COMPUTERIZED ACCOUNTING SYSTEMS AND FINANCIAL PERFORMANCE OF GENERAL MERCHANDISE BUSINESSES IN UGANDA :A CASE STUDY OF NOVO ENTERPRISES LIMITED, TORORO

SHARON AGNES NYAMWENGE

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A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF THE BACHELOR OF BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY

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UGANDA CHRISTIAN UNIVERSITY

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DECLARATION.

I Nyamwenge Sharon Agnes declares to the best of my knowledge, that the contents in this Research report are purely out of my effort with consistent support from my supervisors during the exercise carried out at Novo Enterprises Limited and it has never been submitted for any academic purposes to any University, College or any other Institution of learning for any academic recognition or award.

Name: NYAMWENGE SHARON AGNES.

Signature: 

Date :27 August,2025

APPROVAL

This is to affirm that this report was carried out, written and compiled by Nyamwenge Sharon Agnes (REG NO. J24/MUC/BBA/023) at Novo Enterprises limited under the supervision of the Academic and its now ready for submission to the Department of Business Administration of Uganda Christian University.

Signature 

Date: 28.08.2025

MR. OMACHE HENRY
(ACADEMIC SUPERVISOR)

DEDICATION

I dedicate this piece of work to my beloved parents Mr. Ekobo Augustine and Mrs. Ekobo Juliet, who have constantly and unconditionally sacrificed and supported me throughout my academic journey. I on the same note extend my gratitude to my siblings and the all the friends who greatly supported me throughout this period.
I strongly hold the view that my success is their greatest pride.

Thanks again for your support, I pray for abundant blessings upon you all.

ACKNOWLEDGEMENTS.

I acknowledge that this piece of work was not only my efforts and hard work but also the contributions of the silent majority who supported and guided me throughout this exercise and above all, the Grace and Mercies of God the Almighty.

First and foremost, my gratitude goes to my beloved parents Mr. Ekobo Augustine and Mrs. Ekobo Juliet and all my siblings for all their moral and financial support towards my academic journey.

Additionally, I am truly grateful to UGANDA CHRISTIAN UNERVISITY for the opportunity to pursue my dreams, knowledge imparted into me that enabled me carryout my Research with such and outstanding organization like Novo Enterprises limited. I in a special way send my gratitude to my academic supervisor MR. MACHE HENRY for his tireless support towards this great cause, the entire business department, all the lecturing and non-lecturing staff of UCU for not only imparting theoretical knowledge but also competent and practical life skills to enable me survive in this dynamic and competitive business environment.

On the other hand, I extend my sincere gratitude to NOVO ENTERPRISES LIMITED, Tororo for their professional support and guidance. Special thanks go to the Managing Director MR. MITESH DOSHI for his great support, and to all the staff of NEL for their ample time and willingness to accommodate me within their schedules and availing me with all the necessary information and support during this exercise.

Besides the above, I would in a special way love to extend my gratitude to my special friends, MUKULA SAMA and OKONGO PONSIANO FORI, and all the colleagues with whom I trained and studied, for their support and assistance in the various ways for making this a memorable experience.

May God reward you abundantly.

LIST OF ABBREVIATIONS

NEL	Novo Enterprises Limited
H/ACC	Head Of Accounts
UCU	Uganda Christian University
EFRIS	Electronic Fiscal Receipting and Invoicing System
BSA	Bank Secrecy Act
H/O	Head office
EXP	Expenditure
PO	Procurement Officer.
CEO	Chief executive Officer
OP	Operations Manager
ACC	Account number.
UBL	Uganda Breweries Limited
NDL	Novo Distributors Limited
BUL	Bidco Uganda Limited
EDN	Empty Delivery Note
OHSE	Occupation Health Safety and Environment
HRM	Human Resource Manager
CD	Depot Center
DMS	Distributor Management System

ABSTRACT

The study examined the relationship between Computerized Accounting Systems and financial performance of General Merchandise businesses in Uganda, A case of Novo Enterprises Limited, Tororo Branch. The study was based on three specific objectives including examining the relationship between computerized data filing and financial performance of NEL, determining the relationship between computerized data storage and financial performance of NEL and assessing the relationship between computerized data retrieval and financial performance of Novo Enterprises Limited.

Theoretically, this study was underpinned by the Technology Acceptance Model theory. This study used across-sectional survey design with both qualitative and quantitative approaches. The population of the study was 150 employees with a sample size of 100 employees. The study employed both purposive and simple random sampling. Findings from the study show that that Computerized Record Storage is the greatest contributor to financial performance with beta value = 0.551 at 0.001 level of significance. This means that Computerized Record storage has a positive and significant effect on financial performance. Findings from the study reveal that Computerized Record Filling is the second contributor to financial performance with beta value = 0.439 at .003 level of significance. This means that Computerized Record filling has a positive and significant effect on financial performance. Findings from the study show that Computerized Record Retrieval is the third contributor to financial performance with beta value = 0. 342 at .931 level of significance. This signifies that Computerized Record Retrieval has a positive and significant effect on financial performance. Findings from the model summary using predictors including Computerized Record Filling, Computerized Record Storage, and Computerized Record Retrieval produced Adjusted R Square value of 0.971. This shows that 97.1% variations in financial performance are caused by Computerized Record Filling, Computerized Record Storage, Computerized Record Retrieval while the remaining 2.9% variations in financial performance are as a result of other factors.

According to the study, Novo Enterprises Limited's management should make sure that financial records are kept up to date and reported objectively at all times. This could enhance the standards of financial data handed in, which could assist in decision-making and enhance Novo Enterprises Limited’s financial performance. The results of the study showed that

computerized record retrieval significantly improves financial performance. The study suggests Novo Enterprises Limited's management undertake an investment in database development to provide simple data backup, archiving, and retrieval as needed. The management of NEL should make sure that records are properly preserved in safe locations for a suitable amount of time in order to improve financial performance, based on the fact that records storage has a positive and significant effect on the financial performance

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CHAPTER ONE

1.0 INTRODUCTION

This study was done with the purpose of measuring the relationship between computerized accounting systems and financial performance of business organizations in Uganda with specific reference to Novo Enterprises Limited Computerized accounting systems were initially predetermined to be used as the independent variable and financial performance was to be considered as the dependent variable as diagrammatically expressed in figure 1.

This chapter majorly expounds on the background roots of the study, the problem statement, the objectives of the study, which guided the development of the research questions and hypotheses. Further the conceptual framework was illustrated, along with the study scope, significance, justification and the operational definitions.

1.1 Background of the Study

The background of this study is rooted in the evolution of accounting practices, from manual record-keeping to the adoption of Computerized Accounting Systems (CAS), Computerized Accounting System is defined as an accounting information system that processes the financial transactions and events as per Generally Accepted Accounting principles **(GAAP)** so as to produce reports as per the user requirements, Meigs et al., 1998; Marivic, (2009). Historically, accounting relied on manual methods, but the growth of businesses and the need for efficiency led to the development of more systematic approaches.

The advent of computing technology marked a significant shift, enabling businesses to automate financial processes, reduce errors, and improve reporting. Today, CAS is integral part in organizational operations, integrating with other business functions and leveraging technologies like artificial intelligence (AI) and machine learning (ML) for advanced financial analysis and decision making.

In Uganda, businesses are transitioning from manual to computerized accounting systems, but challenges like limited ICT infrastructure, lack of skilled personnel, and high implementation costs can affect adoption and effectiveness. This study explores the relationship between CAS and financial performance in Ugandan business organizations, specifically Novo Enterprises Limited.

1.1.1 Historical Background

Historically, the accounting profession has relied on manual record-keeping methods. For centuries, accountants used ledgers, journals, and other physical documentation to record financial transactions. As businesses grew larger and more complex, the need for more efficient and accurate accounting processes became evident. This led to the emergence of various manual accounting techniques, such as double-entry bookkeeping, which provided a more systematic way to track financial transactions.

The first major shift in accounting technology Worldwide came in the mid-20th century when businesses started adopting early computing technologies. In the 1950s and 1960s, organizations began using large mainframe computers for tasks such as payroll processing and inventory management. However, these early systems were primarily used for back-end processes and were not widely accessible due to their high costs.

The 1980s saw the rise of personal computers (PCs) and the first generation of accounting software designed for small and medium-sized businesses with African countries South Africa, Nigeria, and Kenya leading adoption due to their better infrastructure. This era marked the beginning of the widespread adoption of computerized accounting, with programs such as QuickBooks, Peachtree, and Tally becoming popular choices for businesses looking to automate their financial processes. These early software solutions allowed organizations to manage their financial records more efficiently, reduce manual errors, and streamline financial reporting.

