statement and an accountant does not need to go all the way to the bank to pick up statements. This saves time in preparation of financial statements. Not forgetting consistent communication inwards and outwards the organisation. Hence this makes accounting software effective (Cordoş, Andreica, & Rof, 2010).

Due to the integration of accounting software and other internal and external systems, up-to-date and real-time information can be provided to user such as accountants, department heads and also management (Griffin & Dempsey, 2008). Real time information is an indicator that an organisation is performing well hence the researcher agrees with the above authors.

Accounting software should not be left to work alone but adequately integrated with other systems in order to be more effective. This gives them the ability to share data, information and other services and this is referred to as interoperability (Trigo, Belfo, & Estébanez, 2014). More benefits of integrating accounting software with other systems are improved internal and external communication; strategic decision making and planning capabilities are enhanced and eliminates manual process such as entering data received from other departments in an organisation

before financial statements can be prepared. In relation to a university setting, not only does it help in producing quality financial statements used for decision making but also improves self service environment for students and faculty and many other more. It also integrates workflow and reduced dependence on paper (Seo, 2013).

In addition to the above benefits, Seo (2013) argues that there are some more technical benefits of system integration and these are it eliminates the need for a shadow system since all systems communicate, development and maintenance of consistent data are defined. It also provides accessible and user friendly administrative and student support services, increases data integrity, validity and reliability due to automation once the system is integrated and access to data in real time. The researcher argues that this does not eliminate the possibility of the existence of shadow systems because a shadow system can still be integrated with the other systems.

The researcher believes that accounting software tools should have the ability to communicate with other systems in the organisation and outside the organisation such as banks and other financial institutions and this call for investigation. It should also have the ability to export data and information to all departments in an organisation as well as receive. Processes should be automatic to avoid manual re-entering of data. The discussions above lack valid examples as to organisations integrating their systems.

Reports and Analysis

Financial statements are records and or statements that provide an indication of the organization's financial status and it describes the financial health of the company. The objective of financial statements is to provide information about the financial position, performance and changes in financial position of a company that is

useful to a wide range of users in making economic decisions such as banks, creditors, investors and even the government. It is due to this that accounting software should have the ability to automatically generate financial statements instead of manually preparing those (Das, 2010).

A complete set of financial statements comprise of profit and loss account, statement of financial position, a statement of changes in equity, cash flow statement and notes and disclosures. These are prepared majorly for decision making by management. An effective accounting software does not just record transactions but also automatically prepares financial statements using the information entered in the software. Reports are not only limited to financial statements but also other aspects such as budgets. For accounting software to be effective, it should have the ability to prepare budgets for the organisation as a whole and also from different departments within the organisation (IPSASB, 2012).

Das (2010) further more explains an important aspect in preparing financial statements specifically the profit and loss account. Before arriving to the final profit taxes must be deducted and this profit after tax. This brings an important concern as to the ability of accounting software to be able to calculate the tax accurately and deduct from the profit before tax to be able to arrive at profit after tax. This is not only limited to profit after tax or net profit but it also extended to retained profit which is the profit after dividends have been deducted. Accounting software that can calculate dividends and deduct it is considered effective. Though the above may be very true, the researcher wonders how this in turn affects the quality of financial statements.

It is important to note that the effectiveness of accounting software does not end on it preparing financial statements but also analysing the financial statements and the researcher agrees to this because there is more to this than just preparing

statements. The common type of analysis made is the use of ratios. Financial ratio analysis may seem sophisticated and complicated but that's not the case. It is more of simple comparisons between information pulled out from the organisations balance sheet and profit and loss account (Pearson, n.d). Pearson (n.d) points out another aspect of financial statement analysis which is the time series analysis. This involves comparing a company's current performance to prior periods. This method allows the accountants and management to identify trends, changes over time that may be consistent or not. As said earlier on the above does not show how it affects the quality of financial statements that's if at all there's an effect on the quality of financial statements.

According to Ganbaatar (2010), different from other authors he talks about the others forms of analysis that accounting software can handle to make it effective is the horizontal analysis. Horizontal analysis is also known as trend analysis and this is a tool for evaluating a series of financial statements data over a period of time. This kind of analysis is used to find out an increase or decrease in the different elements such as assets, liabilities, owner's equity, revenues and expenses in the financial statements. Effective accounting software does not stop on this analysis but goes further to graphically present it in order to see the trend and understand it further. The advantage of this kind of analysis is that it can be expressed in both amounts as well as percentages so that users of the financial statements can have a better understanding.

In addition to the above, vertical analysis is another form of financial statement analysis. This is basically the study of a single financial statement in which each item is expressed as a percentage of a significant total for instance revenues. For

accounting software to be effective, it should have the ability to analyze statements vertically (Ganbaatar, 2010).

In summary, for accounting software to be effective, the researcher believes that it should have the ability to prepare all financial statements but also in accordance with GAAP that is a universal standard. It should also have the ability to analyze the financial statements using the different forms of analysis that can be understood by all the users of financial statements. The above discussions do not show how these affect the quality of financial statements.

Customization

The key and major focus in accounting software development today is workflow, simplification, cloud computing and customization but this research focuses on customization. Customization in other words enables an organisation to quickly adapt their software to their changing needs (Salmon, 2014). An effective software can customize each user's access level not only to view, but also modify, delete, print and do many other things as well (Gregory, 2013). Customization as said earlier is a key focus of accounting software because in the eighties, the most successful accounting software tools required the end user to modify source codes to add additional fields and other capabilities to accommodate the end user's unique and dynamic needs and this has continued till this present time. According to the researcher, though the importance of customization cannot be denied, care must be taken because customization may be made to suite an accountant's personal agenda that may not be positive.

It is important to note that the primary goal of accounting software customization is to achieve a fit between the software and the business processes of the organisation in order to fill the potential gap between the software and the

organisational requirements. According to different researches, customization is related to terms such as tailoring, modification and functional alignment (Ondrej & Munkvold, 2012). In today's accounting world, customization tools are far easier to use and they allow the end user to upgrade to new product releases from the software company while retaining their customizations along the way. All customizations will remain intact without any change (ASA, 2011). One important detail ASA (2011) may have ignored is that customization that allow end users to upgrade to new product features varies from one accounting software tool to the other because some come at an additional cost.

In relation to customization, the different forms of customization are customizing the financial statements, customizing other reports, customizing forms such as checks and invoices, inserting blank user definable fields, customizing user screens, customizing the database itself, and also customizing the help screens. ASA (2011) in their research explain the above further and better by positing that financial statement customization is the most simple which entails the ability to create new financial statements or edit existing financial statement formats. It continues with the ability to allow an end-user change the font, add lines and even graphic pictures such as a company logo directly to the financial statement. It proceeds to the ability to customize forms used in accounting such as checks, invoices, purchase orders and other forms. This ability allows the user to add information to the form or rearrange the information so that it can be printed properly. The above statements seem to talk about only the positives of customization yet the researcher believes that there are disadvantages of customization that may affect its effectiveness.

Screen-level customization allows the end-user to edit, change and add to the data input screens. It can change data labels, rearranging data fields on screen,

changing the tab order of fields, inserting new data fields, setting defaults and inserting new tabs (ASA, 2011).

According to ASA (2011) the last customization form is the help-level customization. This is the ability to enter additional text directly into the help screens. This can be a great way to enhance the accounting software and the entire accounting system because some users will only need to click the menu sensitive help buttons to access specific instructions that pertains the organisation.

In summary, according to the researcher, for accounting software to be deemed effective to the extent of affecting the quality of financial statements, it should have the ability to be customized though no author shows this particular relationship.

Automation

There are hundreds and hundreds of accounting transactions that occur in the every business and organisation on a daily basis. Without accounting software that makes work easy and faster, one can easily lose control. Rather than going through the hustle and struggle of entering numerous accounting transactions one by one, an automated function of accounting software will create order from the chaos. The benefits of an automated system are it helps eliminate duplication, validate transactions, enforce other rules, monitors results, identify and correct discrepancies and also accountability (Whitehouse, 2014). The researcher agrees with the above statements because the whole world is turning to automation and there is no reason for the accounting sector to be left behind.

To further explain the above, the way accounting software eliminates duplication is by instead of re-entering the same data multiple times like when using a manual system, data is entered once and reused at any time it is needed. This in turn

reduces the likelihood of errors because data is centralized and reused. The researcher does not agree with the aspect of data being reused because this may in turn cause errors that automation is trying to avoid and this is because it may create an oversight if changes are supposed to be made. In the case of recurring transactions, a user can automatically create recurring journal entries so that once a month, the journal will be recorded in the ledger. Also an organisation that uses manual systems have no in-built error checking but accounting software automatically checks errors due to the built-in defaults, limits and warnings. In order for it to be more effective, defaults can be set to warn the user about period or date discrepancies and to prevent the user from reusing numbers of the same documents (Whitehouse, 2014). According to the researcher, being able to set defaults seems more of customization as compared to automation.

According to Whitehouse (2014), accounting software can automatically accumulate customer balances and keep track of each customers due date. It can further apply appropriate payments and give all the information one needs to collect delinquent accounts. Also with automated bank reconciliations, an accountant can quickly pull information from the bank account directly to the software in order to identify an outstanding item and thereby record the necessary adjustments and the researcher agrees to the above.

After all the above has being reviewed, it is important know the importance of using accounting software in relation to automation. It minimizes time and effort it takes to process documents such as invoices and it avoids reworking from having to rekey and or reprocess. It also improves reconciliation, streamlines accrual processes and produces more accurate financial statements as well as increases visibility in the organisation (Oracle, 2015).

Oracle (2015) points out another important aspect of automation but therefore relates it to the accounts payable account. Accounts payable can work much better on relying on automated capture, imaging and workflow technologies to streamline repetitive and time consuming tasks. Automating processes such as invoicing starts with turning paper into business ready information. This is done by electronically capturing the document with a scanner then sent to the accounting software. Hence accounting software that supports such images and other emailed and faxed invoices is deemed to be effective. The above statements sounds very good though no example of accounting software tool that has the ability to do the above was given by Oracle to prove its validity.

