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به‌شی ژمێریاری و دارایی



THE ROLE OF ACCOUNTING INFORMATION SYSTEM OF MANAGERIAL DECISIONS IN BUSINESS ORGANIZATIONS

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به شی ژمیریاری و دارایی

CERTIFICATE

This is to certify that the preparation of this research entitled (**The Role of Accounting Information System of Managerial Decisions in Business Organizations**) for the award of the degree of Bachelor (BSc) of Science in Accounting and Finance, by students listed below under our guidance Assistant Lecturer Mr. Rebin Bilal and Accounting and Finance Department – College of Administration and Economics – Lebanese French University.

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ABSTRACT

Accounting information systems are vital in managerial decision-making and planning. The objective of this work is to find out the role of accounting information systems in managerial decisions in business organizations. This includes how accounting information system helps management in decision-making and planning to identify challenges associated with the use of accounting information systems in decision-making. The method used for the research was based on questionnaires, of some teachers of college administration and economic, and some people who work in business organizations. The research showed that some challenges in accounting information systems limit the idea of management to only accounting standards, inclusion, and omission of accounting information systems and are sometimes difficult to understand and this discourages firms and consumers from adopting them for decision-making. After the research, it has been recommended that there is a need for business organizations to educate their staff and consumers about the use of accounting information systems and all the pros and cons of each standard and information adopted by the firm. The adoption and use of the accounting information system were found to be high but poor in managerial decisions due to a lack of knowledge, consistent changes in accounting standards, and also poor timing of information. In conclusion, accounting information systems have played an important role in managerial decisions in various business organizations in the world, accounting information systems prepare a whole range of different information for different users. The management of different organizations in the world can measure and examine the business quality of the entire organization based on accounting and financial information.

KEYWORDS: Accounting Information Systems, Business Organizations, Decision Making.

خلاصة

تعتبر نظم المعلومات المحاسبية حيوية في اتخاذ القرارات الإدارية والتخطيط. الهدف من هذا العمل هو معرفة دور نظم المعلومات المحاسبية في القرارات الإدارية في منظمات الأعمال. ويتضمن ذلك كيف يساعد نظام المعلومات المحاسبية الإدارة في اتخاذ القرار والتخطيط لتحديد التحديات المرتبطة باستخدام نظم المعلومات المحاسبية في اتخاذ القرار. واعتمدت الطريقة المستخدمة في البحث على استبيانات لبعض الأشخاص الذين يعملون في منظمات الأعمال. وأظهر البحث أن بعض التحديات في نظم المعلومات المحاسبية تحصر فكرة الإدارة في المعايير المحاسبية فقط وإدراجها وإغفال نظم المعلومات المحاسبية ويصعب في بعض الأحيان فهمها وهذا لا يشجع الشركات والمستهلكين على اعتمادها في اتخاذ القرار. وبعد البحث فقد أوصى بضرورة قيام منظمات الأعمال بتثقيف موظفيها ومستهلكيها حول استخدام نظم المعلومات المحاسبية وكافة إيجابيات وسلبيات كل معيار ومعلومات تتبناها الشركة. وقد تبين أن معدل اعتماد واستخدام نظام المعلومات المحاسبية مرتفع ولكنه ضعيف في القرارات الإدارية بسبب نقص المعرفة، والتغيرات المستمرة في المعايير المحاسبية، وكذلك سوء توقيت المعلومات. وفي الختام، لقد لعبت نظم المعلومات المحاسبية دورا هاما في القرارات الإدارية في مختلف منظمات الأعمال في العالم، حيث تقوم نظم المعلومات المحاسبية بإعداد مجموعة كاملة من المعلومات المختلفة لمختلف المستخدمين. يمكن لإدارة المنظمات المختلفة في العالم قياس وفحص جودة أعمال المنظمة بأكملها بناءً على المعلومات المحاسبية والمالية.

الكلمات المفتاحية: نظم المعلومات المحاسبية، منظمات الأعمال، اتخاذ القرار.

پوخته

سیستمی زانیاری ژمیاری بو بریاردان و پلاندانانی به رپوه به رایه تیدا زور گرنکه. ئامانجمان له م توژیینه وه یه دا زانیخی رۆلی سیستمی زانیاری ژمیارییه بو بریاره به رپوه به رایه تییه کان له ریکخواه بازرگانییه کاند. ئه مهش بریتییه له وهی که چون سیستمی زانیاری ژمیاری یارمه تی به رپوه بردن ده دات له بریاردان و پلاندانان بو ده ستنیشانکردنی ئه و ئاله نگاریانانیه که په یوه ندییان به به کاره یینانی سیستمی زانیاری ژمیارییه وه هه یه له رووی بریاردانه وه. له توژیینه وه که ماندا شیوازی پرسیارنامه مان به کاره یینانه وه، له ریکخواه بازرگانییه کان و هه ندیک له مامۆستایانی کۆلیژی کارگیری و ئابووری له زانکۆکه ماندا. به یی ئه نجامه کان توژیینه وه که ده ریخستوو که سیستمی زانیاری ژمیارییدا بیروکه ی به رپوه بردن سنووردار ده کات و هه ندیکجار تیگه یشتیان ئه سته مه و ئه مهش کۆمپانیا و به کاربه ران بیهیوا ده کات. له توژیینه وه که دا پیشیار کراوه که پنیوسته ریکخواه بازرگانییه کان راهیئان به ستاف و به کاره یینه ره کانیا بکه ن سه باره ت به به کاره یینانی سیستمی زانیاری ژمیاری، که می زانیاری له به کاره یینانی سیستمی زانیاری په سه ندکراو نیه بو بریاردان. له کۆتاییدا، سیستمی زانیاری ژمیاری رۆلیکی گرنکی هه بووه له بریاره کانی به رپوه بردن له ریکخواه بازرگانییه جیاوازه کان له جیهاندا، سیستمی زانیاری ژمیاری کۆمه لئیک زانیاری جیاوازه بو به کاره یینه رانی ئاماده ده کات. **وشه ی سه ره کیه کان:** سیستمی زانیاری ژمیاری، ریکخواه بازرگانییه کان، بریاردان

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DEDICATION

We are submitting this research to the French University of Lebanon as part of the university's application to complete the requirements for the award of a bachelor's degree.

We agree to make this research available to university students and academics free of charge.

We also agree to reproduce this research in any manner that must be authorized by our supervisor and in the event of his absence, permission must be obtained from the Dean of the College of Management and Economics. Use of this research for financial gain is not permitted.

If this research is used for any purpose it must be approved by the Head of the Department of Accounting and Finance.

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List of ABBREVIATIONS

| <i>ABBREVIATIONS</i> | <i>DEFINITION</i> |
|----------------------|----------------------------------------------------|
| <i>AICPA</i> | American Institute of Certified Public Accountants |
| <i>AIS</i> | Accounting Information System |
| <i>CICA</i> | Canadian Institute of Chartered Accountants |
| <i>IASC</i> | International Accounting Standards Committee |
| <i>IFRS</i> | International Financial Reporting Standards |
| <i>IT</i> | Information Technology |
| <i>MIS</i> | Management Information System |
| <i>SME</i> | Small and Medium Enterprises |

CHAPTER ONE

1 INTRODUCTION

This chapter presents the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study, and organization of the study.

1.1 Background of the study

The need for information is vital for tangible and variability-specific management decisions to ensure the success and survival of an organization since the aim of any business organization is profitability and survival into the foreseeable future. Accounting information is necessary to achieve this goal. (Srivastata & Lognathan, 2016). The accounting system captures, stores, processes, and communicates information in agreement with applicable professionals, industries, and government standards and also the organization's demand. Management accounting is a significant part of the profitable information system, with a key role in decision-making, whether we discourse about small and medium Enterprises or large companies. In any case, management accounting is superficially treated in most profitable entities (Natalipa-Mihaela & Adreea-Mihaela, 2015). For a business to be more effective, and reliable and to have a sound business decision will depend largely on the validity and reliability of the financial information made available to the decision-maker at the time similar decisions are made (Kourdi, 2015).