By the 2000s, accounting software had become more advanced and integrated with other business systems. East African countries like **Kenya, Tanzania, and Uganda** began embracing computerized systems in government institutions, banks, NGOs, and multinational companies operating in the region. Cloud-based accounting platforms, such as Xero and Sage, introduced a new level of flexibility by allowing businesses to access their financial data from anywhere with an internet connection. The continuous evolution of accounting technology has led to the development of tools that are not only more powerful and user-friendly but also capable of analyzing large volumes of financial data for better decision-making.

Today, computerized accounting is an integral part of most organizations' operations. Many businesses in Uganda including Novo enterprises Limited have adopted the integration of accounting software with other business functions such as inventory management, sales, and customer relationship management (CRM) systems has created a seamless ecosystem for managing financial data. Moreover, the use of artificial intelligence (AI) and machine learning (ML) is beginning to reshape the landscape of accounting, with advanced tools capable of predicting financial trends, detecting fraud, and automating complex accounting tasks.

1.1.2 **Theoretical Background**

The study of the relationship between computerized accounting systems (CAS) and financial performance in business organizations is grounded in several foundational theories that explore the use of technology in organizational processes, decision-making, and performance outcomes. For this case,we shall consider,

Technology Acceptance Model (TAM): The Technology Acceptance Model, developed by Davis (1989), posits that perceived usefulness and perceived ease of use influence individuals' acceptance and actual use of information systems. In the context of computerized accounting systems in Ugandan business organizations, this theory helps explain the rate at which employees and managers adopt and utilize accounting software to manage financial data. Acceptance of CAS is critical for improving accuracy, efficiency, and timely financial reporting, all of which contribute to enhanced financial performance.

In Uganda, many businesses—especially small and medium enterprises—are transitioning from manual to computerized accounting systems as part of digital transformation initiatives. However, challenges such as limited ICT infrastructure, lack of skilled personnel, and high implementation costs can affect both the adoption and effectiveness of CAS. Understanding the theoretical foundations behind CAS adoption and its link to financial performance helps in designing tailored strategies to enhance business productivity and profitability within the Ugandan economic environment.

1.1.3 **Conceptual Background**

Computerized Accounting System is defined as an accounting information system that processes the financial transactions and events as per Generally Accepted Accounting

principles **(GAAP)** so as to produce reports as per the user requirements, Meigs et al., 1998; Marivic, (2009). It entails the following,

Computerized Data filing

This refers to the process of noting down records relating to all transactions when they take place (Akesinro, & Adetoso, 2016)

Computerized Data storage

According to, Kanyanga (2022) this refers to several methods used by an organization to retain data.

Computerized data retrieval

This refers to the act of recording complete records that give a true and fair view as par the operations being executed using computers and other electronic gadgets (Al-Delawi, & Ramo, 2020).

Financial performance

This refers to a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues (Kabanda, 2014). It shows how well a company or organization is using its resources to generate income and achieve its financial goals over a specific period. The following are measured,

Net profit margin

Net profit margin measures the portion of the company's sales dollar remaining after it pays all expenses (including product costs) and realizes any extraordinary gains or losses (Dahiyat, 2016)

Return on Assets

ROA is an indicator of how profitable a company is in relation to its total assets (Amahalu et al., 2017).

Return on Equity

Return on Equity (ROE) the amount of net income returned as a percentage of shareholders

Most business organizations have included these systems due to their affordability for example the payment processing system, payroll and time tracking system, invoicing system, inventory management system, computerized accounting systems and many other accounting systems. Basically, manual and computerized accounting systems do the same thing. The difference lies in the mechanics of the process for instance, their speed, cost, backup of transactions, accuracy of operation and perhaps most importantly, the ability to see the real-time state of a company's financial position. In that sense, stewardship accounting has been important for all business

organizations in maintaining, preparing, and presenting the accounts to the stakeholders through financial reports for efficiency and effectiveness. This is the value of an accurate and efficient accounting system demonstrated in its ability to aid all transaction activities, especially by contributing to service delivery improvement, reducing costs, and eliminating resource wastage; thus, computerized accounting systems have been adopted as the way to go.

1.1.4 Contextual background

Novo Enterprises Limited is a private Limited Company which was incorporated on the 14th May,1984, registered in Uganda with Head offices in Tororo and other branches in Mbale, Soroti and Moroto, the company deals in a number of merchandise and services which among others include Textiles, hardware and construction materials, spirits, beer and liquor distribution, cotton production and ginning, e.t.c

Before the introduction of the computerized accounting system in NEL, there were manual systems in use, when the businesses increased in size and got various operations, the manual methods for keeping and maintaining records were found quite tiresome and unmanageable. Changes in technology have drastically transformed the use of new technologies in computer based professions like accounting , The increase spread up of computer based programs increased the emphasis in the fields of accounting information being the response to business change [Stron, et al 2006] whose development was accompanied by the high interest of numerous business organizations to acquire and develop the latest computerized accounting systems - Novo Enterprises Limited not being left behind.

However, In relation to all benefits that are associated with the use and implementation of Computerized Accounting System, many commercial firms including Novo Enterprises Limited failed to stay in line and appreciate the benefits related to the use of the above systems ,they had constant issues in relation to Computerized Accounting Systems use like , lack of accuracy that came as a result of breakdown of machines and system failure which left pending and un answered queries in relation to computerization changes in question as per the European Union Audit of 6th March.

1.1 Statement of the Problem

According to McBride (2000), computerized packages can quickly generate all types of reports needed by management for instance budget analysis and variance analysis. Data processing and

analysis are faster and more accurate which meets the managers need for accurate and timely information for decision making. Frank and Sangester (1999) consented to the speed with which accounting is done and further added that a computerized accounting system can retrieve balance sheets, income statement or other accounting reports at any moment. He consented that computerized accounting system allows managers to easily identify and solve problems instantly. In the same way, Novo Enterprises limited has adopted a computerized accounting system in a bid to improve financial performance. The Annual Management Report (2023) shows that all transactions are filled electronically using computers and other electronic equipment. In the same way, all the records are stored and backed up over internet for future references.

In spite of the attempts listed above, Novo Enterprises Limited Annual Report 2023 shows that the entity still faces constant challenges in financial performance. It is revealed that during the year 2023, the total turnover of the company greatly reduced. Furthermore, the company witnessed a lot of stock outs in the months of January, October and November with also a reduction in the profits. Though the net assets value increased, the company witnessed a reduced return on capital in 2023. This continuous poor financial performance prompted the researcher to examine the relationship between Computerized Accounting Systems and financial performance of General merchandise businesses in Uganda a case of Novo Enterprises Limited.

1.3 Objectives of the study

1.3.1 Purpose of the study

The purpose of this study is to investigate the relationship between computerized accounting systems and the financial performance of Novo Enterprises Limited, with a view to identifying the benefits and challenges and identifying ways to fill the gaps.

1.3.2 Specific Objectives

i. To examine the relationship between computerized data filing and financial performance of Novo Enterprises Limited
ii. To determine the relationship between computerized data storage financial financial performance of Novo Enterprises Limited
iii. To assess the extent to which computerized data retrieval relates to financial performance of Novo Enterprise Limited

1.4 Research Questions

i. What is the relationship between computerized data filing and financial performance of Novo Enterprises Limited?

ii. What is the relationship between computerized data storage and financial performance of Novo Enterprises Limited?

iii. What is the relationship between computerized data retrieval policy and financial performance of Novo Enterprises Limited?

1.5 Scope of the study

This study aims to investigate the impact of computerized accounting systems on the financial performance of Novo Enterprises Limited, Tororo, Uganda. The study will focus on the following aspects:

1.5.1 Content Scope

This study will cover a comprehensive range of topics, including the background and evolution of computerized accounting systems, financial performance metrics, and the theoretical and empirical relationship between computerized accounting systems and financial performance. The study will also delve into the specific case of Novo Enterprises Limited, examining the organization's experience with computerized accounting systems, including the benefits, challenges, and impact on financial performance. Additionally, the study will explore the challenges and limitations of computerized accounting systems, as well as provide conclusions and recommendations for improving their implementation and maintenance in Ugandan business organizations.

1.5.2 Geographical scope

This study will be conducted in Tororo, Uganda, with a specific focus on Novo Enterprises Limited, a business organization operating in the region. Tororo is located in eastern Uganda, approximately 225 kilometers (140 miles) east of Kampala, the capital city It's situated near the border with Kenya. The surrounding districts include Mbale to the north, Manafwa to the northeast, Busia to the south, Bugiri to the southwest, and Butaleja to the northwest. The study will not extend to other regions or districts in Uganda, but will instead focus on the experiences and practices of Novo Enterprises Limited in Tororo. This geographical scope allows for an in-depth examination of the organization's use of computerized accounting systems and their impact on financial performance

1.5.3 Time Scope

This study focused on the time period of three years from 2020-2023. The researcher selected this time because it is a relevant period to capture the most recent information hence ensuring reliability and validity for the findings with a focus on the how computerized accounting systems influence the financial performance metrics such as profitability, liquidity, and efficiency because this time frame recorded declining financial performance. (Novo Enterprise limited performance report 2023)

1.6 Significance of the study

This study has contributed to the existing literature on computerized accounting systems and financial performance, providing new insights and evidence on the impact of computerized accounting systems on financial performance in the Ugandan context. The study's findings will have practical implications for business organizations in Uganda, policymakers, and stakeholders, including investors and creditors, providing them with valuable information on the benefits and challenges of implementing computerized accounting systems, and informing policy decisions on accounting and finance.

