# COMPUTER AN IMPORTANT SYSTEM IN THE PROCESSING OF ACCOUNTING INFORMATION

**AIBOMOSI PAUL SAMUEL**

**SBS/601180421**

**A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF ACCOUNTANCY, SCHOOL OF BUSINESS STUDIES AUCHI POLYTECHNIC, AUCHI.**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE HIGHER NATIONAL DIPLOMA (HND) IN ACCOUNTANCY DEPARTMENT**

**JANUARY, 2022**

## CERTIFICATION

We, the undersigned hereby certify that this project work entitled "Computer an Important System in The Processing of Accounting Information, was carried out by **AIBOMOSI PAUL SAMUEL** with the **Matriculation Number**. **SBS/601180421,** under our supervision in the department of Accountancy Auchi Polytechnic, Auchi Edo State.

We therefore certify that the project is adequate both in scope and quality and is submitted to the department of Accountancy in requirement of the award of Higher National Diploma (HND) in Accountancy.

_____

_____

**DR ABDULGANIYU BRAIMAH** **Date**
Project Supervisor

_____

_____

**MR ABUMERE DANEIL.** **Date**
Head of Department
Accountancy Department

## DEDICATION

This project work is dedicated to God Almighty, who from the very beginning was there for me through all the financial constrain and difficult times. all the praise to God for making the journey a success. Thanks to God Almighty

## ACKNOWLEDGEMENTS

I sincerely express my profound gratitude to God Almighty who through his abundant, wisdom and knowledge made this project work possible.

I also want to acknowledge my project supervisors **Dr Ganiyu Braimah, Mr. Ibrahim Sandis Momoh** for their patience, tolerance and support towards my project work, may the Almighty God bless them.

My acknowledgement also goes to the **HOD** (**Mr Abumere Daniel**), the **PC** and all Lecturers of the department of Accountancy for their guidance and support all through my Academic pursuit, may God Almighty bless and reward them.

Also my special thanks goes to my Parent Mr. & Mrs. Aibomosi for thier support, encouragement, advice, care towards my education may God Almighty bless them abundantly.

My thanks also go to my brother Austin and Sister Victory and Joy for the support they all gave to me.

I also will not fail to acknowledge my friends Michael, Elizabeth, Jubel, Ruth, Joy, Precious and Blessing for their care and financial support. I pray that Almighty God continue to protect each and every one of them and grant their heart desires in Jesus name, Amen.

## Abstract

*This project is on computer an important system in the processing of accounting information the question is, to what extent is computer recreant in the processing of accounting information. Technology affords better ways of doing things. No one doing serous business today will claim to be totally oblivious of the importance of computers are vary helpful and generally time saving, some business can still do so without it. Therefore while considering if to get computer one should be rational and really should evaluate the benefits derivable from a computer by the business visa-vis the planned investment outlay. It is against this background that the major concern of this research was made to identify desirable from computerization of accounting information system. The study was guided by TAM theory. Agency theory by Meckling and Jensen (1976) concerned with corporate disclosures and Unified Technology Acceptance user theory (UTAUT).*

**TABLE OF CONTENTS**

**CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS**



**CHAPTER FIVE: SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION**

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Financial accounting can be defined as the process of collecting, recording, presently and analyzing and interpreting financial information for the users of financial statement [Robert, O. Igben 2017] Accounting is the language of modern business, a tool for business decision making. It is used by people associated with business, whether they are managers, owners, investors, bankers, lawyers, and accountant.

It provides financial information to people inside and outside the organization who need and are authorized to have such information. A system like a computer in the most general sense of the word is a group of interrelated components that processed inputs into outputs to meet some objectives. An accounting information system is a group of components that processes raw data into financial information to meet the purpose of these internal and external users, however, when we talk of accounting information system we invariably refer to computer assisted techniques in accounting [Warren, 2018].

The objective of financial information is to provide useful information for making economic decision. The process of recording, aggregating and

summarizing the effects of historical transactions in financial statements under a specified set of rules constitutes the bulk of financial accounting. Organizations such as commercial banks need the accounting information in carrying out their operations and transaction. Fortunately, the electronic computer as an electronic device for storing and analyzing information fed into it, for calculate or for controlling machinery automatically could be used to perform commercial banking products and operations and also aids managerial decision makers in planning and controlling of various business activities [Warren, Reeve, Fess, 2018].

