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EFFECTIVENESS OF ACCOUNTING INFORMATION SYSTEM IN ENHANCING FINANCIAL PERFORMANCE OF FIRMS

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ABSTRACT

In the modern world, accounting information systems are an essential instrument in the hands of managers attempting to maintain a competitive advantage amongst the rapid improvement of technology, raised awareness, and demanding requirements from clients and firm owners. By reviewing empirical literature, this study aims to assess how Accounting Information Systems affect Financial Performance of Firms. Through the use of an exploratory research design, the study comes to the conclusion that the ability of businesses to create and use computerised systems to monitor and record financial transactions has had the biggest impact on accounting in terms of facilitating management decision-making, internal controls, and financial report quality.

Keywords: *Accounting Information System, financial Performance, ICT Infrastructure, effectiveness, Firms*

INTRODUCTION

The accounting information system is a crucial tool for managers trying to maintain a competitive edge in the face of quickening technical development, rising awareness, and demanding demands from clients and business owners. The impact of accounting information systems on businesses' financial performance is examined in this review. Reviewing the conceptual, theoretical, and empirical underpinnings of the accounting information system is the fundamental goal. A computer-based electronic system known as an accounting information system may be used to gather, store, process, and communicate financial and accounting data through financial statements with the goal of assisting and directing organisational decision-making.

Computers are the centre of accounting information because they offer a platform for all information systems to function. The intended computer system must contain the correct software programme for an accounting information system in order for it to function. Any financial institution's financial performance is a key deciding factor in its success. To guarantee the effectiveness of AIS on financial performance, numerous AIS have been adopted and used. Currently, the majority of firms are increasing their budgets and spending on information systems. Additionally, pressures on information costs are created by the economy and competitiveness. Information systems are typically created utilising information technology to assist people,

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governmental organisations, and parastatals in doing their jobs. ***David Ayabei (2020).*** However, one of the goals of this study is to examine how the accounting function information system affects a firm's financial performance, which includes reading pertinent literature for evaluation reasons.

THE CHARACTERISTIC FEATURES OF ACCOUNTING INFORMATION SYSTEMS

- The accounting information system handles financial transactions that can be described in monetary terms and satisfies the information requirements of both internal and external users. Customers, suppliers, shareholders, investors, statutory agencies, stock exchanges, trade promotion organisations, and others are examples of external users. The managers at different levels who use accounting data for planning and control are considered internal users. It is essential to establish standard definitions for accounting terminology in order to ensure consistency in the information because various groups of people are interested in accounting information.

- The information system is quite straightforward and well-organized. Professional bodies define the guidelines and processes used in the processing of accounting data. Several regulatory authorities specify the structure and substance of information intended for external uses. These statutory organisations work to safeguard the interests of buyers, investors, suppliers, and the general public. Accounting records are treated as evidence in court of law in the event of a disagreement since the information they contain is acknowledged by the law.

- While using mostly historical data, accounting information systems may also incorporate future data in the form of budgets and predictions. Since the majority of the data's sources are within to the company, databases are well-defined, integrated, and regulated.

- Accounting information systems are more vulnerable to security hazards and are more likely to be the victim of computer crimes. As a result, the accounting information system requires more control.

FINANCIAL PERFORMANCE OF A FIRM

Financial performance is a crucial component of managing financial risk and refers to the extent to which financial objectives are being or have been achieved. It is the process of calculating the monetary value of the outcomes of a firm's policies and operations. It is used to assess a company's overall financial standing over a certain time period and may also be used to compare similar companies within the same industry or to aggregate industries or sectors. A company's financial actions and condition are formally documented in financial statements. Financial data is presented in a comprehensible and organised way.

