# Literature Review

With the advancement in the technology, and the increasing complexity of the financial calculations have made the accounting complicated. Also, the increasing global competition, with the changes of the technology in past few years, has evolutionized the accounting field in this dynamic enviornment. Now, several new techniques have been introduced to improve the accounting patterns, and to increase the efficiency of the modern accounting and its features. Despite of the great advantages of the technolgy, still some of the organizations do not feel it comfortable to adopt the modern accounting techniques. However, there is need to understand that with the increasing complex structure of the financial reporting problems, the adoption of the modern accounting techniques and computerizaion serve as the solution. Though this requires help from an accounting and IT professional, but this rapid change, application, and interest towards the innovation in accounting has become crucial to enhance the productivity, potential, and profitability. This simply means that the adoption of advance accounting techniques is curcial for the business firms, as their ultimate concern is to improve the efficiency and productivity. Thus, the current study now aims to present a link between the accounting techniques and information technology, in order to improve the productivity and efficiency of the business firms. Now, this section of the study presents the review of already published literature to evaluate how the other researchers have presented their findings regarding adoption of advanced and modern accounting techniques.

Galani, Gravas, and Stavropoulos (2010) presented a study with an aim to investigate the impact of modern ERP accounting system to manage the financial calculations of the companies. The researcher highlighted that the advancement in the technology has changed the business environment, globalization, privatization, and deregulation. Thus, it has become crucial to bring the advance technology in the accounting management too. The adoption of advance accounting techniques will be helpful for the organization to meet all financial related challenges efficiently and to survive in the crowded and competitive environment worldwide. The researcher followed the qualitative methodology, and evaluated how the companies had been adopted advance accounting ERP system, and how it influenced their productivity and cost efficiency. The findings of the study showed that adoption of ERP system help the organization to improve their information flow, establish strong linkage with suppliers, reduce costs, and reduce response time to the customers’ needs. Conclusively, advance accounting techniques are highly beneficial to the companies to meet all their financial complexities, users requirements, cost efficiency, and producvity (Galani, Gravas, & Stavropoulos, 2010).

Karanja, Mwangi, and Nyaanga (2013) published a study in which they highlighted that the success of Small and Medium Scale Enterprises (SMEs) play significant role in the economic growth of the developing countries. The authors discussed that SMEs in the developing countries face great constrained environment, including constrained terms of intellectual capital, human capital, and structural capital. Thus, operating cost efficiently is crucial for the SMEs in developing countries to survive in the competitive environment, provided by crowded and competitive market of the developing countries. The study (Karanja, Mwangi, & Nyaanga, 2013) was conducted in Kenya, a developing country with full of competitive market. The researcher (Karanja, Mwangi, & Nyaanga, 2013) introduced several accounting techniques to help the SMEs in dealing with their complex financial environment. The techniques included Activity based costing, target costing, Just in Time Method, and other non-conventional methods. These all techniques were used to improve SMEs’ financial dealings, as well as to improve their cost efficiency. Also, these techniques helped the enterprises to adopt innovative and improved product pricing strategies. Furthermore, to evaluate how these techniques affected the SMEs, which adopted any one of the above mentioned accounting techniques, the researcher conducted a survey based quantitative study. The population size of this survey was based 120 managers and entrepreneurs of the SMEs stratified in six pillars of economic blue print of Kenya. The findings of the study were further analyzed via SPSS. The findings of the study showed that majority of the SMEs were facing great financial challenges due to lack of knowledge and low compliance level. The enterprises had no effective strategies to maintain their financial records, and thus they had to rely on contract accounts technicians. Finally, the adoption of Activity based costing, target costing, Just in Time Method, and other non-conventional methods helped them to improve their cost efficiency and better production, as a result of which they showed a better and effective contribution in the economic growth of the country (Karanja, Mwangi, & Nyaanga, 2013).

Ogungbade, Idode, and Alade (2016) investigated the impact of adoption status of the modern accounting techniques among the manufacturing companies. Also, the companies investigated the challenges associated with the adoption of new technology. To achieve the objective of the study, the researcher conducted the quantitative research methodology, for which a well structured questionnaire was established. The questionnaire was sent to 56 manufacturing companies of Kenya, out of which 43 companies sent their response back to the researcher (Ogungbade, Idode, & Alade, 2016). Thus, the sample size used to analyze the data was based on the managers and entrepreneurs of 43 manufacturing companies of Kenya. The collected data was further analyzed by using SPSS. The descriptive statistics, Spearman correlation, and one sample t-test helped the researcher to evaluate that adoption of modern and advance accounting techniques brings great advantages to the respective companies, however lack of information, and lack of management support lead to the challenges associated with the adoption of advance accounting techniques. Thus, with the hiring of professional accountants and IT experts, the companies may reduce the risks and challenges associated with adoption of new techniques, and may enjoy better cost efficiency and productivity of the company (Ogungbade, Idode, & Alade, 2016).

Watts, Yapa, and Dellaportas (2014) also discussed the importance of adoption of the advance accounting techniques (JIT, BSC, ABC, and TQM). The study highlighted that most of the industries do not feel it comfortable to adopt any new finance dealing methodology. Some of them do not want to rely on the technology, or other have no proper knowledge about right adoption of the techniques (Watts, Yapa, & Dellaportas, 2014). However, with the advancement in the technology, the adoption of new and advance methods in almost every field has become demand of time, and same is the case with accounting. Thus, the study conducted a quantitative singe case based study, in which the researcher evaluated how the adoption of advance accounting management technique affect the multinational manufacturing company. The researcher conducted two-structured interviews with the managers of the selected organization. The managers had to participate in interview discussion as well as had to record their response via questionnaire. The findings of the study were further analyzed to evaluate how does adoption of advance accounting techniques affect the performance of the multinational company operating in Australia. The finding showed strong relevance between the adoption of modern accounting management techniques and efficient performance of the multinational company, however proper planning and training may help the managers to attain better outcomes. Conclusively, the findings showed a positive impact of the modern accounting techniques over the efficiency of the multinational company (Watts, Yapa, & Dellaportas, 2014).

The review of the above articles (Galani, Gravas, & Stavropoulos, 2010; Karanja, Mwangi, & Nyaanga, 2013; Ogungbade, Idode, & Alade, 2016; Watts, Yapa, & Dellaportas, 2014) makes it clear to the researcher that with the increasing complex structure of the financial reporting problems, the adoption of the modern accounting techniques and computerizaion serve as the solution. Also, it helps the orgnaizaitons for their efficient survival in the crowded and competitive markets. Galani, Gravas, and Stavropoulos (2010) suggested adoption of ERP system help the organization to improve their information flow, establish strong linkage with suppliers, reduce costs, and reduce response time to the customers’ needs. Karanja, Mwangi, and Nyaanga (2013) is of the view that the adoption of Activity based costing, target costing, Just in Time Method, and other non-conventional methods helps the enterprises to improve their cost efficiency and better production, as a result of which they showed a better and effective contribution in the economic growth of the country. Ogungbade, Idode, and Alade (2016)’s investigation showed that adoption of modern and advance accounting techniques brings great advantages to the respective companies, however lack of information, and lack of management support lead to the challenges associated with the adoption of advance accounting techniques. Finally, Watts, Yapa, and Dellaportas (2014) discussed strong relevance between the adoption of modern accounting management techniques and efficient performance of the multinational company, however proper planning and training may help the managers to attain better outcomes. Conclusively, the adoption of advance and modern accounting techniques are highly helpful for the organization to meet their all financial crises and show better cost efficiency in the competitive environment of the market.

**References**

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