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Theme: A comparative analysis of Accounting İnformation System in decision making of medium and large enterprises

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Content

Abstract

In this research will be examined the role of accounting information system in decision making of medium and large companies. The purpose of this research is to search and analyze the factors related to accounting information system, which, affect the decision-making in large and medium organizations. The research is began by the explaining the importance and role accounting information system in companies. Then were analyzed the factors that affect the implementation of accounting information system in the company. In the research also were examined the threats faced by a company after implementation of accounting information system. the threats were divided according to their nature and explained separately. Information from previous researches related to the accounting information system was used. In addition, was explained decision-making based on accounting information system. Medium and large companies were analyzed on how accounting information system affected their decision-making.

Introduction

The paper analyzes the impact of the medium-sized and large enterprises accounting information system. In view of the scarceness of work on the relationship between application and use of AIS and performance indicators in small and large enterprises, this study provides an added value for accounting literature.

There are many researches that investigate the importance of accounting information system, but there are not so many research papers investigating the impact of accounting information system on decision making in medium and large enterprises.

It is well known that the main purpose of any business is to maximize profit and minimize cost. In order to achieve this goal enterprises accounting information system play a very important role. Enterprises need to be responsive to changes in the economic environment.

And especially when these changes affect the accounting information system. The usage of accounting information system in order to manage to account properly is a necessity nowadays. To succeed in today's environment companies should adopt and implement advancements in technological products. So advancement of IT becomes crucial.

The research questions are following:

- The importance of Accounting Information system
- Factors that influence the implementation of AIS

- Threats companies facing after implementation of accounting information system
- In which way AIS affects the performance of medium enterprises
- In which way AIS affects the performance of large enterprises

1.1Research methodology

Three major methods, such as book studies, analysis and design studies, were used in the research methods. Book Studies by collecting the book and journal information needed. Method of analysis by analysis of the continuous system and identification of company information.

Main strategy in the research is to examine already existing research data and through combining them reach the conclusion for the problem. In the research were reviewed the views of different specialists regarding the issue. So the qualitative method was used. Data was collected form reliable sources.

In terms of information flow that sustains organizational behaviour, all of these steps taken from the moment that an incentive is perceived until the action is undertaken (Mintzberg, 1979), but there is not enough research into how decision-making is conducted through small enterprises, focusing on decision-making processes.

Researches recognized strategic decisions as guideline shaping the future path of organizational action (Schoemaker, 1993); they identified two strategic policy-making perspectives: the rationality and the political (Gibcus et al., 2009).

Rationally, the decision making rational and knowledgeable operation in which actors know what they want precisely because they collected information carefully, developed alternatives and selected the best alternative for maximizing their usefulness.

It is a rational process that is rational. Individuals, however, have cognitive limitations and can not monitor all of their decisions, which means that "people are only limited in their intention to act rationally" (Simon, 1957).

Chapter 2. Theoretical analysis

2.1Theoretical and methodogical basis of importance of accounting information system in companies

Accounting was carried out by actual bookkeepers prior to the advent of the computer. Every financial transaction the bookkeeper made in the newspaper would register. It was not only necessary to enter the transaction in the journal but also to copy to other ledgers, for example, the general ledger of the company. This led to many mistakes based on the human factor, which are impossible to escape without well-established accounting system, especially in large organizations.

With the development of computers in the late 1950s, people started to use computers in business due to their capability of generating and analyzing a massive amount of data. Therefore, different types of accounting information systems were introduced.

The factor of the introduction of new systems changed the way companies have been managed. The new experience of using accounting information system showed that accounting information systems can contribute a lot to the process of maximizing profit in the companies.

The definition of Accounting Information System is determined by keeping, gathering, and processing of accounting data and financial data. Afterward, this collected data used in order to inform creditors, investors, and tax authorities. Accounting Information System is also used to report to these authorities. The accounting information system is mainly a computer-based system.

Accounting information system follows standards such as IFRS. The aim of an accounting information system is to collect accounting and financial data and to convert this data into useful information.

In recent decades, modern life, due to simple access to information, the use of technology for communication, overcrowding the internet, phenomena that have changed the way work is conducted, education, culture, production systems, etc., has thus been transformed. In the same way, it has an obvious impact on business life, making it systemized management of human resources (Garmendia, 2003). Informational systems are one of the most significant components in the business environment today (Almazan, Medina & Sánchez 2015). This also has the advantage to facilitate the quick travel of information across huge distances (Mueller, Gernon & Meek, 1999), that is, the integration of immediate access to information.

The information systems enable all companies ' processes to be streamlined and optimized so as to unleash the financial and accounting functions affected by events like "globalizing the economy, developing telecommunications and computer systems, new forms of organizing businesses." The accounting information system has developed in the technical aspects, the structure and the development of ICT as an integrator of the information system of companies.

There is, therefore, a migration from manual accounts with the passage of time to be in many cases systematized. The systemized accounting information system has thus acquired a significant role, being the core tool for management and the acquisition by a faster and more updated register of the economic facts of the organization. (The Holy Father, 2008).

Accordingly, the Accounting Information System is identified by other authors as a collection of data and accounting processes that provide (Medina & Aguilar 2013) users with the necessary information to orient their actions and enhance efficiency organization. We need to mention that even with the existing developments in accounting information system not all of the companies use the accounting information system to evaluate their records.

In addition, in recent decades evidence has shown the use of computer accounting systems (Medina & Aguilar 2013). The change has also reached medium enterprises. Similarly, the advances in computer systems and communication systems technology have their own impact on enterprises (Romero, 2013) to the point that they become essential to the effective management of information.

Accounting information system combines methodologies and accounting techniques. The accounting information system provides financial data for external and internal reports.

One of the advantages of an accounting information system is that it can combine data from different departments. For example from the sales department, it uses sales budget data. This information used in order to buy inventory.

When the inventory is purchased, the system can notify the accounts responsible of its new invoice An accounting system may also share new order information, so that the manufacturing, transport and customer departments know their sales.

The accounting information system also contributes to the increase in the contribution of the companies. Although the primary users of accounting information systems are large organizations, medium companies also started to use the accounting information system in order to increase their performance.

The fundamental function of accounting in businesses is to supply first-class accounting facts. The terms "exceptional" can suggest fulfillment/achievement (, or effectiveness, or consumer pleasure. whereas Gelinas et al (1990) use the term "effectiveness" accounting facts gadget as a measure of the success of statistics structures in accomplishing the said desires. Likewise, Flyn (1992) states that the effectiveness of the accounting information system is suitable to provide

management information to assist management in making choices. Delon & McLean (2003) uses the time period "fulfillment" of the statistics system to degree the output produced by the real system. Likewise, Pornpandejwittaya and Pairat (2012) use the term "success" in terms of the employer, used extensively by using one or greater satisfied users and improve the satisfaction of its overall performance.

The term "first-class" accounting statistics system proposed by way of Sacer et al (2006: 62) is used: hardware, software program, brainwave, telecommunication community, and a best facts base, as well as first-class of labor and delight of customers. primarily based on the description above, using the time period "pleasant" as a synonym for the time period "fulfillment" of Accounting statistics system is reliably, efficaciously and successfully as a company of fine accounting facts.

At the end of this paragraph, we can conclude that the role of the accounting information system in the enterprise and in particular in decision-making is very crucial. Either the company can benefit from the accounting information system or the company can fail if the system is not scheduled as standard.