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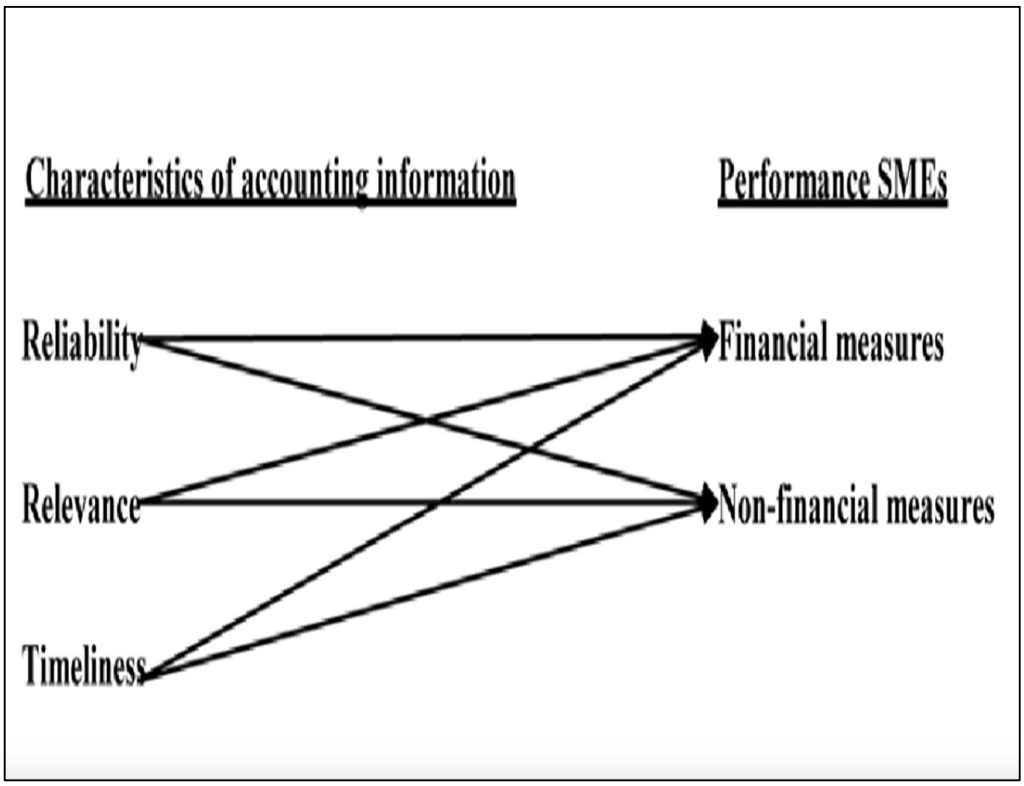

SOURCE: https://www.semanticscholar.org/paper/The-Influence-of-Accounting-Information-Systems-on-Harash-A

EFFECTIVENESS OF ACCOUNTING INFORMATION SYSTEM ON FINANCIAL PERFORMANCE OF FIRM

The principles, procedures, and theories of accounting, information, and system are combined to form the accounting information system. It is a system created to document a business's accounting activities and occurrences and account for them in a way that conforms with its rules and regulations. It is a regular system for gathering, cataloguing, analysing, and reporting financial transactions. It performs its duties in accordance with predetermined guidelines, rules, techniques, and procedures. Additionally, it is a system that enables the efficient and prompt delivery of information to authorised individuals in order to support the actions of employees, owners, clients, and other important individuals in the organization's environment.

It is a system, a collection of different resources and workers, that offers data to help managerial decision-making. A financial information system called an accounting information system includes accounting terms, records, instructions, flowcharts, programmes, and reports tailored to the specific requirements of the business. Its primary duty is to gather, process, and convey data that is necessary for the company to run. It is a network set up within a company to give management information that will help them make decisions. It is essential to the corporate organization's success. It is a systematic and automatic method used for data collection and communication with the intention of facilitating and coordinating group decision-making in light of the larger goals.

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IMPACT OF AIS ON FINANCIAL PERFORMANCE OF A FIRM

Profit is one crucial performance metric to consider when assessing a company's success. However, measuring issues and the sheer volume of factors that affect performance make it challenging to examine performance. Accounting information systems (AIS) are one of the most crucial platforms for gauging business success. It is important to define information and information system more clearly before defining AIS: Information can be defined as the completeness of processed data or the result of processed data that has been given meaning and utility. A data collection and evaluation system that also makes data available to users as needed is an information system. The need of creating a fit between corporate strategies and information system strategy has been stressed in numerous studies.