In recent years, firms started growing rapidly globally and as part of this change is an accounting information system. For any change to take effect depends largely on data and information being available. Businesses should collect high-quality data which will lead to high-quality information

for those businesses. This information will be the way to plan, control, and make the right decision. Accounting information systems (AIS) are vital to all organizations (Jawabrech & Alrabei, 2012). Recently significant environmental changes have been the expansion of commerce actions worldwide. Users of accounting information should be familiar with the wide array of accounting information universally, similar to accounting information from different entities in Japan, China, the United States of America, and others. On the other hand, numerous U.S. companies have operating divisions in foreign countries. Today's business economic environment is truly based on a global economy (Christensen, 2013). Accounting practices among countries vary extensively. Attempts are being made to make those practices more compatible among countries. In an attempt to harmonize disagreeing national standards, the International Accounting Standards Committee (IASC) was formed in 1973 to develop worldwide accounting standards. This now represents further than 100 accountancy bodies from 82 countries (including the United States).

International Accounting Standards Committee standards are gaining acceptance worldwide. For illustration, in reality, by revamping its account system, China is rewriting its accounting rules to be in veritably close agreement with the International Accounting Standards Committee. Accounting information is more and more accepted worldwide. The concepts of accounting information are widely considered to be the most expansive and strict in the world. In any case, accounting information is the heart of the success of all businesses in the World globally. Accounting information can be used to restate different events into a common financial event. Accounting information uses formalized procedures for collecting and reporting information that creates a common language with which members of the organization can communicate. Formalization permits the transmission of information with inferior symbols and this facilitates the collaboration between different functions that need to give input to the decision-making

process. However, accounting information is also an amiss representation of the underlying decision problem, since not all aspects involved can be quantified impeccably in financial figures (Jawabreh & Alrabei, 2012).

Decision-making is a purposeful choice made from several indispensable causes of action. The accounting information system provides directors with the necessary information. Management decisions are pivotal facets that pervade all organizations and constitute their progress and failure in achieving pre-determined goals and objectives. Interestingly, financial and non-financial information is used by accounting management generally to make decisions that achieve the goals and objectives of the organization. Financial data used by the accountant management includes trade growth, profits, return on capital employed, and request shares. It also determines the non-financial information, including client satisfaction position, product quality, the performance of competing products, and client loyalty (Monteiro et al., 2021).

Decision-making, according to Priyia and Longnathan (2016), is challenged and constantly confronted by operations in running the affairs of the organization, especially knowing that resources are fairly scarce and limited. So, attaining AIS is crucial for proper and accurate decision-making. The operation makes sound, precious, and precise decisions depending on the accountant's information. The accountant is at the service of the operation and provides them with the necessary information for decision-making (Cepeeda & Monteiro, 2020).

1.2 Statement of the problem

Despite the widespread acknowledgement of the critical role that Accounting Information Systems (AIS) play in the strategic decision-making process within business organizations, there is a substantial gap in understanding how these systems actually influence managerial decisions. The effectiveness, reliability, and relevance of the accounting information generated by these systems can significantly impact the quality of decisions made by the management, influencing the overall operational efficiency and strategic trajectory of the organization.

Further research is necessary to understand the specific mechanisms through which AIS influence managerial decision-making and how these systems can be effectively integrated into the strategic decision-making process. The impact of factors such as system design, information relevance, timeliness, and accuracy on the decision-making process also requires further exploration. Additionally, the role of AIS in different types of decisions (strategic, operational, etc.) within varying organizational contexts remains an underexplored area.

The main research problem, therefore, is to uncover how AIS can be optimized and effectively utilized to enhance managerial decision-making, drive organizational efficiency, and contribute to achieving business objectives in the ever-changing business environment. This includes identifying potential obstacles, challenges, and opportunities related to the implementation and use of AIS in managerial decision-making.

1.3 Research questions

1. Does an accounting information system have an impact on the decision-making process in a Business Organization?
2. Is an accounting information system useful to the users of such accounting information systems in various entities and their environments?

1.4 The research objectives

The main purpose of this study is the role and impact of Accounting Information Systems in the Managerial decisions process in Business Organizations. To examine the above general objective, the study has the following specific Objectives:

- ✓ To analyze the relationship between accounting information systems and decision-making.
- ✓ To identify the challenges facing related to the application of accounting information systems.

1.5 Significance of the Study

The purpose of the study is to find out the impact of an accounting information system and how an accounting information system is useful to the users of such accounting information systems in various entities and their environments. After this study, individuals, firms, and governments would be willing to put resources into business organizations and financial institutions to produce reliable, quality financial information to aid its users, especially management in decision-making and planning. Reliable, quality accounting information would positively impact the economy through foreign investors in various entities after been convince by the accounting information.

1.6 Hypotheses of the study

The following hypotheses were taken to be tested in this study:

Hypothesis 1 (H1): The use of AIS has a positive influence on organizational performance. (There is a significant relationship between accounting information systems and effective decision-making).

Hypothesis 2 (H2): There is no significant relationship between accounting information systems and effective decision-making.

Hypothesis 3 (H3): Accounting Information Systems haven't impact on the Managerial decision process.

1.7 Scope and Limitation of the Study

1.7.1 Scope of the Study

The study focuses on the role of accounting information in the decision-making process in business organizations. It focuses on the study of the comparability of accounting information on decision-making in business organizations, assessing the reliability of accounting information on decision-making in business organizations, and studying the relevance of accounting information on the decision-making of business organizations.

1.7.2 Limitations of the study

This study is carried out within a business organization. Respondents shared biased responses via online links and the questionnaires distributed to the respondents were accepted by them and delayed by some of them in filling those questionnaires. As there is a huge amount of accounting tools available, only some of them were investigated. Some tools are said to allow for an examination of the relationship between accounting information and decision-making.

1.8 Accounting in Iraq and the Kurdistan Region

Iraq has adopted International Financial Reporting Standards (IFRS), The Iraqi Company Law No. 21 of 1997 establishes financial reporting requirements in Iraq. According to the Law, all companies must apply IFRS or IFRS for Small and Medium-sized Enterprises. Full IFRS is required to be used by companies whose securities are publicly traded, private banks, private shared companies; and consultancy companies. The Iraq Interim Law on Securities Markets (adopted 18 April 2004) requires IFRSs for all companies listed on the Iraq Stock Exchange. These accounting standards serve as a guide to various organizations in Ghana to prepare their annual financial statement by accounting standards. The management plan as to what to produce, when to produce, how to produce, and who to distribute decisions based on accounting information.

1.9 Organization of the Study

- Chapter One centers on the introduction. It looks at the background of the study, statement of the problem, and objectives of the study; it also briefly looks at the research questions, the significance of the study, the scope, and limitations of the study, and the organization of the study.
- Chapter two focuses on the review of the literature. Literature is reviewed according to the research questions used in the study. The conceptual, theoretical, and empirical framework of the study is outlined.
- Chapter three is the methodology; it explains the research design. It also gives details about the population, sample, and sampling procedures used in the study. It also explains the research instruments, methods of data collection, and data analysis.
- Chapter four focuses on the data presentation, analysis, and discussion.
- Chapter five presents the summary, conclusions, and recommendations for the study.