Additionally, automatic bank processing of statements is used majorly in the cash management process to reconcile bank account information. This process saves time because it creates accounts receivable and general ledger transactions when it reconciles the bank statement against the general ledger. An automated bank statement process creates entries of receipts. That is if an item has cleared from the bank but has not yet been recorded into the software. An automated bank statement process also creates journal entries for payments and receipt variances, taxes, bank fees and other transfers, and it also offsets journal entries for a bank account or even an alternate offset account (Edwards, 2016). The researcher wonders that automatically processing bank statements, does this depend just on the type of accounting software tool used or it depends on the bank? This is a rhetoric question that should be considered.

Oduware (2015) unlike other authors explains the importance of automation. Automation of financial statements and other reports improve audit readiness, promote reliable consolidation, team sharing and reviewing and monitoring while

ensuring transparency and credibility of financial data. In addition, the entire process of preparing accounts becomes faster and reports can be generated instantly at the click of a button.

In summary, the main aim of using accounting software is to make work easier and faster and this can be achieved through automation. Automation is extended to automatically entering transactions and producing financial statements. Also automatic bank reconciliations cannot be ignored and all forms of automation due to the several benefits discussed above. Though the discussions above does not show if the above really shows the effectiveness of accounting software tools and how it affects the quality of financial statement.

Understandability

FASB and other accounting standards put much emphasis on the importance of high quality financial reports although one major problem found in former literature is how to operationalize and measure the quality of financial statements. Organisations make decisions day in and day out and these decisions are based on how they understand the financial report. Therefore the researcher agrees that for decisions to be made using financial statements, they should be well understood. No understanding will lead to wrong decisions and vice versa. It is known that decision makers diverge widely in the types of decisions they make, why they make those decisions, how they make decisions, the details and information they own or can obtain from other sources and their ability to process the information. Hence for decisions to be made based on useful information there must be a link between the users and the decision they make (Wiley, 2009). This link therefore is understandability which in other words is the quality of information that lets informed users see its significance.

Understandability according to the qualitative characteristics of financial statements is known as the first enhancing qualitative characteristic and this increases when information is classified, characterized, and presented clearly and concisely (Beest, Braam & Boelens, 2009; Wiley, 2009; FASB, 2010). Though the above is true according to Beest et al, they do not state the factor that lead to the above to be achieved. According to IASB (2008), understandability refers to the quality that financial information provide to enable its users comprehend their meaning.

More often than not, how well information in financial statements is well organized and presented is referred to as classified and characterized information that purports understandability. A financial statement is not complete without notes to the balance sheet and income statement hence disclosure information may be valuable in explaining and providing much more insight into figures in the balance sheet and income statement (Beest, Braam & Boelens, 2009). The researcher also agrees to this because the financial statements do not have all details but rather the net figures hence notes and disclosures explain the net figures for better understanding. Additionally, to improve understandability, it's vital to have graphic and tabular formats. This clarifies relationships and ensures conciseness especially to users of financial statements that have less knowledge about the technicalities of accounting. According to the researcher, tables show a summarized outcome at the end of every financial statement and it is easier to understand as comparing just figures especially for those with less knowledge in relation to accounting.

Just like other authors Achim and Chis (2014) agree to the fact that classifying, characterizing and presenting information clearly and concisely makes it understandable. In some cases some transactions seem to be very complex and may contain a lot of details and as a result, cannot be easily understood by its users. In

such cases the solution is not to exclude the information from the financial statement in order to make easy to understand, but it's vital to display all the available details. Though the above is seems true, Achim and Chris (2014) did not specify where to display the available details as other researchers did and that is in notes and disclosures.

On the subject of understandability, there are some opinions that is not yet understood and that is even though a particular method might bring consistent value-addition to financial statements and the user does not have knowledge about it, it cannot be implemented (Achim & Chis, 2014; FASB, 2010). The researcher does not agree with the above because financial statements are prepared based on GAAP hence it cannot be altered because a user does not have knowledge but rather the user should instead seek for advice from experts and or seek knowledge about financial statements.

Furthermore FASB (2010) argues that though some phenomena are intrinsically complex and cannot be made easy to understand, excluding such information about these phenomena from the financial statements might make the information easier to understand and this is in agreement to what Achim and Chis (2014) said on this same matter. However the researcher assumes that excluding the information from the phenomena will make the reports incomplete and therefore potentially misleading.

In addition to the above, Mbombo and Ekpa (2016) continue to look at understandability and how it can be measured in five items which gives a lot of meaning. For a financial statement to have the characteristic of understandability, it should be well organised and easy to present, it should have disclosed information in the notes of account and presentation of certain information should be in tables and

graph for easy interpretation. Finally, the financial statements should be devoid of technical jargons and glossary of unfamiliar terminologies should be included. The last statement made by Mbombo and Ekpa in the above paragraph is not clear to the researcher. The researcher presumes that as much as financial statements should not have general jargons, it can have technical jargons only if there is a glossary of unfamiliar terminologies.

Researchers have been done to discuss understandability but what plays a role for statements to be understood is not discussed.

Faithful Representation

For financial statements to have the characteristic of faithful representation, the information in the financial statement should be complete, neutral, and free from material error (Beest & Braam, 2013). A lot of researches show that faithful representation can be measured by using items pertaining to neutrality, completeness, lack of material error, and verifiability although verifiability is distinguished as a separate enhancing qualitative characteristic. However, information that faithfully represents the economic phenomena it purports to present is termed as verifiability. Also verifiability means that different knowledgeable and independent observers can come to agreement, although not necessarily complete agreement, that particular delineation is faithful representation (Beest & Braam, 2013). The researcher agrees with assertion made by Beest and Braam that even though different knowledgeable and independent observers can come to agreement, although not necessarily complete agreement, that particular delineation is faithful representation. This is because the researcher supposes that a little insignificant issue cannot put away the fact that a financial statement is still faithfully represented.

According to Wiley (2009) faithful representation means that the descriptions and numbers match what really happened and or existed. Most financial statement users have neither the time nor the proficiency to evaluate the factual content of the information hence faithful representation is necessary. The researcher guesses that descriptions and numbers can be made to exist by even borrowing materials and resources from other institutions to match what is on the financial statement especially to portray a good picture to creditors and investors. Hence much attention must be paid in this aspect of faithful representation. Just as Beest and Braam (2013) posited that faithful representation can be measured using completeness, completeness means that all the information in the financial statement necessary for faithful representation is provided, therefore, an omission of any detail or information can cause the information to be false or misleading and thus will not be helpful to the users of the financial statements (Wiley, 2009). The researcher agrees with the above because the researcher believes that any omission is significant no matter how immaterial it is. If immaterial omissions are continued to be ignored for quite a long period of time it will eventually turn into a material omission that will in turn cause misleading information.

Furthermore, neutrality which is used to measure faithful representation means that the organisation cannot select information that only favours one set of interested parties over all other parties since the financial statement has more than one user. Unbiased information must and should be the superseding consideration other than being biased. Although neutrality is really vital, it has come under increasing attack that a financial statement will always favour one party (Wiley, 2009). Some argue that the International Accounting Standards Board (IASB) should not issue pronouncements that cause economic effects that are not desirable to an organisation.

Though the researcher disagrees with the statement that IASB should not issue pronouncements that cause economic effect that are not desirable to an organisation, the researcher thinks IASB can give a company a chance to make things right and if they fail then it can issue pronouncements. The researcher on the other hand agrees that neutrality avoids biasness that makes financial statements credible. Information from financial statements will not be used if it is not credible.

In addition to the above, financial statement should be free from errors. Information free from error will be a more truthful representation of a financial item. It must be noted that faithful representation does not entail (imply) total freedom from error because of instances where financial reporting measures involves estimates of various types but the researcher agrees that an acceptable degree of error that will not cause materiality can be acceptable (Wiley, 2009). Though the above is true according to Wiley (2009) the researcher presupposes that accountants should be encouraged to be accurate other than telling them that an acceptable degree of error that will not cause materiality can be accepted. This will therefore make them relax in regards to errors yet them being accurate is possible and will have a greater impact of financial statements being of quality.

Just like other authors and researchers, Achim and Chis (2014) posit that in order for the information in financial statements to be useful, it must not only represent relevant phenomena but also represent the phenomena it purports (FASB, 2010). A complete depiction of faithful representation includes all the necessary information for a user to understand information depicted, not excluding all necessary descriptions, details and explanations. In support of what other authors and researchers have described on neutrality, neutral information does not mean

information with no purpose or influence but on the contrary being able to make a difference in user's decisions.

According to FASB (2010), faithful representation is when financial statements represent economic phenomena in both words and numbers. A general concept of faithful representation is that financial information must depict completeness, neutrality and freedom from error as expressed above but of course perfection is seldom, if ever achievable. A depiction is not complete if all necessary information for a user to understand the phenomenon it depicts does not include all necessary descriptions and explanations. The researcher agrees with the above statement because every depiction need valid back up to prove that a particular depiction is reliable.

Another important aspect is that faithful representation does not mean accurate in all aspects. In addition to what other writers have written about a financial statement being free from errors, this does not mean perfectly accurate in all respects but a representation of that estimate can be faithful if the amount is described clearly and accurately as being an estimate. An interesting aspect of faithful representation is that, faithful representation by itself does not necessarily result into useful information (FASB, 2010). The researcher does not agree with the last statement according to FASB (2010) in the above paragraph because the usefulness of information cannot be ruled out if it is not useful to one party. It may not be useful to one party but useful to the other party.

Mbombo and Ekpa (2016) argue that it is much more difficult to measure faithful representation directly by only assessing information in the annual report and this is because information about the actual phenomena is necessary to assure faithful representation. However the proxies commonly used to measure faithful

representation include freedom from bias, neutrality, unqualified audit report and also statement from corporate governance. The researcher agrees with Mbombo and Ekpa (2016) in relation to the above paragraph. Freedom from bias, neutrality, unqualified audit report and statement from corporate governance is not enough to conclude that financial statements are faithfully represented as stated earlier.