The topic of management information systems is the dissemination of corporate knowledge when and as appropriate (MIS). "MIS is often composed of sub-systems of production, marketing, personnel, finance, and accounting in a medium-sized firm." The many components of the MIS naturally engage with one another and the MIS on a continuous basis. Because of this, the information system is created to achieve a number of objectives. MIS is created to lower costs, avoid misunderstanding and potential conflict, and offer coordination between the functions of the subsystems in its structure. MIS acts in accordance with the knowledge obtained by AIS to accomplish these goals. The basic goal of AIS is to offer managers useful data for decision-making. Accounting information, which can also be described as financial accounting information, gives information to a company's internal divisions.

REVIEW OF LITERATURE

In Kampala, Uganda, East Africa, ***Augustine et al. (2014)*** investigates the effect of accounting information systems on the profitability level of small-scale firms. The main issue found was that the majority of small enterprises lacked accounting information systems, which led to consistently poor performance levels. Where qualitative data was gathered, descriptive methodology was employed. To analyse how accounting information systems affect the profitability of small firms, secondary data was gathered. According to research results, the majority of small enterprises do not use accounting information systems, which leads to low earnings. Additionally, the results demonstrate a favourable correlation between small-scale enterprises' profitability levels and accounting information systems.

Our economic and social systems benefit greatly from accounting's management and outstanding work in streamlining the management decision-making process. Therefore, this study suggests that small enterprises use these technologies to manage their operations. Government officials and policymakers should develop rules and regulations that will make it easier to apply these technologies in the commercial setting. Tax exemptions or discounts on the equipment used in these systems may be included in these policies.

In 2019 saw the completion of a study on the impact of accounting information systems on financial performance by ***Amos I. Ganyam and John A. Ivungu***. The review, which is a literary analysis of the study, sees accounting information systems as a crucial weapon in the hands of managers attempting to maintain a competitive edge in the face of rapid technological

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improvement, rising public awareness, and demanding clientele and business owners.

Accounting information systems are crucial for carrying out managerial tasks like planning and controlling in a business ***(Samer, 2016).*** AIS provides information for the planning function that is used to research and evaluate the objectives specified for the company. In order to calculate how much interdependence and interaction there is between cost, volume, and profit, it also gives information about their relationship. For the growth of performance metrics and converting them into accounting standard to reflect the various aspects of an organization's activities, as well as for the presentation of the specific plans and policies of the work and coordination across various departments, AIS, as part of the planning function, is also helpful ***(Frezatti, Andson, Guerreiro)***

On the other hand, a clear and detailed strategy that outlines the desired goals and establishes the criteria for evaluating and analysing results in order to identify and eliminate distractions is necessary for the control function. This role is seen as a practical test of decision-making and implementation, following up on the actual implementation in accordance with the established plans, policies, and standards, discovering deviations and correcting them, providing justifications to protect the shareholders' property and interests, developing resources, monitoring organisation activity, and achieving the desired goals, ensuring the effectiveness of the function ***(Onaolapo and Odetayo, 2012).***

A favourable correlation between AIS design and organisational strategy and performance has been found, however there is little proof in the literature of this relationship. ***Pandey (2004).*** Using assets from its core mode of operation to create revenue, a firm's financial performance is assessed subjectively. He adds that the phrase can also be used to compare similar businesses within the same industry or to compare entire industries or sectors. It can also be used as a broad indicator of a firm's overall financial health situation over a specific period of time.

The ability and willingness of an organisation to satisfy its long-term financial responsibilities, as well as its commitment to continuing to offer services in the near future, are all factors that contribute to its financial performance ***(Weber, 2008).*** Financial activity is referred to as financial performance. Financial performance, in a broader sense, refers to the extent to which financial goals are being or have been achieved. It is the process of calculating the monetary value of the outcomes of a firm's policies and operations. The ability of the company to achieve its financial goals is generally understood to be a measure of financial performance. The investor return and accounting returns are two important measures of financial performance. While accounting return focuses on how the firm's earnings respond to various managerial practises, investors return is calculated from the standpoint of the shareholders ***(Ofoegbu, 2003).***

Financial performance, according to ***Farah, Farrukh, and Faizan (2016),*** is the degree to which a company's financial health throughout time is quantified. In other words, it is a financial action used to manage a company's current and non-current assets, financing, equity, revenues, and expenses in order to increase sales, profitability, and the value of the company for its shareholders. Its main objective is to offer shareholders and stakeholders with financial information so they may make educated investment decisions. It can be applied to compare aggregated industries or to assess similar businesses from the same sector.

