

# ANALYSIS ON A TOP ACCOUNTING SOFTWARE FOR ACCOUNTANTS ENHANCING EFFICIENCY AND ACCURACY

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## Abstract

The aim of the research was to empirically analyse the most effective accounting software for accountants, specifically in SMEs of UK. For the current research, primary quantitative research method was used, and information were gathered from 100 accountants working in SMEs of UK. For data analysis, descriptive and frequency analysis were used though using SPSS software.

Findings revealed that Fresh book, Quick book, Zoho, Wave are mostly used in SMEs of UK. Further, it has also been analysed that Fresh book is one of the most effective accounting software due to higher quality, features, and fastest speed. Findings in the current research has significantly contributed in the information body of accounting sphere, and fill a gap in previous studies.

**Keywords:** Accounting software, Accounting Practices, Quality, Features, Speed

## 1. INTRODUCTION

Accounting practices are crucial element in any organisation, as it helps the management in keeping systematic record, controlling, and planning process (Weygandt et al., 2019). Moreover, it also provides an insightful information and helps in keeping track of financial information related to business activities (Asay et al., 2022). Typically, in accounting system there are multiple processes, some are quite simple and others are burdensome or complex. However, as business grow this simple process also become complex due to increasing financial activities, technological advancements, and exposure of information (Weygandt et al., 2019). In addition, expansion of business activities in international markets also increases the demand for sophisticated accounting system to deal with international accounting issues (Harash, 2017). Therefore, it was essential for business organisations to employ accounting software and tools, to keeps pace with the continuous changes in information technology, and maintaining accurate information. Although, with increasing complexities in business organisations, almost every business has deployed accounting software packages to enhance their operation and profitability. Similarly, as per the research of Sherman (2019) accounting software has become an essential tool in organisations, and it significantly helped in maintaining financial information and managing financial resources. Moreover, this accounting software also helps in integrating and simplifying the business process and presenting financial information to users of financial reports (Baporikar, 2020). Further, some entities have also integrated other platforms such as warehouse

management, inventory management, order management, enterprise resource planning, customer relationship management, sales and production planning, supply chain management, and enterprise quality management with accounting software (Rezaee and Wang, 2019).

However, various studies have been conducted that shown that accounting software has helped the business organisations to enhance the reliability of financial information, day-to-day business operation, and profitability (Blankley, Kerr and Wiggins, 2018; Sherman, 2019; Rezaee and Wang, 2019; Weygandt et al., 2019; Baporikar, 2020; Hernandez, 2020; Idota et al., 2020; Ibrahim et al., 2020; Alhatabat, 2020). However, very limited research has been conducted, related to the right choice of software with appropriate features that can meet the requirement of companies, while those exist have only been focused on few accountings' software according to their pros and cons (Kumar, 2020; Baporikar, 2020; Maruschak, 2021; Olufemi, Festus and Adekunle, 2021). Moreover, selection among traditional accounting and cloud accounting software has also been challenging for many small and medium sized firms in UK (Weygandt et al., 2019). Hence, stress must be made on most effective accounting software, especially on small and medium business of UK that are most likely to be unprotected and cannot finance enough resources in accounting packages. Therefore, current research has primarily focused on most effective accounting software for accountant while

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focusing on small and medium firms in UK, with an intention to fill a gap in previous studies. Hence, findings in the current research have significantly contributed in the information body of accounting sphere. Moreover, it also helps the companies to investigate which software is suitable and necessary for satisfaction of accountant and management, and making a right choice.

**2. LITERATURE REVIEW**

Accounting software refers to the tools, applications, and software that are used to records and processes day to day financial transactions of business organisations (Sherman, 2019; Rezaee, and Wang, 2019). This accounting software can vary widely in terms of scope and features, as some are specifically designed for simple day-to-day recording, while others are more than simple bookkeeping. Although, various scholars have explained accounting software (Blankley, Kerr and Wiggins, 2018; Sherman, 2019; Rezaee, and Wang, 2019; Alhatabat, 2020). Meanwhile, Blankley, Kerr and Wiggins (2018) in their study indicated that accounting software is defined as computerised program that assists accountants and bookkeepers in reporting and recording financial transactions. The author further evaluated that that this accounting software contains hundreds, and even thousands of features specific to the requirements (size, cost, models, and functions) of the company. Moreover, Alhatabat (2020) in their study indicated that rapid advancement in information technology and computerised accounting software in all organisations have replaced their traditional accounting method (manual recording).