To Novo Enterprises Limited, the study will provide valuable insights on the effectiveness of computerized accounting systems in improving financial performance, enabling the organization to make informed decisions on investments in accounting technology and process improvements.

To the researcher, the study will enhance my knowledge and understanding of computerized accounting systems and their impact on financial performance, develop my research skills and contribute to the existing literature on accounting and finance, and to make a meaningful contribution to the field.

To other shareholders, the study findings will provide better understanding of the organization's financial performance and the role of computerized accounting systems in driving financial success, enabling them to make informed investment decisions.

To other academicians, the study will contribute to the existing body of knowledge on computerized accounting systems and financial performance, providing new evidence and insights that can inform future research and academic discussions.

1.7 Justification of the study

The use of computerized accounting systems has become increasingly widespread in recent years, driven by advances in technology and the need for organizations to improve their financial management and reporting (Brender, 2004; Warren, 2011). However, despite the growing importance of computerized accounting systems, there is a need for further research on their influence on financial performance, particularly in the context of developing countries like Uganda (Izedonmi, 2011; Okpala, 2012).

According to a study by Kariuki (2015), computerized accounting systems can improve financial performance by reducing errors, increasing efficiency, and enhancing transparency and accountability. However, another study by Mwangi (2016) found that the adoption of computerized accounting systems can also pose significant challenges, including high implementation costs, technical difficulties, and resistance to change from employees.

In Uganda, where this study is based, there is a growing need for organizations to adopt computerized accounting systems in order to improve their financial management and reporting (Ministry of Finance, 2013). However, despite this need, there is a lack of research on the extent to which computerized accounting systems influence financial performance in the Ugandan context

Therefore, this study aims to contribute to the existing literature on computerized accounting systems and financial performance by investigating the influence of computerized accounting systems on financial performance in the context of Novo Enterprises Limited in Uganda.

1.8 Conceptual framework

Figure 1 Conceptual framework for Computerized Accounting Systems and Financial Performance

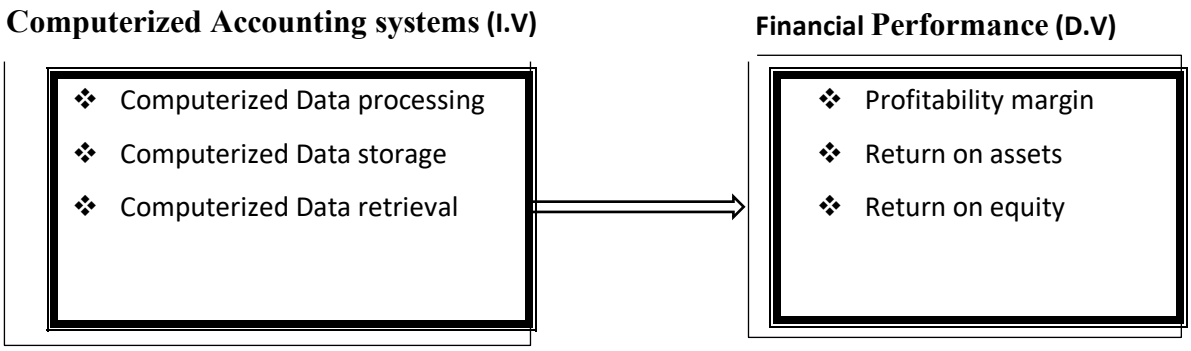

Figure 1: Showing the conceptual framework

Source; Romney & Steinbart (2018) and Kajola (2008). Modified by the Researcher (2025)

In reference to *Figure 1 above,* the conceptual framework for this study shows how financial performance is influenced by the adoption and effectiveness of Computerized Accounting Systems (CAS). Financial performance (FP), comprising profitability, Return on Assets and Return on Equity is the Dependent variable, while Computerized Accounting Systems (CAS), consisting of Data processing, Data storage and Data Retrieval is the independent variable. The framework suggests that improvements in Novo Enterprises Limited's Computerized Accounting Systems (CAS) is likely to drive improvement in the Financial Performance of the Organization.

1.9 Definitions of key terms

Computerized Data filing

This refers to the process of noting down records relating to all transactions when they take place (Akesinro, & Adetoso, 2016)

Computerized Data storage

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ROA is an indicator of how profitable a company is in relation to its total assets (Amahalu et al., 2017).

Return on Equity

Return on Equity (ROE) the amount of net income returned as a percentage of shareholder

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Literature review is an attempt to present what other researchers and scholars have written, experienced and reflected on computerized accounting and financial performance. The researcher reviews existing literature on the concept of Computerized Accounting and Financial Performance. The chapter comprises of an introduction, theoretical review, actual Review, Literature Gap and summary of the literature review.

2.1 Theoretical Overview on Computerized Accounting

The study of the relationship between computerized accounting systems (CAS) and financial performance in business organizations is grounded in several foundational theories that explore the use of technology in organizational processes, decision-making, and performance outcomes. For this case, we shall consider,

2.1.1 Technology Acceptance Model (TAM): The Technology Acceptance Model, developed by Davis (1989), posits that perceived usefulness and perceived ease of use influence individuals' acceptance and actual use of information systems. In the context of computerized accounting systems in Ugandan business organizations, this theory helps explain the rate at which employees and managers adopt and utilize accounting software to manage financial data. Acceptance of CAS is critical for improving accuracy, efficiency, and timely financial reporting, all of which contribute to enhanced financial performance.

In Uganda, many businesses—especially small and medium enterprises—are transitioning from manual to computerized accounting systems as part of digital transformation initiatives. However, challenges such as limited ICT infrastructure, lack of skilled personnel, and high implementation costs can affect both the adoption and effectiveness of CAS. Understanding the theoretical foundations behind CAS adoption and its link to financial performance helps in designing tailored strategies to enhance business productivity and profitability within the Ugandan economic environment

2.2 Actual Review

2.2.1 Computerized data filing and financial performance

Computerized record filing is the application of computer-based software to input, process, store, and output accounting information (Sugut, 2014). Amviko (2011) opined that computerized record filing involves the computerization of accounting information systems established to facilitate managerial decision-making. Marivic (2009) describes a computerized record filing as a method or scheme for recording, organizing, summarizing, analyzing, interpreting and communicating financial transactions of an entity to stakeholders via the use of computers and computer-based systems. This system uses specialized machines called calculators and computers in gathering information. Technically it is often referred to as Electronic Data Processing (EDP) System (Ama, 2004). They allow financial statements to be created from information stored in the database (Amahalu, Abiahu, & Obi, 2017).

Record Filing is the process of arranging and storing records so that they can be located when required. Filing can be described as the core of records management. The files of an organization are its memory and any malfunction of this memory will severely affect the overall efficiency of the organization. Most modern management realized the need for an efficient filing system. Record Filing provides a means of preserving the records of business transactions. It is the process of arranging and sorting original records or copies of them that they can be readily located when required Salamatu& Muhammad (2021).

Data filing being a crucial function, there's high levels of accuracy required, which brings in the need of using computer systems to aid in recording the large amount of data accurately and also make them accessible when needed (Kanyanga, 2022). According to Aisha (2018) the benefits of of using computerized filing include; only one set of accounts were maintained resulting to a single profit figure hence eliminating need for reconciliations, avoids duplication of efforts and time reducing expenses, reduction of time of getting information for costing and financial accounting purposes, and it is more advantageous if operated in mechanized and computerized environment (Aisha, 2018).

The most significant feature of a computerized accounting system is its capability to produce result/useful information automatically in reports form based on defined reporting options and parameters (Akamanwam, 2020). This component works in harmony with the relational database management component for the recovery and consumption of a relevant set of data and information for every report to enhance the decision-making of the management. Thus, the automated reporting component is of great significance to the computerized accounting system

2.2.2 Computerized data storage and financial performance

In today's accounting field, one of the major factors pushing the necessity of adopting CAS is the large amount of data and transactions in most organizations and institutions. The data need to be stored and managed in an organized manner for efficiency of operations and also for reference purposes. Data storage is a critical function in any institution. It involves the collection of information, analyzing it, storing and organizing it in a way it can be accessed easily when needed by the right individuals, (Huber, 2009). Effective data storage can also positively contribute towards operational decision making and strategic planning by executive officers and other senior managers.