2.1.2Factors affecting implementation of accounting information system

The following paragraph is about the factors that influence the implementation of accounting information system in the companies. We can say that the most important factors include: IT sophistication, organizational commitment and existence of strong managers with experience in the company who can manage accounting information system in a proper way.

Crucial factor influencing the implementation of accounting information system is IT development. In order to implement accounting information system a company

should have properly managed IT system, which is more common for large enterprises rather than medium companies.

Continuous IT development can help organizations manage businesses and therefore, careful planning is essential for IT improvement in organizations ' service and performance (Laudon and Laudon 2012).

Managers have been helped to complete their tasks with the use of information technology in management activities (Gurendrawatietal. 2015). Despite the economic downturn in 2008, companies continued to increase their IT budgets. IT expenditure in the United States has been growing by 2,3%, in Europe by 3,86% and in Asia-Pacific by 5,98% (Kanaracus, 2008).

According to Choe (2006), it is not an easy task for AIS implementers to succeed, which often leads to problems due to a variety of factors such as

- user engagement
- management support
- user formation and training
- organization workgroups

According to Chen et al., (2002), organizational commitment is the psychological bond of employees in the company that encourages employees to work hard and achieve corporate objectives. The successful implementation of AIS can be affected by Organizational Commitment by three aspects (AIS doll, 1985):

1. management support that ensures adequate funding for AIS implementation;

2. set targets and policies supporting AIS transmission

3. priority AIS development.

According to Cerullo (1980), corporate commitment has an impact on the successful implementation of AIS through

1. the determination of an AIS company's objective assemediumdiumnt,

2. the evaluation of the AIS draft objectives

3. the definition of information and processes necessary for its implementation

4. the review of the AIS program and development plans.

The organizational engagement has a bearing on the successful implementation of AIS in the formalization of AIS in a company's development (Lee and Kim 1992). The formalizing of the development of AIS has become a major problem for the limited learning experience and personal use.

The successful application of AIS in an enterprise is, according to Kaye (1990) a crucial matter and is based on the AIS conditions. These are closely related to (1) the company's environmental factors, (2) the content of AIS, such as tasks, design, technology, and employees, and (3) the AIS implementation process.

A few researchers said that the implementation of an accounting information system may be determined by means of several impartial elements which includes; sophistication of information system, proprietor dedication to information system, external IT knowledge, and stage of information system.

This phase would provide an explanation for the elements affecting the implementation of the information system as suggested inside the preceding researches. Naranjo (2004) counseled that groups design a state-of-the-art accounting information system to meet strategic dreams and decorate their overall

performance. In his studies, the design of state-of-the-art AIS measured by means of four dimensions;

- scope
- timeliness
- aggregation
- integration.

Burca (2006) observed that IT sophistication is a moderating variable that affects the connection between carrier and performance. They advocate that a firm desires due to: first, business calls for the sturdy clinical technical base; 2nd, new technologies can fast make current technology become obsolete. Estebanez (2010) studied IT adoption in medium enterprises. The take a look at discovered that medium enterprises in the service sector use IT intensively and very interested in IT sophistication.

Al-Egab and Ismail (2011) stated that is design decided by way of competitive conditions. The consequences of the research revealed a substantial and high-quality relationship among IT sophistication and AIS design. The state-of-the-art technology will provide enough amount of information for an accountant; it gives records that can be used when devoloping AIS.

The complexity of AIS requires a financial manager with experience in AIS, according to Sabherwal et al. (2006). According to Ambarriani, management knowledge in the area of AIS management significantly influences the use of management accounts schemes. Such schemes relate to the implementation of business-based management. these facts (user-related structures) determine how successful the AIS application has been. As determinants of successful AIS

implementation, Saunders and Jones (1992) identified the AIS manager and employee competence.

2.1.3Threats faced by companies after implementation of accounting information system

In the next section, we will talk about threats that the accounting information system of a company can face.

An accounting information system as an open system cannot be assured as a device this is loose from mistakes or fraud. Accurate inner control is a way for the structures to shield themselves from harmful moves. The idea of control is increasingly more essential and occupies a strategic position due to the fact the hazard to the Accounting facts gadget increases in terms of both type and intensity. In line with the growth in complexity and dependence structures at the machine, companies face improved threat for systems, which might be being developed and negotiated.

The capability for sudden events or activities that cannot endanger each the accounting and organizational records systems called threats. The examine changed into carried out through reviewing several papers regarding the eye of builders to the chance of accounting records system safety. Statistics gadget protection is any shape of mechanism that has to be completed in a gadget this is supposed to prevent the device from all threats that endanger the data security of facts and safety of gadget perpetrators

Society has progressively relied on accounting data systems, which have created progressively complex to meet the expanding require for data. In line with the increment in framework complexity and reliance on the framework, companies confront an expanded chance of the framework being arranged. Nearly every year,

more than 60% involvement a major failure in controlling the security and astuteness of computer data systems.

The causes are as takes after: data is accessible for a very expansive number of employees and data conveyed within the data arrange is troublesome to monitor; Society has progressively depended on accounting data frameworks, which have created more complex to meet the expanding require for data.

Expanded framework data threats happen since the client/server system conveys information to numerous clients, which is why the framework is more difficult to control than the most computer framework that's centralized and data is accessible to laborers who are not great.

Sometime recently presenting accounting information framework the earlier information input made numerous mistakes which were caused by erroneous information input. Incapable errand execution and utilization of paper created numerous issues. Ready to claim that all of these shortages of the earlier framework driven to the presentation of a modern bookkeeping data framework.

Threats consist of numerous styles of worker behavior which include worker ignorance, carelessness, taking different worker passwords and presenting passwords for different personnel.

Threats that can get up from statistics processing activities can come from nature, namely: water threats, land threats, and natural threats, which includes: forest fires, lightning, tornadoes, hurricanes, and so on.

Threat-1 for accounting records structures: Destruction due to natural misfortunes and Politics one of the threats confronted via groups is due to herbal and political failures, along with fires, excessive warmth, floods, earthquakes, wind storms, and conflict. Misfortunes that cannot be predicted can absolutely spoil the records

machine and reason a downfall of an organization. While a disaster takes place, all corporations are affected on the identical time.

Threat-2 of Accounting records structures: blunders in software program and malfunction of equipment. The second one to the employer is software mistakes and system malfunctions, together with hardware inconsistency, mistakes or software program malfunctions, running machine failures, electric interference and fluctuations, and undetected records transmission errors.

Threat-3 of the Accounting information system: unintended moves a third hazard to companies is unintentional moves, which include errors or deletions due to lack of knowledge or coincidence. This usually occurs due to human errors, failure to follow set up tactics, and employees who are not supervised or trained properly. customers frequently lose or misplace information, and by chance delete or alternate documents, records and packages. laptop operators and users can input wrong or unreliable enter, use the incorrect model of the program, use the incorrect statistics file, or positioned the file within the incorrect department.

Analysts and machine programmers make mistakes inside the common sense of the device, broaden structures that do not meet the desires of the organization or increase systems which might be not able to address the duties assigned.

Threat-4 of Accounting information systems: unintended moves (laptop crime) The fourth chance facing the company is intentional motion, that's typically called laptop crime. This hazard is within the shape of sabotage, the cause of that's to spoil the machine or a number of its additives. pc fraud is some other form of computer crime, with the goal of stealing precious objects such as cash, facts, or computer time/offerings. This fraud can also contain robbery, particularly robbery or improper

use of assets with the aid of personnel, observed by falsification of data to cover theft.