However, in prior studies various scholars and research have shed a light on importance of using accounting software in different SMEs (Idota et al., 2020). Baporikar (2020) in their study urged that accounting software is widely accepted in business organisations, and it helps in accomplishing the targeted goals and stability of business organisation. Additionally, Hernandez (2020) in their study mentioned that accounting software plays an integral part in success or failure of the SMEs, as it helps in recording, monitoring, and analysing financial information of the company. Similarly, Idota et al. (2020) in their study evaluated that accounting software component helps an accountant in generation and reporting of high-quality accounting information on a timely basis. Moreover, Ibrahim et al. (2020) in their study opined that function of accounting software helps accountant through increasing the accuracy of financial records and eliminating human errors. Similarly, Rezaee, and Wang (2019) in their study indicated that accounting software provide an unbiased information that are free from error, and can be used for economic decision making. In another research, Alhatabat (2020) in their study highlighted that accounting software allows the management to save their time due to greater speed than manual processing. The author further evaluated those benefits derived from the greater speed, also helps the management in reducing cost related to accounts department's payroll and administration costs. Furthermore, Blankley, Kerr and Wiggins (2018) in their study indicated that accounting software also helps in filling tax return and generating other information, as it helps in proving information and necessary details at one place.

However, there are multiple types of accounting software (i.e., spreadsheet, commercially available software, enterprise resource planning, cloud accounting software, and custom accounting software) that help the business organisation in different accounting tasks through equipping different features and processing (Maruschak, 2021). Similarly, Baporikar (2020) in their study opined that world market is full with different accounting software programs with different features and capabilities. The author further added that prices of these accounting programs can also be vary, and it depends on features and number of users supported it. Additionally, Maruschak (2021) in their study indicated that cloud base accounting programs (i.e., Freshbooks, Xero, Quickbooks, and Sage 50) was one of the most preferred software, but now its sell licenses have been decreased with time, and only 6% SMEs are using. Meanwhile, cloud accounting software has become more popular among start-ups companies. Moreover, Olufemi, Festus and Adekunle (2021) in their study indicated that QuickBooks, Manager, Wave, and Fresh Books are one of the most effective software for small and start-up businesses, and Xero (New Zealand), Intuit (USA), and Oracle (USA) are right choice for large companies. Further while referring to accounting software, Kumar (2020) in their study indicated that businesses require a software that has a higher level of security, low cost, complicated accounting function and tasks, integrates with large network, and can be install where internet connection is limited or absent. Further, accounting software in different types of business can also be explained with the help of figure, as shown below:

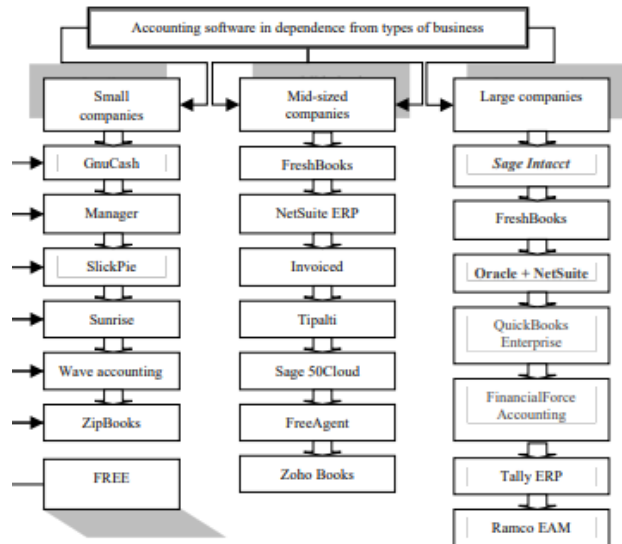


Figure 1 Accounting Software in Different Types of Business – Source: Maruschak (2021)

**3. METHODOLOGY**

The main emphasis of the current research is to explore the most effective options of available accounting software which leads to adoption of accounting software among SMEs in UK. For the purpose of this primary qualitative research method was used, and information were derived using survey questionnaire. For data collection and sampling, 100 participants were inquired using a purposive sampling method to make it ease of estimation procedure. Targeted population in research method was experienced accountants who are currently working in SMEs in UK. The reason for using primary

quantitative research method, as it helps in analysing most accurate information, due to their knowledge and experience in using accounting software in SMEs. Additionally, primary quantitative research also helps in gathering most up-dated information related to the research phenomenon (Patel and Patel, 2019). For data analysis, descriptive and frequency analysis were used though using SPSS software. Moreover, researcher in the current research has also established a professional experience with participants involved in this research, and it significantly helped in expressing their views and issues in using accounting software. Furthermore, findings in the current research have also considered ethical considerations in which participants' information were stored and assured confidential.