The modern technology today has enabled the computers to have a continuous improvement in their processing speed and large storage capacities, (Korpela, Montealegre, & Poulymenakou, 2003). This aspect aids in the improvement of data management function which in the long run can influence the performance of an institution or any other firm. Most Computerized Accounting Systems (CAS) are multi-user systems. These systems use databases that which keeps consolidated sets of data from the institution's systems. After setting up databases, performance monitoring must always be done and also security provided, so as to make it not available to anyone, but intended users.

IT security experts set up and use antispyware, firewalls, intrusion detection systems, encryptions, access control lists, network scanners, and penetration testing tools as part of an IT security defensive strategy; these are particular duties based on user expectations and usability knowledge (Kanyanga, 2022). Data control in the field of accounting mainly involves the procedures and methodology put in place by a firm or organization to enhance the validity and accuracy of financial information they prepare and provide. These control methods do not have to necessarily comply with laws and regulations, but are developed to suit in aiding the organization to operate smoothly.

Enwere (2012) argues that bad records storage and lack of policy guidelines in records storage programme in Nigerian public service have led to inefficiency in administration and to the loss or unavailability of vital information needed for decision-making. Therefore, this study wants to investigate what obtains in the records storage at Joint Clinical Research Center. There are a number of challenges associated with records management practices in Uganda today. These challenges can be insufficient skilled and experienced records personnel, low records storage task in the scheme of things, and insufficient funds.

Joint Clinical Research Center (JCRC) records are generated from the above-mentioned departments through performing different activities like general meetings, carrying out workshops, recruitment of workers, and among others different activities that are performed by those departments. JCRC creates and receives a lot of records in their registry which need to be stored and preserved effectively in a proper way. Currently JCRC's registry doesn't have enough records storage equipment for proper storage of their paper records. The filing cabinets are also damaged which at times results into problems like records deterioration, loss of records, wear and tear among others. The mission of the JCRS is to conduct quality medical research and training and to provide equitable and sustainable HIV/AIDS care and other health care services in Uganda and other parts of Africa. The vision of the organization is to have a vibrant self-sustaining center of excellence in medical research, training, and health care services (JCRC, 2017: Online).

According to Popoola (2010), what actually keeps the civil service going in any modern system of government is recorded information called "records," which are used for planning, decision making, and controlling. The need for a records storage programme in all organizations cannot be overstressed in the digital age. Atulomah (2011) observed that improving records management in public institutions will help to eliminate various observed administrative/managerial problems and weaknesses that cause inefficiency and ineffectiveness in the institutions.

Records storage does not only mean just the classification and segregation of files; it involves how to take care of the documents. Good records storage can enhance organization's performance even its decision-making abilities. Unegbu & Adenike (2013) stated that there must be safe records storage and skilled staff for records which are created on daily basis in any viable organization. Generally, record keeping must be guided by some level of confidentiality, proper maintenance security, preservation of the content and context etc (Akporhonor and Iwhiwhu, 2007).

According to Donovan (2009) this is the final phase of a records lifecycle and any record of historical value to the organization will be kept and set to the archives where it will be kept for the future of the business and will never be destroyed. Mostly the first three steps of the lifecycle (creation/receipt, distribution and use) the records are in the employee's custody and the two steps (maintenance and disposition) the records are in custody of the records centre Effective methods should be used in the storage of financial records due to their sophiscated benefits. Given the rapid obsolescence of computer hardware and software and the degradation

of storage media, the mechanisms for the management of electronic records require a higher level of sophistication than is needed to manage paper records (The World Bank, 2010). European Commission (2016) stated that the audit trail maintains a historical record of the data that enables the user to trace a piece of data from the moment it enters the data system to the time it leaves. Unegbu & Adenike (2013) argued that a well-structured records storage practices and procedures result in a number of benefits to an existing private or public sector. Some of these benefits are: fulfilling legal mandates, improving access and accountability, reducing costs for the retrieval of records, ensuring the creation and management of accurate and reliable records, and reducing the costs of storing records (Omenyi, 2001). All these help in time gain in decision making since records give vital information for good decisions.

The objectives of financial records effective records storage among others include; cost reduction and avoidance of high operating expenses, improved efficiency and productivity by quick access to needed records, reduction of incidence of lost information, enhanced litigation avoidance and support, increased audit compliance (Feather & Sturges, 2003). These collaborate with Robek, Drown & Stephens (2015) on records management manual which establishes the various phases of records management programme, assists with training of employees, save money, reduces errors, standardizes procedures, increases productivity and makes provision for change. Chinyemba & Ngulube (2005) warned that unless controls are instituted at the point where the records enter the system, unnecessary costs would be incurred. Therefore, effective records storage and retrieval is an essential function in any organization to save cost. Soyemi (2009) stated in his work that man is yet to discover a more permanent means of record keeping than the use of paper. In spite of all technological advancement, paper still remains the major records keeper.

Records that are not in active use are disposed of. Disposal of records does not always mean destruction; it could be transfer to a historical archive, museum, or private individual (Unegbu & Adenike, 2013). Destruction is always a last resort to be authorized by law, statute, regulation, or operating procedure according to the policy of the originating body. Records should never simply be discarded as refuse.

2.2.3 Computerized data retrieval and financial performance

Retrieval of information from databases is always done by user friendly programmers, as well as addition of new information. This forms an integral part which enhances efficiency in management of accounting data in the institutions (Kanyanga, 2022).

With large volumes of financial records being produced daily, the need for organized system of retrieval becomes necessary. Businesses today use different types of retrieval systems, ranging from paper organization to expensive databases. However, regardless of the complexities involved, the goal is the same: pull the right record at the right time to help with business decision-making (Lawson, 2008). There are computer programs or networks that help to facilitate document retrieval, such systems as file name finder or folder name search engine (Musah, 2008). Slightly more advanced programs use coded and tailored email software programs to help find specifically desired email records rather than files or folders. These programs use the same design model of an inputted name as a search parameter (Musah, 2008). The retrieval system of an organization has to be fast and efficient in order to retrieve records and information and in order to determine whether a retrieval system is efficient, we focus on how it can quickly retrieve records and information which is required for use in a financial organization. (Dollar, 2016) Therefore, the retrieval system should be fast and efficient as any minute of delaying will always cost the organization.

While retrieving records, all file folders should be labeled in order to identify them easily. The labels should identify the information needed such that this helps in retrieving the records easily. For example, if the records are filed by the customers' names, then the labels should also identify the customers' name such that while retrieval, it is easy to find this information. (Wallace, 2004)

Procedures for protecting the computer system from unauthorized intrusion and securing data have to be in place. This may include how the applicant controls access to the computer systems through the use of passwords, protects against unauthorized intrusion, for example through the use of firewalls and anti-virus protection and how the applicant files and ensures the secure storage of documents (European Commission, 2016). The World Bank (2010) stated that records centers serve as intermediate storage facilities: they receive and administer all records, in whatever format, that are retired from current records systems; provide a reference service based upon the records; and dispose of records in accordance with disposal schedules and plans. Incomplete record filling reduces the efficiency and effectiveness of the decision taken on the basis of their cording resolving the intended problem

Nevertheless, irrespective of the difficulties encountered, the goals don't change: these include pulling the needed records at the right time to enable decision-making (Lawson, 2008). Existence of several computer programs and networks help user units to retrieve records, these systems as file name finder or folder name search engine (Musah, 2008). To some extent more innovative programs use implicit and customized email software programs to aid in finding specific and needed email records rather than files or folders. These programs make use of the same design model of an inputted name as a search parameter (Musah, 2008).

The World Bank (2010) argued that adequate accommodation is essential to the proper functioning of the records service. The University of Melbourne (2011) argued that records retrieval is the recovery of accurate, complete, reliable and useable documentation of activities of an organization in order to meet legal, evidential, accountability and social and cultural requirement of the organization. Feather & Sturges (2003) see records storage as a systematic, ongoing, organization-wide managerial effort to control all records regardless of medium, created or received in the normal course of an organization's affairs.

There in need for the special attention for the electronic records storage in order to protect them for long time. The media upon which electronic records are stored is fragile compared to other media forms such as paper and microfilm. Digital audiotapes are only reliable as a storage medium for five years (The World Bank, 2010). Ajewole (2011) opines that the hallmark of any effective records management is a storage device that facilitates, rather than hampers, a quick retrieval process for prompt usability of the records.

Taabu (2014) described the various challenges to the retrieval of records which include; lack of disasters management policies, lack of top management support, lack of adequate finances, lack of adequate knowledge in information communication technology, bureaucracy, lack of expertise, timing and lack of accurate information, and inadequate staff. Disasters are also a challenge to the records in their storage areas. Janseen et al. (2009) observe that when disaster strikes, multiple organizations are involved in decision making.