The quality accounting facts gadget is a great accounting information device.

Threats also include electricity failure, copying without permission, statistics battle, information theft, lower in energy voltage, pollutants, chemical results, leakage and robbery and are tormented by natural threats which include water threats, land threats and other threats which includes fires and lightning.

The danger of a computer virus is the result of the paintings of a programmer who has a malicious cause or just to fulfill the lust of programming that efficiently infiltrated the virus into a person else's laptop machine.

Viruses infiltrate the laptop system thru numerous techniques, such as 1. alternate files, for example, replica-paste from different computers that have shrunk the virus. 2. email, analyzing e-mails from unknown sources can danger contracting the virus, due to the fact the virus has been connected to an e-mail record.

Chat channels can be used as a way for viruses to enter the pc. through searching at a few aspects that pose a danger to the safety of the fitness information machine offered within the reviewed papers, numerous matters that want to be considered via the information machine manager are 1. behavior a protection danger evaluation to guard records property. 2. carry out safeguards concerning guidelines, tactics, procedures, and activities to shield records from diverse sorts of threats. three. behavior adequate safety in supporting components of confidentiality, integrity, and availability for research.

The outcomes of numerous papers review, discussion and analysis may be concluded that the best hazard to the safety of accounting records systems is the threat of hackers. some reasons for growing safety/chance issues in the accounting data

device are as follows: 1) growing the wide variety of purchaser/server structures (client/server system) manner that records is available to workers who aren't desirable. Strain on productiveness and fees makes management take time-consuming measures of control.

Chapter 3. Decision making

3.1Decision making based on accounting information system

As a very difficult system executive subsystem, information subsystem and management subsystem, the corporate information system can be divided into three subsystems. The information subsystem provides the link between executive and management subsystems and is intended for the delivery of timely information to executive and administration subsystems for decision-making purposes.

The information subsystem is shared into accounting and non-accounting information subsystems, in accordance with accounting roles and tasks. It should be noted that such subsystems do not exist as separate units, but are often integrated into overlapping areas of responsibility.

In the decision-making process, strategic management often requires diverse and concise information. Strategic management decisions are often forward-looking and therefore carry a high degree of risk with respect to the final results. Tactical management requires more in-depth and short-term information than strategic management.

Analytical data are usually required on everyday basis for the operational level of management. For the conduct of business transactions, management of the company is based on accounting information systems. A number of financial reports with diverse information are needed for Managers of all levels. These financial reports may be submitted on different occasions and organized as an active and creative system for managerial requests, in different ways and for various phases of management and decision-making. The accounting manager should review, direct and improve management information requests with proactive solutions.

This will improve the strength of AIS and facilitate the adoption of business and financial decisions. A communication necessity demonstrates the specific relation between supply function in the business function of the Executive Subsystem and the AIS.

The supply function for example, receives financial, analytical and accounting information while providing information to the AIS that processes the system and makes it readily available to the stakeholders. If communication and connectivity are high, the company will be able to deal properly with challenges and achieve the desired goals (Knežević, Stanković, & Tepavac, 2012).

Accounting information systems (AIS) are a tool which, whilst integrated into the sphere of facts and structures, are designed to help in the management and manipulate of subjects associated with business enterprise' monetary-financial place. but the increase in a generation has unfolded the opportunity of producing and the use of accounting records from a strategic perspective (El Louadi, 1998). Accounting information device (AIS) is vital to all agencies and perhaps, every organization both profit and non-profit-orientated need to preserve the AISs (Wilkinson, 2000: 3-four). however, an AIS is the whole of the related components which might be prepared to acquire statistics, uncooked facts or normal statistics and rework them into financial facts for the cause of reporting them to selection makers (LI, M., YE, L.R. 1999).

To higher recognize the time period 'Accounting facts gadget', the 3 words represent AIS could be elaborated separately. firstly, literature documented that accounting may be diagnosed into 3 components, namely data gadget, "language of enterprise" and source of monetary records (Wilkinson, 1993: 6-7). Secondly, data is a treasured records processing that offers a basis for making choices, taking action and fulfilling

legal responsibility. Sooner or later, the machine is an integrated entity, wherein the framework is focused on a hard and fast target (Watts, 1999).

Literature shows that organizational traits also have an effect on the implementation of technology (Thong, 1999). Thong protected business size, competitive surroundings, and information intensity, all of which might be critical elements that affect IT adoption in small organizations. Ismail and King (2007) examined the effect of IT adoption in small and large corporations.

The outcomes showed that there are big variations among large and small companies within the implementation of technology. Moreover, every other research (Tuanmat and Smith, 2011) observed that during converting surroundings, the marketplace will become extra competitive, and small corporations ought to put money into IT to compete in globalization environment. Thong (1999) argued that single sector organizations have different desires to process information and IT is far more likely to be adopted by people in less informationally-intensive industries than in more information-intensive sectors.

The company's strategy (consisting of price leadership and gradual differentiation) has a significant impact on the AIS layout (Al-Egab, Ismail 2011). A small company desires aggressive benefit by means of adopting a price management approach to realize whether the functions are applicable to the organization or IT group to keep away from inconsistency in the subsequent commercial enterprise technique. but, just like price management strategy, the innovation differentiation strategy can best be planned and carried out effectively through sophisticated AIS design. Levy et al. (2011) said that to acquire the performance, medium companies want an IT method that is aligned to their business strategy. Alignment among IT method and commercial enterprise strategy will help their operation and transaction. companies with more state-of-the-art IT tend to perform their commercial enterprise much less

successfully than people with less complex systems. The efficiency might be completed if the companies have maximum alignment and correct performance. Tuanmat and Smith (2011) used the method as a determinant thing that affects medium companies overall performance.

In an uncertain environment, where markets grow to be more competitive, companies need to adopt strategies and remember funding in IT to cope with a selection of customers. Agencies should exchange their approach to house the alternate in environmental factors. The achievement in matching the strategy with the surroundings can decorate a business enterprise's performance.

3.2The role of financial statements in decision making process

The function of financial statements is to provide information about the company's performance, its financing position and financial changes for a broad range of users/stakeholders. Financial statements also provide valuable information on the management's ability to use the resources entrusted to them by its owners. Information for stakeholders is intended to provide the information for which financial statements are intended to be presented in the recognizable form with understandable content.

• Efficient use of resources and their adoption in the interests of the company. On this basis, it can be determined whether the company can use its resources efficiently and produce cash and cash equivalents in the coming period.

• Company financial structure that allows for predictable financing sources and labilization for owners, creditors, suppliers, and others.

• Company financial structure

• Company liquidity and solvability–the ability to meet maturity obligations when liquidity is related to short-term liquidity and long-term solvency liability.

Income statement–shows for a certain period the company's revenues, expenses, and financial results. The financial result is a business success indicator that is normally defined as the ability to meet certain targets.

Profitability is the most common goal. Cash Flow Statement–shows cash sources and expenditure; all cash inflows and outflows, and net cash changes resulting from operations, finances, and investment. This statement gives practical picture of the financial health of the company in cooperation with other financial statements.

Retained income statement–shows the structure of equity and any changes occurring in equity over the accounting period. The income or profit retained forms part of the capital of the company. Increased net profit and declined the amount of net loss and paid dividends are the retained earnings.

