

**The Impact of Electronic Commerce on the Accounting Information System
A Case Study on OAB's Al-Arabi**

¹Mohammad Ahmar Khan, ²Mohammed Ismail Yousouf , ³Wafa Mohammed Said Al-Shahri

¹Dept.of MIS, CCBA Dhofar University Salalah, Sultanate of Oman

²Dept.of MIS, CCBA Dhofar University Salalah, Sultanate of Oman

³Dept.of MIS, CCBA Dhofar University Salalah, Sultanate of Oman

E-mail : mkhan@du.edu.om

Abstract

The research paper is directed to contemplatively evaluate the Impact of Electronic Commerce on the Accounting Information System, which is a case study on Oman Arab Banks Al-Arabi in Salalah. The researcher solicits the opinions of existing active users of Accounting Information System through appropriate statistical tools such as [SPSS & MS Excel 2010] to assess the impact of ecommerce on AIS. The result showed that most of the users of AIS have a view that electronic commerce can affect the AIS and helps Standard accounting methods to the control the risks. Most of the participants are aware of the role of AIS in ecommerce

Keywords— Accounting Information System (AIS), ecommerce

1.INTRODUCTION

Due to the rapid and spectacular developments that have accompanied with the use of e-commerce by many international companies in different countries. Ecommerce has make many other companies to prepare the necessary studies on how to enter the world of e-commerce, so that they can keep up with these developments and walk on its way to achieving its goals, as many companies earns benefits under e-commerce.

On the other hand, the Accounting Information System (AIS) is one of the subsystems in the economic unit, consistig of several subsystems that work together in a coherent, coordinated and reciprocal manner, with the aim of providing historical, current and future information, financial and non-financial, to all those who are interested in the limit and in the interest of achieving its objectives. [1]

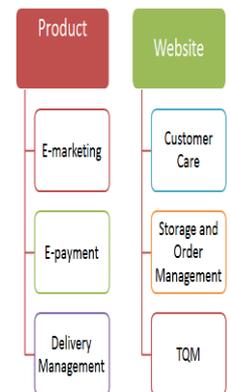
The components of e-commerce:

To say that you already have an e-commerce that has to come up with a set of data that we call the eight components of e-commerce - but this does not mean that a small trader does not start unless he has the capacity to do it, but the small merchant must start from now, but in the graceful beginning that he tries out of during which the market without any huge costs and starts slowly to reach the big picture that we show here.

Purpose of the project:

This research aims at evaluating the impact of electronic commerce on the accounting information system through a case study on OAB's Al-Arabi bank in Salalah.

2.LITERATURE REVIEW



The performance of business operations especially the accounting sector among others are effected by the electronic commerce either in companies or governments, through the use of information technology and the communications network which affected the performance of those processes, aimed at raising efficiency in performance and achieving effectiveness in dealing, they exceed the time limits that restrict the movement of business transactions, It provides a quick response to market demands by interacting with customers, simplifying procedures and clear business processes.[2]

This study assessed the use of E-commerce on the accounting information system in Jordanian coma. Its variables indicated the effects by electronic trade on accounting controls and reliability.

The researcher has studied the current situation that as accounting information systems represent formal and key systems in any company and are open systems that affect the environment in which they operate and are affected, it has become necessary to take into account the impacts that can be reflected on accounting information systems and how they are designed and determine the nature of its work in those companies that operate under electronic commerce, hence the problem of research.[3]

The findings of the study have shown that one of the most important factors in the occurrence of e-thefts is the lack of conformity of audit procedures with the nature and environment of electronic data processing, which called for a change in audit technology, especially in the areas of computer use, statistical methods, mathematics and quantitative analysis methods. The most important contemporary trends in auditing is for the auditor to be able to evaluate the internal control system and must be sensitive to the technical aspects of the operation of the accounting data and related problems.

The study of has illustrated the concept of

e-commerce as s a new concept, Which has a perfect potential that will help firms to alter traditional forms of the multi-economic activities. The effects are involving fields like: Finance, Communications, Retail trade and Service. [4]

The findings indicated that the reliance on electronic data operation has helped to develop the method of preparation of the accounting manual as well as the maintenance of the confidentiality of the data or accounts recorded as a total or subsidiary, as well as the accuracy of the classification of accounts.

The recommendations included using Materials, especially in accounting information systems, which contain tips for the use of information and communications techniques in general and e-commerce in particular.

The study has given an analysis of the effects of electronic commerce traits on the development of the financial accounting.[5]

The findings indicated that in the accounting method used by economic units, there are multiple accounting books, but when relying on electronic data operation, computer memory, magnetic tapes and magnetic discs are counted as accounting books.

The findings have also indicated that the multiplicity of accounting programs in the market has resulted in the preparation of multiple and varied electronic books suited to the work and sizes of the various economic units, resulting in easy handling of these notebooks and very high speed in the different processes when registering, modifying, cancelling or inquiring.

The impact of electronic commerce on AIS, especially upon it's cost of reduction of operational performance. [6]

The author illustrated that the compilation of reports and financial statements, these components constitute essential foundations for any of them, no matter how the manual or electronic data is used, and because the accounting information

system is based on the electronic operation of the data in the case of work under trade, there is a direct impact on the components of the system.

The author had indicated that the electronic banking had positive impact towards AIS. They found that Ecommerce had significantly statistical relationships with AIS development.