**4. RESULTS**

**Demographic Profiles**

Table 1 Age of Participants

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	67	67.0	67.0	67.0
	Female	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

The above table, represents demographic characteristics of the participants related to gender. It can be seen that majority (i.e., 67%) participants are found to be male, while 33 out of 100 (or 33%) were found to be female. Further, it can also be explained with the help of figure, as shown below:

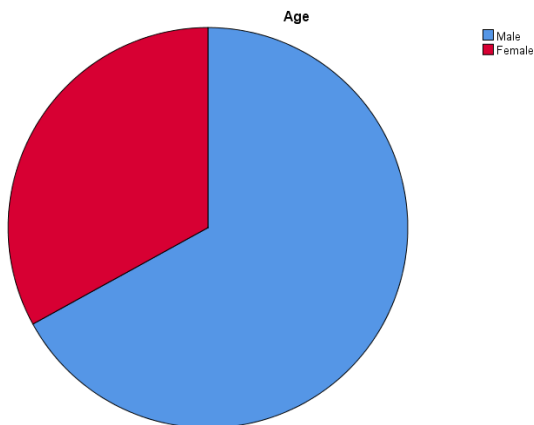


Figure 2 - Age of Participants

Table 2 - Gender of Participants

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 25	40	40.0	40.0	40.0
	26 - 30	28	28.0	28.0	68.0
	31 - 40	21	21.0	21.0	89.0
	40+	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

The above table represents age of the participants involved in this research. Majority (i.e., 40%) participants' age found in between 20 to 25 years. Additionally, 28% are found to be in 26 to 30 years, 21% in between 31 to 40 years, and only 11% have reported their age above 40 years. Thus, it implies that majority of

the participants are found to be young. Further, it can also be explained with the help of figure, as shown below:

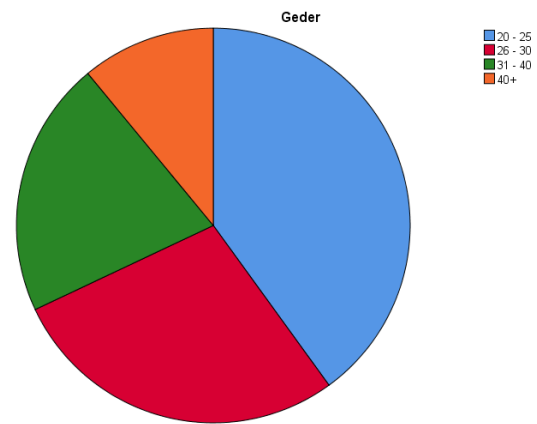


Figure 3 - Gender of Participants

Table 3 Experience in using Accounting Software

Experience in using Accounting Software					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 year	18	18.0	18.0	18.0
	2 to 3 years	33	33.0	33.0	51.0
	3 to 4 years	27	27.0	27.0	78.0
	More than 4 years	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

The above table represents experience of the participants in using accounting year. Notably, majority (i.e., 33%) accountant have an experience of 2 to 3 years. Additionally, 27% have reported 3 to 4 years' experience. Moreover, 22% (or 22) participants reported more than 4 years' experience, and only 18% participants have reported 1 year experience. Thus, it implies that all participants are found to be experience in using accounting software, as shown in a figure below:

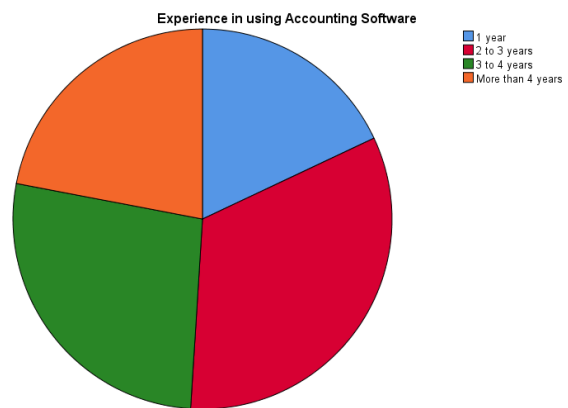


Figure 4 - Experience in using Accounting Software

Table 4 - Accounting Software use in Company

Accounting Software					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Zoho Books	20	20.0	20.0	20.0
	QuickBooks	20	20.0	20.0	40.0
	Fresh books	20	20.0	20.0	60.0
	Wave	20	20.0	20.0	80.0
	Others	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