All of the financial statements mentioned above are interrelated because they reflect various aspects of the same transactions. Only comparative reading and analysis of data and information from all financial statements can achieve a full photo of the financial position and business prosperity of the company. We can say complete and reliable for this kind of information (Djogoć, 2009).

3.3The process of decision making

Decision-making is a significant component in organizational management, and decision-making development is designed as a brain and nerve center of the organization, according to Franklin and Krieger (2011). Decisions are defined as a process through which the nature of a need, issue or chance is defined, alternative solutions generated, evaluated and ultimately selected from the alternatives available.

In the same way, the decision-making process can be defined in three ways for Herrera (2008); first, as choosing one single alternative to the set of decision-making options, according to a decision-maker's rational optics, second, the elimination process of alternatives with the exception of that considered to better meet the goals.

The decision-making concept is linked to the selection of an alternative for Kinicki and Kreitner (2005), Robbins (2009), and Franklin and Krieger (2011).

Decision-making is a reality each day and is influenced in many ways by the multiple choices for the same situation to be analyzed against. It is important for entrepreneurs to incorporate immediate access information, with immediate results improving decisions. There is a lack of information online for those who have to make decisions (Quirós, 2012).

The manager is committed to taking decisions in real time on countless questions, such as planning, implementation, results monitoring and assesmediumnt, which are usual measurable in terms of aspects. In this context Kinicki and Kreitner (2005) identify decision-making to the point where alternative solutions that lead to the wished state of affairs are identified and chosen. It is one of the managers ' principal responsibilities and its quality is very important in order to obtain the organization's good position.

The management administrative support sub-system used for management decision-making is considered within the information systems that support the decision process for the O'Brien & Marakas 2006 classification process. Since the accounting is proven to be an information system whose objective is to provide financial information to the management of financial statements, it enables third parties and both external and internal users to make decisions.

As a basic information source for decision-making in enterprises, accounting has been established (Sinisterra, Polanco & Henao, 2011). Also, accounting is a control tool and is used for decision-making purposes to make financial statements and determine the utility that a company would be able to provide in each term. (Saint-Jacques, 2013). It aims also to report on the activities of the company, which have been analyzed and interpreted, allowing planning, monitoring and decision making. (Friedrichsburg, Germany).

In the revised publication, the accounting information system plays an important role In the context of effective management decisions in the controlling organization the accounting systems are an important mechanism of an organization (Zimmerman, 1995). The AIS is generally divided into two categories: a: effective decision-making for information mainly intended for organizational control; and b: the facilitation of information primarily used in decision-making in the co-ordinatingof organizations (Kern, 1992).

In the future course of business, becoming the constant support of decision-making in a scenario in which the predominant tendency is the world-wide globalization of accounting. The hypothesis raised by the research is therefore the positive contribution to better decision-making by the use of information from the accounting information system.

The IFRS requires specialized information in its application and developed AIS because of the wide range of aspects and various factors that cause problems and financial expenses for many small businesses. The market for software is developed worldwide. Companies in every country develop their AIS or become a partner of globally renowned software producers in accordance with their legal regulations.

Among them is SAP. In each country in which it operates, SAP solutions are developed to support the specifications. This combines universal knowledge with business practices and all local needs optimally. SAP solutions are designed from step one in order to support international corporations operating around the globe in various local markets, wishing to achieve a consolidated result, control of all sectors and integrated business processes across all countries. SAP recognized and incorporated in its system elements relevant to local solutions (e.g. business language, common law, and standard practice).

Whether a company uses local AIS or buys its AIS abroad, it must ensure its comply with all local accounting law requirements, local and international standards, where applicable, and other tax rules. They must comply with local accounts law.

Each AIS must also comply with language and local currency issues. All this must also be taken into account by AIS designers to develop a system supports decision-makers.

Investment decisions are of invaluable value, as AIS generates information to share holders and stakeholders. In order to evaluate the past performances of the enterpri se and plan for the future financial managers need the financial and accounting dat a provided by AIS.

Although past research has shown that more effort in the use of AIS corresponds w ith better financial and economic outcomes ; the researcher is aware, as aligned wit h organizational performance and the long-
term strategy, that other complementary variables obtained from the results are als o combined.

This means that, while in a short term the allocation of resources in the AIS might decrease performance and this factor may be an entry barrier for investments in this

type of technique in crisis times, a well defined strategic approach in favor of investing and enhancing its use requires management support and well-trained staff. The relationship between investment in AIS and certain changes in the productive organization of companies must therefore be analyzed.

Management decisions: functional decisions taken at the middle management level to achieve the optimized performance of the various functional activities within th e organization, for example production, marketing and finance, etc.

Operational decisions: relate to the internal material distribution and to the transformation into work and short term tasks of objectives and plans. This relates mainly to routine operations. The executive departments take such decisions.

The information is believed to be the material of an administrative decision. Where raw materials are required in the production process, data and information available to them is the material required by human beings in administrative decisions.

The success of the decision is dependent upon the validity and accuracy of this material and how it is organized, stored and transported in the position it needs. It is observed that the safety and decision-making success depend primarily on the exactness and effectiveness of the communication system which transfers data and information to policy positions, and also on the distance between information centers and policy positions, i.e. the shorter the distance, the more efficient is the decision-making process.

Boockhodt (1999) defines compliance-based information systems in order to provide information for score-keeping, attention-direction and decision-making purposes as systems which operate as functions in the International Journal for Management and Social-Sciences Research, gathering, processing and categorizing events. The role of accounting information is crucial in the management of an

organization and the implementation of an internal control system. The fitting of accounting information into organizational needs for information communication and control is a key issue in accounting and management decision making (Nicolaou, 2000).

AIS design is critical for a number of factors. Whether tacit or formalized, organizational memory can be consistently coded, but information can not always be readily available. The focus of organizations on formal routines varies. Definitional objectives and feedback are strongly dependent on the environment in which the company operates.

Companies in uncertain environments confront challenges in implementing AIS designed to support reused corporate learning. In order to promote learning, organizations need to adapt the AIS. in order to increase environmental insecurity (Ouchi, 1977).

This kind of information must be characterized by the following qualitative properties because of the increase of accounting information provided to various users of this type of information in order to streamline their administrative decisions: (Ahmad, 2006)

1. Suitable information to control what has been implemented compared to what was planned.

2. Sufficient information for evaluating decisions.

3. Sufficient information for developing decisions.

4. It should be relevant, so that different decisions can be influenced.

5. Ability to predict the future and make suitable decisions based on it for decision makers.

6. Provide management with timely information. Information.

7. To be both valid, trustworthy and trustworthy.

8. Far from prejudice and neutral.

9. Increasing the cost of its advantages. Ten. For its users to be understandable and clear.

The significant of accounting information systems in that they exist within the facility, and control all their activities (Marshal & Paul, 2006, p4) (George & Hoffer, 2001, p279).

