

The Impact of Usage of Accounting Software on the Business Performance: Reference to the SMEs in Kurunegala District

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Abstract

The use of an accounting information system ensures the survival and sustainability of the business in a highly competitive environment besides enhancing their business operations competency and efficiency. This paper aims to find the impact of usage of accounting software on SMEs business performance in the Kurunegala district. This study uses several characteristics of accounting software usage. They are efficiency, reliability, ease of use, data quality, and accuracy as independent variables and the dependent variable is the business performance which was measured by return on assets. The primary data gathered from a sample of 120 respondents who are familiar with accounting role and the use of accounting software from SMEs in the Kurunegala district by using a questionnaires survey. The study employed descriptive, correlation, and multiple regressions for the data analysis, and reliability is measured by the standard method of Cronbach's alpha value. Finally, the study found that the variables of accuracy and ease of use had a significant impact on profitability but the other three variables are not significant. It is recommended that the accurate and easiest accounting software packages could be introduced to improve business performance.

Keywords: Accounting information system, accounting software, business performance, return on assets, SMEs