CHAPTER TWO

2 LITERATURE REVIEW

An Accounting Information System (AIS) is considered as a subsystem of Management Information System (MIS). For the first time in 1966 the Statement of Basic Accounting Theory, published by the American Institute of Certified Public Accountants (AICPA) stated that “Accounting is information system and if we are more precise accounting is the practice of general propositions of information in the field of effective profitable exertion and consists of a major part of the information which is submitted in the quantitative form”. In this statement, accounting is part of the general information system of a profitable entity. Hence, AIS could be described as systems applied to record the financial deals of an establishment. These systems combine the methodologies, controls, and accounting techniques with the technology of Information Technology(IT) assiduity to track deals and give internal reporting data, external reporting data, financial statements, and trend analysis capabilities to impact organizational performance(Grande et al., 2010).

Accounting information indicates how a business relates to internal and external users, including investors, directors, and others. Data and information systems have adding effects on the enterprises, occupying model fields, and operation analysis. Decent accounting information offers suitable and accurate decision-making that leads to the maximization of the profitability of an organization and the application of scarce resources optimally. Accounting systems also allocate checks and balances for validity through auditing and accountability. Effective and efficient accounting information plays a central part in management decision-making (Gebremedihin, 2019). Accounting is a tool used by business enterprises to record, report, and estimate profitable

events & deals that generally affect their operations. Accounting is the language of business as it's the essential tool for recording, reporting, and assessing profitable events and deals that affect business enterprises. That provides financial information about one's business to internal and external users, similar to directors and investors. The accounting information system provides essential information extensively used in managerial decisions and influences decision-making (Nakitende, 2019).

Adopting an accounting information system for organizations includes adding functionality where the AIS punctuality provides, improves, and significantly enhances the accuracy of internal checks and balances. It ensures that accounts are rightly balanced and have efficient processing times, perfecting the external reporting interface. It digitalized the records similar to financial statements and performance reviews, therefore allowing investors and shareholders to quickly determine their investment positions and performance under market conditions. These investors use the backing equity during the organization's expansion (Tilahun, 2019; Szczepańska- Woszczyńska, 2018). AlDalaien and Dalayeen (2018) assume that information systems indicate organizing enterprises' resources similar to data, processes, programs, protocol, skills, software, hardware, and other factors that enhance the capabilities and functionalities. From the forgone, it expects that accounting information system relates to the quality of management in an organization and, more importantly, the operation performance. The accounting activities conducted in a particular organization explain the performance operation inherent in the accounting procedures accepted in the activities. In theory, the general anticipation is an increase in the investment in AIS, which indicates a wide range of benefits that accrue to the concerned organization as a whole in the long run. The benefits emanating from AIS are increased processing power, instantly induced vital information and reports, and reduced associated functional costs. More importantly, AIS reduces

human interference with financial and other transactional records, perfecting the generated results' credibility and reliability (Khalid & Kot, 2021).

2.1 Characteristics of Accounting Information System

Accounting Information Systems (AIS) characteristics retain certain vital rates to satisfy the user's requirement for accounting information. According to Iskandar (2019), the rates include relevance, accuracy, efficiency, cost-benefit balance, timelines, and clarity.

2.1.1 Relevance

System reliability in administration primarily guarantees the reliability of data and accounting frame. Still, as Menna et al. (2016) mentioned, an unreliable system exhibits several side effects. Regular system disappointment and accidents deny inner, and outside clients access to critical system administrations; failure to assist unauthorized access to the system, making it vulnerable to viruses, hackers, and loss of nonpublic data; loss of integrity including defiled, inadequate, and constructed information. The genuine support issues bring about unintended adverse responses from system changes, similar to loss of access to system administrations, loss of information privacy, or loss of information reliability. Therefore, to overcome similar threats related to applying information technology, the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA) established a new assurance service called SysTrust. A public accountant can author about the acceptability of controls over the trust ability of a system. The reliability of financial data reporting relies substantially on accounting information systems and internal controls that positively affect financial reporting (Al-Dmour, 2019). Accounting information needs to retain the capacity to impact decisions. Without this

characteristic, there's no purpose in producing knowledge. The accounting information is applicable for forecasting future events or attesting to foregoing events. The accounting information role is significant because users frequently analyze the accuracy of past forecasts that impact the accuracy of recent decisions (Buljubasic & Ilgun, 2015).

2.1.2 Accuracy

Accuracy refers to the report's correctness within the report's constraints and the essential precisions of the dimension process, while the information is inaccurate, the operation decision isn't precise (Nakitende, 2019). For illustration, if the information on the client credit presented to management is incorrect, it results in an unwise decision to grant new credit. As preliminarily indicated, the accuracy conception's operation is within the submitted report's constraints. Nevertheless, the operation forfeited the idea of accuracy when less precise data was more salutary to the control. For illustration, the estimated forecast data in product planning is more accurate than the past deals data (Jackson, 2016). There's an essential inaccuracy in accounting data-based estimation and approximation. For case, in determining the unit cost of a product manufactured, the management uses an estimate of depreciation expenses on the plant equipment. According to Hawari (2016), the cost of the product in establishing the selling price limits the estimation. Meanwhile, according to Abu-Eker et al. (2019), accuracy measures the quality of accounting information and promotes operation opinions. It draws the expression of the quality of accounting information that's more accurate, with better quality and value in expressing unborn prospects and historical data.

2.1.3 Efficiency

Efficiency refers to the degree of effectiveness measured in achieving specific objectives. An acceptable system achieves the designated objects, while an ineffective system fails to realize its dreams (Almbaidin, 2014). Efficiency is the optimal use of available resources to attain value-added objects in the organization as the value chain. Therefore, effectiveness means achieving the goals at the minimal possible cost. Other experimenters, similar to Hla & Teru (2015), define efficiency as the relationship between completed and planned objectives. It could be quantified as a rate to show the effectiveness of an entity. Effectiveness is the relationship between outcomes with the goes. The more significant the outcome contribution to the achievement of the goals reflects the maximal effectiveness of the organization, program, or activity (Nurhayati & Koesdiningsih, 2018).

2.1.4 Cost benefits balance

The characteristics of managerial accounting report information give general guidelines for the preparation of a report to meet the multifarious requirements, (Peterson, 2011). In applying these guidelines, consideration must be given to the specific requirements of the director and the reports should be acclimatized to meet these requirements. In preparing reports, costs are incurred and a primary consideration is that the value of the operation reports must at least be equal to the cost of producing them. This overriding cost-benefit evaluation must be considered no matter how information the report may be. Thus a report shouldn't be prepared if its cost exceeds the benefits derived by users, (Wahab, 2013).

2.1.5 Timelines

Timelines refer to the requirement for accounting reports to contain the most over-to-date information. In numerous cases, outdated data can lead to unwise decisions. In some cases the timelines generalities may need the accountant to prepare reports on a prearranged schedule similar to diurnal, weekly, monthly, or annually. In other cases, reports are prepared regularly or only when demanded, (Peterson, 2011).

2.1.6 Clarity

It refers to the needfulness for reports to be clear and accessible in format and content reports that are clear and accessible, it'll enable management to concentrate on significant factors in planning and controlling operations that is, reports on factual and anticipated costs in standard cost and friction analysis, (Jackson, 2016).

2.2 Users of accounting information in an organization

Accounting information must prop effectiveness and not only must it highlight existing deficiencies and give a base for applicable action, but it must further the interest of the business organization by recommending changes for the enhancement of the plans, programs, procedures, and multifarious phases of business operations, (Betsegaw, 2019).

Wahab (2013) stipulates that varied individuals and institutions use the profitable data that are gathered and communicated by the accounting system for backing in deciding on future operations. For illustration, investors in business enterprises need information on the financial condition and

result of operations of the enterprise to assess the profitability and threat of their investors in the enterprises.

The dependent individuals who are most involved with the end product of the account are those charged with the responsibility of directing the operations of the enterprise. They're frequently referred to as “operation” directors who calculate upon the account information to help them assess current operations and plan future operations. Accounting is a language that communicates financial information to people who have an interest in organization directors, shareholders, implicit investors, employees, creditors, and the government, (Wilson, 2014).