The above table refers to accounting software used in the company. Although, it can be seen that 20 participants for

each accounting software (i.e., Zoho, Quick books, Fresh books, Wave, and others) have been considered to analyse the most accounting software for accountants.

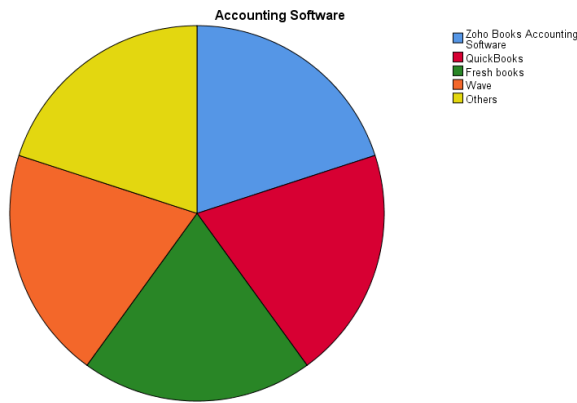


Figure 5 - Accounting Software use in Company

**Analysis on Accounting Software**

Table 5 On scale of 1 to 5, please rate the accounting software in terms of quality

Quality					
	N	Min	Max	Mean	Std. Deviation
Zoho	20	1.00	5.00	2.8500	1.34849
Quick books	20	1.00	5.00	3.1500	0.93330
Fresh book	20	2.00	5.00	4.3500	0.81273
Wave	20	1.00	5.00	2.6500	1.63111
Other	20	1.00	5.00	2.4000	1.35336

The above table refers towards quality of accounting software, based on 5-point scale (1: extremely poor to 5 extremely well). It can be seen that Fresh book has the highest value of mean, and reported as 4.35, while, mean value of quick books is found to be 3.15, Zoho is 2.85, Wave is 2.65, and other has 2.4. Thus, it indicated that Fresh book has very well quality, Quick book has moderating quality, and Zoho, Wave, and others are having poor quality.

Table 6 On scale of 1 to 5, please rate the accounting software in terms of Cost

Cost-effectiveness					
	N	Min	Max	Mean	Std. Deviation
Zoho	20	1.00	5.00	3.7000	1.26074
Quick books	20	1.00	5.00	2.4500	1.53811

Table 9 Is there any feature do you think missed in software, and can help in improving the experience for you?

Any Improvement Needed										
	Zoho		Quick Book		Fresh book		Wave		Other	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	16	80.0	8	40.0	4	20.0	11	55.0	10	50.0
No	4	20.0	12	60.0	16	80.0	9	45.0	10	50.0
Total	20	100.0	20	100.0	20	100.0	20	100.0	20	100.0

Further, participants have also been inquired regarding improvement in Software. Findings revealed that majority of the accountant who use Zoho and Wave have reported Yes, while majority of the Quick book and Fresh book users have reported no need of improvement.

**5. DISCUSSION**

The current research has explored the most effective accounting software for accountants in SMEs of UK. Findings in previous studies revealed that there is multiple

Fresh book	20	1.00	5.00	3.0000	1.37649
Wave	20	2.00	5.00	3.7500	1.16416
Other Software	20	1.00	5.00	2.9000	1.20961

Further, participants have also been inquired regarding cost-effectiveness of each accounting software. It can be seen that Wave has the highest value of mean, and reported as 3.75, while, mean value of Zoho is also found to be 3.7, Fresh book is 3, Wave is 2.65, and others is 2.4. Thus, it indicated that Zoho and Wave are having lost, as compared to other software.

