



TRANSFORMATION OF CONVENTIONAL TO DIGITAL ACCOUNTING: AN OVERVIEW OF CLOUD ACCOUNTING

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ABSTRACT:

In the present era of globalization's effects, the quick development of technology, the emergence of big data, the ubiquitous use of applications based on the internet, and even standardization all have given the current era's favourable environment for the emergence of a novel idea known as cloud accounting. The market's actual guiding regulations influence by the changing forces include: the transformation of traditional computer business models toward cloud-based solutions, the digitalization of business, The expansion of virtual truth. On the other hand, every business's operation is supported by accounting which is a crucial part of the structure. The impact of the cloud computing exemplar on the accounting sector is the primary topic of this article. In an effort to provide a theoretical overview of cloud accounting, this paper has been produced to cover its concept, overview, opportunities, challenges, and contrast to the conventional one and some other influential factors that could influence the accounting profession in the years to come. The most recent studies and research opinions carried out by accounting professionals have been taken as data to compile and present this paper.

Keywords: *Futuristic accounting, cloud accounting, cloud application, computing, data.*

INTRODUCTION

With the increasing globalization and digitalization, each and every aspect of the business is now linked to digitalisation from many years ago. But recently, the need for cloud based digital services has arisen due to its superiority of accessibility over traditional software-based services. This trend of cloud-based services is also adopted by accounting professionals worldwide. The US is the most influential public cloud market, with anticipated spending of \$124.6 billion in 2019, whereas 42% of Australian businesses use paid cloud computing to operate their business processes. As per the planned article, 36% of EU corporations used cloud computing in 2020. India's cloud market was about \$7.5 billion in 2022. India is an emerging software-as-a-service (or SaaS) hub. Under futuristic accounting, as with all sectors, the accounting profession is going through a time of evaluating its position in the future due to numerous changes in culture, technology, and the workplace. Three major difficulties are specifically posing a threat to the profession's capacity to survive into the future. These are what I'll refer to as the challenges of attraction, relevance, and change.

The supply of computing services via the internet refers to the cloud" or "cloud computing." The computing services includes services such as storage services, data analysis tools, and cloud based accounting services. The article is going to throw light on cloud-accounting services which is the one of the developing and growing services now a days. Cloud accounting is an accounting that is carried out using software that is hosted remotely on the cloud. Cloud accounting is different from traditional software-based accounting in that in cloud accounting, the data can be accessed from anywhere, reducing the place-based hurdles and providing transparency in accounting due to real-time online operations. Cloud-based accounting is the future of accounting since it makes accounting information readily available to different stakeholders such as managers, CEOs who are far apart in physical world hence cloud-based accounting is need of hour and is helpful specially in current growing globalization scenario. One of the most prominent technological trends is the emergence of cloud technology. The users of Cloud Accounting are provided with many cloud services, including storing high data through the cloud without purchasing high-cost computers and storage devices. The cloud is a medium that makes software and data available anytime, anywhere, from almost any device with an internet connection. Cloud application service provider make users access the software application remotely via the internet. Before the cloud, the accounting software was run by installing it the hard drive of the users computers. These applications have several flaws, including restricted access to your data, the ongoing cost of backing up all this financial information, and the need for regular software updates.

REVIEW OF LITERATURE:

Pawar D Hukmaram (2020), A study on cloud accounting practices in India in this study he concludes that cloud accounting is a new dimension in the field of account, and it is a need in the present scenario of the E-Commerce and digital world. Cloud Accounting makes business management and handling of business transactions easy and handy. One can manage their business, transaction, and information anywhere across the Globe with the help of the internet and computer.

Hamandu (2020) "In this study titled Intention to Adopt Cloud Accounting, A Conceptual Model from Indonesian MSMEs perspective, concludes that the issue of the low adoption rate is due to a lack of information about the availability of cloud accounting technology.

Several factors have been revealed that influence the intention of Indonesian MSMEs to adopt cloud accounting with government intervention". The study found that in the technological terms, Indonesian MSMEs will adopt cloud accounting when perceived benefit is greater than the cost. Besides these, the study said that if the new technology is acknowledged as compatible with the current work application system and with low complicatedness, than the Indonesian MSMEs are likely to adopt the technology.

Ghorabani, (2019) "the relation of the 14 variables of firm characteristics and the level of digitalization in accounting function had investigated such variables are University, Learning, Adapting, Teaching, Training, Business strategy, Future, Threat, Expertise, Age, Size, Leverage, ROA, Outsource". And found that the knowledge of technology to the accountant is directly linked to the adaptation of digital accounting. The study also concluded that training programs also have a bearing on the transformation of digital accounting. The training programme has a positive impact on adaptation.

Other findings said that digital accounting would be adopted by companies with expertise in accounting when digital accounting tools will change the accounting industry, and they will prepare and be equipped to deal will new technology in the future. The other important conclusion is that the use of IoT and blockchain, as well as big data, are not still that common among accounting functions.