Creditors and providers of loan capital need accounting information on an establishment's capability to meet financial scores, (Lovis, 2011). Government agencies like statistical services collect accounting information which is demanded such as information for the details of deals activity, profit investments, stocks, dividends paid, and the proportions of gains absorbed by taxation and so on. In addition, the Inland Revenue is demanded in accounting information for taxation. All this information is important for determining policies to manage the economy, (Jackson, 2016).

An examination of the multifarious users of accounting information indicates that they can be subdivided into two types' internal users within the organization and External users outside the organization. The above broad type of user's internal and external users presupposes that they need the information for different purposes. Therefore the kinds of accounting information they need are also different. Accounting information systems are one of the largest information systems in an organization, (Jackson, 2016).

2.3 Origination of accounting information

The sources of accounting conformation are internal, although, there may be several departments that furnish the information depending on the type of business. The Accounts department is central. Accounting Information substantially originates from Accountants from the accounting departments of the organization. They give operations the demanded information used in conducting the affairs of the business or the organization.

2.4 Uses of Accounting Information System (AIS)

Accounting information is a part and parcel of a moment's life which is necessary to understand the accurate financial situation of the organization and used as the basis for making any decisions (Ullah, Khonadaka, and Fahim, 2014). Since strategic decisions have long-term effects on the business and thus it's important to analyze accounting information for making strategic decisions.

2.5 The limitation of accounting information system

(Mithas, Krishnan & Fornell, 2013) studied how accounting information systems can affect the performance evaluation of two business-unit directors.(Giminez, van der Vaart, & Pieter van Donk, 2012) also examine whether the effect on how the measures are organized depends on which type of category that is, financial or non-financial contains, the performance between business units. They prognosticate that information organizations will have a lesser effect on the evaluation than performance differences appearing in the financial order. (Passari & Rey, 2015) previous results on the uses of financial and non-financial measures are still inclusive.

2.6 The conceptual accounting information

(Krechel & Salterio, 2016) defined accounting as an information system that produces reports to intriguing parties about profitable conditioning and the company's condition. The primary objective of accounting is to provide information that's useful for director planning and decision-making. It means that accounting is information that influences directorial decisions.

(Peppand & ward, 2016) also argues that the intention of accounting is simply to produce information used by the director's operation. Accounting also gives information to the intriguing parties about profitable performance and the company's condition. According to,(Abbasi, Sacker & Chiang, 2016) accounting act is to gather data about a business into conditioning a means for the Dam's storage and processing and convert these data into useful information to influence the management decision-making process.

(Loudon & Loudon, 2016) Develop accounting information and communicate this information to decision rulers. Accounting information is raw data concerning deals that have been converted into financial figures that can be used by economic decision-makers and rulers. (Perambulator, 2016) also stated that accounting information is knowledge or news about an estimation of financial autocrats. That's accounting information is central so numerous different conditioning within and beyond managerial decisions.

According to (pepper & Ward, 2016) the types of accounting information that a company develops vary with similar factors as the size of the organization, whether it's intimately possessed, and the information requirements of operation. The types of accounting information needed depend on the types of business decisions made by management. It means that rules of accounting information assist directors in making business decisions.

2.7 Concept of Decision-Making

Decision-making is the study of identifying and choosing alternatives grounded on the values and preferences of the decision-maker. Making a decision implies that there are alternatives to be considered and in such a case, we want not only to identify as numerous of these alternatives as possible but also to choose the one that best fits with our aims, objectives, solicitations, values, and so on. (Ehrenberg & Smith, 2016).

Addai, (2013), also mentioned that decision-making is the “process of sufficiently reducing uncertainty and mistrustfulness about alternatives to allow a reasonable choice to be made from among them.” According to him, decision-making emphasizes information gathering for operation function. It's where uncertainty is reduced rather than excluded. In addition, veritably many decisions are made with “absolute certainty because complete knowledge about all the alternatives is infrequently possible. Therefore, every decision involves a certain amount of risk”.

According to (Stewart, French & Rios, 2013), decision-making should start with the identification of the decision maker(s) and stakeholder(s) in the decision, reducing the possible disagreement about problem description, requirements, goals, and criteria.

2.8 Empirical Accounting Information

In our study, most research to date concerning an accounting information system in operation planning and decision-making has a greater impact rather than a narrow and inflexible view of accounting information systems.

According to (Zeitun & Tian), 2014 financial data has limitations as a measure of a company's performance. He stated that other measures, similar to quality may be better at forecasting, but can be difficult to apply, hence management decisions may be calculated on financial data.

(Fullerton, Kennedy & Widener, 2014) argues that the integration of accounting information leads to coordination in the organization, which in turn, adds to the quality of decisions.

(Scott & Davis) 2015 also argues that accounting information are important part of the fabric of the organization and environmental information not only depends on the purpose of a similar system but also depends on the contingency factor of each organization.

According to (Peppard & Ward, 2016) accounting information is said to be effective when the information handed by them serves extensively the requirements also system users. Effective information should systematically give information that has potential effects on the management decision-making process.

(Mai, 2016) Account information is generally distributed under two groups' information that influences decision-making and is mainly for controlling the organization; and information that facilitates the decision-making process and is substantially used for coordination within an organization. (Laudon & Laudon, 2016) revealed that an effective executive control system is

necessary to provide managers with information concerning functions and activities. That's information also used in the directorial decision-making process.

Some researchers in accounting show that the effectiveness of accounting information systems depends upon the quality of output of the information system that can satisfy the requirements of the users.

2.9 Conceptual Framework

A conceptual framework diagrammatically illustrates the predictor variables and how they interact with the dependent variable(s) in the study (Mugenda & Mugenda, 2013).

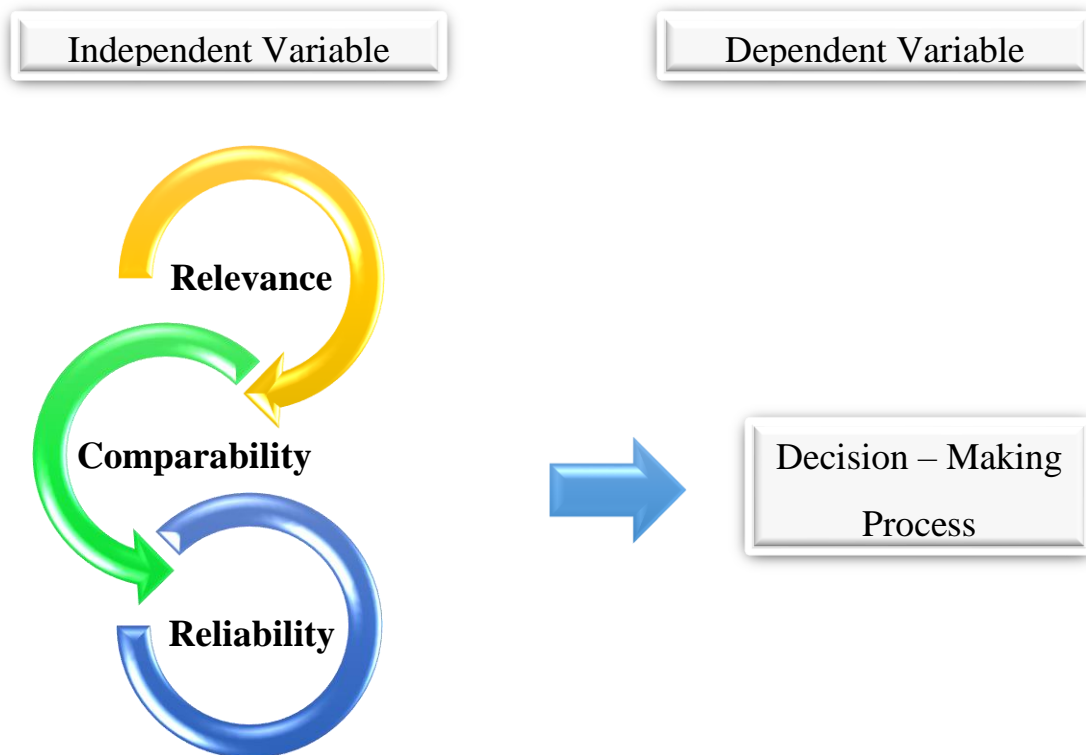


Figure 2.1 The effect of AIS characteristics on the Decision-Making Process

CHAPTER THREE

3 RESEARCH METHOD

This chapter including of the procedures that had to be followed to achieve the outcome of the study. It talks about the study design, study population, sample size, and data collection procedure. This study considered data collection as an important part of management plans and the decision-making process, which looks forward to data analysis to provide up-to-date information needed for organizational decision-making. Therefore, the researcher adopted a primary approach for gathering information about the various data requirements and analytical techniques. Here, the entirety and eminence of data have been stressed to avoid bias or misleading information that can damage any effective decision-making process.