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According to ***Encyclopaedia of Business (2011),*** performance metrics may be divided into two categories: those that are focused on the causes of results and those that are related to results (outputs or outcomes like competitiveness or financial performance) (inputs such as quality, flexibility, resource utilization, and innovation). This implies that frameworks for performance measurement can be created around the ideas of results and drivers. On the other hand, according to ***Zuriekat, Salameh, and Alrawashdeh (2011),*** performance measurement systems are thought of as information systems that are employed to assess both individual and business performance using various metrics.

Incorporated into the realm of Information and Technology systems (IT), accounting information systems (AIS) are a tool created to aid in the management and control of subjects pertaining to a firm's economic and financial area. However, the incredible advancement in technology has made it possible to generate and use accounting information from a strategic point of view. ***(Nzomo, 2013).*** Systems called AIS are employed to keep track of a company's or organization's financial transactions. In order to manage transactions and provide internal and external accounting information, financial statements, and trend analysis capabilities to influence organisational performance, this system blends methodologies, controls, and accounting procedures with IT industry technology.

The following commands and processes are used by the accounting information system to produce data. QuickBooks, ERP, and other software are used in computerised accounting information systems as are procedures and guidelines that tell computers how to process data ***(Nzomo, 2013).*** Users are those who interact with the system and use the accounting data that is generated by it.

An accounting information system's user, for instance, are accounting managers who use the financial statements it generates. The required steps should be made to preserve and control the accounting information system in order to ensure that it produces accurate accounting information that is free from errors. The accounting information system's (AIS) benefits include strong collaboration, the ability to accommodate multiple users, and proactive and contemporaneous control. Accounting information systems are important and used extensively in the accounting profession, according to accounting literature.

Given the exploratory nature of this study's methodology and emphasis on empirical review, its commentary is informed by additional empirical review. These reviews include those conducted by ***Hla and Teru (2015)*** who looked at how well the accounting information system affected performance metrics. The study used an exploratory methodology and only used secondary data. According to research, the ability of businesses to create and use computerised systems to track and record financial transactions has had the most impact on accounting. These tools help management make decisions, maintain internal controls, and improve the quality of the financial report.

Patel (2015) looks into how AIS affects an organization's profitability. The study only used secondary data and used an exploratory research methodology. According to the results of the literature review, there is a strong correlation between an enterprise's profitability and the accounting information systems it uses. The study came to the conclusion that the effectiveness

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of accounting information systems contributes to better managerial decision-making, more effective internal control systems, improved financial report quality, enhanced performance measures, streamlined financial transaction processes, and increased organisation profitability.

The effect of accounting information systems on financial performance is examined by ***Saeidi (2014).*** The study used a survey research design and collected data via questionnaire from 40 top managers of Tata Consultancy Services (TCS) firms in India. The statistical software for social sciences (SPSS) was used to analyse the data that had been gathered, and the one-sample t-test statistic was used to evaluate the hypotheses. The results showed that the knowledge and comprehension of accountants and managers decision-making, financial performance, and organisational resources are all significantly correlated with the accounting information system. The study found a strong correlation between managers' and accountants' knowledge and understanding, decision-making, financial performance, and organisational resources.

RESEARCH QUESTIONS

What factors influencing the adoption of accounting information system in ICT Infrastructure Firms of New Delhi?

What is the association linking accounting information system and financial performance at ICT Infrastructure Firms in New Delhi?

RESEARCH OBJECTIVES

To know the factors influencing for the adoption of accounting information system in ICT Infrastructure Firms of New Delhi

To identify the interrelationship between various factor that enhance financial performance of ICT Infrastructure Firms.

RESEARCH METHODOLOGY

The research adopted a quantitative approach for the research methodology. Purposely, the investigation adopted exploratory research design. The study was descriptive in nature because it is a case study of companies located in Arusha and the researcher will administer a survey (Creswell, 2014). The study was exploratory research determined the relationship between the independent and dependent variable (Cresweill, 2014). This imply that a correlation method was used to determine the relationship between accounting information system and financial performance system in Infrastructure Firms sector confined to New Delhi

Population and Sampling Techniques

The population was generated from the number of employees working in the accounting and financial department in Infrastructure Firms sector confined to Indore city. The population was 115 employees working in the accounting and finance department in ICT Infrastructure Firms sector. The sampling formula was used to determine the sample size for the study. After the sample determination, the survey will be conveniently administered to 75 accounting employees

from 40 randomly selected from ICT Infrastructure Firms in New Delhi.