Soni et al. (2018), "in order to determine what influences the adoption of cloud accounting software by the banking sector, the insurance sector, the retail sector, and SMEs". In this paper, the researcher conducted a descriptive study. The primary reason for the lack of acceptance of cloud accounting, according to the survey, is the threat to data security. The study also discovered that the majority of businesses with 250 or more people use cloud accounting software, and it came to the conclusion that there is a highly substantial correlation between cloud software use and business size.

Ali & Thakur (2017), "In order to determine the level of awareness and acceptance of cloud-based accounting among the certified chartered accountants in the Udaipur district, conducted an exploratory study. The majority of respondents, according to the poll, are familiar with the fundamentals of cloud computing, and they cite location independence as their primary motivation for using it". Those who are not aware of it or are not utilizing it are reluctant to move away from the conventional technique because they are concerned about the security of their data and believe that adopting cloud computing will increase their overall costs. They also conducted an empirical study to determine the relationship between gender and age, and cloud-based accounting awareness. Additionally, the study revealed young chartered accountants between the generations.

Dimitriu et al. (2014), in their article "A New Paradigm for Accounting through Cloud Computing," have concluded that cloud computing has revamped traditional accounting tools.

The world of bookkeeping is shifting towards online products.

The revolution of technology for the accounting department of companies is necessary because of the various benefits of cloud services. The cloud accounting era introduces accounting in the new manner of designing, managing, and providing financial packages.

The firm should explore the opportunities and continuously learn about market changes.

RESEARCH GAP:

Several research on cloud accounting has been conducted in connection to cloud adoption & awareness. Commercial use of computing technology and related expenses, advantages, privacy, and digital security concerns, and strategies for Technology compatibility, security measures, and as it relates to cloud computing and futuristic accounting. However, relatively little research has been conducted in this area. It is the most recent research in cloud accounting, and its future aspects are a developing and unexplored area of futuristic accounting.

RESEARCH OBJECTIVE:

- To give a brief overview of cloud accounting.
- To know the opportunities and challenges of cloud accounting.

OVERVIEW OF CLOUD ACCOUNTING:

Additionally, cloud accounting systems assist sole proprietors, small firms, and even major corporations in keeping abreast of the data and information readily accessible across devices in real-time. A solitary entrepreneur may plan, manage, and evaluate their business and finances with cloud accounting because these systems are incredibly simple to use, even though big firms have more money to spend on cloud ERP systems. In other words, choose the responsible voucher to make the entry after identifying the type of transaction you need to perform one at a time. And that's it; the system generates all of your reports, from compliance to more intricate financial statements and analysis.

Cloud Accounting in India

Now days most of the company has been moved through technology, and Accounting is no different. It has simplified processes that were previously difficult. The accounting in India is increasingly embracing newer technologies. Businesses are now realising the value of cloud accounting as a front-end technology that they had previously overlooked. Recent research found that more than 60% of accounting firms had adopted cloud-based accounting technologies. Modern accountants are utilising this technology to their firms' great advantage. Through the use of cloud accounting, there has been an ongoing change in how accountants work, leading to increased productivity and cost-cutting. Numerous businesses in India are offering cloud accounting services in light of their expanding importance.

The top online cloud-based accounting programmes for Indian small businesses. They are frequently referred to in business contexts as small business accounting software. Let's immediately look at online accounting software for Indian enterprises.

Real Books

One of India's most popular online accounting programmes, Real books offers a wide variety of features and functionalities. One of the best accounting programmes in India is scalable accounting software for small enterprises with numerous branches and organisations under one roof. An open-source accounting tool with up to 500 transactions per year for a single user. It's a cloud-based, advanced accounting solution, not just any

online accounting tool. Real books enable you to open numerous organisations and branches as well as an endless number of users at once. You can also get information on all of your branches and businesses.

Zoho Books

Zoho is one of the most widely used online accounting programmes on the international market. ZohoBooks is a free online accounting tool that makes managing your finances simple. It is among India's most sophisticated GST accounting software for small businesses. You can join up for a 14-day free trial of Zoho books to use all of its features. As a part of the GST programme run by the Indian government, it also provides a free subscription option. With a revenue of just 1.5 crore rupees, Zoho is giving away free GST accounting software to Indian businesses. Online accounting tool ZohoBooks makes managing money for small businesses straightforward.

REACH

In India, Reach is yet another popular online cloud accounting programme. Additionally, it is one of the most straightforward cloud-based accounting programmes in India that is well-known for corporate automation. Reach is among the perfect online accounting programmes for small businesses looking to utilize cloud computing in India. This accounting software includes similar functions to the Business Dashboard, CRM, Inventory Management, Billing, and Invoicing. Additionally, it has Repair Management. An ERP system is connected with accounting and tax management, mobile apps, and many other features. This company's automation software is equipped to employ cloud-based accounting software and is strong enough to operate 21 different firms fully. Reach is a comprehensive accounting programme and application that may serve various needs inside a corporation.