Faithful representation is an important qualitative characteristic though the above discussion does not bring show if there are any factors that impact on financial statements for them to be faithfully represented.

Comparability

Comparability is an enhancing qualitative characteristic of a financial statement. This is the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena (Beest, Braam & Boelens, 2009). The above means that similar situations should be presented in the same way while different situations should be presented differently from each other. Comparability includes consistency and this is because consistency refers to the use of the same accounting policies and procedures from period to period within an organisation hence this year's figures should be comparable to last year's figures. The researcher agrees with the above because it is believed that accounting should follow all its policies and if the policies are followed, then comparability would not be an issue. On the other hand, comparability is not just limited to consistency in the use of accounting procedures by a single organisation but also comparability between different organisations (IASB, 2008). When assessing comparability of annual reports of different organisations, some important aspects to look at are the accounting policies used, the structure of the annual report prepared, the explanation of transactions and other events phenomena (Beest, Braam & Boelens, 2009).

Wiley (2009) agrees with Beest, Bram and Boelens (2009) that information that is measured and reported in a similar manner for not just the same company but different companies is considered comparable. Hence comparability enables users to identify not only real similarities but also differences in economic events between different companies.

All users make decisions that involve choosing between alternatives and thus this is why information is useful if it can be compared with similar information about the same or different entities. Just as other authors and researchers have echoed, Achim and Chis (2014) agree that consistency although related to comparability is not the same but rather consistency refers to the use of the same methods for the same items. Most importantly, comparability is the goal that consistency helps to achieve (FASB, 2010).

More often than not, comparability is confused with uniformity because of the thought that to be able to compare things, they must look alike and different things must look different (FASB, 2010). The researcher supports the above statement because the researcher believes that financial statements must not be the same or look alike to be compared but it should have similar characteristics that portray somewhat the same message. Hence this does not mean that one should force different things to look alike. Although a single economic phenomenon can be faithfully represented in many ways, allowing alternative accounting methods for the same economic phenomenon diminishes comparability. It must be noted that comparability is sternly related to faithful representation in that comparable information is not useful if it is not faithfully represented (Achim & Chis, 2014).

Unlike other qualitative characteristics discussed above, comparability does not relate to one single item but at least two items since it's all about comparison

(FASB, 2010). Mbombo and Ekpa (2016) different from other researchers but have the same concept on comparability come up with six items that can be used to measure comparability across companies within the same industry and also consistency in the use of the same accounting policies and procedures. These items are notes to changes in accounting policies explaining implications of the change, and notes to revisions in accounting estimates and judgements explaining implications of the revision. In addition to the above items, the extent to which the company adjusts previous accounting period's figures, for the effect of the implementation of a change in accounting policy and also the extent to which the company provides a comparison of the results of current accounting period with the previous accounting periods. Finally, the extent to which the information in the annual report or financial statement is comparable to information provided by other organisations within the industry and the extent to which the company presents financial index numbers and ratios in the annual report (Mbombo & Ekpa, 2016). The above items used to measure comparability have not been proven effective since Mbombo and Ekpa (2016) did not show any study or organisation that used the above items.

The gap on comparability is that is there any factor that may be directly related to financial statements having the ability to be of quality in relation to comparability?

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter aimed to draw attention to the design and methodology that was used to obtain required data before conclusions were made based on the topic. This chapter also thoroughly explained the research design, population and sampling design, instrumentation, validity and reliability, administration and data collection methods, methods of data analysis and ethical consideration.

Research Design

A research design is a framework or plan for a study used to collect and analyze data. The researcher therefore used descriptive research design to analyze research questions one, two and three; and specifically to describe the criteria for selecting accounting software tools, the effectiveness of accounting software tools and the quality of financial statements. According to Calmorin and Melcher (2007), descriptive research design is able to describe in quantitative terms specific characteristics in objectives and in a statistically valid way and this approach described the qualitative aspects which were used to analyse solutions. Correlational research design was used to analyze research question four because this would identify variables that relate to each other and explore the degree of correlation between the variables. It was used to analyze the relationship between the characteristics of accounting software tools and the quality of financial statements. Regression analysis was used to analyze research question number five. Findings were presented in a narrative form enhanced by numerical illustrations where applicable after data had been collected through the use of questionnaires from respondents who were all accountants in different universities.

Population and Sampling Techniques

Kojo (2015) stresses the need for a researcher to describe the population so well in order not to leave readers in doubt as to who is qualified or not qualified to be a part of the study. The researcher purposively targeted 10 universities in Uganda majorly in Kampala based on the researcher's judgement. The researcher chose universities that has being in existence for quite a long time and also quite a short period of time in order to get variation in opinions.

The researcher also used purposive sampling technique to select the ten universities because of the characteristics of the population and the objective of the study.

Table 1 shows the number of respondents in each university:

Table 1

Number of Respondents in Each University

UNIVERSITY	NUMBER OF ACCOUNTANTS	NUMBER OF RESPONSES	PERCENTAGE %
A	45	40	89
B	10	10	100
C	13	12	92
D	9	9	100
E	5	5	100
F	7	7	100
G	11	10	91
H	5	5	100
I	9	9	100
J	6	6	100
TOTAL	120	113	94

In the 10 universities, all accountants in the accounts offices were chosen to be the population after asking each university the number of accountants they had and because they were not a big number of accountants in each university apart from University A because it is a very big institution in Uganda and has many accountants. The accountants were not further sampled because of their small number and even

though the number of accountants in University A was more as compared to the other universities, it still used the whole population of accountants because it would not cause any biasness.

Research Instrument

The research instrument was used in collecting data and the instrument was a self-constructed administered questionnaire which was composed of closed ended questions. The closed ended questions were used in order to produce greater uniformity among respondents along the specific dimensions in which the researcher was interested (Role, 2016). The questionnaire was formulated from proper conceptualization and deep understanding of review of literature. Each research question and variables in the conceptual framework was considered in the questionnaire. The study used questionnaire because of its ability to give confidence to respondents due to the fact the respondents will remain anonymous. The questionnaire had sections A, B, C and D. Section A would deal with the demographic information, section B would deal with the criteria for choosing accounting software tools, section C would deal with effective characteristics of accounting software tools and part D would deal with the quality of financial statements.

The questionnaire used a four point likert scale because of its ability to eliminate neutrality and making of specific choices. It will range from 1-agree, 2-tend to agree, 3-tend to disagree, 4-disagree.

Validity of the Questionnaire

Role (2016), defines validity as the extent to which the instrument actually and accurately measures the concept to which it has been assigned. Therefore validity tries to ascertain the consistency of an instrument which is a questionnaire in this

study and thus to assess if the items in the questionnaire represent the interest of the research. To do this, the researcher consulted the expertise of research supervisors to verify whether the questionnaire would be valid in order to get the intended results. This process helped in identifying questions that needed reframing and those that needed elimination because they might have been irrelevant and or unnecessary.

Reliability of the Questionnaire

Role (2016) defines reliability as the extent of accuracy, consistency, stability or repeatability of a measurement. To ensure that the items in the research questionnaire were consistent to measure the variables being studied, a pilot study was carried out in other 4 universities other than the ones selected for the study but in the same area of Kampala in Uganda. Therefore a pilot study was carried out in other universities with 30 participants. Cronbach's alpha coefficients obtained for each sub-scale of the questionnaire are as follows: 0.634 for modules and functionality after one item was deleted, 0.746 for system integration, 0.756 for report and analysis after two items are deleted, 0.636 for customization after one item was deleted and 0.822 for automation. In addition to the above, 0.740 for understandability, 0.632 for faithful representation after one item was deleted and 0.608 for comparability. The questionnaire was considered reliable for final data collection.

Data Gathering Procedures

After validation of the research instrument but before data collection, the researcher got an approval letter from University of Eastern Africa Baraton (UEAB) Research Review Committee and from the Director of Graduate Studies introducing the researcher the universities. To gather data, the researcher employed an assistant who assisted in taking the researcher to the different universities since the researcher was not familiar with all the universities. On day 1 of data collection, the researcher

went to the human resource office of 4 Universities to have an introduction, and state the objective of the research and presented the letter to ask permission for data gathering. The same as the above happened on day 2 and day 3 where the researcher visited 4 and 2 universities respectively. On day 4, the researcher received feedback from 3 universities and went to the bursar's office then distributed the questionnaires, day 5 received questionnaires from 1 university and on day 6 the researcher received feedback from 2 universities and went to the bursar's office then distributed the questionnaires to the accountants. On day 7 the researcher received questionnaires from 1 university and a letter from 1 university, day 8 the researcher received questionnaires from another university and on day 9 the researcher received questionnaires from 2 universities. The researcher received questionnaires from 1 university and a letter from 1 university on day 10 and the same on day 11. On day 12 the researcher received questionnaires from 1 university and the same on day 13. Data collection was done in 13 days. Adequate time was provided to the respondents to respond without rush to avoid mistakes and this was by leaving the questionnaires and collecting them after a couple of days personally. In summary, 120 questionnaires were distributed and 113 questionnaires were received and in other words 94% of the questionnaires were received.

Statistical Treatment of the Data

The data generated by questionnaires were checked, edited organized and coded by computer to reduce the mass of data obtained into a form suitable for analysis. Data was analyzed using quantitative method which in other words is the statistical analysis of data as well as other computations. Statistical Package for Social Sciences (SPSS) Software was used to analyze data both collected from the pilot study and data collected from the respondents of the research. The research also

applied descriptive statistical techniques for the first three research questions after data was collected from the selected universities using questionnaires which included measures of central tendency, frequencies, percentages and standard deviations and data was presented using frequency tables. Furthermore inferential statistics was used for the research question number four to draw meaningful conclusions from the empirical data using Pearson product-moment correlation coefficient which was used to establish the relationship between the independent and dependent variables and it was a basis to either accept or reject the hypothesis. Regression analysis was used to analyse research question number five.