Type of accounting information related to administrative decisions

Information type	Decision type	Beneficiary	Information source	Complexity level	Clearance Level	Time	Use
Strategic information	Strategic Decision	Senior management	External and internal environment	Complex	few	Future	Strategic Planning Formulation and implementation of strategies
Tactical information	Tactical decision	Middle management	The organizational environment in the first degree	Less complex	Relatively clear	Present + Future	Planning functional activities, Administrative control
Operational information	Operational decision	management in the first line	internal environment	Not complex	Clear	Present	Implementation of scheduled operations

Source: Arab Society complex, 2001(4): 347

1. Examples of accounting information use in the field of administrative decisions: (Vaassen, 2002.)

a) Resources allocation use:

The accounting system provides different information that will help the policymak er identify available resources and potential uses and make a comparison between t he alternatives available to optimize the allocation of the resources.

b) Manufacturing or procurement decision:

This is a key non-routine decision, which requires management attention and an intelligent balance of the advantages and disadvantages of every alternative, since the decision can not quickly be based solely on comparison of alternatives ' costs. These decisions are connected to the facility's long-term strategies.

c) Addition or disposal decision of one of the production lines:

This decision raises the problem in industrial multi-production facilities which depend on various specialized production lines. In such systems, management faces the problem of alternatives requiring short-term comparative study and decision-making because of changes in the productive circumstances and competitive market conditions.

d) Pricing decisions:

In addition to the pricing conditions of the product market, the size of the product i nstallation demand, consumer trends, supplier policies, and the formal laws and leg islation concerning taxes and product fees, the pricing decision requires that financ ial information be made available.

The implementation of AIS / ERP systems is a complicated and successful process with many factors. Understanding the MAC, data quality and the impact of human factors on the implementation of AIS / ERP would help organisations, practitioners and organizations to manage this complex process, while ensuring resources are used in the right places, which would lead to better results. Practitioners in the field often

feel compelled to implement the AIS / ERP system with less resources and time that contribute to a high failure rate.

Finally, the accountable information system (AIS), which helps to improve the value chain, provides different resources, and optimally allocates the funds in different risk circumstances, plays a vital role in organizations.

In order to maintain the qualitative features of accounting information, effective internal controls are also required. The function of internal monitoring procedures is to ensure that accounting reports are reliable, that asset is secured, that accounting transactions become more effective, that fraud is prevented and that accounting data is prepared promptly.

In order to improve supply chain administration and other functions in different areas the AIS plays an important role in improved financial report quality. Most retail companies in the world today's success depends on their effectiveness in managing the supply chain. Moreover, most companies are building more networks and virtual relationships in strategic alliances. Therefore, the entire supply chain management process includes raw material management until the end users are reached.

3.4Financial and non-financial information

The consequences of preceding studies advise that AIS can have an effect on organizational performance. Soudani, (2012) who conducted a look at in Dubai, observed that AIS affects economic overall performance. The have a look at accumulated the facts via questionnaire from 74 corporations as consistent with listed agencies at Dubai economic market (DFM) that is a subset of one of the 40 ministries and independent agencies led with the aid of the federal authorities of United Arab Emirates.

economic overall performance numerous studies used economic measurements to demonstrate the effectiveness of IT implementation for organizational overall performance. one of the studies the use of monetary performance as the measurement is Soudani (2012) who used ROA, ROE, debt in capital shape, left over, variable fee, and uncooked-fabric to degree firm overall performance. In Malaysia, Ismail and King (2005; 2006) used long term profitability, availability of monetary assets, and income growth to measure the financial performance of a company. Boulianne (2007) said that commercial enterprise unit performance is represented with the aid of 3 indicators: go back on belongings, net income margin, and sales growth. Burca et al., (2006) used ROI and earnings before tax to measure the financial overall performance of a firm.

Non-economic performance measurement is more suitable than monetary performance. This phase will explain research that uses non-financial dimension in MEDIUMs performance. in step with Miller (1992), Bledsoe (1997), Abernethy and Lilis (1995), and Choe (2002) non-monetary overall performance gives diverse strategic blessings consisting of satisfactory development and shortens time wasted in transport. Tuanmat and Smith (2011) used non-monetary performance to measure organizational final results consisting of product availability, product pleasant, and sales provider and aid. Sousa et al. (2006) used productiveness, purchaser delight, and client requirement to measure firms' performance. in addition, Isobe et al. (2008) showed long term performance indicators together with new product and technological improvements.

It is known, however, that no single performance measurement could fully address all aspects of firm performance. Furthermore, while firm performance has been evaluated using a variety of measures, there is no universal guidance on the appropriate choice. Researchers objectively and/or subjectively measure

performance where objective measurements are based on profit and financial data, and subjective measurements are based on managerial assesmediumnts. On the other hand, some of the researchers used both of the methods to determine firm performance, which improves their conclusions ' reliability. The Financial Reporting Standards (FRS's) and Standard Practice Statements (SSAP's) addressed accounting standards and suggested guidelines covering a considerable variety of accounting issues. For example, public companies are required to disclose several figures in their financial statements, such as the statement of the chairman; report of directors; account of profit and loss; balance sheet; statement of cash flow; notes to the accounts; and report of auditors. Furthermore, analysts use a known technique to analyze the data taken from.

The main purposes of ratio analysis can be summarized as determining the company's performance, determining its financial strength, and using it for comparative purposes. Researchers, therefore, use profitability ratios and/or financial ratios by applying ratio analysis.

3.5 Parties affected by decision making of a company

Company necessarily operate in an environment the place it interacts with quantity of activity events and influential forces, which can be said with the aid of one identify – the stakeholders. Internal and exterior stakeholders are individual or organizations within and backyard of the business enterprise that have an interest, claim or stake in the company and are very fascinated in the commercial enterprise overall performance and operating effects of the company.

Internal stakeholders are: managers, shareholders and staff. This group of stakeholders expect their personal expectations to be fulfilled by investing their

resources in the company (capital, skills, knowledge, time). Capital owners – shareholders expect their invested funds to return adequately. They are interested in information that provides insight into the operations of the company and the security of the investment. Shareholders are also interested in the amount of profit, earnings per share or the divisive amount, the ability of the manager to run a company successfully, etc.

Based on that information, shareholders in particular companies decide to maintain, increase or decrease their capital. By contributing their knowledge, skills and time to the company, management expects to achieve excellent returns on the investment of the company, demonstrated by high profit, high return on equity ratio, high return on assets ratio, etc.

Employees assists to the company by providing the important human resources and skills, and expect reasonable compensation, good working conditions from the company so that they are interested in information about their compensation and job security .

Customers, suppliers, media, labor unions, financial institutions, competition organizations, governmental institutions and organizations are external stakeholders. External stakeholders influence the activities of the company in various respects, according to their role, place and importance during the input, transformation and output process.

Customers buying the product or service of the company expect it to meet their requirements and requirements. The quality of the product or service and continuity of supply are of interest to them. Suppliers supply necessary raw materials for the manufacturing process. The availability of raw materials and their procurement conditions are very important and very often important

Accessibility of raw materials and conditions are extremely important for their procurement and are very often crucial to achieving the overall objective of the company. Other ways to provide resoruces should be analysed apart from the negotiating power of suppliers.

Adequate analyzes of alternatives: purchase against product, purchase versus rent, foreign market orientation, strategic business partnerships, etc. For example. Suppliers are interested in liquidity and overall solvency of the Company in deciding whether they cooperate with the particular company. Competitioner–as the company operates in a constantly threatening environment

Further, new competition must not be overlooked by the company. Government and public bodies are one of the most important external players who influence and limit businesses through laws, decrees and regulations. State may most directly participate in activities of public interest (post, telephone, rail, electricity, water, forestry, transportation, etc.) between companies and organisations.

In some cases, companies or organizations mentioned above are nationalized by government or are regulated by law; in decision making, government has the right to vote by majority vote.