3.1 Study Design

To ensure the core aspects of information needed for this research, the research design instruments including questionnaire items and interviews used for data collection. The study type looks at the particular nature of the investigation to be undertaken. The research was concerned with the role of accounting information systems in decision-making. In this regard, a descriptive type of study was used; this is because our main objective was assessing the role of accounting information systems in m decision-making.

3.2 Study Population

This study was conducted to obtain information concerning the role of accounting information systems in managerial decision-making within Business Organizations. The population of the study consists of the individuals who work as administrative staff, and teachers staff of the Economic and Administrative College at Lebanese French University, For research, the population we wanted to use was fifty (50) respondents, Out of this population forty-five (45) respondents were returned to us from the various individuals who work as administrative staff in institutions, a sample size of (45) forty-five was obtained. The responses from them will help us to complete our research successfully.

3.3 Sampling Techniques

The researcher used the simple random sampling approach, which is a random sampling method based on the theory of probability. The researcher used the simple random sampling technique is obtain data from the individuals who work as administrative staff, and teachers staff of the Economic and Administrative College at Lebanese French University. To achieve greater accuracy, a sample size of forty-five (45) respondents comprising mainly administrative and teachers were considered representatives of the entire population of the organizations.

3.4 Primary Approach to Data Collection

The study employed indirect contact and shared questions via an online link with respondents who were made up of administrative and checkbox questionnaires used to support the respondents. This helped to generate primary data for the project.

3.5 Data Analysis Method

The data analysis method is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. Data were analyzed using the Survey Heart App, which must be completed when conducting a research experiment. Data were analyzed using percentages, statistical tables, and charts to give a pictorial representation of the facts to facilitate comprehension. The data collected with the aid of questionnaires, corrections, and percentages were used to analyze the data. Survey Heart App was used for analysis to minimize any intended error. This is because the statistical looks show the extent and relationship that exist between variables of the study.

3.6 Study Variable

The study highlights the key component of the study. In this research, the study variable consists of two sections. Section A elicits demographic information like Gender, Age, Educational levels, and Length of service, While section B consists of functions of accounting information systems, the importance of accounting information systems and challenges of accounting information systems, and the reduction of accounting information systems and its impact on financial information systems.

3.7 Validity and Reliability of data

3.7.1 Validity of the data

Validity refers to the amount of systematic or built-in error in measurement. Validity determines whether the research instrument truly measures what it intends to measure or how truthful research results would be.

3.7.2 Reliability of the data

Reliability refers to random error in measurement. It indicates the accuracy or precision of the measuring instrument. Reliability analysis allows examination of the properties of measurement scales and the variables making them up. The reliability analysis procedure calculates several commonly used measures of scale reliability and information that are provided on the relationship between individual variables in the scale.

3.8 Ethical Considerations

To keep the confidentiality of the data that was given by respondents; we were not required to write their names and assured that their responses were treated in strict confidentiality. The purposes of the study were disclosed in the introductory part of the questionnaire. Furthermore, we attempted our best to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires were distributed only to voluntary respondents.

CHAPTER FOUR

4 FINDING AND DATA ANALYSIS

4.1 Analysis and Data Presentation

The study investigated “The Role of Accounting Information System of Managerial Decisions in Business Organizations. The number of questionnaires sent to the respondents was forty-five (45). The results of the analysis are presented beginning with the presentation of demographics of the respondents as shown in the tables below.

4.1.1 Gender of respondent

Table 4.1 Showing the Gender of the Respondent

| Gender | Respondent | Percentage% |
|--------|------------|-------------|
| Male | 34 | 76 |
| Female | 11 | 24 |
| Total | 45 | 100 |

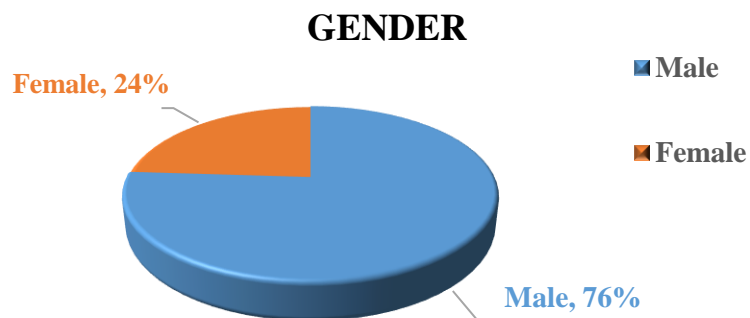


Figure 4.2 Showing the Gender of the Respondents

The analysis from above indicates the information on the gender of respondents. The information shows that 34 (76%) of the respondents are male and the remaining 11 (24%) respondents are females.

In conclusion, the majority of the respondents were male with a total number of thirty-four (34) out of forty-five (45). This indicates that among the administrative staff of Business Organizations and teachers staff of the Economic and Administrative College at Lebanese French University the arena of our study, have more male workforce than females.

4.1.2 Age of respondent

Table 4.2 Showing the Age of the Respondent

| Age (years) | Respondent | Percentage% |
|--------------------|------------|-------------|
| 18-29 | 13 | 29 |
| 30-39 | 26 | 58 |
| 40- 49 | 6 | 13 |
| 50-59 | 0 | 0 |
| 60 years and above | 0 | 0 |
| Total | 45 | 100 |

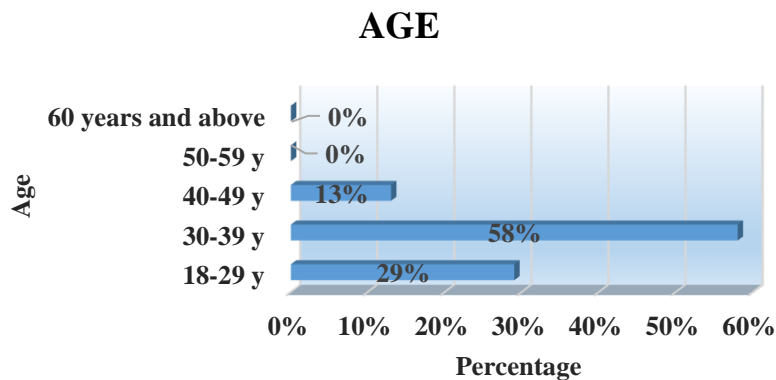


Figure 4.3 Showing the Age of the Respondent

The table above shows the data on the age of the respondents. Of respondents aged between 18-29 years 13 (29%) of respondents, Respondents aged between 30-39 years are twenty-six 26 which involves (58) percent, and Respondents aged between 40-24 years 6 (13%) of respondents.