QUICK BOOKS

QuickBooks Online is a brand and a product owned by Intuit Inc. You are capable of using the well-known cloud-based online accounting tool QuickBooks. You may manage your accounting online. It is a simple online accounting programme that enables business owners to make informed choices. QuickBooks allows you to access real-time information and manage your business from anywhere at any time. A bank's connectedness defines the quality of QuickBooks that distinguishes it from rival accounting software Companies can connect their bank account to import and classify transactions automatically. In the QuickBooks platform, there are other APIs. Application for integrating external applications into your company. It can import bank transactions as a consequence.

PROFIT BOOKS

One of the top accounting programmes for small enterprises in India is Profit Books since it is incredibly quick and easy. It is among the most influential small business online accounting programmes. On the other hand, Profit Books gives you total control over your inventory and is perfect for inventory management. Without any prior accounting training, you can use it to create stunning invoices, keep tabs on expenses, and manage inventory. Profit Books creates thorough tax reports for goods bought and sold. This frees time throughout tax

season and enables tax advisors to reach judgments more quickly. This online accounting software may more effectively organize your purchases and sales—additionally, quicker fulfilment.

ZIP BOOKS

It's all about simplicity with Zip Books, another of India's best cloud-based and online accounting programmes. The first cloud-based accounting programme designed specifically for small businesses, Zip Books is incredibly user-friendly and easy to use. By streamlining your financial activities, it enables you to increase efficiency. Additionally, you will have access to all required CRM, sales, procurement, and inventory components. Like every complete ERP system, Zip Books has a total sale and buy life cycle that is tightly integrated into the system. You can operate your business more effectively using the Order to Cash and Procure to pay life cycles. Therefore, among other things, you can produce invoices directly from sales orders and/or bids, although it has its disadvantages.

OPPORTUNITIES OF CLOUD ACCOUNTING:

Accounting is a topic that can be expanded upon in future research. Specialists' perspectives on using the pertinent information in the future developing idea. The situation of before and after profitability can be studied further consequences of businesses that have implemented cloud accounting; the business performance of cloud accounting, combined with an analysis of profitability, is necessary. The analysis can be conducted by selecting companies that are utilising cloud accounting and the issues experienced while implementing and utilising cloud. It is essential to understand the benefits of technology are gaining emotionally and professionally should be identified and discussed.

- Real-Time Information Updating
- Security of Financial Information
- Accessibility to All Accounting Information
- Team-Wide Accessibility
- Immediate Fixes
- Allows for Better Cost Efficiency and reduced cost in the workplace
- Automatic Data Back Up and Restoration
- Enable enterprises to adapt to the new economic business needs rapidly
- The information transfer has become more convenient
- Strengthen accounting control
- Reduce the communication barriers and improve the comprehensive quality

CHALLENGES OF CLOUD ACCOUNTING:

When choosing to use cloud accounting software, there are numerous issues that most people have in mind. Most of the time, though, they ask me, "What if my Data is Lost?"

And many additional comparable queries can differ from individual to person or company to company. However, these worries don't apply to cloud technology businesses, as they are highly skilled in their field.

In contrast, the end user is only concerned with their own business and their data and information security. Therefore, this article describes how I interpreted dealing with smaller firms about switching to cloud accounting.

Some of the major challenges of cloud technology are:

- The security of data in cloud accounting
- Do not have a uniform standard in charge.
- The regimes of service institutions are not sound
- The continual internet connection needed for cloud technology may not always be possible.
- Security is another important issue with using the cloud because there can be data, including confidential files, which could get viral due to service disruption.
- The data stored in cloud storage is increasingly a target as it becomes more widely used.
- When someone uploads data to the cloud, they are entrusting it to a group of people they have never met.

CONCLUSION:

Cloud accounting software uses the cloud to store accounting data. Owners and employees of the companies can now view financial data from any location with the help of the internet. More and more companies are using cloud computing daily. People worldwide use the cloud to connect with customers and enhance their business operations, from connected devices to Internet-based education initiatives. The accounting industry is where many enterprises are using internet-based technology. Nowadays, fewer and fewer start-ups rely on a hard disk to store and retrieve their accounting data, as small firms worldwide employ the cloud to manage their finances. Even though cloud accounting will play a key role in the near future around the world, a thorough study paper that may provide an overview of the phenomena has not yet been released. The author's goal in writing this essay is to a view in this area that can assist in determining whether to take benefit of cloud technology innovation or not, as fact was gathered from the most new studies and professional judgments. Additionally, it will give a general overview of the cloud based accounting system that could be useful for future studies in this area. But there might be some errors in the study caused by a lack of appropriate literature.

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