Financial institutions–As businesses depend on capital markets, the network of commercial banks and investment banks, insurance corporations and other financial institutions must be examined. On the other hand, in order to authorize funds, these financial institutions need information about the solvency and liquidity of the company.

The management of the company has a duty to interpret accounting information due to different interest groups or stakeholders and completes it with different non-financial indicators if necessary (Djogic, 2009). Information necessary for decision-

making management can be obtained from different sources and is usually classified by domestic sources (accounting records) and external sources of data (statistical offices or agencies; trade associations, etc.). In the company's management information system, the data is processed regardless of which source it is obtained.

The company's organized management information system must be able to answer at any time what information is necessary, when it is needed, who needs it, where it is needed and why it is necessary and how much it costs. The most important component of the information management system is financial data processing–the accounting system. Normally, four basic subsystems include the accounting information system:

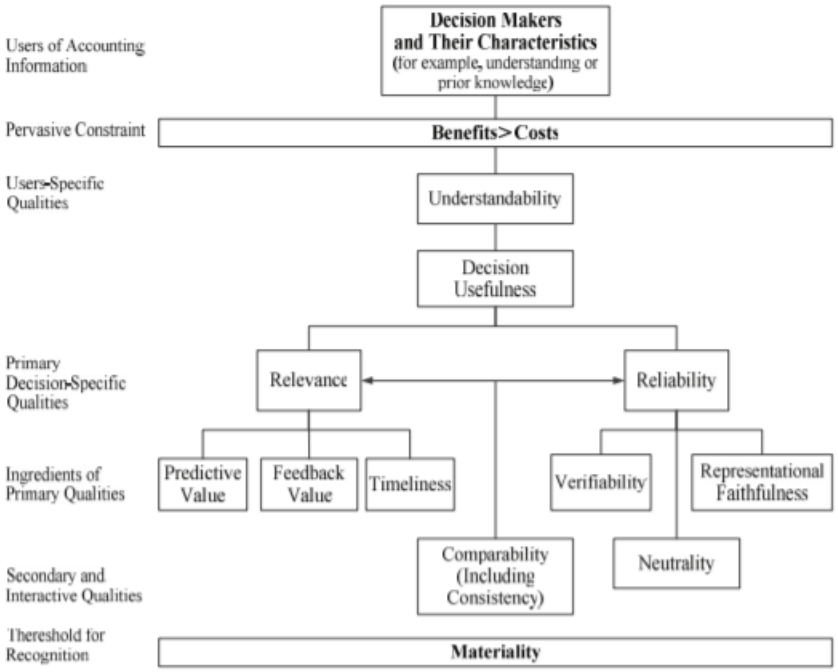
• Daily business transaction recording sub-system with an emphasis on routine decision-making.

• General leader subsystem and financial reporting which produces traditional financial accounts, such as the balance sheet, income statement, cash flow report and other statutory reporting.

• Fixed asset and capital investment subsystem processing fixed asset transactions.

• Subsystem related to the preparation of reports for various management levels.

The above can be concluded by stating that the accounting information system supports the various levels of management in their decision-making processes and in their daily performance (Djogić, 2009). The computerized system usually included four applications, in contemporary conditions: data collection, data processing, data base management and data creation (Hali, 1995). The system is compatible with computer-based information system.



Some scientists (i.e. Masa'deh, Tayeh, Al Jarrah & Tarhini, 2015) have argued that the business community has had an important concern because the accounting information system (AIS) has become an issue (Abbasi et al., 2015 ; Masa'deh, 2013 ; Shannak et al., 2012), which helps companies not only to identify potential benefits of IT investments, but also to improve businesses (Alkalha et al., 2012 ; Altamony et al., 2012).

Huber (1990) on accounting data frameworks and administration choice- making opines that in overseeing an organization and actualizing an inside control framework the part of bookkeeping data framework (AIS) is vital. He addressed the fit of AIS with organizational necessities for data communication and control and concluded that in spite of the fact that the data produced from a bookkeeping data framework can be compelling in decision-making handle, buy and establishment, the utilization of such a framework is useful when the benefits surpass its costs.

Hunton, (2002) examined the relationship between mechanized bookkeeping data framework and organizational adequacy. He appeared that there was a solid

relationship between the bookkeeping data framework and organizational viability. To compare Bookkeeping Data Framework Chang, Y. W. (2001) examined the nexus between organizational methodologies and execution. They found out that organizations methodically change the AIS plan to bolster their chosen procedure, recognizing that AIS has the potential to encourage technique administration and improve organizational execution (Chang, 2001).

So before taking any important decision in a company managers should consider all the parties that will be affected by the decision.

3.6Decision making in medium companies

Medium enterprises play a very important role in job creation. They make an enormous contribution to the economic growth of the countries (especially developing ones). In Azerbaijan, medium companies have a big share in the economy of the country. Medium companies are also very important due to the social-economic development of Azerbaijan. Medium enterprises also get subsidies from the government. Because these companies are considered to be a strong vehicle In order to solve the problem of unemployment.

Studies also conclude that (Mariotte and Mariotte 2000) the usage of computers is not maximized in medium enterprises. This factor also creates deficiencies in the preparation of financial reports. Research in information systems is well aware that the use of AIS does not affect the performance of medium-sized enterprises immediately. In order to achieve its intended objectives, the AIS must be used and exploited. Thus it is important to determine the current use of the existing accounting information system by medium-sized companies before moving towards adopting sophisticated and advanced AIS. With this in mind, it was noted that the use of accounting information may be related to small and medium-sized enterprises '

success or failure. Media companies must be kept up-to-date, accurate and timely by their owners and managers to survive.

In the business world the role of accounting systems increased. First of all, this is dictated by the need to develop business efficiency.

The AIS is interdisciplinary in nature with the apparence of integration in the area of accounting and information systems (IS). Pathak, (2004), and Salehi, Rostami, and the Mogadam (2010) have shown Lallo, Selamat (2013, 2014) and Saira are supporting this opinion. The authors investigated that AISs have been perceived as a means of providing financial information to the organization (Mia, 1993). There were some pieces of evidence of that in medium enterprises financial accounting stayed as the primary source of financial information for managers of the companies.

The study also reveals that medium enterprises still stay with fruitless information management system. The system of control of information is also deficient. Decision making in such companies is not based on an accounting information system but rather is ad hoc. Early literature above show that this situation could be determined to the initial objectives of Information Technology adoption. The accounting system original role of replacing manual accounting process has prevented further usage and exploration on the system benefits.

Medium companies can not employ large accounting firms in order to obtain advice from accounting consultants to verify their items in the basic accounts or in management reports. In particular Gottschalk (2006) highlighted the importance of an information system's value architecture and new methods of generating value for the business which need to be implemented in information systems. Gottschalk (2006) particularly focused on ebusiness and the database to be provided by the information systems.

Small and medium companies should understand that they should use the accounting information system rather than manually inputting accounting data if they want to survive and stay competitive.

We have said that small and medium businesses can not afford accounting information system because it is very costly but on the other hand it will be even more costly to hire consulting firms to get advice and close their books. All companies need accurate reliable financial information in order to stay in the business.