Since many economic units are geared towards the use of electronic commerce, they are increasingly becoming one of the changes and developments that economic units must benefit from in order to achieve their objectives, and since the accounting information system is an open system which affects and is influenced by the environment in which it operates, and it represents the official system of information in any economic unit and therefore it is incumbent upon it to provide different information to many of those who have a relationship with the economic unit concerned, as well as the possibility of achieving its objectives and the objectives of the Economic Unit In which the accounting information systems of the economic units operating under electronic commerce are required to take into account all changes and developments in the various areas surrounding their environment, in particular with regard to developments in the use Modern information and communication technologies, of which electronic commerce is one.

3.RESEARCH PROBLEM

In the new economic trends of the globalization age, the effects on accounting information systems under electronic commerce related to influence the components of the accounting information systems (both physical and human) as well as their constituents and the nature of their design process in companies operating under electronic commerce so it is very important for every firm to understand the role of electronic commerce on the accounting information

systems of its records.

Research Question:

What is the Impact of electronic commerce on the accounting information systems?

Significance of the study:

The study is very important to understand the Impact of electronic commerce on the accounting information systems so its importance arises from the slim findings that it could provide to the firms which could help them to evaluate the relation between electronic commerce and the accounting information systems.

Objectives of the study:

1. To illustrate the concept of electronic commerce
2. To illustrate the characteristics of accounting information systems
3. To evaluate the Impact of electronic commerce on the accounting information systems.

The Hypothesis

H_0 : There is no specific relation between electronic commerce & the accounting information systems.

H_1 : There is a specific relation between electronic commerce & the accounting information systems.

Scope:

The project is mainly implemented on a group of the staff and customers of Bank Sohar.

Sample design :

Random Sampling Technique is mostly used to assess the relation between electronic commerce & the accounting information systems.

Sample size: +100

Sources of information and Data collection tools:

Primary data: Questionnaire was distributed to staff in OAB's Al-Arabi bank to solicit their view for specific relation between electronic commerce & the accounting information system

Secondary data: OAB's Al-Arabi bank website
Academic journals
Research papers

4.DISCUSSION & RESULTS

1. The findings have shown that 76% of the respondents in my current project(The impact of electronic commerce on AIS) often use electronic commerce
2. Only 40% of the respondents in my current project think that electronic commerce can affect the AIS
3. More than half of the respondents believe that electronic commerce can affect the AIS
4. More than 60% of the respondents believe that Electronic commerce helps Standard accounting methods to the control the risks.
5. More than half of the respondents believe that Electronic commerce facilitate the submission of data and information
6. More than half of the respondents are neutral concerning the fact that Electronic commerce improve the circuit to carry out the planning, control and evaluation of the accounting operations
7. More than half of the respondents believe that Electronic commerce helps the accountant to make various decisions
8. More than 55%of the respondents believe that E-commerce helps to evaluate the competitive position of the firm
9. More than 60% of the respondents believe that e-commerce work with the accounting team to ensure the continuity of its features
10. More than 45%of the respondents believe that E-commerce can motivate accounts and employees to serve the objectives of the firm
11. More than 60% of the respondents believe that E-commerce helps accounting in self-development

12. About 50% of the respondents believe that E-commerce helps accounting in exchanging information

5.RECOMMENDATIONS

1. There should be more dependent on electronic commerce to develop the AIS
2. There should be more use of Electronic commerce to help Standard accounting methods to the control the risks.
3. There should be more usage of Electronic commerce to facilitate the submission of data and information
4. There should be more usage of Ecommerce to evaluate the competitive position of the firm
5. There should be more usage of Ecommerce to work with the accounting team to ensure the continuity of its features.
6. There should be more usage of motivate accountants and employees to serve the objectives of the firm

6.CONCLUSION

The current research project intended to illustrate the concept of electronic commerce and to explain the characteristics of accounting information systems as well as evaluating the Impact of electronic commerce on the accounting information systems.

The project is mainly implemented on a group of the staff and customers of Al Araby Bank via a questionnaire that distributed to staff in OAB's Al-Arabi bank to solicit views about their specific relation between electronic commerce & the accounting information system.

7.REFERENCES

- I. Fernando Belfo, Antonio Trigo (2013). Accounting Information Systems: Trading and Future Directions, CENTERI 2013, <https://core.ac.uk/download/pdf/82811448.pdf>
- II. Jehangir, Dominic, Downe & Nasommerce Impact on Business Performance, Communications in Computer and Information Science, 189: 440-447

- III. Mahmoud Al-Akra, Muhammad Jahangir Ali, Omar Marashdeh, (2009), Development of accounting regulations in Jordan, *The International Journal of Accounting* 44(2):163-186, DOI: 10.1016/j.intacc.2009.03.003
- IV. Rayed, Steve, Waleed (2011), Factors Influencing e-commerce Adoption by retailers in Saudi Arabia: A Quantitative Analysis, *EJISDC* (2011) 47, 7, 1-23
- V. Qiuye Xia, Study on impact of Electronic Commerce on the Development of Financial Accounting, 4th International Education, Economics, Social Science, Arts, Sports and Management Engineering Conference (IEESASM 2016)
- VI. Adel (2012), The Effect of Electronic Commerce on the Accounting Information System of Jordanian Banks, *International Business Research* 5 (5)

IJIRG