Ethical Considerations

Ethics in research are standards for conducting research that distinguishes between right and wrong. It helps to determine the difference between acceptable and unacceptable behaviours in relation to research. Therefore the researcher ensured that ethical principles of informed consent, privacy and confidentiality, intellectual property, and legal consent are met.

Informed Consent

The researcher helped the respondent understand the purpose of the research as well as the importance of the research then asked the respondent to freely participate with no fear. No form of coercion was applied but instead the researcher sought permission from the respondents. Prospective participants were alerted of the nature of the research, provided with all information relevant to their decision to participate, and invited to take part at their own discretion. All relevant questions from respondents were answered concerning the research. The questionnaire was plain, simple and easy to understand by the respondents.

Privacy and Confidentiality

Privacy was observed in order to protect participants from potential harms including psychological harm such as embarrassment or distress. Confidentiality was observed pertaining to the treatment of information that an individual would disclose in a relationship of trust and with the expectation that it would not be divulged to others without permission in ways that are inconsistent with the understanding of the original disclosure. Hence participants' names were not required when answering the questions in the questionnaire as well as any personal sensitive information. That ensured that the identities and information acquired from respondents were kept secure from interception or appropriation by unauthorized persons, or for non-research purposes. Thus proper coding to the questionnaire will be applied.

Respect for Intellectual Property

The researcher acknowledged the authors of articles, journals, magazine, websites, news, theses and published books used in the study. Furthermore, institutions and people that contributed to the success of this study were duly acknowledged. To ensure that respect of intellectual property is adhered, a copy of the research was submitted to the Baraton Research Review Committee.

Legal Consent

The researcher requested for permission to carry out the research in the each university selected. With permission and recommendation from supervisors, UEAB research review committee and the Director of Research and Graduate Studies, the researcher was able to carry out the research.

CHAPTER FOUR

DATA ANALYSIS, INTERPPRETATION AND INTERPRETATION

This chapter analyses and interprets the data received from 113 respondents out of 120 respondents (94% of the population) in relation to the research questions of the study. The findings are discussed and interpreted based on the research questions. The means were interpreted according to the following range of interpretation:

Mean range	Interpretation
1.00-1.49	Disagree
1.50-2.49	Tend to disagree
2.50-3.49	Tend to agree
3.50-4.00	Agree

Table 2

Table Showing Working Experience of the Participants

	Frequency	Percent
1-5	70	61.9
6-10	33	29.2
11-15	8	7.1
16 and above	2	1.8
Total	113	100.0

In reference to the table, the researcher concluded that 61.9 % of the participants had experience of 1-5 years. Then 29.2% had experience of not less than 6 years and not more than 10 years. Out of 113 participants 7.1% had experience of 11-15 years and 1.8% had experience of above 16 years. The table depicts that a good number of the research participants had little experience of 1-5 years. This implies

that the information provided in relation to the questions could have differed if majority of the respondents were between 6-10 years and above of experience since they are much more experienced.

Type of Accounting Software Tool Used

Findings shows that different software tools are used in the different universities though Tally is the most used accounting software tool, followed by Sunsystem and other tools such as Sunplus, Quickbooks, and Xero is also used. Other universities use their own made software tool and they are Cemas and ekampus.

The above information indicates that some of the accounting software tools are current such as sunplus while others have been in the market for quite some time such as tally and quickbooks. According to Bernard (2016), using the most recent and current accounting software tool does not guarantee its effectiveness because some organisation still use accounting software that was developed many years back yet it works for them and their performance is of an acceptable level. Hence all the above accounting software tools are deemed to give good results.

Table 3

Duration of Use of the Accounting Software Tool

	Frequency	Percent
1-5	98	86.7
6-10	13	11.5
11-15	1	.9
16 and above	1	.9
Total	113	100.0

During the research, the investigator asked the participants to state the software that they were using and then let them indicate the number of years they have been using that software. The researcher found that 86.7 % had been using the software for the last 1-5 years. The researcher also realized that 11.5% of the 113 participants had been using the software they stated for last 6-10 years. Both group of participants (0.9%) of 11-15 years and above 16 years informed the researcher that period respectively.

Studies show that one factor that affects judgement in the accounting profession is experience. The success of accounting does not only depend on other factors but also on knowledge and techniques which can be acquired through experience (Dandago & Subhi, 2013). As seen above, the largest percentage of the years accounting software has been used is between 1-5 years and this implies that the respondents are less experienced to understand the software in depth as compared to those of an experience of between 11 years and above. Hence their responses are based on their experience which is less hence the responses would have been different if those who were more experienced were the majority.

Research question 1. What are the criteria used by selected universities in choosing accounting software tools?

Referring to table 4, the researcher is able to conclude that participants agreed that the software tool of choice is based on customization ability, the mean score of the 113 respondents was 3.86. When the researcher asked participants whether the accounting software tool is chosen based on the vendors reliability for further technical support, they also agreed with the statement, and the mean score is high as 3.50. The researcher also found out that the data acquired from 113 participants showed that they agreed that accounting software is chosen based on the

Table 4

Criteria for Choosing Accounting Software Tool

	N	Mean	Std. Deviation
Accounting software tool is chosen based on its customization ability	113	3.86	.441
Accounting software tool is chosen based on the vendors reliability for further technical support	113	3.50	.656
Accounting software is chosen based on the cost	113	3.68	.631
Accounting software is chosen based on the ease of use and flexibility	113	3.83	.461
Accounting software is chosen based on its security	113	3.93	.258
Accounting software is chosen based on its features	113	3.72	.472
Valid N (listwise)	113		

cost, on this particular item, the mean score is 3.68. Research participants also agreed with the statement that accounting software is chosen based on the ease of use and flexibility; the 113 participants scored a mean of 3.83 on this particular item. The item stated to the participants that accounting software is chosen based on its security yielded a mean score of 3.93 meaning that they agreed with the statement. And finally they also agreed that accounting software is chosen based on its features, and the mean score is 3.72.

The study disagree with the finding by Bernard (2016), that using the most recent and current accounting software tool does not guarantee its effectiveness because some organisation still use accounting software that was developed many years back yet it works for them and their performance is of an acceptable level. Hence all the above accounting software tools are deemed to give good results.

This implies that since the accountants agree with the criteria for choosing accounting software tools, the tools they use are of standard and hence it's a first basis that leads to accounting software tool being effective since it can be customized, its secured, it is flexible and easy to use also it has all the necessary features for handling accounting processes.

Research question 2. What are the characteristics of accounting software tools used in terms of a) modules and functionality, b) system integration, c) preparation and analysis of reports, d) customization, and e) automation?

Table 5

Modules and Functionality

	N	Minimum	Maximum	Mean	Std. Deviation
A general ledger can be created, edited and modified	113	2	4	3.80	.446
The accounts receivable module handles invoices, customers information and processes customers payments	113	1	4	3.50	.696
The account payable module has the ability to track payment terms and calculate discounts	113	1	4	3.41	.752
The accounting software has the ability to update inventory account	113	1	4	3.15	.918
Payroll can be prepared and all employees information is attached to the payroll module	113	1	4	3.03	.930
The software has the function of bank reconciliation	113	1	4	3.50	.696
Batch posting for recurring entries is allowed	113	1	4	3.73	.583
Modules and functionality	113	1.71	4.00	3.4450	.41944

Table 5 provide information that the participants agreed that the accounting software tools they use allows the accounts receivable module handle invoices, customer's information and processes customer's payments and the mean score of this particular item 3.50. It also shows that a general ledger can be created, edited and modified using this software and the mean is 3.80. The researcher also found out that the participants tend to agree that the account payable module has the ability to track payment terms and calculate discounts, the overall item mean score is 3.41. They were also asked by the researcher if the software has the ability to update inventory account, the participant tend to agree on the statement and the mean score of the item is 3.15. The participants also tend to agree that payroll can be prepared and all employees' information can be attached to the payroll module in this particular item the mean is 3.03. But on this item "The software has the function of bank reconciliation" the participants agreed on the item showing that the software tool they are using can perform that particular task. They also agreed that the software can post for recurrent entries and the overall item rating is 3.73. For all the items that were asked the respondents, the overall mean is 3.45, therefore, they tend to agree that the software module and functionality is good in other words it's a characteristic that determines the effectiveness of accounting software tools.

Other authors and researchers agree that the modules and functionality of accounting software tools are the basic determinants of the effectiveness of accounting software tools (Jariwala (2015); Mountain (2016); Thomas (2017); Tyndall (2017).

This implies that the core processes of accounting can be performed with ease and on time to achieve the intended results of the institutions.

Table 6

System Integration

	N	Minimum	Maximum	Mean	Std. Deviation
The software is connected to all other systems in the organisation as well as in every department	113	1	4	2.10	1.232
The software is connected to the bank where information can be easily retrieved	113	1	4	2.15	1.226
Data can be easily shared between different departments and the accounting department by a click of a button	113	1	4	2.22	1.245
The software can communicate with all other systems in the organisation by sending messages and memos	113	1	4	2.24	1.241
System Integration	113	1.00	4.00	2.1770	1.12781

According to the above table, the participants tend to disagree that the software is connected to all other systems in the organization as well as in every department, this shows that the software of choice may not be able to connect to all the departments systems of bank. The mean value is 2.10. In regard to table 6, the participants tend to disagree that the software is connected to the bank where information can be easily retrieved and the mean value is 2.15. On the same, they tend to disagree that data can be easily shared between different departments and the accounting department by a click of a button, the mean overall item value is 2.22. The researcher also concluded based on the data analysis that the participants tend to disagreed the software can communicate with all other systems in the organization by sending messages and memos, mean value is 2.24. The overall score on all items is

2.18 and this means that the participants tend to disagree that the software integrate all the systems of the university.

According to a study carried out by Abeysekera (2005), the importance of system integration is to decrease costs for maintenance and upgrading of different systems, easy communication and automation of work processes though many organisations lack system integration. The findings above prove the same in relation to systems not being integrated. On the other hand the finding imply that the benefits of system integration is not enjoyed such as flexibility, communications between systems and the like and this means that financial statements may not be faithfully represented in terms of being free from errors. Errors arise when entries have to be made over and over because of the lack of integration between departments.