4.1.3 Education Qualification Levels

Table 4.3 Showing the Educational Levels of the Respondent

| Levels of Educational | Respondent | Percentage% |
|-----------------------|------------|-------------|
| Diploma | 4 | 8.89 |
| Bachelor's degree | 18 | 40 |
| Master's degree | 16 | 35.55 |
| PhD degree | 7 | 15.55 |
| Total | 45 | 100 |

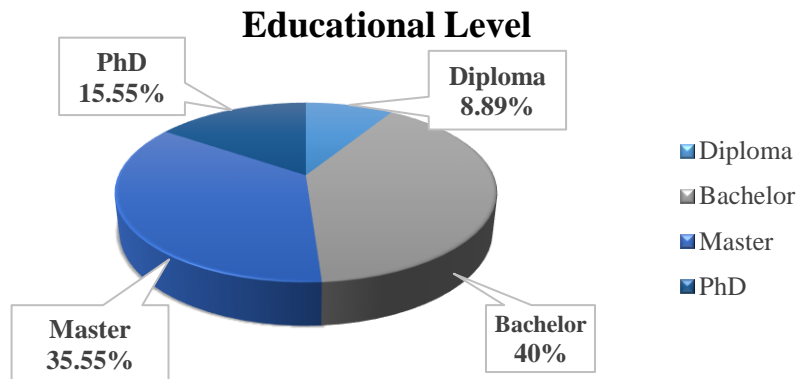


Figure 4.4 Showing the Educational Level of the Respondents

The data from the table above shows the information regarding educational background. Table 4.3 presents these findings. Eighteen 18 (40%) of the respondents, who were the majority had attained a bachelor's degree on the other hand, Sixteen 16 (35.55%) of the respondents had attained a master's degree. Above fifteen percent of the respondents (15.55%) had attained a PhD doctorate

while less than 9 percent 8.89% (4 of respondents) had attained a diploma. From the findings, the respondents were well informed as the majority had attained higher education hence were informed individuals who would make rational decisions in terms of being accurate in answering the research questions as they were well versed with the environment within which their organizations operated.

4.1.4 Length of Service (years)

Table 4.4 Showing the Length of Service of the Respondent

| Years of Service | Respondent | Percentage% |
|-------------------------|-------------------|--------------------|
| 1-7 y | 29 | 64.44 |
| 8-14 y | 13 | 28.89 |
| 15-22 y | 2 | 4.44 |
| 23-29 y | 0 | 0 |
| More than 30 years | 1 | 2.22 |
| Total | 45 | 100 |

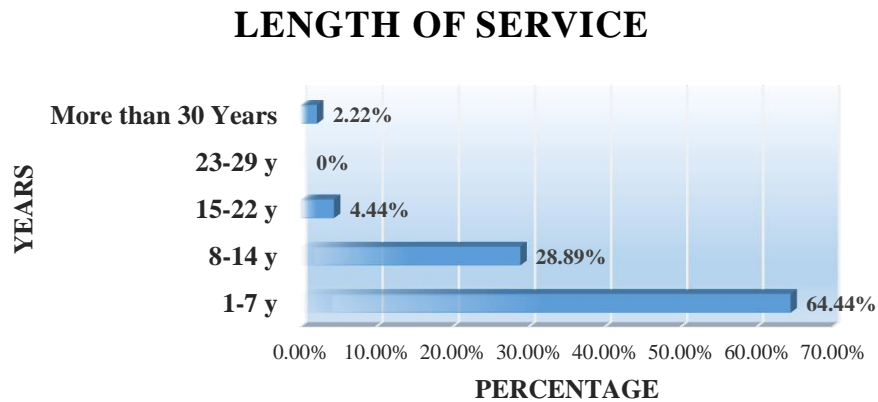


Figure 4.5 Showing the Length of Service of the Respondents

Table 4.4 represents the length of service of the respondents that the researcher sought to find. Twenty-nine 29 (64.44%) of the respondents had work experience of between 1-7 years while 28.89 (13) percent of the respondents had the experience of 8-14 years. Two 2 (4.44%) of the respondents had experience between 15-22 years, and only 1 (2.22%) of the respondents had experience of more than 30 years. The findings indicate that most participants had a better experience and hence it is adequately appropriate to take part in this study.

4.1.5 Functions of Accounting Information System

Table 4.5 Showing the Function of Accounting Information System

| Variable | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|----------------------------------------------------------------------------------------------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------|
| (AIS) help management to allocate scarcely resources to effective enterprises. | 12 | 32 | 1 | 0 | 0 | 45 |
| Financial Statement helps management to understand the performance and position of the enterprise. | 21 | 20 | 4 | 0 | 0 | 45 |
| Management can make forecasting via (AIS). | 13 | 27 | 3 | 2 | 0 | 45 |
| Decisions of the management largely depend on the (AIS). | 14 | 24 | 7 | 0 | 0 | 45 |
| (AIS) can improve the efficiency of financial operations and reduce errors in a business. | 15 | 23 | 6 | 1 | 0 | 45 |
| (AIS) does help in risk management and strategic planning. | 13 | 24 | 5 | 1 | 2 | 45 |

Under the function of the accounting information system, we came out with six variables. The first was Accounting information system helps management to allocate scarce resources to the effective enterprise. This means accounting information system helps management to identify the sorts of investment to invest their scarce resources that will intend to yield a higher return, (strongly agree, agree, neutral, disagree, and strongly agree) respectively represent categories in which respondents vote and choose from the online link of forty-five (45), twelve (12) of them strongly agreed, one (1) of the respondent were neutral and the remaining thirty-two (32) respondent agreed.

Then the second variable which is the financial statement helps management to understand the performance and position of the enterprise. This point also emphasizes, the actual performance and the result of the enterprise. Financial accounting is concerned at one level with book-keeping that is, recording daily financial activities, and at a more advanced level with the preparation of the final accounts such as profit and loss accounts and balance sheet. Out of forty-five (45) respondents, twenty-one (21) strongly agreed, four (4) were neutral, and twenty (20) of them agreed on the variable.

The third variable considered was Management can make forecasting via an accounting information system. Management accounting information is concerned with providing managers with management information such as information about costs, forecasts of future costs, and revenues. This means financial information can be fed to those who require such information for decision-making and record-keeping purposes. Out of the forty-five (45) respondents, thirteen (13) strongly agreed, three (3) were neutral, twenty-seven (27) agreed, and two (2) of them disagreed on the variable.

The fourth variable was the Decision of the management largely depended on the accounting information system. Managers need the information to manage the business efficiently and

constantly to improve their decision-making capabilities. Out of the forty-five (45) respondents, fourteen (14) strongly agreed, seven (7) were neutral, and twenty-four (24) agreed on the variable.

The fifth variable was Accounting information systems can improve the efficiency of financial operations and reduce errors in business. Accounting Information Systems (AIS) have a substantial positive impact on financial reporting accuracy through error reduction, data integrity assurance, consistency enforcement, audit trail provision, and facilitating timely reporting. Out of the forty-five (45) respondents, fifteen (15) strongly agreed, six (6) were neutral, twenty-three (23) agreed, and one (1) of them disagreed on the variable.

The sixth variable considered was the Accounting information system does help in risk management and strategic planning. Risk management plays a vital role in strategic decision-making. It provides decision-makers with a clear understanding of the potential consequences associated with different options. Out of the forty-five (45) respondents, thirteen (13) strongly agreed, five (5) were neutral, twenty-four (24) agreed, one (1) disagreed, and two (2) of them were on the variable.