Accounting information poses certain qualities necessary to satisfy user‟s need. Two basic qualities for general purpose accounting reports supplied to external user are:

- Relevance

- Reliability

It is important to realize that for the information to be of any use to management or external users, it has to be targeted at a specific decision. It is in this sense that the information may said to be relevant or pertinent to the decision. Relevance of accounting information is judged in relation to the

user‟s situation. Also, accounting information signifies faithfulness, constancy and trustworthiness.

As stated by Mandadur R. and Maurice H in their book Accounting Information System [2017], one way of ensuring reliability in accounting information is to ensure adherence to accounting principles. Also R. W. Hilton and S. J. Swearing in perception of initial uncertainty as a detriment of information value [pg. 109-119] stipulated that „the value of any accounting information depends on its accuracy and its ability to reduce uncertainty”.

Accounting information is useful in all types of organizations especially the banking industry where the survival and growth of such organization depends to a large extent, on supplying effective accounting information to internal and external users. The size of an organization determines the appropriate volume and complexity of accounting information for managerial decisions in such areas as purchasing, protection, hiring, borrowing and investment.

The computer was initially introduced into most corporate organizations to satisfy the efficiency concerns of processing vast amounts of accounting transaction data at the operational control level. It has proved so effective in the role that virtually no sizable organization can survive competitive pressures

without using this tool called the computer. Throughout the 1970‟s computer technology limited the production of accounting information to predetermined formats. The introduction of micro computers in the early 1980‟s brought about rapid rise in the computer at all levels of management and contributed to the development of a new class of programs aimed specifically at meeting the needs of strategic management. Donald H. Sanders in his book “Computer in Society” assets that “that scope of today‟s accounting information system is influenced by the rapid growth of information processing technology and increased complexity of business in general. Thus, the accounting information of the foreseeable future must establish and maintain the capability for complex manipulation of vast volume of financial and non-financial data with higher speed and greater accuracy.ROA EPS DPS ROE PAT TA DIV OUTSTANDING NUM SHARE

The enhanced power of data handing in a complex environment has altered the character of accounting system. The accounting system of the past was a little more than book-keeping which relied on electronic devices of limited capability and required a great deal of human involvement as almost every step of the process. Such an accounting information system was not able to cope with the dynamic challenged of business complexities. Its products were unable to satisfy user‟s needs for planning and controlling information.

The primary concern of the accounting information system was to manipulate historical data, satisfy audit needs, produce after that fact financial statement and provide preformatted reports for managerial use.

Today's accounting information system deals with future events as well as historical data. It must produce projected financial statements as well as historical ones. It must support unanticipated managerial needs for financial information for decision making, in addition to satisfying the needs of auditors. It must develop new and efficient controls, reporting techniques and audits trials in response to the trends towards increasing public access to accounting data reports. For instance, consider the monthly statements provided to bank customers. These must incorporate detailed information about numbers transaction [ranging from cash and cheques deposit, interest charge, tax charges and withdrawal] performed in a variety of ways from a number of locations. A bank cannot survive today without providing this level of services, yet the capability to do so did not exist a few year ago. However, the advent of the computer has some of its attendant problems. These are training of personnel and finance costs.

In conclusion, the computer contributes to increased output, by increasing efficiency and its ability to perform predetermined tasks, faster and more accurately.

### 1.1.2 Historical Background Of Union Bank Of Nigeria Plc

Union Bank is not a new name in the Nigerian banking sector as it is one of the "big five" in the Nigeria banking industry. Union Bank of Nigeria Plc as popularly known was formally known as Barclays Bank DCO [Dominon Colonial and Overseas]. The bank which commenced operations in Nigeria in 1917 was incorporated as a private limited liability company in Nigeria in 1969, it was later converted to a public company in 1970. The bank shares are quoted in the Nigerian Stock Exchange.

The company is engaged in commercial banking, in the year 2000 the bank changed its accounting year end from 30 September to 31 March and consequently the financial statement cover a period of eighteen months ended 31 March 2001. Union Bank of Nigeria Plc stands out as big, strong and reliable bank, according to its [2001] Annual Report and account its mission statement to be the foremost financial institution with the most satisfied customers" is an insight on how important their customers are. As at 31st March 2001, the bank had 2 foreign offices in London and South Africa, and a total of 297 branched as a group and 282 branched as a company. According to its 2007 annual report and the total branches increased to 306 and 293 as group and company respectively.

