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Usage of Accounting Software by Micro Business Units of Rajasthan

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ABSTRACT

Task of accounting has to be done with precision and promptness. Irrespective of the size of business this is an essential business activity that is vital for analyzing financial health of the business. Micro business units generally do not have separate accounts department either the owner or any responsible person having some understanding of accounts is assigned this task. With the advancement of technology this is done through accounting software on computer. In the last decade mobile has also revolutionized the accounting sector. Micro units have also started using mobile applications for maintaining their accounts. Thorough investigation has been made in four cities of Rajasthan to understand the uses of different accounting software and mobile applications for accounting. It has been found the Tally Prime is the market leader followed by Busy Accounting Software, Marg ERP, Zoho Books and Vyapar. While in mobile application Khatabook is the clear market leader followed by Vyapar, myBillBook and OkCredit. Study revealed there is significant difference in the usage of different accounting softwares and mobile application. Satisfaction from the users is significantly high for Tally Prime and Khatabook compared to other products available in the market.

Keywords*: Accounting, Software, Mobile Applications, Micro Units.*

Introduction

Every business unit has to maintain books of accounts in a proper way to assess situation of the business. It is also required for various documentation to be submitted to the government bodies for the purpose of taxation. It is always desirable to keep the books of account in such a way that the required information can be retrieved whenever required and proper decision can be made on the basis of these accounts. The purpose of accounting is to keep the track on various expenditures being incurred in the business and to regulate the unwanted activities and incur expenditure as per the proposed budget. For that purpose even the small business unit whether they are trader/ service providers or small manufacturers; they all are concerned about maintaining the accounts properly. It is essential for their financial performance evaluation, acceleration and transformation. Micro business units do not maintain accounts physically in registers rather they use software. That has made their task very convenient, easy and they can spend not much time in this activity.

Review of Literature

A study was executed at Gwalior related to the use of accounting software by small units it showed that 93.33% units use accounting software and maintain proper accounts. (Banerjee, S., & Saraswat, P., 2022).

For ongoing and sustainable growth of small business units, it is important to have structured accounts. Though the business like poultry farming, nursery, milling, etc. are mainly sole proprietorship and small yet they need to have accounts to check and run unit profitably. (Lodhi, S. R., 2017).

At Cachar district of Assam a study was done which reflected that poor record keeping of accounts and lack of planning are the major reason of failure of micro & small business units. (Khadim, M. E. H., & Choudhury, S. R. D. , 2018).

47.12% small business units use Computerized Accounting System while 52.88% still use manual book keeping in developing country like Indonesia. Out of Computerized Accounting System users 87.80% use MS Excel and merely 12.20% use accounting software. (Sumarna, A. D. 2023)

With the use of accounting software and mobile applications in accounting small business can be managed professionally and their competitiveness can be enhanced. Due attention is required in this regard to aware small units by the industries centre. (Mehta, A., & Hiran, D., 2023).

Objectives

- To know the usage of different accounting software by micro business units in Rajasthan.
- To know the usage of different accounting mobile application by micro business units in Rajasthan.

Hypotheses

- There is no significant difference in usage among accounting several software (i.e., all softwares are equally used).
- There is no significant difference in usage among accounting several mobile application (i.e., all mobile application are equally used).

Research Analysis

It has been observed in the research that out of the studied 160 micro business units 70% are using Tally Prime followed by Busy Accounting 9.38%. Marg ERP, Zoho Books and Vyapar collectively comprise of 17.50% of the users.

Table 1: Usage of Different Accounting Softwares

Software	No. of users	Usage in %
Tally Prime	117	73.13%
Busy Accounting Software	15	9.38%
Marg ERP	12	7.50%
Zoho Books	9	5.63%
Vyapar	7	4.38%
Other	5	3.13%
Total	160	100%

To know whether there is any significant difference in usage among accounting software, Chi-Square Goodness of Fit Test was done.