Table 4.6 Showing the Percentage of the Function of Accounting Information System

| Variable | Strongly Agree% | Agree % | Neutral % | Disagree % | Strongly Disagree% | Total % |
|----------------------------------------------------------------------------------------------------|------------------------|----------------|------------------|-------------------|---------------------------|----------------|
| (AIS) help management to allocate scarcely resources to effective enterprises. | 27 | 71 | 2 | 0 | 0 | 100 |
| Financial Statement helps management to understand the performance and position of the enterprise. | 47 | 44 | 9 | 0 | 0 | 100 |
| Management can make forecasting via (AIS). | 29 | 60 | 7 | 4 | 0 | 100 |
| Decisions of the management largely depend on the (AIS). | 31 | 53 | 16 | 0 | 0 | 100 |

| | | | | | | |
|-------------------------------------------------------------------------------------------|--------------|--------------|--------------|-------------|-------------|------------|
| (AIS) can improve the efficiency of financial operations and reduce errors in a business. | 33.33 | 51.11 | 13.33 | 2.22 | 0 | 100 |
| (AIS) does help in risk management and strategic planning. | 28.89 | 53.33 | 11.11 | 2.22 | 4.44 | 100 |

From the table above, the function that was considered necessary was the first variable that stated that “Accounting information system helps management to allocate scarce resources to the effective enterprise” with a total percentage of 98 % agreed, followed by “Financial statement helps management to understand the performance and position of the enterprise” which generated a percentage of 91 % agreed. “Management can make forecasting via accounting information system” generated a percentage of 89 % agreed. “Accounting information systems can improve the efficiency of financial operations and reduce errors in business” generated a percentage of 84.44 % agreed. “Decision of the management largely depends on accounting information system” which generated a percentage of 84% agreed, “Accounting information system does help in risk management and strategic planning”, was the last function to be considered which had the lowest percentage mark of 82.22%.

4.1.6 Importance of Accounting Information System

Table 4.7 Showing the Importance of Accounting Information System

| Variable | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|-----------------------------------------------------------------------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------|
| Informed Financial decisions enhance overall performance of the enterprise. | 17 | 19 | 7 | 2 | 0 | 45 |
| Strategic decisions are made by the board Of directors through an (AIS). | 12 | 25 | 7 | 0 | 1 | 45 |
| (AIS) is relevant to management systematic and rational decision-making. | 14 | 25 | 6 | 0 | 0 | 45 |

| | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|---|---|----|
| Decisions about the overall performance of the organization via growth, effectiveness, efficiency & productivity are made through (AIS). | 17 | 20 | 8 | 0 | 0 | 45 |
| Decisions about the perceptions of employees are made through (AIS). | 12 | 21 | 10 | 1 | 1 | 45 |
| Decisions as to whether the enterprise is making a profit or not is made through (AIS). | 13 | 24 | 6 | 1 | 1 | 45 |

Under the importance of accounting information, we came out with six variables. The first variable was “Informed Financial decisions enhance the overall performance of the enterprise”. Meaning the information recorded in the various books of account can help management make decisions based on the overall performance of the enterprise. Out of it seventeen (17) strongly agreed, seven (7) were neutral, nineteen (19) agreed which constituted the highest number out of the forty-five (45) respondents, and two (2) disagreed.

The second variable considered was “Strategic decisions are made by the board of directors through accounting information system”. The availability of accounting information can help management choose suitable accounting standards and strategies to meet their budgeted objectives. Among the respondents, twelve (12) strongly agreed, seven (7) were neutral, twenty-five (25) which is the highest number among the respondents agreed, and one (1) of them strongly disagreed.

The third variable was “Accounting Information System is relevant to management systematic and rational decision making”. This means accounting helps management to make decisions that are relevant to the entity in allocating its resources, fourteen (14) respondents strongly agreed, six (6)

were neutral, and twenty-five (25) of them agreed which indicates that the majority of the respondents agreed to that variable.

The fourth variable was the “decision about the overall performance of the organization via growth, effectiveness, efficiency, and productivity it made through accounting information system”. The measurement of the performance from the current year to the previous year gives the management inside as to whether the company is making progress. Out of the respondents, seventeen (17) strongly agreed, eight (8) were neutral, and twenty (20) agreed.

The fifth variable was the “Decisions about the perceptions employees are made through accounting information system”. The records keeping also help management to examine the performance of employees to compare to the previous data. Out of the respondents, twelve (12) strongly agreed, ten (10) were neutral, twenty-one (21) which is the highest number among the respondents agreed, one (1) disagreed, and one (1) strongly disagreed.

The last variable, which is the sixth variable, was the “Decision as to whether the enterprise is making a profit or not is made through accounting information system”. Financial data of the previous year help management to allocate limited resources to the most effective sector of their operations. Out of the respondents, thirteen (13) strongly agreed, six (6) were neutral, and twenty-four (24) which is the highest number among the respondents agreed, one (1) disagreed, and one (1) strongly disagreed.

Table 4.8 Showing the Percentage of the Importance of Accounting Information Systems

| Variable | Strongly Agree% | Agree % | Neutral % | Disagree % | Strongly Disagree% | Total % |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|------------------|-------------------|---------------------------|----------------|
| Informed Financial decisions enhance overall performance of the enterprise. | 38 | 42 | 16 | 4 | 0 | 100 |
| Strategic decisions are made by the board Of directors through an (AIS). | 26.67 | 55.55 | 15.55 | 0 | 2.22 | 100 |
| (AIS) is relevant to management systematic and rational decision-making. | 31 | 56 | 13 | 0 | 0 | 100 |
| Decisions about the overall performance of the organization via growth, effectiveness, efficiency & productivity are made through (AIS). | 37.78 | 44.44 | 17.77 | 0 | 0 | 100 |
| Decisions about the perceptions of employees are made through (AIS). | 27 | 47 | 22 | 2 | 2 | 100 |
| Decisions as to whether the enterprise is making a profit or not is made through (AIS). | 28.89 | 53.33 | 13.33 | 2.22 | 2.22 | 100 |

From the above table, the variable that was considered the most important under the six variances of the importance of accounting information was “Accounting Information System is relevant to management systematic and rational decision making” with a percentage of 84 %. Followed by “Strategic decisions are made by the board of directors through accounting information system”, “decisions about the overall performance of the organization via growth, effectiveness, efficiency, and productivity it made through accounting information system”, and “Decisions as to whether the enterprise is making a profit or not is made through accounting information system” those came with the percentage of 82.22 %. Followed by “Informed Financial decisions enhance the overall performance of the enterprise” with an 80.00%. Followed by “Decision as to whether the

enterprise is making a profit or not is made through accounting information system” with a percentage of 74.00 %.

4.1.7 Challenges of Accounting Information System

Table 4.9 Showing the Challenges of Accounting Information System

| Variable | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|-------------------------------------------------------------------------------------------------|----------------|-------|---------|----------|-------------------|-------|
| Inclusion or Omission of (AIS) would have an impact On Management Planning and Decision Making. | 14 | 27 | 3 | 1 | 0 | 45 |
| (AIS) limits the Idea of management to only accounting standards. | 6 | 19 | 16 | 2 | 2 | 45 |
| (AIS) is sometimes difficult to understand. | 10 | 16 | 14 | 2 | 3 | 45 |

Under the challenges of accounting information, we came out with 3 variables. The first variable was “Inclusion or Omission of accounting information system would have an impact on management planning and decision making”. Meaning, that accounting information systems make it easier to plan and control since management decisions largely depend on previous data. Out of it, fourteen (14) of the respondents strongly agreed, three (3) were neutral and twenty-seven (27) agreed. Indicating that the majority of the forty-five (45) respondents agreed to this variable, and one (1) disagreed.

The second variable, which was “Accounting Information System limits the idea of management to only accounting standards”. Accounting information system ensures decisions taken by the management are within the scope of accounting standards. Out of the total respondents, six (6)

strongly disagreed, sixteen (16) were neutral and nineteen (19) of respondents agreed, two (2) disagreed, and the other that remained were two (2) respondents that strongly disagreed.

The third variable considered was “Accounting Information System is sometimes difficult to understand” which means accounting system is necessary to be understood by all. Among the respondents, ten (10) strongly agreed, fourteen (14) were neutral and sixteen (16) agreed, two (2) disagreed. And three (3) of the respondents strongly disagreed.