In the area of employment and employees, it is the policy of the group that there should be no discrimination is considering applications for employment including those from disabled persons. All employees whether or not disabled are given opportunities to develop. As at 31 March 2007, there were 6 disabled persons in the employment of the group. Health, safety at work and welfare of employees are maintained as the group provides to all levels of employees subsidies for medical, transportation, housing, etc. Management, professional and technical expertise are the groups major assets and investment in their further development.

A range of training provided to its employees whose opportunities for career development within the group have been enhanced thus has extended the group‟s expanding skill base. Incentive scheme designed to meet the circumstances of each individual are implemented wherever appropriate and some of those scheme include bonuses, children education grant, scholarships, etc. The organization remains committed to ensuring that their employees work in the most conducive environment, as they are aware of the value of knowledgeable and well-compensated employees in boosting the productivity of any organization.

The organization believes that with the innovative approach of the bank management, the extensive use of information technology in service delivery

and unalloyed loyalty of staff would propel the organization to higher pedestal. Given the magnitude of the business solution gap in the Information Technology [IT] platform and the desire to procure the state of the art software, the bank selected robust banking application software, „FLEX CUBE". With the sophistication of the bank communication network and using the flex cube software as the backbone, new electronic product such as „UNION E-LINK" and "Telephone banking" are currently being enjoyed by customers and the bank is a leading investor in the value card consortium of over 30 banks in that regard, the bank is reposting itself for EMV-compliance to enter the global electronic market, which eventually would include internet banking. Indeed, this is to highlight that the organization has not only stood out as vibrant and productive in the Nigeria banking industry but have delved into and excelled in stock broking, insurance, mortgage, trusteeship and merchant banking. Hence the organization has the following subsidiaries:

i. Union Stockbrokers Ltd

ii. Union Assurance Company

iii. Union Homes Savings and Loans Ltd

iv. Union Trustees Ltd

v. Union Merchant Bank Ltd

vi. Consolidated Discounts Ltd

The management of Union Bank has long foreseen the inevitability if the universal banking system and this was the primary reason for diversifying into other financial sub-sectors. In retrospect, the decision to establish the various subsidiaries was been well justified given their rising profiles and performance. Currently the organization has three full-fledged subsidiaries in union merchant bank Ltd, Union homes savings and loans Ltd, Union. Trustees Ltd while the associated companies where they hold substantial and/or controlling shares include union assurance Ltd, consolidated discounts Ltd, Banque International Du Benin and values card Nigeria Plc.

The organization started its renewal a change Agenda code named "stallion 2000" with the submission of its report and recommendations in late 1998. The actual implementation started in 1999 and the stallion 2000 project was poised to make the bank responsive to the dynamics of the market, which as a repositioning agenda. The physical restructuring and process re-engineering of the branches and head office department have been pursed relentlessly. As a result, many of their branches have been restructured and indeed, 38 of the key locations are now operating on line real time. In consonance wit the global best practice, they have started addressing the challenges of connectedness and interdependency typically faced by octopus organizations like theirs. Consequently, they have commended the strategy of

using their technology-enable processes to connect their businesses in a way that would create value to all stakeholders in Union Bank of Nigeria Plc.

## 1.2 Statement Of Problem

The banking industry is one of the major contributors to the economic development of any nation in the world. However, the existing banking facilities in the country at this time cannot effectively cope with the requirements of modern banking" The above stated problems have further resulted to sub-problems of slow banking operation, slow storage and retrieval system, time wastage and reduced customers patronage. Therefore, it became very apparent and necessary for banks to search for a better method, which would seek to improve and speed up banking operations in the country.

## 1.3 Objectives Of The Study

The objectives of this study is to determine

1. The impact the computer has exerted on the banking business since it was introduced into the banking industry.
2. How the use of computer could increase the effectiveness of accounting information towards the realization of set goals of our banks.
3. The impact and importance of computer in processing accounting information in the commercial banks.

## 1.4 Research Question

1. Hass computerization of Union Bank of Nigeria Plc reduced time wasted in carrying out banking transactions?
2. Has computerization lead to increase in the number of depositors at the bank?
3. Has Computerization of Accounting Information improved Efficiency in operation and accuracy of performance in banking operation
4. Has Computerization contributed to better information storage in the bank?

## 1.5 Hypothesis Of Research Questions

Ho: The computerization of the Union Bank of Nigeria Plc has not reduced time wasted ion carrying on banking transactions.

Ho: Computerization has not led to the increase in the number of depositors at the bank.