An important part of risk assessment is examining systems, networks, and information storage solutions (Landoll, 2012). Backup systems are especially important because they are the foundation for recovery and the last line of defense for many critical threats. However, the guidance provided backup systems is high-level and does not provide sufficient detailed information to assess whether backup systems are fully protected or set up to effectively protect assets against threats. Information security risk assessments are the primary tool for organizations to assess their security and viability to combat generalized threats (Landoll,

2012). Ransomware is a generalized threat that affects the global community (Lelii, 2017; Mansfield-Devine, 2016). Ransomware attacks are increasing at an astonishing rate and now account for the vast majority of extortion-based malware attacks (Thomas, 2017a).

Electronic records, just like other records, provide essential evidence of organizational activities, transactions and speed decision-making process. Electronic records are regarded as strategic and operational assets and are important for the operation of the government and they need to be effectively managed and protected (Wamukoya & Mutula 2005; Mnjama & Wamukoya 2004). Sejane (2004) posits that e-records are important tools because they enable more effective sharing of information. ISO 15489 (2016) postulates that e-records management ensures that organizations are able to retrieve or locate the records they need whenever they are required. Organizations such as CIPA require proper electronic records management in order to conduct its business in an orderly, effective and accurate manner. Moreover, proper electronic records management is also required to provide evidence of organizational activities. Through proper electronic record-keeping, an organization such as CIPA can deliver its services in a consistent and equitable manner, support and document policy formulation and managerial decision-making. Electronic records management has become a burning issue since the revolution of Information and Communication Technologies (ICTs).

Mnjama (2014) avers that the shift from paper records to e-records offers several advantages over paper-based records. E-records enable faster access to information by authorized users in numerous locations and instant access to information. In addition, e-records offers several benefits such as ease and speed of off-site back-up of vital records, ability to provide records over an organization's intranet and have the capability to provide records to customers or the public via the internet. E-records also offer the ability to add workflow technology so that 'float' between actions upon the records is dramatically reduced and allows huge amounts of information to be stored (Mnjama 2014)

The records of an organization can only be useful to the organization if they are accessible to the members of the organization who need to use them. This implies making sure that they are readily retrievable when required. The main purpose of storing any information is for easy retrieval in the future when it is required. It is also part of a company's business practice. Storing documents have to be done in proper procedure so that it is easier to find.

2.3 Literature gap

The literature above examined the different dimensions including computerized record filing, computerized record storage and computerized record retrieval. Under these themes, it presented different types of records kept in organization. Electronic methods used in storage of records, challenges in storage of records and recommendations on proper storage of records in organizations. Literature from different scholars about computerized accounting systems and how they relate with financial performance has been revealed and examined but more of it was out of Uganda. This presents the need to carry out a study on computerized accounting systems and financial performance of processing companies in the Ugandan context.

2.4 Summary of Literature Review

Computerized accounting is faster and efficient in processing information. As the properties of information continue to change, the accounting system should become flexible enough to meet the need of users. An automated generation of accounting documents like invoices, cheques and statement of accounts with the larger reduction in the cost of hardware and software and availability of user-friendly accounting software package with relative cheap maintenance will always contribute to wider usage of the computerized accounting systems in various banking institutions. In order to promote quality of financial statements, there is need of feedback regarding the way in which user determines quality (Mangiameli et al, 1999).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research methods used to conduct the study.

This chapter describes how data was collected and analyzed. It rotates around the research design that was used, study population/area, sample size, data collection methods and instruments, data processing and analysis tools and problems that were encountered in the execution of the study by the researcher and Ethical consideration.

3.1 Research Design

The researcher used a cross-sectional research design in establishing a relationship between Computerized Accounting and Financial performance of business organizations. Both qualitative and quantitative approaches were used. The quantitative method was used to collect and analyze numerical data that measures the extent of the impact of computerized accounting systems on financial performance while qualitative methods provided insights to explore in-depth perceptions, experiences, and attitudes of individuals involved with the computerized accounting systems at Novo Enterprises Limited ..

3.2 Study Population

The study population was 150 which constituted all the Main staff of Novo Enterprises Limited –Main Office, Tororo with a sample of 100 employees drawn from the departments of finance and accounting, information technology, marketing and sales, management, and procurement of Novo Enterprises Ltd, Tororo branch that made the respondents as shown in the table below.

3.3 Sample size

A sample refers to a single portion obtained from the population as a whole consisting of certain members that are carefully chosen and usually discussed to as elements. Sampling refers to the technique that involves picking a smaller sum of elements from the much bigger population which helped the researcher to easily acquire features the selected elements from the big population, According to Sekaran (2019)

The sample size used was determined by using Slovene`s formula, the sample size was attained presented in the table below.

$$n = \frac{N}{1 + Na^2}$$

Where n = sample size

N= size of the population

a = level of significance which is $(0.0577)^2$

Therefore

$$n = \frac{100}{1 + 100(0.0577)2}$$

n = 100

Figure 2 Table 1: Study population and Sample size

Department	No of employees	No of Employees	Sampling Method
Accounting and finance	60	40	Census
IT	30	20	purposive
Internal Audit	20	20	Random
Managemen t	40	20	Random
Total	**150**	**100**	

3.4 Sampling Techniques

The major techniques employed were the simple random sampling technique where the researcher randomly selected a subset few of the chosen participants from a population Other techniques like purposive sampling representing non-probability sampling were also identified and used to attain meaningful information. in this specific regard Simple random sampling was considered to be the suitable technique to give us reliable and accurate information for thus the reason for choosing it since the all staff were considered. This technique was chosen since there is a possibility of reducing bias. We considered purposive sampling to attain information that relates to administrative staff, Novo

Enterprise officials with in the Management, IT staff and chosen clients. These techniques were vital in selecting respondents who had an idea the related topic of Computerized accounting systems and financial performance of Novo Enterprises Ltd, Sekaran, (2019).

3.5 Data sources

While conducting the study the researcher was able to put into consideration of two different data sources to acquire data from the target population through physically reaching the field. The primary data source is firsthand information that the researcher obtained from the field from all levels of management representatives of Novo Enterprises Ltd who gave direct responses and some questionnaires administered and Secondary data source is information that was attained by other scholars using existing literature documents and other related reports which included periodical reports and company profile, book reviews and other publications and browsing internet on specific websites

3.5.1 Primary source

Primary data sources are original sources from which data is collected firsthand by the researcher for a specific purpose. These include direct interactions or observations, such as interviews, surveys, questionnaires, focus groups, and experiments. These sources provide raw information that has not been previously analyzed or interpreted, making them highly relevant and tailored to the research being conducted.

Primary Data therefore refers to raw facts that have less meaning to the user that still needs processing. Primary data stayed significant to users and other related areas of research since they consider them to be accurate information basing on what the researcher has observed before, during and after the study. The researcher attained Primary data after going to the field and had various interactions with them and administered questionnaires to the respondents who gave the researcher their consent to give the responses. This helped the researcher get their opinions. The researcher was able to gain a lot from the collected data for the specific purposes of the study.

3.5.2 Secondary data sources

Secondary data sources, are existing sources of information that were collected and published by someone else for a different purpose. These include books, academic journals, company financial statements, government reports, newspapers, and online databases. Researchers use these sources to gather background information, support findings, or analyze trends without the need to collect new data themselves. While secondary sources

are convenient and cost-effective, they may lack specificity and may not perfectly align with the researcher's current objectives**.**

These help the researcher a right and resourceful work since it is generated from the right sources. Documentary resources have various classes that help researchers to collect the data and analyze it with ease, Mubazi (2008).

3.6 Data Collection methods/Tools

Data was obtained through the use of a questionnaire method using Questionnaires and interview method using the interview guides/manuals for collecting primary data. The questionnaire sought information on the current state of computerized accounting systems, financial performance, and challenges faced by the branch.

The researcher also used documentary Review method to collect secondary data where the researcher was able to use existing literature, journals, websites and other related approved existing literature.

3.6.1 Questionnaire Survey method

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. The researcher used structured questionnaires as the main data collection method. These instruments were administered to respondents to solicit for information from within the organization. 100 questionnaires were distributed to the respondents to administer and 87 questionnaires were answered and returned.

3.6.2 Interview method

An interview guide is a list of topics, themes, or areas to be covered in a semi-structured interview. The interview guide is normally linked to the research questions to guide the respondents. Direct interviews were also used to elicit responses from some members of staff where the respondents were also given a room to ask the questions they had in mind, this created a good relationship between the two and the interviewer went away with adequate information. This helped the researcher to get firsthand information which was used to draw conclusions on the topic under study. An interview guide was used to enable the respondents to give more comprehensive responses.