Table 7

Reports and Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
All financial ratios can be calculated	113	1	4	3.10	.566
Horizontal analysis of financial statements can be made	113	1	4	3.27	.586
Vertical analysis of financial statements can be made	113	1	4	3.22	.623
Reports and analysis	113	1.33	4.00	3.1976	.47692

In this research, the researcher asked the participants “All financial ratios can be calculated” and based on the mean value of the item, the participants tend to agree with the statement. They also tend to agree that horizontal analysis of financial statements can be made using the software of their choice and too tend to agree that

vertical analysis of financial statements can be made the mean values for the two items is 3.27 and 3.22 respectively.

Pearson (n.d) posits that financial ratio analysis may seem sophisticated and complicated but that's not the case and it's rather easy to calculate. The above table shows that what Pearson (n.d) posited is true since all financial ratios can be calculated. Ganbaatar (2010) on the other hand agrees that both horizontal and vertical analyses are elements of analysis that determines the effectiveness of accounting software tools. This also implies that financial statements can be used to make decisions because the true picture of the institution will be portrayed but most importantly influences understandability because information in the financial statements will be easily comprehended and understood.

Table 8

Customization

	N	Minimum	Maximum	Mean	Std. Deviation
The software has the ability to modify its elements to users specification	113	1	4	3.57	.639
Financial statements and other reports can be edited and formatted	113	1	4	3.42	.776
The software has the ability to change fonts, add fields, and graphics	113	1	4	3.27	.866
Customization	113	1.00	4.00	3.4159	.67042

It is clear from table 8 displayed that the participants agreed that the software has the ability to modify its elements to users specification, tend to agree that the financial statements and other reports can be edited and formatted, and finally

likewise tend to agree that the software has the ability to change fonts, add fields, and graphics, the mean values of the three items are, 3.57, 3.42 and 3.27 respectively. In general, 113 respondents tend to agree that the software allows for customization, the mean value is 3.42.

As much as respondents agree that the ability to modify elements, change fonts, add fields and graphics while working makes accounting software tools effective, ASA (2011) argues that there is more to customization other than the above. That is being able to retain whatever is customized after an upgrade to the accounting software tool has been made. The above findings imply institutions will be able to adapt to changing needs that will have an effect on the quality of financial statements especially in relation to faithfully representation because the ability to modify, edit and format will reduce errors.

Table 9

Automation

	N	Minimum	Maximum	Mean	Std. Deviation
All transactions are automatically posted to the master ledger	113	1	4	3.49	.781
Financial statements are automatically prepared	113	1	4	3.41	.820
Errors are automatically detected and an alert is given to the accountant	113	1	4	2.52	.846
Bank reconciliations are automatically prepared	113	1	4	2.76	1.037
Bank statements are retrieved automatically	113	1	4	2.81	1.068
Automation	113	1.00	4.00	2.9965	.67347

Referring to table 9, the researcher made a conclusion that the participant of the study tend to agree that all transactions are automatically posted to the master ledger, that the financial statements are automatically prepared, also that the errors are automatically detected and an alert is given to the accountant, correspondingly that the bank reconciliations are automatically prepared and finally that the bank statements are retrieved automatically, the mean values are 3.49,3.41,2.52, 2.76 and 2.81 in that order. The overall average rating on automation is 3.00, therefore they be likely to agree that the software allows automation which is a characteristic of an effective accounting software tool.

Whitehouse (2014) indeed agrees with the findings above about automation and he supports it by his view on how automation helps avoid the hustle and struggle of accounting processes. The above findings imply that duplication will be eliminated since transactions are automatically posted to the master ledger and errors can be automatically detected. This in turn may have an effect on financial statement in that information presented in financial statements may not favour any party since postings are automatic.

Research question 3. What is the evaluation of the quality of financial statements in the selected universities in terms of a) understandability, b) faithful representation, and c) comparability?

Based on table 10 values, the study concluded that the participants agreed that, information in the financial statement is clear and concise, it is easy to comprehend the information in the financial statements, and that the financial statements are well organized, the mean score values are, 3.81,3.58 and 3.72 respectively. In addition to that, the researcher concluded that the respondents tend to agree that all necessary information and its explanations are in notes and disclosures

Table 10

Understandability

	N	Minimum	Maximum	Mean	Std. Deviation
Information in the financial statement is clear and concise	113	1	4	3.81	.515
It is easy to comprehend the information in the financial statements	113	1	4	3.58	.638
The financial statements are well organized	113	2	4	3.72	.472
All necessary information and its explanations are in notes and disclosures for better understanding	113	1	4	3.15	.644
Information that is not easily understood is still displayed with all the available details but not excluded	113	1	4	3.13	.543
Financial statements has technical jargons with its glossary	113	1	4	2.86	.625
Graphs and tables are used to clarify information	113	1	4	3.21	.589
Understandability	113	2.14	4.00	3.3502	.35355

for better understanding, Information that is not easily understood is still displayed with all the available details but not excluded and that graphs and tables are used to clarify information, average rating values of the items are, 3.15, 3.13, 2.86 and 3.21 respectively. The overall average score on understandability is 3.35, this mean suggest that the mean rating tend to agree that the software brings understandability to the users of financial statement.

Researchers agree that understandability is indeed a true measure to evaluate the quality of financial statements since its looks at the important aspects of

statements being clear and concise, easy to comprehend, being organised and all the above aspects looked at above (Beest, Braam & Boelens, 2009; Wiley, 2009; FASB, 2010; Mbombo & Ekpa (2016)). The findings above imply that the financial statements can be used to make valid decisions that will benefit the institution as a whole.

Table 11

Faithful Representation

	N	Minimum	Maximum	Mean	Std. Deviation
Information presented in financial statements is not selected to favour any particular party for example auditors	113	1	4	3.79	.508
All information in financial statements really exist	113	1	4	3.51	.709
Financial statement are free from errors	113	1	4	2.51	.825
Financial statements follow all accounting principles clearly	113	1	4	3.48	.599
Faithful Representation	113	1.75	4.00	3.3230	.42216

In reference to the table 11, the study concluded that the participants agreed that information presented in financial statements is not selected to favour any particular party for example auditors, the mean score of the item is 3.79. They also agreed that all information in financial statements really exist, the mean value of reference is 3.51. The researcher also found out that the participants tend to agree that financial statement are free from errors , in this particular item, the mean rating is 2.51. Equally, they tend to agree that financial statements follow all accounting

principles clearly with a mean value rating score of 3.48. Overall mean score of all items is 3.32 meaning that in general the respondents tend to agree financial statements are faithfully represented.

According to Wiley (2009) the International Accounting Standards Board (IASB) should not issue pronouncements in financial statements that cause economic effects that are not desirable to an organisation. The findings above show that respondents disagree with this because they rather agreed that information presented in financial statements is not selected to favour any particular party hence no biasness.

The above findings imply that faithful representation is paramount to institutions because statements that are not faithfully represented cannot be a basis for decision making.

Table 12

Comparability

	N	Minimum	Maximum	Mean	Std. Deviation
Information in financial statements is comparable to the information provided by other institutions and or organizations	113	2	4	3.81	.413
Financial statements can be compared within different periods of time	113	2	4	3.71	.476
There is consistency in the use of accounting policies and procedures	113	2	4	3.60	.510
The notes and revision in accounting estimates and judgements explain the implication of the revision	113	1	4	3.12	.563
Comparability	113	2.25	4.00	3.5597	.35241

When the respondents were asked whether the Information in financial statements is comparable to the information provided by other institutions and or organizations, they agreed on the statement with a mean rating of 3.81. They also agreed that financial statements can be compared within different periods of time and the mean item score is 3.71. The same 113 respondents also agreed that there is consistency in the use of accounting policies and procedures, the reference mean value is 3.60. To end with, the participants tend to agree that the notes and revision in accounting estimates and judgements explain the implication of the revision (mean, 3.12). The overall mean rating of all the items is 3.60, this show that the financial statements are comparable hence of quality.

The above implies that accounting policies are being followed which is paramount and the software tool helps achieve this since it is the one that is used to provide financial statements that can be compared.

Research question 4. Is there a significant relationship between the characteristics of accounting software tools and quality of financial statements?

The table shows that there is a significant positive relationship between understandability and modules and functionality ($\rho=0.490$, $p=0.00$). There is a significant positive relationship between understandability and system integration ($\rho=0.25$, $p=0.22$). The same relationship also exist between understandability and reports and analysis, $\rho=0.350$ and $p=0.00$, between understandability and Customization, ($\rho=0.297$, $p=0.01$). Finally there is positive significant relationship between understandability and automation. The $r=0.341$ and $p=0.00$. The study also concluded that there is a significant relationship between faithful representation and, integration ($r=0.339$, $p=0.00$), customization, ($r=0.218$ $p=0.021$) and automation

Table 13

Correlations

		Modules and functionality	System Integration	Reports and analysis	Customization	Automation
Understandability	Pearson Correlation	.490**	.215*	.350**	.297**	.341**
	Sig. (2- tailed)	.000	.022	.000	.001	.000
	N	113	113	113	113	113
Faithful Representation	Pearson Correlation	.153	.339**	-.006	.218*	.219*
	Sig. (2- tailed)	.105	.000	.951	.021	.020
	N	113	113	113	113	113
Comparability	Pearson Correlation	.228*	.265**	.204*	.221*	.294**
	Sig. (2- tailed)	.015	.005	.031	.018	.002
	N	113	113	113	113	113

*. Correlation is significant at the 0.05 level (2-tailed).