Research Instruments

The researcher has used both primary and secondary data. A survey was the main tool for collecting data. The survey was divided into 2 sections. Section A contained demographic questions to the research participants. Section B contained questions about accounting information system.

Data Analysis and Interpretation

Descriptive and inferential statistics were applied in data analysis. Specifically, descriptive statistics was used to analyze the demographic characteristics of the research participants. On the other hand, inferential statistics was applied to analyze questions of Section B. Furthermore, Reliability, Factor Analysis and Pearson correlation was used to determine the relationship between computerized accounting system and the financial performance in selected ICT Infrastructure Firms in New Delhi.

TABLE 1 RELIABILITY TEST

Cronbach's Alpha	N of Items
.874	**32**

Interpretation Cronbach Alpha for questionnaire is .874, which is high and confirms the reliability of the scale.

Objective 1 To know the factors influencing for the adoption of accounting information system in ICT Infrastructure Firms of New Delhi

FACTOR ANALYSIS

TABLE 2 KMO AND BARTLETT'S TEST		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.646
Bartlett's Test of Sphericity	Approx. Chi-Square	1867.946
	df	496
	Sig.	.000

Interpretation: - KMO Measure of sampling adequacy is used to compare the magnitudes of the observed correlation coefficients in relation to the magnitudes of the partial correlation coefficients. Large KMO values are good because correlations between pairs of variables (i.e., potential factors) can be explained by the other variables. If KMO is below .5, don't do a factor analysis.

As per KMO and Bartlett Test value is .646 which is at par with .605 recommended value and Bartlett's test of sphericity Chi-square value is 867.946and significance value is .000 whereas degree of freedom is 496 indicate that factor analysis done for 32 variables is effective.

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TABLE 3 TOTAL VARIANCE EXPLAINED						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	6.801	21.252	21.252	6.801	21.252	21.252
2	3.801	11.878	33.129	3.801	11.878	33.129
3	2.390	7.467	40.597	2.390	7.467	40.597
4	2.268	7.089	47.686	2.268	7.089	47.686
5	1.605	5.017	52.702	1.605	5.017	52.702
6	1.488	4.649	57.352	1.488	4.649	57.352
7	1.293	4.041	61.393			
8	1.214	3.793	65.186			
9	1.112	3.475	68.661			
10	1.051	3.284	71.945			
11	.956	2.986	74.931			
12	.854	2.670	77.601			
13	.766	2.394	79.995			
14	.698	2.182	82.178			
15	.654	2.043	84.221			
16	.624	1.949	86.170			
17	.563	1.761	87.931			
18	.492	1.536	89.467			
19	.436	1.364	90.831			
20	.406	1.269	92.100			
21	.375	1.171	93.271			
22	.363	1.135	94.406			
23	.296	.924	95.330			
24	.275	.859	96.189			
25	.256	.801	96.990			
26	.218	.682	97.672			
27	.173	.541	98.213			
28	.143	.448	98.661			
29	.128	.401	99.063			
30	.118	.368	99.431			
31	.103	.323	99.753			
32	.079	.247	100.000			
Extraction Method: Principal Component Analysis.						

Interpretation: - After applying the Principal Component Analysis (PCA) we observed that after 6th component difference in variable were list than we referred screen plot and identify the 6 variables. Total variance explains 57.352%of total variance.