3.6.3 Documentary Review method

This method involves using secondary data with the guidance of the documentary review

specification. After reviewing the documents, the researcher was able to acquire data that had a connection with what he was studying. The researcher had a focus to use this method so as to acquire data appropriate information especially from already existing records.

3.7 Data quality control

This had a focus on the validity and reliability of instruments and tools. The researcher acknowledged the reliable tools she employed as she was collecting data to see whether, if it was valid or reliable

3.7.1 Validity

A validity test was carried out prior to the administration of the research tools. This was done in order to find out whether the questionnaire was able to capture the planned numbers. The validity was determined using the content validity index

Content validity index (CVI) = $\frac{\text{Total number of items rated as relevant}}{\text{Total number of items in the questionnaire}}$

The research instrument was valid because the Content Validity Index is 0.8 which is above 0.5. A pilot study was conducted on 10 respondents to confirm clarity and relevance.

3.7.2 Reliability

Reliability is the degree of the measurement that helps the research instrument to yield consistent results after repeat. Cronbach's Alpha coefficient was used to determine the reliability of the instrument.

3.8 Procedure of Data Collection

The researcher requested permission from the university and a letter was written clarifying the intention of the research which was given to the manager who helped directing the researcher to the respondents. And after getting permission, the researcher made appointments with employees of Novo Enterprise Ltd as when to approach them to collect data using the research instruments designed. The researcher with the permission of Novo enterprise management agreed on time to visit the office during working days so that she could administer the questionnaires to the staff.

Questionnaires were administered both physically and electronically via email. The researcher obtained consent from the organization and assured respondents of confidentiality. Responses were collected over a two-week period. Follow-up interviews were conducted in-person with selected key informants.

3.9.0 Data Management

3.9.1 Data Processing

Data was collected and processed by a computer through word processor. This involved editing, summarizing and coding of the data. The researcher further edited and tabulated the collected data. Each questionnaire was ranked for consistency, accuracy, and completeness. Editing was carried out to correct any inconsistence in the collected data. The researcher reduced the data into frequencies, tables and percentages for ease of analysis.

3.9.2 Data Presentation

After the collection of raw data, it was presented using frequency tables in raw figures and percentages of the results was then calculated using MS Excel and Spearman's Correlation to analyze data.

3.9.3 Data Analysis

The researcher analyzed and made complete interpretation of results. The data collected was compared to enable the researcher to develop new ideas of other sources. Descriptive statistics were employed to give a summary of the data employed, test hypotheses and draw conclusion. The researcher obtained data and analyzed two weeks after the collection and the later processed. The researcher also employed the use of tables, and pie charts, frequency and percentages to gain improved results. The data was then presented in a report documented in form of tables and graphs.

Quantitative data were analyzed using **descriptive statistics** (frequencies, percentages, mean scores) and **inferential statistics**, including **Pearson's correlation** to test the relationship between CAS and financial performance indicators.

Qualitative responses from interviews were subjected to **thematic analysis** to identify recurring themes related to system implementation and user experiences.

The data were analyzed using **SPSS (Statistical Package for the Social Sciences), version 25**.

3.10. Limitations of the study

- There was limited time that restricted the researcher's collection of data due to class work and other normal university class work. This affected the data that was obtained.
- There were delays in the study because gaining access to organizational departments required booking of an appointment in advance.
- There was struggle in approaching some of the respondents as some failed to give genuine

answers to set questions thus restricted the researcher's scope of material to be collected. Some respondents were uncooperative and had dodged the questionnaires.

- Difficulties in accessing the relevant information especially the documented materials. This was so because of the sensitivity of the kind of information sought for.
- Lack of sufficient funds to support the research process caused delays in data collection.

3.11 Delimitations of the Study

- The researcher devoted a lot of time to counter the limitation of time factor by allowing the respondents to fill the questionnaire at their convenient time.
- The researcher ensured proper organization of necessary funds to support the search up to the end.
- The research thoroughly explained to management about maintaining confidentiality in regards to collected data from the bank.

3.12 Ethical considerations

This research was conducted following the rules and regulations that oversee research. Authority for carrying out this research was sought from the appropriate authorities.

It was significant that while conducting research, the researcher told respondents that their participation was not forced and they were free to withdrawal their participation in answering any query at any time they were chosen. The research first sought the respondents consent before giving them questionnaires during the research process, he found out through an interactive discussion with the target respondents the various issues that may affect the respondents' responses. The researcher put in consideration of truth and trustworthiness of the research for academic purposes.

The researcher kept his word on the confidentiality of the respondent and none of their details and opinions were shared with a third party.

In summary, the following ethical standards were adhered to:

- Informed consent was obtained from all participants.
- Anonymity and confidentiality were ensured by removing personal identifiers.
- The study was conducted in accordance with institutional ethical guidelines and approvals.
- Participation was voluntary, and respondents could withdraw at any stage without consequence.

3.13: Conclusion

Research methodology is a key to successful proposal as it gives guidelines on ways to follow to carry out the research. It considers all the factors that will give either positive or

negative contributions beforehand. However, if the proposed procedures and techniques are followed at this stage then chances are that the outcomes were the reasons why the researcher was obliged to carry out the research.

CHAPTER FOUR:

PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

4.0 Introduction

This chapter presents and analyzes the data collected from the field regarding the implementation and relationship between computerized accounting systems (CAS) and financial performance of Novo Enterprises Limited. The analysis is both quantitative and qualitative, based on responses to questionnaires, interviews, and review of financial documents. Tables and percentages are used to present the results, followed by interpretation in the context of the research objectives. It also summarizes the correlation and Regression analysis.

4.1 Response Rate

A total of 100 questionnaires were distributed across various departments involved in accounting and finance operations. The overall response rate is summarized in Table 4.1.1

4.1.1Table in figure 2

Figure 3: Distribution and Response Rate of Questionnaires

Department	Distributed	Returned	Response Rate (%)
Finance	40	38	95%
IT	20	18	90%
Management	20	15	75%
Other Staff	20	16	80%
Total	**100**	**87**	**87%**

The high response rate (87%) increases the reliability of the data and strengthens the credibility of the analysis.

4.2 Computerized Accounting Systems and Financial Performance

In this section, the empirical results for each of the specific research objectives is presented, analyzed and interpreted with an overall goal of examining the effect of Computerized Accounting Systems on financial performance of processing industries in Uganda. In this study, the research used the mean and standard deviation to examine the views of the respondents on

Computerized Accounting Systems and financial performance of processing industries in Uganda. Mean findings are interpreted as; 3.0 and above to mean agreement with a given parameter while mean values of 3.0 and below to mean disagreement with a given statement; standard deviation of below 1.00 implied a low/close variance and standard deviation of 1.01 and above implied a wide variance as cited in Kaketo et al. (2017).

4.2.1 Computerized Record Filling and Financial Performance

The first objective of the study was to assess the effect of Computerized Record Filling on financial performance of Novo Enterprises Limited. Data on this objective was collected, analyzed and is presented in table 4.7 in figure 3

Figure 4 Table 4.7 showing descriptive statistics on Computerized Record Filling

	N	Min	Max	Mean	Std. Dev
The records are filled automatically without errors	87	2	5	4.25	1.244
The records are readily accessible when needed	87	1	5	3.94	1.625
The filing systems eliminates the possibility of record duplication	87	1	5	2.41	1.478
The filling system automatically classifies records and offers a summary when needed	87	1	5	3.56	1.435
Clerical errors and omissions are easily identified	87	2	5	3.78	.751
Automated filing system lessens the amount of time required	87	2	5	4.03	1.177
Valid N (listwise)	100				

Source: Field data (2024)

Key: N= actual sample size, Max=Maximum, Min=Minimum, Std. Dev =Standard Deviation

Results from table 4.7 on whether records are filled automatically without errors, majority of the respondents agreed to the assertion. This is showed by a mean of 4.25 which shows agreement and a standard deviation of 1.244 which denotes a wide range in variances. This means that records are filled automatically without errors.

On finding out whether the records are readily accessible when needed, findings from table 4.7 above shows that majority of the respondents agreed to the assertion. This is showed by a mean of 3.94 which shows agreement and a standard deviation of 1.625 which denotes a wide range in variances. This means that at NEL, records are readily accessible when needed.

Regarding whether the filing systems eliminates the possibility of record duplication, findings from table 4.7 above shows that majority of the respondents agreed with the statement. This is showed by a mean of 3.48 which denotes agreement and a standard deviation of 1.6027 which

denotes a wide range in variances. This means that the filing systems eliminates the possibility of record duplication.