The accounting information system is mostly in charge of checking, controlling and verifying the financial condition of the companies. The accounting information system is also obliged for the arrangement of documents needful for tax purposes. The accounting information system also supplies information to support organizational functions like marketing, production, human resources and etc. Without proper accounting information system, it will be very complicated for medium enterprises to determine the actual performance and to recognize the suppliers and customers. Forecast of future performance of the organization is also will be problematic.

According to James Thong's studies(1999) size of the business is the most determining factor when companies choose the accounting information system. His studies researched variables based on which companies make their decisions, but he did not mention any accounting software companies were using.

Small and medium businesses can choose from a variety of AIS software packages that meet the needs of many diverse industries, but entrepreneurs usually don't have the time to research all the options. Research provides the small business owner a look at what Small Business HOW ENTREPRENEURS CHOOSE AND USE

Accounting Information Systems It isn't what you think. BY L INDA A. B RESSLER, CIA, AND MARTIN S. B RESSLER June 2006 I STRATEGIC FINANCE 57 AIS software their counterparts use—and why. After all, entrepreneurs often only have salespeople from the various software companies giving them advice on what software to buy, according to the "Entrepreneur's Guide to Software" by C.J. Goldberg.

Some scholars have argued that medium companies can adapt quickly to environmental changes, using their flexibility in decision-making and their dense network of relationships (Broccardo, 2014). The rational model has traditionally been challenged in the literature as a foundation for the solution of a social problem (Argyris 1971, 1973), because it tends to enhance the status quo and produces organizational systems in which managers experience reduced mobile freedom, denying the process of social learning to accompany the problem solved by organization (Lindblom and Cohen 1979).

In this area, researchers focused primarily on every step taken from the time a stimulus is perceived until the action has been undertaken (Mintzberg 1979). These studies focused mainly on large companies. Little research has shown how small companies traditionally characterized by unstructured decision-making processes take decision making.

In the course of strategic information making processes, Daft and Huber (1987) provided proofs of the role of accounting information systems in assisting managers to reduce ambiguity in strategic issues through sharing views and interpretations from different organizational actors (Sutcliffe, 2001).

The literary review of the role of accounting information systems in strategic sensing shows that it is not enough to focus solely on accounting data. Instead, the

information processes must be considered (Macintosh and Scapens, 1990; DeLone and McLean, 1992; Heidmann et al., 2008).

According to Tillmann and Goddard (2008) there is still an unexplanated accounting document which described sensemaking as an instrument for ordering and interpreting organizational actors ' experiences, even though it has been discussed in several organisation's studies (Boland and Pondy, 1983). Accounting should not necessarily be accurate in this respect; it should rather promote cognition and commitment to the organisation's ordering process (Swieringa and Weick. 1987).

We suggest that the way accounting information systems can be interpreted might assist the analysis of medium companies ' decision-making processes. In particular, we believe that in these companies, the way in which accounting information systems can support the flow of decision-making processes acts as a tool to interpret what is done and how it is built socially. In this perspective, we view the accounting information system as a tool for sensitizing medium business decision making.

The sensorial process in medium businesses and the use of accounting information systems as tools for sensorial processing remain unexplored to our best knowledge. We therefore analyze the sensorial processes in a small company which we have studied over time.

Looking at the flow of information that sustains corporate conduct, decision-making research focuses on all of the steps taken, from the time the action is stimulated to the moment the commitment is made to action (Mintzberg, 1979), but there is too little investigation into decision-making processes by small firms.

Researchers recognized strategic decisions as guidelines that shape organizational future course of action (Schoemaker 1993) and identified two strategic decision-making perspectives: a rational and political perspective (Gibcus et al., 2009).

From a rational perspective, the decision-making process is rational, where players know exactly what they want, as information was collected attentively, alternatives were developed and the best option was selected to maximize its usefulness (March and Simon, 1958; Allison, 1971).

However, people have cognitive constraints and can not monitor all effects of their choices, which means "people only want to act rationally but only limitedly" (Simon, 1957). Politically, multiple actors with conflicting goals are considered entry into the decision-making arena, where individuals tend to form coalitions that take care of their own interests (Eisenhardt and Zbaracki, 1992; Schoemaker, 1993).

However, the outcome of the previous perspectives focused on decision making processes in large firms, since the entrepreneur's decision- making processes can be less rational and less rational (Rice and Hamilton, 1979 ; Brouthers et al., 1998 ; Byers and Slack, 2001). In medium firms, political spaces could be less important because the entrepreneur decides in individual cases.

Secondly, the context of medium companies is considered to be more dynamic and complex than that of large companies. That is why smaller firms, whilst developing decision-making routines, often act out opportunism and enterprise insights more suitable to face dynamism and complexity than rationality (Fredrickson, 1984; Fredrickson and Mitchell, 1984; Gartner et al., 1992; Busenitz and Barney, 1997; Forbes, 1999). Finally, entrepreneurs differ from managers of large firms in their perception and thinking on risk. They tend to become easier to generalize from limited experience and are often over-assured of success (Brouthers et al. 1998; Mador, 2000; Gibcus et al. 2009).

When research into decision-making methods considered the peculiarities of the information flow, it categorized these processes as distinctive in terms of decisions

that are operative, administrative and strategic (Mintzberg 1978). Working choices are taken quite routinely by operators or low-echelon support staff operating individually in processes which are typically programmed and carried out fast and nearly automatic.

These processes clearly define recognition, have little diagnosis, and have pre-determined all phases of decision-making. Coordinative or exceptional administrative decisions may be considered.

The operating decisions are coordinated and guided by coordinating decisions. Many decisions, including planning, scheduling and budgeting decisions, are taken in the administrative sphere of the regulated system.

Typical for these decision-making processes are routineized, made on schedules and sometimes rather programmed, but not typically so. Exception choices are ad hoc, but they have small overall effects. Their programming is less than in the first two types of decision-making.

As such, their diagnostic, search and selection steps are typically more complex than those for operation and many coordinating decisions. They involve a distinct recognition step. Strategic decisions also constitute exceptions, although their impact on the organization is significant by definition. Strategic decisions, which typically take years and involve many members of the organization, are least routinely and programmed in all decision-making processes. An environmental change, as when a new technical system is being developed, could evoke a strategic decision.

Despite these findings, the important issue of how decision-making processes are flowing in smaller companies was too little research. There is still a need to

understand better how decision making in medium companies works and differentiates between operational, administrative and strategic decisions.

While traditional approaches to decision-making, tailored to large enterprises, do not fit in well with the specific features of medium enterprise decision-making processes, we suggest that smaller companies can be seen to be socially built, in which all organizational actors are strictly integrated with values and action. Organizational actors interpret the real world from this point of view and are influenced by past experiences and values (Leotta et al. 2017).

They try to make sense of it when something happens. The way organizational activities are interpreted and the nature of the social world is widely defined as the process of making sensemaking process(Weick, 1995, 2001).

Weick (1995, 2001) maintained that organizations interact with their environment in a continuous stream of experience. His view began with interactions and the actors moved towards their subsequent understanding. They create the raw data of their experience through interaction.

At first, these acts are wrong and need to be meaningful. They don't present the environment as objective, but are created by it through the ongoing process of implementation or its stream of experience. Sense makers do not know what they did before they did it and can impose a structure on their wrong acts in a retrospective manner.

Researchers agree that sensorisation is caused by organizational interference (Weick 1995, 2001; Fiebig and Kramer, 1998; Weick and Sutcliffe, 2001; Dougherty and Drumheller, 2006). In several organisation's studies, sensemaking has been discussed, but in accounts it is still unknown.