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TABLE 4 COMPONENT MATRIX[A]						
Items	**Component**					
	1	**2**	**3**	**4**	**5**	**6**
It stores and retrieves information easily.	.045	.195	.515	.183	.092	.043
It is User-Friendly	.619	-.199	.164	.157	.096	.174
AIS provides Data Security	.319	.072	.074	.505	-.055	.327
It does work very fast.	.614	-.017	-.008	.162	.105	-.160
It is Cost-effective in terms of financial affairs	.158	.217	.121	.005	.082	.088
It provides valid information at the right time.	-.063	.094	.202	-.018	.802	.135
It made integration and consistency among branches faster.	.233	.221	.238	.116	.112	.264
It coordinates various business activities.	.600	.397	.057	.266	-.231	-.121
It encompasses business, commerce, government, financial organisation, individuals and families, and a variety of other routes.	.039	-.109	.837	-.022	.292	.073
The resulting financial reports can be used externally by other interested parties.	.177	-.016	-.331	.322	.542	.316
An AIS method for tracking accounting activity in conjunction with IT resources.	.442	.227	.307	.159	.060	.001
An AIS facilitates the collaboration of several divisions within a firm.	.243	.529	-.217	.313	.299	-.110
It brings high efficiency in the storage of data.	.210	.639	.054	-.234	.186	.205
AIS minimizes the cost of recording and interpretation of data.	.771	.047	.046	.111	.010	.052
AIS works for transforming data into useful information.	.060	.179	.657	-.036	-.077	.167
It directly leads to an improvement in financial performance.	.167	-.143	.178	.789	.120	-.074
It brings accuracy to the analysis of data.	-.014	.328	.169	-.199	.203	.509
An AIS is used to collect and store their financial data	.745	.110	-.185	.040	.038	.131
AIS improves decision making	.098	.230	.637	.309	-.157	.049
It provides ease in comparison of results.	.077	.639	.255	-.180	-.032	.111
It provides information to related parties.	.854	-.023	.165	.013	.006	-.042
AIS reinforces the valuation of the business.	.058	.562	.613	.157	-.103	.051
It brings simplification to work.	.240	-.232	-.016	.284	.260	.250
It helps in taxation matters.	.030	.059	.135	.059	.080	.850
It works as evidence in legal matters.	.667	.287	.015	.140	.178	-.042
AIS limiting sensitive information to others and protecting the overall security of company data.	.043	.773	.136	.070	-.023	.019
AIS provides information that is pertinent, significant, consistent, useful, and up-to-date.	.198	.047	.109	.802	.134	.061
AIS supplies information useful for producing managerial reports and financial statements.	.009	.351	.069	-.048	.104	.123
AIS is adding value to your organization	.082	.460	.430	.022	.030	-.086
AIS has been a significant part of your business nowadays	.585	.267	.085	.088	-.175	.212

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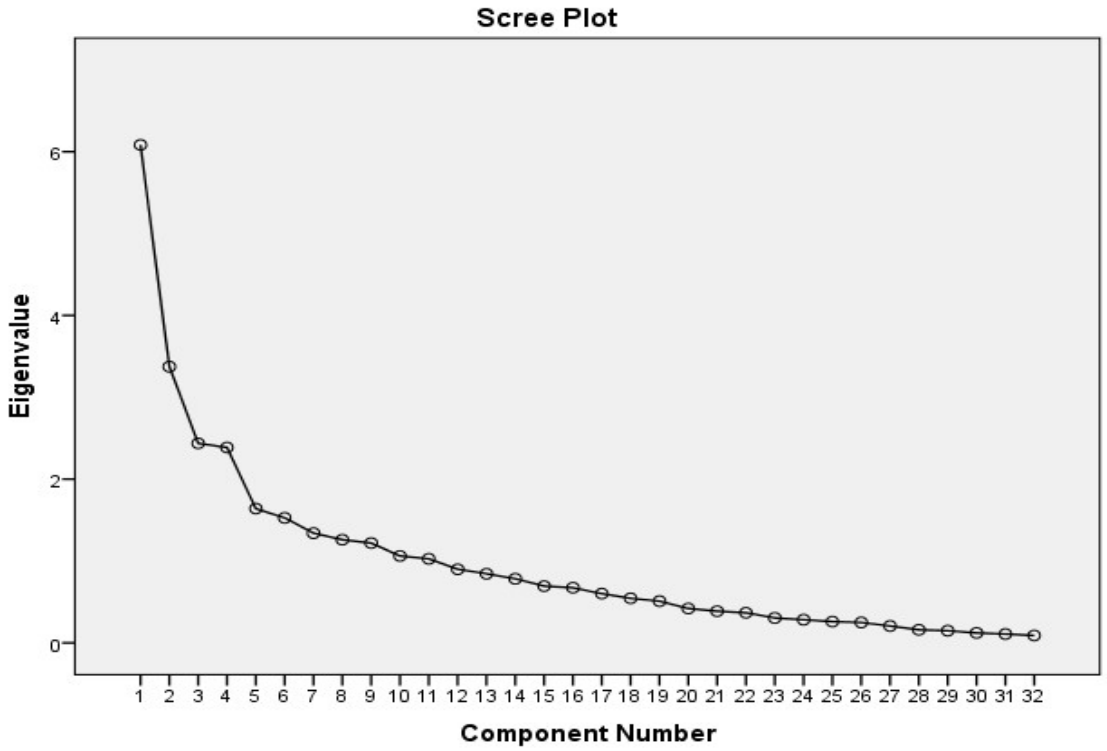
The impact of AIS on organisational effectiveness is substantial and favourable.	.118	.066	.317	.183	.001	.179
It can identify situations requiring management action	.115	-.008	.043	.310	.653	-.161
Extraction Method: Principal Component Analysis.						
a. 6 components extracted.						