($r=0.0219$, $p=0.02$). Considering the third variable, the researcher also concluded that there is a significant relationship between comparability and modules and functionality ($\rho=0.28$, $p=0.015$). There is a significant positive relationship between comparability and system integration ($\rho=0.265$, $p=0.005$). The same relationship also exist between comparability and reports and analysis, $\rho=0.204$ and $p=0.031$, between comparability and customization, ($\rho=0.221$, $p=0.018$). Between comparability and automation= 0.294 , $p=0.002$. This indicates that as these variables improves, the correlating variables also improves, reason being that the relationship is positive, hence if the university would want to improve on its quality pertaining to

financial statements they have to consider the correlating variables. In other words, if the characteristics of accounting software tools are improved, the financial statements will be more quality. This also implies that for financial statements to be of quality accounting software tools plays a role and it can be considered as a factor that affects the quality of financial statements in the respective areas seen above though an exception is made for the below paragraph.

On the other hand, there was no significant relationship between faithful representation and modules and functionality, reports and analysis and faithful representations. These variables do not in any way influence one another in terms of their relationship. Therefore the universities should not consider them because when the other one is improved it may positively or negatively influence the other.

Research question 5. Which characteristics of accounting software tools best determine quality of financial statements?

Table 14

Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.461 ^a	.213	.206	.23121
2	.523 ^b	.274	.261	.22304
3	.564 ^c	.318	.299	.21714
4	.585 ^d	.343	.318	.21417

a. Predictors: (Constant), Modules and functionality

b. Predictors: (Constant), Modules and functionality, System Integration

c. Predictors: (Constant), Modules and functionality, System Integration, Customization

d. Predictors: (Constant), Modules and functionality, System Integration, Customization, Automation

In table 14, the regression model summary output show that 20.6 % of the data on module functionality predicts the quality of the financial statement, 5.5% predicts system integration, 3.8% predicted by customization and 1.9% predicted by automation. This clearly shows that the best predictor of the quality if the financial statement is by modules and functionality.

This implies that the above characteristics cannot be ignored even though their percentages of prediction may be low. They still have a role to play in the quality of financial statements and it is significant.

Table 15

Regression Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.416	.181		13.366	.000
1 Modules and functionality	.285	.052	.461	5.477	.000
(Constant)	2.460	.175		14.061	.000
2 Modules and functionality	.235	.053	.379	4.430	.000
System Integration	.060	.020	.261	3.048	.003
(Constant)	2.301	.181		12.745	.000
3 Modules and functionality	.200	.053	.323	3.755	.000
System Integration	.054	.019	.234	2.783	.006
Customization	.086	.032	.221	2.656	.009
(Constant)	2.248	.180		12.488	.000
4 Modules and functionality	.164	.055	.265	2.955	.004
System Integration	.038	.021	.167	1.872	.064
Customization	.084	.032	.217	2.635	.010
Automation	.072	.036	.188	2.011	.047

a. Dependent Variable: Quality of financial statements

Taking Y to represent the quality of the financial statement, the regression equation can be developed from table 15 above as follows:

$$Y = 0.164X_1 + 0.038X_2 + 0.084X_3 + 0.072X_4 + 2.248.$$

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter generally highlights a summary of the main findings of the study, it further presents that conclusion drawn based on the research questions and the research hypothesis and therefore presents the main recommendations with regard to the problem of the study and possible future studies related to this study.

Summary of the Study

The researcher conducted the study in Kampala, Uganda. The research conducted was about the effectiveness of accounting software tools on the quality of the financial statement in selected universities in Kampala, Uganda. The study used descriptive correlation research design. Furthermore, the researcher employed purposive sampling technique to obtain 10 universities. From questionnaires administered, 113 returned back fully responded questionnaires. After data collection, the researcher used descriptive statistics, correlations and regression to analyze the obtained data. The results shows that there were a good number of the research participants had little experience of 1-5 years, 86.7%. The researcher found that 86.7% had been using the software of choice for the last 1-5 years. All the respondents agreed on the researcher's perceived criteria for choosing accounting software tool. With an overall mean of 3.45 they tend to agree that the modules and functionality is indeed a good characteristic to evaluate the effectiveness of accounting software. Once more, the overall score is 2.18, this means that the participants tend to disagree that the accounting software tools integrate all the systems in various universities. They also tend to agree that financial statements can

be analyzed using accounting software tools hence effective and the overall mean is 3.20. In general, 113 respondents tend to agree that the software allows for customization, the mean value is 3.42. The overall average rating on automation is 3.00, therefore they be likely to agree that the software allows for automation of the accountant functions. The overall average score on understandability is 3.35, this mean suggest that the mean rating tend to agree that the financial statements have the qualitative characteristic of understandability. Overall mean score of all items in faithful representation is 3.32 meaning that in general the respondents tend to agree that there is financial statements are faithfully represented. The overall mean rating of all the items under comparability is 3.60, this show that the financial statements are comparable with other statements of the past years as well as other institutions.

There is a significant positive relationship between understandability and modules and functionality ($\rho=0.490$, $p=0.00$). There is a significant positive relationship between understandability and system integration ($\rho=0.25$, $p=0.22$). The same relationship also exist between understandability and reports and analysis, $\rho=0.350$ and $p=0.00$, between understandability and customization, ($\rho=0.297$, $p=0.01$). Finally there is a positive significant relationship between understandability and automation. The $r=0.341$ and $p=0.00$. The study also concluded that there is a significant relationship between faithful representation and, integration ($r=0.339$, $p=0.00$,) customization, ($r=0.218$ $p=0.021$) and automation ($r=0.0219$, $p=0.02$). The researcher also concluded that there is a significant relationship between comparability and modules and functionality ($\rho=0.28$, $p=0.015$). There is a significant positive relationship between comparability and system integration ($\rho=0.265$, $p=0.005$). The same relationship also exist between comparability and reports and analysis, $\rho=0.204$ and $p=0.031$, between comparability and

Customization, ($\rho=0.221$, $p=0.018$). Between comparability and automation= 0.294 , $p=0.002$. This indicates that as these variables improves, the correlating variables also improves, reason being that the relationship is positive, hence if the university would want to improve the quality of its financial statements, it should improve its accounting software tools considering the correlating variables.

On the other hand, there was any significant relationship between faithful representation and module and functionality, reports analysis and faithful representations. These variables do not in any way influence one another in terms of their relationship. Therefore the universities should not consider them as when the other one is improved it may positively or negatively influence the other. The best predictor of the quality of the financial statement is modules and functionality.

Summary of the Findings

1. Respondents agreed ability to customize, vendors' reliability for further technical support, cost of an accounting software tool, ease of use and flexibility, security and its features is a good criterion for choosing accounting software tools.
2. Findings also revealed respondents agree that modules and functionality, reports and analysis, and customization are characteristics that determine the effectiveness of accounting software tools whereas they tend to agree that system integration and automation are characteristics that determine the effectiveness of accounting software tools. Hence the various accounting software tools used are effective.
3. To evaluate the quality of financial statements, findings reveal that respondents agree that understandability, faithful representation and comparability are a good means to evaluate the quality of financial statements.

In addition to the above, every institution agreed that their financial statements were of quality.

4. There exists a statistically significant positive relationship between all variables of quality of financial statements and accounting software tools except between faithful representation and modules and functionality as well as reports and analysis and faithful representation.
5. Modules and functionality is the best characteristic that determines the quality of financial statements.

Conclusions

1. The ability to customize, vendors' reliability for further technical support, cost of an accounting software tool, ease of use and flexibility, security and its features is a good criterion for choosing accounting software tools.
2. Modules and functionality, system integration, reports and analysis, customization and automation are characteristics that are used to determine the effectiveness of accounting software tools and all the above determine the quality financial statements except from reports and analysis.
3. Financial statements of the selected universities are of quality more so understandability, faithful representation and comparability are characteristics that can be used to evaluate the quality of financial statements by any organisation.
4. All variables of accounting software tools have a positive relationship with the variables of the quality of financial statement except between faithful representation and modules and functionality as well as reports and analysis and faithful representation.

5. Modules and functionality is the best characteristic that determines the quality of financial statements.

In summary, accounting software tools are effective and they have an effect on the quality of financial statements.

Recommendations

1. Universities should focus on how to make accounting software tools integrate with other system in and out of the organisation.
2. Universities should continue using the discussed criteria of choosing the accounting software tools
3. Universities should maintain their current accounting software tools because of its ability to ensure that financial statements are of quality.
4. For the variables that are positively related, the university should focus on improving the variables that can in turn improve the quality of financial statement.

Recommendations for Further Studies

1. A study should be done on other variables that may determine the effectiveness of accounting software tools such as existing IT infrastructure, the personnel who use the accounting software tools and the robustness of the accounting software tools.
2. A study should be done to determine the components of accounting software tools that can be used a basis for different companies to get a good software depending on their needs.

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APPENDICES

A: QUESTIONNAIRE

My name is Amoah Gyamfuaa Rose an MBA student at the University of Eastern Africa, Baraton, Kenya, majoring in Accounting. I am conducting a research entitled “*The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala Uganda*”. This research is purely for academic purposes and your participation in the study by honestly answering the questions provided will be highly appreciated. All information shall be treated with utmost care and confidentiality.

Thank you very much

Section A: Demographic information

Instructions: Please tick the appropriate option and write where applicable

1. What is your working experience in the accounting field (in terms of years)?
i. 1-5 () ii. 6-10 () iii. 11-15 () iv. 16 and above ()
2. What type of accounting software tool (package) do you use?