Table 7 On scale of 1 to 5, please rate the accounting software in terms of Speed

Loading Speed					
	N	Min	Max	Mean	Std. Deviation
Zoho	20	1.00	5.00	2.5000	1.19208
Quick books	20	1.00	5.00	3.0000	1.62221
Fresh book	20	1.00	5.00	4.0500	1.27630
Wave	20	1.00	5.00	2.8500	1.08942
Other Software	20	1.00	5.00	3.4000	1.42902

Further, speed has also been considered to analyse most effective accounting software for accountants. Similar to quality, Fresh books also have fastest speed compared to other software, as it means value is found to be 4.05. Additionally, quick book, other software, and Wave speed are inclined toward moderate, as mean value is identified as 3, 3.4, and 2.85 respectively. Lastly, speed of Zoho is found to be poor, as it means value is found to be 2.5.

Table 8 On scale of 1 to 5, please rate the accounting software in terms of features

Features					
	N	Min	Max	Mean	Std. Deviation
Zoho	20.00	1.00	5.0000	2.05000	1.431782
Quick books	20.00	1.00	5.0000	3.80000	1.321881
Fresh book	20.00	1.00	5.0000	3.70000	1.218282
Wave	20.00	1.00	5.0000	2.90000	1.293709
Other Software	20.00	1.00	5.0000	3.15000	1.386969

Further, effectiveness of accounting software has also been analysed based on its features. Notably, features of Fresh book and Quick books are found to be very well, as mean value is found to be 3.8 and 3.7. Additionally, features of Wave and Other software are inclined towards moderate, as mean value is closer to 3, and Zoho found to be inclined toward poor.

accounting software used in different types of firms, and their price might vary and mostly depends on features (Maruschak, 2021). Additionally, findings in previous studies have also revealed that QuickBooks, Manager, Wave, and Fresh Books are one of the most effective software for small and start-up businesses (Festus and Adekunl, 2021; Maruschak, 2021). Further, Maruschak (2021) in their study analysed that spreadsheet, commercially available software, enterprise resource planning, cloud accounting software, and custom

accounting software are mostly used in SMEs. It significantly helps in different accounting tasks through equipping different features and processing. Similarly, findings in the current research have also revealed that Fresh book, Quick books, Zoho, and Wave are mostly used by accountant in SMEs of UK. Moreover, finding also revealed that Fresh book is one of the most effective accounting software due to higher quality, features, and fastest speed, as compared to other software. Further, findings have also revealed that it also need a higher cost, as compared to Zoho and Wave. Thus, based on the findings it can be suggested that Zoho is one of the most effective accounting software for accountant.

## 6. CONCLUSION

The main intent of the research was to investigate the most effective accounting software, especially in SMEs of UK. However, for the purpose of this primary quantitative research method was used, and information were gathered from 100 accountants working in SMEs of UK. For information gathering closed-ended questionnaire was used, based on 5-point scale 1: extremely poor to 5 extremely well). Findings shows that Fresh book is one of the most effective accounting software due to higher quality, features, and fastest speed. However, findings in the current research have significantly contributed in the information body related to theme of the topic, but it also has certain limitations (i.e., limited to primary quantitative method, and smaller size) due to time and cost constraints. Hence, it can be used for further studies in future through integrating mixed research method, or increasing sample size.

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## SURVEY QUESTIONNAIRE

### Gender

1. = Male
2. = Female

### Age

1. = 20 - 25
2. = 26 - 30
3. = 31 - 40
4. = 40+

### Experience in using Accounting Software

1. = 1 year
2. = 2 to 3 years
3. = 3 to 4 years
4. = More than 4 years

### Which Accounting Software you use in Company?

1. = Zoho Books Accounting Software
2. = QuickBooks
3. = Fresh books
4. = Wave
5. = Others

### On scale of 1 to 5, please rate the accounting software in terms of quality.

1. = Extremely Poor
2. = Poor
3. = Moderate
4. = Very well
5. = Extremely well

**On scale of 1 to 5, please rate the accounting software in terms of cost.**

1. = *Extremely Poor*
2. = *Poor*
3. = *Moderate*
4. = *Very well*
5. = *Extremely well*

**On scale of 1 to 5, please rate the accounting software in loading speed.**

1. = *Extremely Poor*
2. = *Poor*
3. = *Moderate*
4. = *Very well*
5. = *Extremely well*

**On scale of 1 to 5, please rate the features of accounting software.**

1. = *Extremely Poor*
2. = *Poor*
3. = *Moderate*
4. = *Very well*
5. = *Extremely well*

**Is there any feature do you think missed in software, and can help in improving the experience for you?**

1. = *Yes*
2. = *No*