Expected Frequency = 160/ 6 = 26.67

Chi-Square Calculation

$X^2 = \sum(\frac{O-E}{E})\,2$

Table 2 : Chi-Square Test for Usage of Accounting Softwares

Software	O (Observed Frequency)	E (Expected Frequency)	$(O\text{-}E)^2/E$
Tally Prime	112	26.67	273.01
Busy Accounting Software	15	26.67	5.10
Marg ERP	12	26.67	8.07
Zoho Books	9	26.67	11.70
Vyapar	7	26.67	14.01
Other	5	26.67	16.10
Total X^2			327.99

Degree of freedom : df = k - 1 = 6 - 1 = 5

At 5% significance level, Critical value (χ^2, df=5, α=0.05) ≈ 11.07

Since χ^2 = 327.99 > 11.07, first hypothesis is rejected so there is significant difference in usage among accounting several software. Tally Prime is the clear market leader, and use of alternatives software is comparatively very low.

When we look at the table 3 it reveals the satisfaction that has been derived from the use of different accounting software. Businessmen have derived maximum satisfaction i.e. 88% from Tally Prime followed by Zoho books 82%, Busy Accounting software 78.40%, Marg ERP 77.20% and Vyapar 75%. It has been quite surprising that the difference in satisfaction is just 10% but it has really made impact on the usage.

Table 3: User Satisfaction from Different Accounting Softwares

Software	Points	Satisfaction
Tally Prime	4.4	88.00%
Busy Accounting Software	3.92	78.40%
Marg ERP	3.86	77.20%
Zoho Books	4.1	82.00%
Vyapar	3.75	75.00%
Other	3.22	64.40%
Total	3.88	77.50%

Research has also been done related to the use of mobile application for the purpose of accounting. In this regard 160 such units were identified which were using mobile application for the purpose of their accounting work. It has been found that Khatabook is used by 39.38% units. 23.75% units were using Vyapar and myBillBook was being used by 16.25% micro units. 11.25% micro business unit use other apps for accounting. It simply indicates market leadership of Khatabook in mobile application segment related to accounting work.

Table 4: Usage of Different Mobile Application for Accounting

Software	No. of users	Usage in %
Khatabook	63	39.38%
Vyapar	38	23.75%
myBillBook	26	16.25%
OkCredit	15	9.38%
Other	18	11.25%
Total	160	100.00%

To know whether there is any significant difference in usage among accounting mobile application, Chi-Square Goodness of Fit Test was done.

Expected Frequency = 160/ 5 = 32

Chi-Square Calculation

$X^2 = \sum(\frac{O-E}{E})2$

Table 5: Chi-Square Test for usage of Accounting Mobile Applications

Software	O (Observed Frequency)	E (Expected Frequency)	$(O-E)^2/E$
Khatabook	63	32	30.03
Vyapar	38	32	1.13
myBillBook	26	32	1.13
OkCredit	15	32	8.97
Other	18	32	6.13
Total X^2			47.39

Degree of freedom : df = k - 1 = 5- 1 = 4

At 5% significance level, Critical value (χ^2, df=4, α=0.05) ≈ 9.49

Since χ^2 = 47.39 > 9.49, second hypothesis is rejected so there is significant difference in usage among accounting mobile applications. Khatabook is the clear market leader, and use of alternatives mobile applications is comparatively very low.

The satisfaction derived from these mobile applications has also been studied. Khatabook users are 74.40% satisfied while myBillBook users are 72.20% satisfied followed by Vyapar app with satisfaction at 68.80%. From other apps the satisfaction is 64% only.

Table 6: User Satisfaction from different Mobile Application for Accounting

Mobile application	Points	Satisfaction
Khatabook	3.72	74.40%
Vyapar	3.44	68.80%
myBillBook	3.61	72.20%
OkCredit	3.24	64.80%
Other	3.22	64.40%
Total	3.45	68.92%

Conclusion

It has been found that satisfaction from accounting software being used on desktop provide more satisfaction as compared to mobile application. People feel more comfort and convenience using these for the purpose of accounting in micro business units. People have accepted the accounting software and accounting apps; they are pretty satisfied with the software where overall satisfaction level is 77.50% and the satisfaction from mobile app related accounting work is 68.92%. Satisfaction does not mean accuracy rather it is an indicator comfort. It shows that people are willingly using these accounting tools and it has considerably made their task easy. They are able to analyze the data in various ways and can interpret the financial condition of the business from multiple aspects.

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