3. For how long have you used the above package?
i. 1-5 () ii. 6-10 () iii. 11-15 () iv. 16 and above ()

Section B: Criteria for choosing accounting software tool

Circle the number that corresponds to the extent of your agreement or disagreement to the statements below using the following scale:

4 – Agree 3 – Tend to agree 2 – Tend to disagree 1 – Disagree

Accounting software tool is chosen based on...	Agree	Tend to agree	Tend to disagree	Disagree
1. its customization ability	4	3	2	1
2. the vendors reliability for further technical support	4	3	2	1

3. cost	4	3	2	1
4. ease of use and flexibility	4	3	2	1
5. security	4	3	2	1
6. its features	4	3	2	1

Section C (1): Accounting Software tools

Modules and functionality	Agree	Tend to agree	Tend to disagree	Disagree
1. A general ledger can be created, edited and modified	4	3	2	1
2. The accounts receivable module handles invoices, customer information and processes customers payment	4	3	2	1
3. The accounts payable module has the ability to track payments terms and calculate discounts	4	3	2	1
4. The accounting software has the ability to update inventory account	4	3	2	1
5. Payroll can be prepared and all employees information is attached to the payroll module	4	3	2	1
6. The software has the function of bank reconciliation	4	3	2	1
7. Batch posting for recurring entries is allowed	4	3	2	1

Section C (2)

System Integration	Agree	Tend to agree	Tend to disagree	Disagree
1. The software is connected to all other systems in the organisation as well as in every department	4	3	2	1
2. The software is connected to the bank where information can be easily retrieved	4	3	2	1
3. Data can be easily shared between different departments and the accounting department by a click of a button	4	3	2	1
4. The software can communicate with all other systems in the organisation by sending messages and memos	4	3	2	1

Section C (3)

Reports and analysis	Agree	Tend to agree	Tend to disagree	Disagree
1. All financial ratios can be calculated	4	3	2	1
2. Horizontal analysis of financial statements can be made	4	3	2	1
3. Vertical analysis of financial statements can be made	4	3	2	1

Section C (4)

Customization	Agree	Tend to agree	Tend to disagree	Disagree
1. The software has the ability to modify its elements to users specification	4	3	2	1
2. Financial statements and other reports can be edited and formatted	4	3	2	1
3. The software has the ability to change fonts, add fields, and graphics	4	3	2	1

Section C (5)

Automation	Agree	Tend to agree	Tend to disagree	Disagree
1. All transactions are automatically posted to the master ledger	4	3	2	1
2. Financial statements are automatically prepared	4	3	2	1
3. Errors are automatically detected and an alert is given to the accountant	4	3	2	1
4. Bank reconciliations are automatically prepared	4	3	2	1
5. Bank statements are retrieved automatically	4	3	2	1

Section D (1): (Quality of financial statements)

Understandability	Agree	Tend to agree	Tend to disagree	Disagree
1. Information in the financial statement is clear and concise	4	3	2	1
2. It is easy to comprehend the information in the financial statements	4	3	2	1
3. The financial statements are well organised	4	3	2	1

4. All necessary information and its explanations are in notes and disclosures for better understanding	4	3	2	1
5. Information that is not easily understood is still displayed with all the available details but not excluded	4	3	2	1
6. Financial statements has technical jargons with its glossary	4	3	2	1
7. Graphs and tables are used to clarify information	4	3	2	1

Section D (2)

Faithful Representation	Agree	Tend to agree	Tend to disagree	Disagree
1. Information presented in financial statements is not selected to favour any particular party for example auditors	4	3	2	1
2. All information in financial statements really exist	4	3	2	1
3. Financial statement are free from errors	4	3	2	1
4. Financial statements follow all accounting principles clearly	4	3	2	1

Section D (3)

Comparability	Agree	Tend to agree	Tend to disagree	Disagree
1. Information in financial statements is comparable to the information provided by other institutions and or organisations	4	3	2	1
2. Financial statements can be compared within different periods of time	4	3	2	1
3. There is consistency in the use of accounting policies and procedures	4	3	2	1
4. The notes and revision in accounting estimates and judgements explain the implication of the revision	4	3	2	1

Thank you very much for your participation

B. RELIABILITY ANALYSIS

Reliability (Criteria for choosing accounting software tools)

Reliability Statistics

Cronbach's Alpha	N of Items
.647	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Accounting software is chosen based on its customization ability	18.66	2.457	.473	.573
Accounting software tools is chosen based on the vendors reliability for further technical support	19.02	2.428	.218	.687
Accounting software is chosen based on the cost	18.84	2.046	.478	.562
Accounting software is chosen based on the ease of use and flexibility	18.69	2.394	.490	.565
Accounting software is chosen based on its security	18.59	2.904	.381	.623
Accounting software is chosen based on its features	18.81	2.515	.379	.603

Scale statistics

Mean	Variance	Std. Deviation	N of Items
22.52	3.305	1.818	6

Reliability (Modules and functionality)

Reliability Statistics

Cronbach's Alpha	N of Items
.655	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A general ledger can be created, edited and modified	20.32	8.040	.150	.665
The accounts receivable module handles invoices, customers information and processes customers payments	20.61	6.329	.516	.575
The account payable module has the ability to track payment terms and calculate discounts	20.71	5.887	.595	.544
The accounting software has the ability to update inventory account	20.96	5.999	.395	.612
Payroll can be prepared and all employees information is attached to the payroll module	21.09	6.242	.326	.639
The software has the function of bank reconciliation	20.62	6.541	.448	.595
Batch posting for recurring entries is allowed	20.38	7.845	.134	.674

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
24.12	8.621	2.936	7

Reliability (System Integration)

Reliability Statistics

Cronbach's Alpha	N of Items
.933	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The software is connected to all other systems in the organisation as well as in every department	6.61	12.293	.757	.940
The software is connected to the bank where information can be easily retrieved	6.56	11.463	.889	.897
Data can be easily shared between different departments and the accounting department by a click of a button	6.49	11.520	.862	.906
The software can communicate with all other systems in the organisation by sending messages and memos	6.47	11.537	.863	.906

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
8.71	20.351	4.511	4

Reliability (Reports and analysis)

Reliability Statistics

Cronbach's Alpha	N of Items
.729	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
All financial ratios can be calculated	6.50	1.395	.248	.951
Horizontal analysis of financial statements can be made	6.32	.844	.798	.320
Vertical analysis of financial statements can be made	6.37	.861	.691	.456

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
9.59	2.047	1.431	3

Reliability (Customization)

Reliability Statistics

Cronbach's Alpha	N of Items
.847	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The software has the ability to modify its elements to users specification	6.68	2.326	.672	.837
Financial statements and other reports can be edited and formatted	6.83	1.820	.775	.726
The software has the ability to change fonts, add fields, and graphics	6.98	1.660	.732	.783

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
10.25	4.045	2.011	3

Reliability (Automation)

Reliability Statistics

Cronbach's Alpha	N of Items
.785	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
All transactions are automatically posted to the master ledger	11.50	8.663	.450	.779
Financial statements are automatically prepared	11.58	7.943	.589	.739
Errors are automatically detected and an alert is given to the accountant	12.46	8.786	.366	.803
Bank reconciliations are automatically prepared	12.22	6.513	.708	.691
Bank statements are retrieved automatically	12.18	6.326	.721	.685

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.98	11.339	3.367	5

Reliability (Understandability)

Reliability Statistics

Cronbach's Alpha	N of Items
.720	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Information in the financial statement is clear and concise	19.65	4.659	.540	.665
It is easy to comprehend the information in the financial statements	19.88	4.502	.449	.684
The financial statements are well organised	19.73	4.840	.512	.674
All necessary information and its explanations are in notes and disclosures for better understanding	20.30	4.302	.527	.662
Information that is not easily understood is still displayed with all the available details but not excluded	20.32	4.826	.421	.691
Financial statements has technical jargons with its glossary	20.59	4.708	.379	.702
Graphs and tables are used to clarify information	20.24	5.130	.243	.733

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
23.45	6.125	2.475	7

Reliability (Faithful Representation)

Reliability Statistics

Cronbach's Alpha	N of Items
.492	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Information presented in financial statements is not selected to favour any particular party for example auditors	9.50	2.431	.103	.549
All information in financial statements really exist	9.78	1.638	.392	.312
Financial statement are free from errors	10.78	1.352	.427	.259
Financial statements follow all accounting principles clearly	9.81	2.081	.238	.462

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
13.29	2.851	1.689	4

Reliability (Comparability)

Reliability Statistics

Cronbach's Alpha	N of Items
.680	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Information in financial statements is comparable to the information provided by other institutions and or organisations	10.42	1.479	.336	.685
Financial statements can be compared within different periods of time	10.53	1.180	.562	.550
There is consistency in the use of accounting policies and procedures	10.64	1.090	.599	.518
The notes and revision in accounting estimates and judgements explain the implication of the revision	11.12	1.199	.382	.678

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.24	1.987	1.410	4

C. LETTERS OF AUTHORIZATION



OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

8 April 2017

TO WHOM IT MAY CONCERN:

Re: PILOT STUDY OF RESEARCH INSTRUMENT

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda*.

To establish the reliability of her research instrument, Rose is conducting a pilot study. Kindly allow her to administer her questionnaire to accountants in your university.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File





**OFFICE OF THE DIRECTOR OF GRADUATE STUDIES
AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500-30100, Eldoret, Kenya, East Africa

April 24, 2017

Amoah Gyamfusa Rose
University of Eastern Africa, Baraton
Department of Management

Dear Amoah,

Re: ETHICS CLEARANCE FOR RESEARCH PROPOSAL (REC: UEAB/5/4/2017)

Your research proposal entitled "The Effectiveness of Accounting Software Tools on the Quality of Financial Statement in Selected Universities in Kampala, Uganda" was discussed by the Research Ethics Committee (REC) of the University and your request for ethics clearance was granted approval.

This approval is for one year effective April 24, 2017 until April 24, 2018. For any extension beyond this time period, you will need to apply to this committee one month prior to expiry date. Note that you will need a clearance from the study site before you start gathering your data.

We wish you success in your research.

Sincerely yours,

A handwritten signature in black ink that reads "Jackie K. Obey".

Dr. Jackie K. Obey
Chairperson, Research Ethics Committee





**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER

Bugema University
P. O. Box 6529
Kampala, UGANDA


Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.*

Kindly allow her to administer her questionnaires to the accountants in your university. She will gather her research data within the month of May, 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director



Cc: Chair, Department of Management
Office File



**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER

International Health Sciences University
P. O. Box 7782
Kampala, UGANDA

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda*.

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Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director



Cc: Chair, Department of Management
Office File



**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER

Kampala International University

P. O. Box 20000

Kampala, UGANDA

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda*.