Ho: Computerization of Accounting Information has not improved Efficiency in operation and accuracy of performance in banking operation.

Ho: Computerization has not contributed to better information storage in the bank.

## 1.6 Significance Of The Study

The essence of this study cannot be over –emphasized. An accounting system can be designed for manual or computerized operation. In either case, the basic structure remains the same. Nowadays, the accounting systems in most business organizations are computerized, some organizations also have their information system uses the general ledger as the master file. The general ledge master file is a cluster o ledger account store in internal or external computer storage media. A computerized system uses software programmes to manipulate data entry, editing, updating records and files and periodic closing electronically.

It states that a good accounting information system should address these needs:

i. Faster closing of books, subsequently decreasing the closing cycle from weeks to days and sometimes hours

ii. Flexibility in the chart of accounts structures

iii. Increased speed and accuracy of reports to all managers

iv. Imposing to restriction on how users define their numbering system

v. Financial management information always available for management reporting, clerical efficiency with easy to use input techniques.

## 1.7 Scope Of the study

The scope of the study would be restricted to Union Bank of Nigeria Plc, where computerization of some banking services is already in progress. The work would be confined to the operation of computer in processing accounting information in the bank. This is very necessary because if would give a high level of understanding as to what computers are and their contributions in enhancing efficiency in our banking system. Computer applications, in business and banking in recent times have only concentrated on development of computers in our banking system through a case study or a survey.

## 1.8 Limitations Of The Study

The work also highlighted the problems which have hindered the general adoption of computer in the banking system. In the course of this study, the researcher was limited by the non-availability of adequate information and also, some respondents felt that supplying certain information was like revealing their banks secret.

## 1.9 Definition Of Terms

**Data:** Data refers to any and all of the facts that are collected, stored and processed by an information system.

**Accounting:** Accounting may be defined as an information system that provides reports to various individuals or groups about economic activities of an organization or other entities.

**Computer:** IBM defines a computer as a machine that can by following a controlled sequence of instructions perform both logical and arithmetic operations with data [Leedy, 1980, pp. 31] and can also record results for either immediate or future reference.

**Hardware:** The machine that processes the information stored in the memory.

**Information:** Information is data that has been organized and processed so that it is meaningful. The value of information is the benefit produced by the information minus the cost of producing it.

**Input/Output:** These are the devices used in keying in data in a computer or retrieving data from the computer.

**System:** A system is a set of two or more interrelated component that interacts to achieve a goal.

**Software:** The programmes used by the computer in carrying out a specific operation.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

### 2.1 Conceptual Review

**A Brief Look At Accounting, Its Past, Presents And Future.**

Financial Accounting is a process of collecting, recording presenting and analyzing and interpreting financial information for the users of financial statement [IGBEN, 2007]. Accounting was defined by Reynolds [1984] as quoted by Ugwoke [2000] as the set of rules and methods by which financial and economic data are collected, processed and summarized into reports far back into history. George [1972] as quoted by Pickles [1974] asserts that the need to account to holding of wealth prompted the development of form writing referred to as script. Accounting practice was said to have been performed by the temple priests of summer who operated a tax system that brought under their control vast stocks of grain, animals, and estates which key accounted for. This happened about 5000 B.C., when the great Egyptian Civilization tool place, which was marked by huge building projects including the pyramids where workers were paid based on the work performed. Such activities required the building up of records to get the necessary information for decisions, actions and control.

### 2.1.1 Early Accounting

Just as you may keep a record of the money you spend, people throughout history have maintained records of their business activities. Ugwoke [2000] pp.2 recall that the earliest records in history started with the introduction of cuneiform writing in Babylon around 2123-2981 B.C., which was during the region of King Hammurabi the Great. During this time in Babylon, some forms of Accounting was going on in the Babylonian textile mills about 600 B.C. where some records were on clay tablets that indicated that payments of wages. Some of the earliest English records were complied by William the conqueror in the eleventh century. These early accounting records included only some of the financial activities of the entity.

A systematic recording of all activities in Republic of Italy. The Italian Merchants who sued the Arabic numerals in the recording of business transaction started the double entry system.

### 2.1.2 Double Entry System

How did the early recording of financial activities evolve into a system of accounting? According to Warren, Reeve, Fess [1997], the basic system of accounting which is still in use today was invented by Luca Pacioli, a Franciscan Monk, Luca Pacioli was a Mathematician who taught in various

universities in Perugia, Naples, Pisa, Florence and Bologna. He was a close friend of Leonardo da Vinci, with whom Vinci drew the illustration. It was the development of double entry system of recording transaction by Luca Pacioli that gave impetus to Modern accounting. The system was strongly influenced by the financial needs of the Venetian Merchants. Goethe, the German poet, novelist and scientist described the double entry system as "one of the most beautiful inventions of the human's spirit and every good businessman should use it in his economic undertakings".