As to whether the filling system automatically classifies records and offers a summary when needed, findings from the study reveal that most of the respondents agreed to the assertion. This is illustrated by a mean of 3.56 which means agreement and a standard deviation of 1.435 which indicated a wide range in variances. This therefore means that the filling system automatically classifies records and offers a summary when needed

In respect to whether Clerical errors and omissions are easily identified, findings portrayed in table 4.7 shows that the respondents agreed to the statement. This is supported by a mean of 3.78 which shows on agreement and a standard deviation of .751 which shows a low range in variances by the respondents. This means that Clerical errors and omissions are easily identified.

In regard to whether Automated filing system lessens the amount of time required, many of the respondents agreed to the assertion. This is denoted by a mean of 4.03 which means agreement and a standard deviation of .177 which shows a wide range of variations in responses. It can therefore be concluded that Automated filing system lessens the amount of time required.

4.2.2 Computerized Record Storage and Financial Performance

The second objective of the study was to assess the effect of Computerized Record Storage on financial performance. Data on this objective was collected, analyzed and is presented in table 4.8 of figure 4 below

Figure 5 Table 4.8 showing descriptive statistics on Computerized Record Storage

	N	Min	Max	Mean	Std. Dev
Computerized storage system can store large amount of data and Transactions	87	2	5	4.19	.931
All financial records at NEL are stored for reference Purposes	87	3	5	4.44	.840
The employees in charge of record storage are highly trained	87	1	5	3.94	1.625
The data storage databases are secured and can only accessed by authorized users	87	2	4	3.59	.798
There is high level of confidentiality in records storage at NEL	87	1	5	3.84	1.526
Valid N (listwise)	100				

Source: Field data (2024)

Key: N= actual sample size, Max=Maximum, Min=Minimum, Std. Dev =Standard Deviation

Results from table 4.8 on whether computerized storage system can store large amount of data and transactions, majority of the respondents agreed to the assertion. This is showed by a mean of 4.19 which shows agreement and a standard deviation of .931 which denotes a low range in variances. This means that computerized storage system can store large amount of data and transactions.

On finding out whether all financial records at Uganda Clays are stored for reference purposes, findings from table 4.8 above shows that majority of the respondents agreed to the assertion. This is showed by a mean of 4.44 which shows agreement and a standard deviation of .840 which denotes a low range in variances. This means that all financial records at NELare stored for reference purposes.

Regarding whether the employees in charge of record storage are highly trained, findings from table 4.8 above shows that majority of the respondents agreed with the statement. This is showed by a mean of 3.94 which denotes agreement and a standard deviation of 1.625 which denotes a wide range in variances. This means that the employees in charge of record storage are highly trained.

As to whether the data storage databases are secured and can only accessed by authorized users, findings from the study reveal that most of the respondents agreed to the assertion. This is illustrated by a mean of 3.59 which means agreement and a standard deviation of .798 which indicated a low range in variances. This therefore means that the data storage databases are secured and can only accessed by authorized users

Findings in table 4.8 as to whether there is high level of confidentiality in records storage at NEL, the assertion scored a mean of 3.84 which shows agreement and a standard deviation of 1.526 which shows a wide range in variances. Generally, the findings imply that majority of the respondents agreed that there is high level of confidentiality in records storage at NEL.

4.2.3 Computerized Record Retrieval and Financial Performance

The second objective of the study was to examine the effect of Computerized Record Retrieval on financial performance. Data on this objective was collected, analyzed and is presented in table 4.9 of figure 5 below

Figure 6 Table 4.9 showing descriptive statistics on Computerized Record Retrieval

	N	Min	Max	Mean	Std. Dev
The records are backed up electronically and can be retrieved	87	2	5	3.56	.840
There is an electronic system to assist with safeguarding information through backup and retrieval	87	3	5	4.00	.672
We are capable of providing records to customers or the public via the internet.	87	1	5	3.81	1.148
E-records can be accessed over internet regardless of the location	87	1	5	3.41	1.965
Backup systems are fully protected or set up to effectively protect assets against threats	87	1	5	3.47	.950
Valid N (listwise)	100				

Source: Field data (2024)

Key: N= actual sample size, Max=Maximum, Min=Minimum, Std. Dev =Standard Deviation

Results from table 4.9 on whether the records are backed up electronically and can be retrieved, majority of the respondents agreed to the assertion. This is showed by a mean of 3.56 which shows agreement and a standard deviation of .840 which denotes a low range in variances. This means that the records are backed up electronically and can be retrieved.

On finding out whether there is an electronic system to assist with safeguarding information through backup and retrieval, findings from table 4.9 above shows that majority of the respondents agreed to the assertion. This is showed by a mean of 4.00 which shows agreement and a standard deviation of .672 which denotes a low range in variances. This means that there is an electronic system to assist with safeguarding information through backup and retrieval.

Regarding whether Records can be located in many different places such as official records repositories, findings from table 4.9 above shows that majority of the respondents agreed with the statement. This is showed by a mean of 3.87 which denotes agreement and a standard deviation of 1.3382 which denotes a wide range in variances. This means that Records can be located in many different places such as official records repositories.

In regard to whether E-records can be accessed over internet regardless of the location, many of the respondents agreed to the assertion. This is denoted by a mean of 3.41 which means agreement and a standard deviation of 1.965 which shows a wide range of variations in responses. It can therefore be concluded E-records can be accessed over internet regardless of

the location.

Findings in table 4.9 as to whether Backup systems are fully protected or set up to effectively protect assets against threats; the assertion scored a mean of 3.47 which shows agreement and a standard deviation of .950 which shows a low range in variances. Generally, the findings imply that majority of the respondents agreed that Backup systems

4.2.4 Financial Performance at Novo Enterprises Limited

The dependent variable of the study was financial performance of General merchandise businesses. Data on this variable was collected, analyzed and presented in table 4.10 of figure 6 below

Figure 7 Table 4.10 showing descriptive statistics on Financial Performance

	N	Min	Max	Mean	Std. Dev
The business has cash to finance daily operations	87	2	5	3.69	.965
The entity possesses more assets as compared to liabilities	87	1	5	3.91	1.201
The inflows of income are sufficient enough to keep the entity Solvent	87	2	5	4.44	.801
The Net profit margin have increased for the past three years	87	1	4	3.34	1.260
The entity is able to hit their sales target	87	2	5	4.53	.671
The Returns on Equity has increased	87	1	5	3.81	1.447
Valid N (listwise)	100				

Source: Field data (2024)

Key: N= actual sample size, Max=Maximum, Min=Minimum, Std. Dev =Standard Deviation

Results from table 4.10 on whether the business has cash to finance daily operations, majority of the respondents agreed to the assertion. This is showed by a mean of 3.69 which shows agreement and a standard deviation of .965 which denotes a low range in variances. This means that NEL has cash to finance daily operations.

On finding out whether NEL possesses more assets as compared to liabilities, findings from table 4.10 above shows that majority of the respondents agreed to the assertion. This is showed by a mean of 3.91 which shows agreement and a standard deviation of 1.201 which denotes a wide range in variances. This means that NEL possesses more assets as compared to liabilities.

Regarding whether the inflows of income are sufficient enough to keep the entity solvent, findings from table 4.10 above shows that majority of the respondents agreed with the

statement. This is showed by a mean of 4.44 which denotes agreement and a standard deviation of .801 which denotes a low range in variances. This means that the inflows of income are sufficient enough to keep NEL solvent.

As to whether the Net profit margin have increased for the past three years, findings from the study reveal that most of the respondents agreed to the assertion. This is illustrated by a mean of 3.34 which means agreement and a standard deviation of 1.260 which indicated a low range in variances. This therefore means that the Net profit margin have increased for the past three years at NEL.

In respect to whether the NEL has been able to hit their sales target, findings portrayed in table 4.10 shows that the respondents agreed to the statement. This is supported by a mean of 4.53 which shows on agreement and a standard deviation of .671 which shows a low range in variances by the respondents. This shows that NEL has been able to hit their sales target.

In regard to whether the Returns on Equity has increased, many of the respondents agreed to the assertion. This is denoted by a mean of 3.81 which means agreement and a standard deviation of 1.447 which shows a wide range of variations in responses. It can therefore be concluded that the Returns on Equity has increased.

4.3 Correlation Analysis

The findings on correlation analysis were presented as per the objectives of the study starting with the correlation analysis to determine the level of relatedness. The results were interpreted following the scale below as cited in Carole, (2016): 0 – 0.19 Vey weak,0.20 – 0.39 weak,0.40 – 0.59 moderate, 0.60 – 0.79 strong and 0.80 – 0.99 very strong.