Interpretation: - The table 4 below shows the loadings (of the 6 variables on the three factors extracted. The higher the absolute value of the loading, the more the factor contributes to the variable (We have extracted 6 variables wherein the 32 items are divided into 6 variables according to most important items which similar responses in component 1 and simultaneously in component 2,3,4,5, and 6). The gap (empty spaces) on the table represents loadings that are less than 0.5, this makes reading the table easier. We suppressed all loadings less than 0.5 (Table 4)



Interpretation The graph shows the extraction of the components on the steep slope. The first 6 components are the part of steep slop. The components on the shallow slope contribute little to the solution. The components 5 to 32 are the part of shallow slop. The big drop occurs between the 15th and 32th components, so first 6 components are used for further analysis. The scree plot confirms the choice of six components.

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TABLE 5 ROTATED COMPONENT MATRIX

Items	Component					
	1	2	3	4	5	6
It does work very fast.	0.544					
It is User-Friendly	0.527					
It provides valid information at the right time.	0.484					
AIS provides Data Security	0.465					
It is Cost-effective in terms of financial affairs	0.432					
It stores and retrieves information easily.	0.416					
It coordinates various business activities.		0.647				
It made integration and consistency among branches faster.		0.571				
An AIS facilitates the collaboration of several divisions within a firm.		0.569				
An AIS method for tracking accounting activity in conjunction with IT resources.		0.543				
The resulting financial reports can be used externally by other interested parties.		0.507				
It encompasses business, commerce, government, financial organisation, individuals and families, and a variety of other routes.		0.478				
AIS improves decision making			0.617			
It brings high efficiency in the storage of data.			0.537			
It brings accuracy to the analysis of data.			0.536			
It directly leads to an improvement in financial performance.			0.502			
AIS minimizes the cost of recording and interpretation of data.			0.492			
An AIS is used to collect and store their financial data			0.469			
AIS works for transforming data into useful information			0.422			
It brings simplification to work.				0.629		
It provides ease in comparison of results.				0.604		
It provides information to related parties.				0.586		
It works as evidence in legal matters.				0.516		
It helps in taxation matters.				.455		
AIS reinforces the valuation of the business.				0.448		
AIS limiting sensitive information to others and protecting the overall security of company data.					0.507	
AIS provides information that is pertinent, significant, consistent, useful, and up-to-date.					0.491	

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AIS supplies information useful for producing managerial reports and financial statements.					0.413	
AIS has been a significant part of your business nowadays						0.57
AIS is adding value to your organization						0.461
The impact of AIS on organisational effectiveness is substantial and favourable.						0.408
It can identify situations requiring management action						0.35
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 16 iterations.						

Interpretation Thus the 32 variables considered in the primary data were reduced to 6 factors model and each factor was given a name which associated with the corresponding variables. The factor names and descriptions of the factors are given in the following

- ***Factor 1***- named as ***efficiency*** contains following items were loaded

It does work very fast.	.544
It is User-Friendly	.527
It provides valid information at the right time.	.484
AIS provides Data Security	.465
It is Cost-effective in terms of financial affairs	.432
It stores and retrieves information easily.	.416

- ***Factor 2***- named as ***Synchronization*** contains following items were loaded

It coordinates various business activities.	.647
It made integration and consistency among branches faster.	.571
An AIS facilitates the collaboration of several divisions within a firm.	.569
An AIS method for tracking accounting activity in conjunction with IT resources.	.543
The resulting financial reports can be used externally by other interested parties.	.507
It encompasses business, commerce, government, financial organisation, individuals and families, and a variety of other routes.	.478