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Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director



Cc: Chair, Department of Management
Office File



**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER

Kyambogo University
P. O. Box 1
Kyambogo, UGANDA

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda*.

Kindly allow her to administer her questionnaires to the accountants in your university. She will gather her research data within the month of May, 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File





**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER

Makerere University
P. O. Box 7062
Kampala, UGANDA

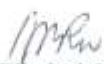
Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.*

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Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File





**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER
Uganda Martyrs University
P. O. Box 5498
Kampala, UGANDA


Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.*

Kindly allow her to administer her questionnaires to the accountants in your university. She will gather her research data within the month of May, 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File





**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER
Uganda Technology and Management University
P. O. Box 73307
Kampala, UGANDA

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.*

Kindly allow her to administer her questionnaires to the accountants in your university. She will gather her research data within the month of May, 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

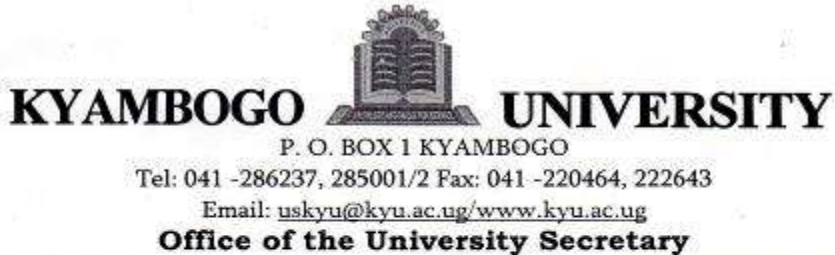
Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director



Cc: Chair, Department of Management
Office File

D: LETTERS OF ACCEPTANCE FOR DATA COLLECTION



5th May 2017

Ms. Amoah Gyamfuaa Rose
Department of Management
University of Eastern Africa, Baraton
P.O. Box 2500-30100,
Eldoret, Kenya

Dear Ms. Amoah

PERMISSION TO CONDUCT RESEARCH AT KYAMBOGO UNIVERSITY

Refer to your letter dated 28th April 2017, requesting for permission to conduct research on the thesis entitled, "***The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala***", Uganda leading to award of the degree of Masters of Business Administration (Accounting) at the University of Eastern African Baraton.

I hereby grant you permission to conduct the above research at Kyambogo University (Accounts Section). Please liaise with the relevant staff to assist you.

By a copy of this letter the University Bursar is hereby informed to assist Ms. Amoah Gyamfuaa Rose.


Patrick W. Madaya

ACTING UNIVERSITY SECRETARY

Copied to: *University Bursar*



BUGEMA UNIVERSITY

Main Campus

32km, Gayaza - Ziobwe Road
P.O. Box 6529
KAMPALA - UGANDA

Tel: 256-312-351400
Fax: 256-312-351460



Kampala Campus

2 miles Bombo Road
Between Total Petrol Station
& Makerere Yellow Primary Sch.
Muganzi-Awongerera Rd
P.O. Box 6529 KAMPALA - (U)

Tel: +256 312 266 630 / 631

Website: www.bugemauniv.ac.ug

RESEARCH DIRECTORATE

May 02nd, 2017.

Dear Sir/ Madam,

This is to introduce ROSE GYAMFUAA AMOAH a student of BARATON UNIVERSITY who is conducting a research on "The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda."

The purpose of this letter is to allow her to conduct this research in Bugema University. Kindly assist her in any way possible when she approaches you. It is for academic purposes and the findings will be of great importance to Bugema University.

Any assistance rendered to her will be highly appreciated.

Thank you.

Sincerely yours,

Paul M. Mukasa, PhD
DIRECTOR

A CHARTERED SEVENTH-DAY ADVENTIST INSTITUTION

MISSION: "To offer an excellent and distinctive holistic Christian education designed to prepare our students through training, research and scholarship for productive lives of useful service to God and to Society with uncompromising integrity, honesty and loyalty."



OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

28 April 2017

THE HUMAN RESOURCE MANAGER
Kampala International University
P. O. Box 20000
Kampala, UGANDA

To Director Finance kindly allow her all the necessary assistance to complete her research. Thank you! HRS/HRM 02/05/17

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Rose Gyamfuaa Amoah is a graduate student pursuing the degree **Master of Business Administration (Accounting)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *The effectiveness of accounting software tools on the quality of financial statements in selected universities in Kampala, Uganda.*

Kindly allow her to administer her questionnaires to the accountants in your university. She will gather her research data within the month of May, 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File



SEE ENTHOGRADUATE NOT FOR GRADUATE STUDIES
UNIVERSITY OF EASTERN AFRICA

7. Graphs and tables are used to clarify information	4	3 ✓	2	1
--	---	-----	---	---

Section D (2)

Faithful Representation	Agree	Tend to agree	Tend to disagree	Disagree
1. Information presented in financial statements is not selected to favour any particular party for example auditors	4 ✓	3	2	1
2. All information in financial statements really exist	4 ✓	3	2	1
3. Financial statement are free from errors	4 ✓	3	2	1
4. Financial statements follow all accounting principles clearly	4 ✓	3	2	1

Section D (3)

Comparability	Agree	Tend to agree	Tend to disagree	Disagree
1. Information in financial statements is comparable to the information provided by other institutions and or organisations	4 ✓	3	2	1
2. Financial statements can be compared within different periods of time	4 ✓	3	2	1
3. There is consistency in the use of accounting policies and procedures	4 ✓	3	2	1
4. The notes and revision in accounting estimates and judgements explain the implication of the revision	4 ✓	3	2	1

Thank you very much for your participation

*J. Scaurio BAKER
I have read and understand the
requirement of the questionnaire
and I have provide the information
to the best of my knowledge.
J. Scaurio BAKER
HEAD FINANCE
UNIMMY*



0189138346

E: CURRICULUM VITAE

PERSONAL DETAILS:

NAME: AMOAH GYAMFUAA ROSE

DATE OF BIRTH: FEBRUARY 16, 1993

PLACE OF BIRTH: NTONSO, ASHANTI

NATIONALITY: GHANAIAN

SEX: FEMALE

MARITAL STATUS: SINGLE

CURRENT ADDRESS: BUGEMA UNIVERSITY, BOX 6529, KAMPALA-UGANDA.

E-MAIL ADDRESS: amoahrose01@gmail.com or amoah.rose01@yahoo.com

CELLULAR NUMBER: +256 789 738 346 or +254 728 466 435

RELIGION: CHRISTIAN

LANGUAGES: ENGLISH (Very good in both spoken and written), ASANTE TWI (good in spoken)

ACADEMIC QUALIFICATIONS:

2015 till now: University of Eastern Africa Baraton pursuing Master's of Business Administration majoring in Accounting.

2012-2015: Studied at Bugema University with a Bachelor Degree in Business Administration majoring in Accounting with a GPA of 4.97/5.00

2010-2011: A level at Bugema Adventist Secondary School with 13 points at the Uganda Advanced Certificate Examinations.

2004-2009: O level at Bugema Adventist Secondary School with 23 points at the Uganda Certificate Examinations.

Adventist Junior Secondary school, New Tafo-Kumasi, Ghana.

1997-2003: McNeilus Adventist Preparatory School, Old Tafo-Kumasi, Ghana

Baraton International School, Eldoret-Kenya

COMPUTER SKILLS

- Conversant with Microsoft Word 2003, Microsoft PowerPoint, and Microsoft Excel
- Basic knowledge on how to use Statistical Package for Social Sciences
- Basic knowledge on how to use Sunplus (accounting software for Seventh Day Adventist)
- Good at typing

OTHER SKILLS

- Good communication skills (both verbal and written)
- Driving Skills
- Leadership skills
- Management skills
- Hair dressing skills

WORKING EXPERIENCE: 2006-2014

Worked at Krisner Hair Beauty Clinic and Joy Beauty Saloon

POSITION: Apprentice

DUTIES:

- Purchasing items for the saloon
- Recording cash received
- Ensuring that the customers are welcomed and given the best services

- Working on the customers hair
- Ensuring that the work place is in order

TESTIMONIALS:

- Participated in a seminar on “Practical audit trails and public sector audit challenges in Uganda”, at Bugema University on Thursday, February 27, 2014.
- Participated in a seminar on “Saving and trading for further investments in Capital markets”, on Friday, September 20, 2013.
- Awarded a certificate of Merit of recognition of scholastic excellence, having attained a G.P.A of 4.40 at Bugema University on April 1, 2014.
- Awarded a certificate of Merit of recognition of scholastic excellence, having attained a G.P.A of 4.85 at Bugema University on April 9, 2013.

ABILITIES:

- Flexible and easy to adapt to any environment and different kinds of people
- Submit to authorities
- Transparent and accountable
- Able to resolve conflicts amicably

INTERESTS:

- Learning new skills such as tailoring
- Holding academic discussions with friends

HOBBIES:

- Socialising
- Reading books
- Learning and coming up with new things in relation to clothes and hair
- Listening to music

REFEREES

MRS. ZIPPORAH MUPHAGASI

HEAD OF ACCOUNTING AND FINANCE DEPARTMENT

BUGEMA UNIVERSITY

P.O. BOX 6529

KAMPALA

CELLULAR NUMBER: +256 772 434 193

MR. RICHARD KANYEREZI

HEAD TEACHER

BUGEMA ADVENTIST SECONDARY SCHOOL

P.O.BOX 7500

KAMPALA

CELLULAR NUMBER: +256 772 602 494

PROF. PATRICK MANU

VICE CHANCELLOR

BUGEMA UNIVERSITY

P.O. BOX 6529

KAMPALA

CELLULAR NUMBER: +256 777 828 686

EMAIL ADDRESS: leadmealways@gmail.com

DR. ALLEN MONTA

LECTURER

UNIVERSITY OF EASTERN AFRICA BARATON

P.O. BOX 2500-30100

ELDORET

CELLULAR NUMBER +254713911178

EMAIL ADDRESS: allen.monta@yahoo.com