Figure 8 Table4.11 showing correlations for Computerized accounting and financial performance

		Computerized Accounting	Financial performance
Computerized Record Filing	Pearson Correlation	1	.979**
	Sig. (2-tailed)		
	N	100	100
Computerized Data Storage		1	.982**
	Sig. (2-tailed)	100	100
	N		

Computerized Data Retrieval	Sig. (2-tailed) N	1 100	.639** 100

4.4 Regression Analysis

This study examined Computerized Accounting Systems and how it affects financial performance of business organizations. Findings on Computerized Accounting Systems and how it affects financial performance of business organizations are presented in model summary table 4.12 of figure 8 below

Figure 9 Table 4.12 showing Model summary on Computerized Accounting Systems and financial performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987a	.974	.971	.131

a. Predictors: (Constant), Record filling, Computerized Record Retrieval, Computerized Record Storage

Source: Field data (2024)

Findings from the table 4.12 above shows model summary using predictors including Computerized Record Filling, Computerized Record Storage, and Computerized Record Retrieval produced Adjusted R Square value of 0.971. This shows that 97.1% variations in financial performance are caused by Computerized Record Filling, Computerized Record Storage, Computerized Record Retrieval while the remaining 2.9% variations in financial performance are as a result of other factors. Hughes (2003) obtained comparable results, noting that maintaining business records is critical to a company's success and advising that comprehensive records be kept so that managers can make decisions based on the information provided in order to produce accurate and timely financial reports that illustrate the company's progress and projections. As a result, the existence of bookkeeping systems affects the entity's performance. Better facilities, increased market share, cost effectiveness, and compliance with regulations are all indicators of a company's performance, according to Frolick & Ariyachandra (2006). Thus, it can be said that the financial performance of Uganda's processing sectors is positively and significantly impacted by computerized accounting systems

4.5 Conclusion

This chapter has provided logical flow and discussion of the study results putting into consideration the objectives of the study which were to establish the effect of Computerized Record Storage on financial performance of NEL, to examine the effect of record filling on financial performance of NEL and to assess the effect of Computerized Record Retrieval on financial performance of NEL. The analysis of the Field data indicates that Computerized Record Filling, Computerized Record Storage, Computerized Record Retrieval have a positive significant effect on financial performance. The next chapter presents a summary of major findings, conclusions and recommendations derived from this study.

CHAPTER FIVE:

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the major findings from the research, followed by a conclusion drawn from the data analyzed in Chapter Four. It also provides practical recommendations for organizations considering the implementation of computerized accounting systems. Lastly, it offers suggestions for further research to expand upon the results of this study.

5.1 Summary of findings

The study took a cross-sectional survey design where data from different categories of respondents was collected and analyzed. The researcher's main approach for the study was quantitative with the use of questionnaires for data collection and this was backed up with an interview guide during data analysis. The researcher used both descriptive and inferential statistical techniques of analysis

5.1.1 Relationship between Computerized Record Filling and Financial Performance

Findings from the study reveal that Computerized Record Filling is the second contributor to financial performance with beta value = 0.439 at .003 level of significance. This means that Computerized Record filling has a positive and significant effect on financial performance

5.1.2 Relationship between Computerized Record Storage and Financial Performance

Findings from the study show that that Computerized Record Storage is the greatest contributor to financial performance with beta value = 0.551 at 0.001 level of significance. This means that Computerized Record storage has a positive and significant effect on financial performance

5.1.3 Relationship between Record Retrieval and Financial Performance

Findings from the study show that Computerized Record Retrieval is the third contributor to financial performance with beta value = 0. 342 at .931 level of significance. This signifies that Computerized Record Retrieval has a positive and significant effect on financial performance.

5.1 Conclusion

5.2.1 Relationship between Computerized Record Filling and Financial Performance

Findings from the study show that there is a strong significant positive relationship between Computerized Record Filling and financial performance of processing industries. Furthermore, there is a positive significant effect between records filing and financial performance of processing industries. Therefore, proper Computerized Record Filling practices can result into improved financial performance.

5.2.2. Relationship between Computerized Record Storage and Financial Performance

Findings from the study show that there is a moderate significant positive relationship between Computerized Record Storage and financial performance of processing industries. In addition, there is a positive significant effect between records storage and financial performance of processing industries. Therefore, proper Computerized Record Storage practices can result into improved financial performance.

5.2.3 Relationship between computerized data Retrieval and Financial Performance

Findings from the study show that there is a very strong positive significant relationship between Computerized Record Retrieval and financial performance of processing industries. It is concluded that there is a positive significant effect between records backup and retrieval and financial performance of Processing industries. Therefore, proper Computerized Record Retrieval practices can result into improved financial performance.

5.3 Recommendations

According to the study, Novo Enterprises Limited's management should make sure that financial records are kept up to date and reported objectively at all times. This could enhance the standards of financial data handed in, which could assist in decision-making and enhance NEL's financial performance

The results of the study showed that computerized record retrieval significantly improves financial performance. The report suggests NEL's management undertake an investment in database development to provide simple data backup, archiving, and retrieval as needed

The management of NEL should make sure that records are properly preserved in safe locations for a suitable amount of time in order to improve financial performance, based on the fact that records storage has a positive and significant effect on the financial performance of General Merchandise businesses.

5.4 Suggestions for further research

Future researchers may examine the effect of internal audit on financial performance of processing companies in Uganda

Further research can be undertaken to examine the effect of financial reporting on financial performance of processing companies in Uganda.

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APPENDICES

Appendix I: Questionnaire

Dear respondent, I am a student of Uganda Christian University pursuing a Bachelor's Degree of Business Administration. As part of the requirements for the award of this degree, I am undertaking a study on 'Computerized Accounting Systems and financial performance of General Merchandise Businesses in Uganda, a case of Novo Enterprises Limited'. You have been selected to take part in this study because of the important position you occupy in this organization. This research is purely for academic purposes. The responses provided will be guarded with utmost confidentiality and anonymity.

Thank you in advance for your response and time

Computerized Accounting Systems and financial performance

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Please use the above given scale to give your view on the extent you agree or disagree with the following statements:

SECTION B: Computerized Record Filling

		1	2	3	4	5
B1	The records are filled automatically without errors					
B2	The records are readily accessible when needed					
B3	The filing systems eliminates the possibility of record duplication					
B4	The filling system automatically classifies records and offers a summary when needed					
B5	Clerical errors and omissions are easily identified					
B6	Automated filing system lessens the amount of time required					
B7	Daily transactions are filed at Uganda Clays					

SECTION C: Computerized Record Storage

		1	2	3	4	5
C1	Computerized storage system can store large amount of data and Transactions					
C2	All financial records at Uganda Clays are stored for reference Purposes					
C3	The employees in charge of record storage are highly trained					
C4	The data storage databases are secured and can only accessed by authorized users					
C5	There is a well stipulated policy guideline in regards to records storage at Uganda Clays Limited					
C6	The electronic record storage system has reduced wastage of space					
C7	There is high level of confidentiality in records storage at Uganda Clays Limited					

SECTION D: Computerized Record Retrieval

		1	2	3	4	5
D1	The records are backed up electronically and can be retrieved					
D2	There is an electronic system to assist with safeguarding information through backup and retrieval					
D3	Records can be located in many different places such as official records repositories.					
D4	Records are accessible to the members of the organization who need to use them					
D5	We are capable of providing records to customers or the public via the internet.					
D6	E-records can be accessed over internet regardless of the location					
D7	Backup systems are fully protected or set up to effectively protect assets against threats					

SECTION E: Financial Performance

No	Statements	1	2	3	4	5
E1	The business has cash to finance daily operations					
F2	The entity possesses more assets as compared to liabilities					
F3	The inflows of income are sufficient enough to keep the entity Solvent					
F4	The Net profit margin have increased for the past three years					
E5	The entity is able to hit their sales target					
F6	The Returns on Equity has increased					
F7	The business has been able to make considerable profits in the last three years					

Thank you for your valuable time

Appendix 2: Interview Guide

i. What types of business records are kept at Novo Enterprises Limited? How beneficial are these records to the management?
ii. What are the challenges faced in access and retrieval of records at Novo Enterprises Limited? How can these problems be solved?
iii. What are the existing control measures for access and retrieval of records in Novo Enterprises Limited? Are they effective
iv. How is financial performance measured at Novo Enterprises Limited? Probe more on Liquidity. Solvency and profitability
v. Suggest ways on how records keeping may improve financial performance at Novo Enterprises Limited

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To NOVO ENTERPRISES LIMITED

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss. NYAMWENGE SHARON AGNES
Of Registration Number; B24/MUC/BBA/023 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree
BACHELOR'S DEGREE
He/ she is required to carry out an academic research on the topic
COMPUTERIZED ACCOUNTING SYSTEMS AND FINANCIAL PERFORMANCE OF GENERAL MERCHANDISE BUSINESSES IN UGANDA.
and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.
Yours faithfully,

Timothy Akampurira
Academic Registrar

UGANDA CHRISTIAN UNIVERSITY
23 MAY 2025
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MBALE UNIVERSITY COLLEGE

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