- ***Factor 3***- named as ***Effectiveness*** contains following items were loaded

AIS improves decision making	.617
It brings high efficiency in the storage of data.	.537
It brings accuracy to the analysis of data.	.536
It directly leads to an improvement in financial performance.	.502
AIS minimizes the cost of recording and interpretation of data.	.492
An AIS is used to collect and store their financial data	.469
AIS works for transforming data into useful information	.422

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- ***Factor 4***- named as ***Works as Ancillary*** contains following items were loaded

It brings simplification to work.	.629
It provides ease in comparison of results.	.604
It provides information to related parties.	.586
It works as evidence in legal matters.	.516
It helps in taxation matters.	455
AIS reinforces the valuation of the business.	.448

- ***Factor 5***- named as ***Assurance*** contains following items were loaded

AIS limiting sensitive information to others and protecting the overall security of company data.	.507
AIS provides information that is pertinent, significant, consistent, useful, and up-to-date.	.491
AIS supplies information useful for producing managerial reports and financial statements.	.413

- ***Factor 6***- named as ***Prominence*** contains following items were loaded

AIS has been a significant part of your business nowadays	.57
AIS is adding value to your organization	.461
The impact of AIS on organisational effectiveness is substantial and favourable.	.408
It can identify situations requiring management action	.35

Objective 3 To identify the interrelationship between various factor that enhance financial performance of ICT Infrastructure Firms.

TABLE 6: CORRELATION

Factors	**F1 Efficiency**	**F2 Synchronization**	**F3 Effectiveness**	**F4 Works as Ancillary**	**F5 Assurance**	**F6 Prominence**
Efficiency		.633**	.647**	.714**	.392**	.599**
Synchronization			.693**	.682**	.516**	.652**
Effectiveness				.780**	.520**	.629**
Works as Ancillary					.448**	.613**
Assurance						.494**
Prominence						1
**Correlation is significant at the 0.01 level (2-tailed).						

Interpretation This table shows the correlation analysis of the factors that influence bank for

adoption of accounting information system. The relationship among these factors is given below

- The factor 1 efficiency has highly positive correlation with synchronization, effectiveness, works as ancillary and prominence as the degree of correlation is 0.633, 0.647, 0.714 and .599 respectively. Whereas assurance has is moderate positive correlation as the degree of correlation is 0.392.

- The factor 2 synchronization has highly positive correlation with effectiveness, works as ancillary, assurance and prominence as the degree of correlation is 0.693, 0.682, 0.516 and .652 respectively.

- The factor 3 effectiveness has highly positive correlation with works as ancillary, assurance and prominence as the degree of correlation is 0.780, 0.520 and .629 respectively.

- The factor 4 works as ancillary has highly positive correlation with prominence as the degree of correlation is 0.613. Whereas assurance has moderate positive correlation as the degree of correlation is 0.448.

- The factor 5 assurance has moderate positive correlation with prominence as the degree of correlation is 0.494.

Recommendations

Based on the result of this study, the following are the recommendations.

1. Cost and administration support is the main determinant for the acceptance of mechanical accounting system for ICT Infrastructure Firms in New Delhi

2. Technology is a one more significant factor to consider in the adoption of mechanized accounting statement for ICT Infrastructure Firms

3. There exists positive correlation ship between all 6 factors namely efficiency, synchronization, effectiveness, works as ancillary, assurance and prominence for adopting AIS in ICT Infrastructure Firms sector and influencing financial performance of firms.

CONCLUSION

ICT Infrastructure Firms had widely employed AIS to mechanize and combine their business processes, efficiency, and competitive advantages. This study focuses on how accounting information systems (AIS) affect ICT Infrastructure Firms' financial performance. It is visualizing that the information technology (IT) component of accounting information system is one of the biggest impacts of AIS to firms as it enables firms to track, record and produce financial and accounting reports with much ease. The study goes through a detailed process to determine why ICT Infrastructure Firms use a variety of systems in their daily operations. According to the findings, accounting information systems are crucial to bank profitability, working capital management, funding availability, and even tax compliance during return computation. All of

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these factors came to light during the research process, and the ICT Infrastructure Firms worked to help the researcher get as much data as she could give the limited time and resources available.

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