It should in particular promote cognition and commitment associated with organisation's ordering (Boland & Pondy, 1983; Swieringa and Weick, 1987; Tillmann & Goddard, 2008; Nouri & Kafeshani, 2014) by assuming accounting as a way for organizational actors to arrange and interpret experiences.

Studies proved that there is a notable improvement in the performance of companies, which started to use accounting information systems. Accounting information system allows to properly keep financial data and to make accest to this data easier. Also accounting information system allows to update procedures. Staretegic decision making also changed with implementation of accounting information system.

3.7Decision making in large companies

The studies of accounting information system begin with the recognition that information is a business resource like other business resources of raw material capital and labor. Information is vital to survival of the contemporary business. Every business day vast quantity of information flow to decision makers and other users to meet variety of internal needs. (Hall James, 1998).

The value of information is determined by its reliability. The purpose of information is to lead users to a desired action. For this to happen must possess certain attributes relevance, accuracy, completeness, and summarization and time lines.

The basic purpose of accounting is to provide information to decision makers.

Accounting Information System in decision making is mostly used by large companies, which have possibility of meeting the costs of well-developed accounting information system.

Studies show that large enterprises are more likely to use the accounting information system rather than small and medium enterprises. While many researchers agree that accounting information system will help to develop the performance of medium enterprises very much.

The study also analyzes the relationship between the usage of the accounting information system and the performance of enterprises. Although there are not so many studies regarding this issue existing studies proved the positive effect of accounting information system on the performance of companies.

Large companies are more likely to use the accounting information system in their day to day operations. It is explained by the fact that most large companies generate more revenue and are able to cover the costs of the accounting information system.

We need to acknowledge that large organizations also have bigger problems in measuring performance. And well established accounting information system would be beneficial in large organizations as an additional tool to solve these problems.

The appropriate design of AIS supports business strategies in ways that increase organizational performance (Chenhall, 2003). Expanding AIS investment will be the use for accomplishing a more grounded, more adaptable corporate culture to confront diligent changes within the environment. Advancement is the motivating force with which an ethical circle will be put input, driving to superior firm performance and a lessening within the budgetary and organizational impediments, whereas making it conceivable to get to capital markets. AIS are frameworks utilized to record the money related exchanges of commerce or organization. AIS combines the strategies, controls and bookkeeping strategies with the innovation of the IT industry to track exchanges, give inner announcing information, outside announcing

information, budgetary articulations, and drift examination capabilities to influence on organizational execution (GUL, F.A. 1991).

In managing an organization and implementing an inner control framework the effect of bookkeeping data framework (AIS) is pivotal. A vital address within the field of bookkeeping and administration decision-making concerns the fit of AIS with organizational prerequisites for data communication and control (Nicolaou, 2000). Benefits of bookkeeping data framework can be assessed by its impacts on the enhancement of decision-making prepare, quality of bookkeeping data, execution assesmediumnt, inside controls and encouraging company's exchanges (Bolon, 1998).

The role of the Accounting Information System (AIS) is crucial in the management and implementation of an internal control system. The adaptation of AIS to organisation's requirements for information communication and control is an important matter for the accounting and management decision-making sector. While it can be effectively used to make decision, purchasing, installation and use of the information generated by an accounting information system is beneficial if their benefits go beyond their costs. Huber, (1990) agrees that automated AIS supports organizational decision-making.

Existing literature does not give any indication of the relationship between AIS and MAIS. AIS is seen as important organisational mechanisms critical to decision-making and control effectiveness in organizations (Oguntimehin, 2001). The AIS system has changed its capture, processing, storage and distribution of information, as one of the most critical systems within the company. In the field of accounting information systems (Oguntimehin, 2001), more and more digital and online information is being used today.

Management works with various types of activities requiring excellent quality and reliable data. Quality information is one of the organization's competitive advantages. The quality of the information provided is essential for the success of the systems in an accountable information system (Mondy, 1990).

AIS information quality is very necessary for management (Mondy 1990). AIS information is very important. Business organizations are often supportive of management decisions with their accounting information systems. The financial analysis of company accountants usually includes support. The accounting information system of the company is often analyzed.

This system can electronically process large volumes of records for owners and ma nagers using business technology (Mondy, 1990).

Management compares current performance information with budgets, forecasts, periods, or other references in order to measure the extent to which objectives and targets are achieved and to identify unexpected outcomes or unusual conditions requiring follow-up.

As managers primarily identify financial and compliance risks for their businesses, they have a shared responsibility for the design, implementation and surveillance of their internal control system. Internal checks typically center around the company's accounting system, the primary function of which is to move financial data via a company. Internal controls therefore help managers monitor their accounting operations and measure their performance efficiency (Ponemon & Nagoda, 1990).

Performance management plays an important role in improving an organization's overall value (Armstrong and Baron, 1998). The most important formal information sources in industrial organizations are frequently accounting systems.

They are designed to provide management at all levels with information on performance management that is timely and fairly accurate, and to help them make decisions that meet their organization's objectives (Anthony G, 2006). One of the leading buildings in the field of management research is organizational performance (Ponemon & Nagoda, 1990).

Hitt, Hoskisson, Johnson, and Moesel (1996) argue that the management of large companies, especially diversified companies, is linked to two types of significant internal controls, and that these have an important role to play in corporate innovation; strategic and financial controls. Strategic controls include the use of criteria for the assesmediumnt of actions and performance at business level that are long-term and strategically relevant. Subjective, sometimes intuitive, evaluation criteria are highlighted largely by strategy controls (Gupta, 1987). The use of strategic controls requires a deep understanding of operations and markets by corporate managers.

Such controls also require a comprehensive exchange of information between busi ness and business managers (Hoskisson, Hitt & Ireland, 1994).

Therefore, a strong internal controls would influence AIS and organizational performance relationship. Accordingly, the contingency of AIS, management and business efficiency is analyzed using accounting data, decision making, and internal control. The analysis is based on the previous argument Salih (1983) assessed the Ethiopian Airline's, Nairobi branch's internal controls and concluded that the branch office's greatest weakness was the failure for accounting segregation and custodial functions.

He argued that the centralization of cash receipts, internal audits, separate purchasi ng duties, and a permanent inventory of tickets should be established.

In order that quality accounting information is produced on a timely basis and communicated to decision-makers, accounting information systems are critical. Even though different kinds of AIS are present, all of them have a common feature– to meet the accounting information needs of organizations as effectively as possible. Although existing literature shows the links between AIS and organizational efficacy, an in-depth study is needed to examine other factors that may influence this relation.

Conclusion

We came to the conclusion that accounting information system as a factor influencing decision making is mostly used in large organizations rather than medium companies. Though medium companies should consider implementing

accounting information system into their decision making process. Before implementation, accounting information system a company must expand its IT development in order to prevent failures discussed in the research. Company should have strong management with experience of using accounting information system.

Suggestions:

1. Accounting units should take full advantage of associated computer-based information to ensure that the relevant financial reports are clear to understandable and reliable in the shortest possible time possible for the information needs of each authorized segment.
2. The role of the accounting information system as a major tool for decision-making and planning should be taken very closely in understanding financial dimensions of development.
3. Management should improve its knowledge of financial analysis and accounting information systems.
4. Management should evaluate accounting policies used in a company in the time table and revise them to include more useful accounting information systems when necessary in accordance with the principal and standard.

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