Table 4.10 Showing the Percentage of the Challenges of Accounting Information Systems

| Variable | Strongly Agree% | Agree % | Neutral % | Disagree % | Strongly Disagree% | Total % |
|-------------------------------------------------------------------------------------------------|------------------------|----------------|------------------|-------------------|---------------------------|----------------|
| Inclusion or Omission of (AIS) would have an impact On Management Planning and Decision Making. | 31 | 60 | 7 | 2 | 0 | 100 |
| (AIS) limits the Idea of management to only accounting standards. | 13.33 | 42.22 | 35.56 | 4.44 | 4.44 | 100 |
| (AIS) is sometimes difficult to understand. | 22 | 36 | 31 | 4 | 7 | 100 |

From the table above, the challenge that was considered essential was the first variable which states that the “Inclusion or Omission of accounting information system would have an impact on management planning and decision making”, with a total percentage of 91.00 %, Followed by the third variable was “Accounting Information System is sometimes difficult to understand” with 58.00%. The last with the lowest percentage 55.55 % which was attributed to the variable “Accounting information system limits the ideas of management to only accounting standards”. In conclusion, the variable “inclusion or omission of accounting information system would have an impact on Management planning and decision making” is the highest variable.

4.1.8 Reduction of the Challenges

Table 4.11 Showing the Challenges of Accounting Information System

| Variable | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|-----------------------------------------------------------------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------|
| (AIS) should be understandable by its users. | 20 | 15 | 8 | 0 | 2 | 45 |
| Accounting standards and principle must be adopted by all management. | 18 | 16 | 9 | 2 | 0 | 45 |
| Time factor in decision-making largely depends on (AIS). | 15 | 16 | 10 | 3 | 1 | 45 |

Under the reduction of the challenges, we came out with three variables.

The first variable was “Accounting Information System should be understandable by its users”, meaning there should be an educational program to educate the user on how to use the accounting information system. Out of it, twenty (20) of the respondents strongly agreed, none of the respondents disagreed, eight (8) were neutral, fifteen (15) agreed, and two (2) strongly disagreed.

Then the second variable was “Accounting standards and principles must be adopted by all management”, meaning the preparation of final accounts of every entity should be based on general accounting standards. Out of the respondents, eighteen (18) strongly agreed, nine (9) were neutral, sixteen (16) respondents agreed, none of the respondents strongly disagreed, and two (2) disagreed.

The third variable considered was the “Time factor in decision making largely depends on accounting information system” meaning Time is money; hence delays in decision-making affect the operation of the business as a whole. Out of the total respondents, fifteen (15) strongly agreed,

ten (10) of the respondents were neutral, sixteen (16) agreed on the variable, three (3) disagreed, and one (1) strongly disagreed.

From the table above, it is understood that the majority of the respondents agreed that the variable “Accounting Information system should be understood by its users” would reduce the challenges of financial accounting information systems.

Table 4.12 Showing the Percentage of the Challenges of Accounting Information Systems

| Variable | Strongly Agree% | Agree % | Neutral % | Disagree % | Strongly Disagree% | Total % |
|-----------------------------------------------------------------------|------------------------|----------------|------------------|-------------------|---------------------------|----------------|
| (AIS) should be understandable by its users. | 44.44 | 33.33 | 17.78 | 0 | 4.44 | 100 |
| Accounting standards and principle must be adopted by all management. | 40 | 36 | 20 | 4 | 0 | 100 |
| Time factor in decision-making largely depends on (AIS). | 33 | 36 | 22 | 7 | 2 | 100 |

From the table above, the challenge that was considered vital was the first variable that states that “Accounting Information System should be understandable by its users”. It generated a percentage of 77.77 %. The second variable which is “Accounting standard and principle must be adopted by all management with 76.00 % and the lowest percentage 69.00 % was attributed to the variable “Time factor in decision making largely depends on accounting information system”.

4.2 Discussion of Results

The overall analysis of the role of Accounting Information Systems in Managerial Decisions in Business Organizations is to find out how an accounting information system is relevant to managerial decisions. The research focused on accounting information systems and managerial decision-making. From the study, it was found that the accounting system is very vital when it comes to management in decision-making. It was also revealed that accounting information systems are relevant to entities in allocating resources.

The further establishment was that the availability of an accounting information system helped management to choose suitable accounting standards and strategies to meet their budgeted objectives. A discovery showed that record keeping helped management to examine the performance of their employees as compared to previous data. This information (Kuurila, 2016) states that the accounting role is to gather data about a business's activities provide a means for the data's storage and processing, and convert those data into useful information to influence management decision-making process.

(LauDon & Laudon, 2016) also argues that the objective of accounting is simply to produce information used by managers to run a business operation. The accounting system also gives information to interesting parties about economic performance and business conditions.

Under the function, the first variable was considered necessary which states that an Accounting information system helps management to allocate scarce resources to an effective enterprise.

Among the variables that were considered the most important under the six variances of the importance of accounting information was the Accounting Information System is relevant to management systematic and rational decision making.

Under the challenges of accounting information systems, it also considered the first variable as essential states that the inclusion or omission of accounting information systems would have an impact on managerial decisions.

Finally, the variable of reduction of the challenges accounting information systems that were considered vital was the variable that states the accounting information systems should be understandable by its users.

(Almajali, Alamro & Al-Soub, 2012) also examined whether the effect of how the measures are organized depends on which type of category is financial or nonfinancial and contains, the performance differences between business units. They predict that information organizations will have a greater effect on evaluation when performance differences appear in the financial category which is also concerning the function of accounting information systems that management faces when making decisions.

CHAPTER FIVE

5 CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

This chapter covers the summary of the research topic, the conclusion based on the findings of the research, and recommendations for further research.

The study discovered that accounting information system has a significant effect on managerial decisions in business organizations.

The study also revealed that business organizations need an informed financial decision system that would enhance their overall performance.

The study shows further that, most workers in business organizations in the area of our study within 1-7 years length of service are bachelor's certificate holders. This shows that the organizations are highly populated with young brains with vibrant skills.

The study discovered that accounting information systems make it a necessity to remember the previous transactions recorded in the books of accounts of various business organizations.

In that context, it can be concluded that the Accounting information system has played an important role in managerial in the various business organizations in the world. Accounting information system prepares a whole range of different information for different users. The management of different organizations in the world can measure and examine the business quality of the entire institution based on accounting and financial information systems.

From the hypothesis tested so far, one can conclude that accounting information has significant roles in managerial decisions agreeing with the work of Anil Keimer (2008) who found that accounting information obviates the necessity of remembering various transactions.

The hypothesis confirms that there is an impact and significant relationship between accounting information and management decision-making in business organizations.

5.2 RECOMMENDATION AND SUGGESTIONS

5.2.1 RECOMMENDATION

Based on the statement of the problem, the objective of the study, and the result of the findings, the following recommendations are made:

1. The management should train its employees in accounting information systems and its benefits.
2. Accounting information systems must be kept properly to give concrete information for managerial decisions.
3. Decision-making should be flexible to meet current conditions.
4. Business organizations should always keep records of past events for future reference.
5. The financial institution should adopt accounting standards and principles that would be understood by users of accounting information.

5.2.2 SUGGESTIONS FOR FURTHER RESEARCH

Further research on the study abounds in this study area like;

1. Focus on (SMEs): Research focusing on the impact and utilization of Accounting Information Systems (AIS) in Small and Medium Enterprises (SMEs).
2. Effectiveness of (AIS): Relationship between accounting information system Management and Organization Effectiveness.
3. Comparative Studies: Conduct studies comparing the effectiveness of different types of Accounting Information Systems (AIS). This could provide insights into which systems lead to better decision-making and why.

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