### 2.1.3 Evolution Of Computer

According to Eze, B. [1999] in his lecture monograph, computer systems evolved as a respond to the problem solving requirement of mankind. The remarkable human characteristics of problems solving ability have not only shaped the evolution of the computer but all of civilization problem solving is an integral part of what we may call the "creative human process". In simple terms, the process can be described as follows:

I. First and foremost, we are confronted with a problem.

II. Out of creative thinking comes a tool to solve this problem.

III. Finally, as knowledge and use of the tool become widespread others improve upon the tool and expand its use.

The development of computers has followed a similar path throughout the history of computing, mankind have had the tasks of performing time consuming tedious and difficult numerical calculations. One of the first mechanical devise was the Abacus, developed by the Chinese as early as 5000 B.C. In 1642, Braise Pascal [19 years old] developed Pascal‟s calculating machine. In 1967, Gottfried Wilhelm Leibniz developed a calculating device that could automatically divide and multiply. Two of the most significant developments in mechanical devices were made of Charles Babbage. He designed the different engine in 1822 and worked on the Analytical engine in the 1930‟s. Although these devices were not built during his lifetime, the principles he developed could be seen in today‟s computer system. In 1887, Herman Hollerith developed a tabulating machine that was used to tabulate the 1890 census in USA. Later the company formed International Business Machines [IBM]. The MARK I was the beginning of the computer age.

**First Generation** – The first generation of computers started in 1951 with the introduction of the universal automatic computer [UNIVAC ]. This computer like all the computers of the first generation, used vacuum tubes and were mostly programmed in machine language. They wee large in size, generated a lot of heat, failed frequently, had low capacity internal storage, low processing speed and various models were not located.

**Second Generation** – The second generation computers using transistors instead of tubes dominated the period from 1959to 1965. Transistors were smaller, faster, and more reliable and produces far computer brought about the use of Magnetic tape and disks and the common use of high level language such as FORMULA TRANSLATION [FORTRAN] developed in 1957 and the common Business Oriented Language [COBOL] developed in 1961.

**Third Generation** –This brought about the integrated circuit, a complete electronic circuit on a silicon chip which replaced the transitory circuitry. It brought about multiprogramming and time sharing [people using the same computer simultaneously] and also the production of operations systems, a type of system software which increased rapidly by the early 1970‟s minicomputers were widely used.

**Fourth Generation** – In 1971, the first electronic computers were introduced that used large scale integrated [LSI] circuits- thousands of integrated circuits on a hip for main memory and logic circuitry. This period brought increase used of input devices that allowed data and instruction to be entered directly through the keyboard.

**Fifth Generation** –These area microcomputers with faster operating speeds, greater processing capacity and virtually unlimited memory. The fifth

generation computers are believed to have circuitry based on gallium arsenide. Gallium arsenide offers a five fold speed increase and only one length of the powered that silicon uses.

### 2.1.4 The Basic Elements Of A Computer System

The electronic digital computer system can be divided into Hardware and Software. The Hardware are the physical components and devices which make up the visible computer. It can be divided into two: Central Processing Units [CPU] and the peripherals. The CPU is responsible for the processing functions of the computer while the peripherals are responsible for feeding data into the system and for collection information from the system. The Central Processing Unit [CPU] consists of the main storage, Arithmetic and Logical Unit [ALU] and Control Unit [CU].

### 2.1.5 The Evolution Of Commericla Banks And Its Operations In Nigeria.

Banking is a very old business. A glance as its historical development provides useful background information for our present institutions. Early Development-Kent [1966], states that banking history dates back to ancient civilizations. The money changers of biblical times were familiar figures to all us. Early Bankers provided a convenient storage place for valuables; these granted protection against fire and theft somewhat similar to a modern safe-

deposit box in a bank vault. The banker soon learned that it was good business to pay interest to his client if they gave him permission to use the stored funds so long as they did not need them. Thus, instead of paying a storage fee to the banker, the depositor earned interest while the banker used the deposited funds to make loans at higher rates. The main function of a banker then was to store money but to lend it. This development marked the beginning of saving –tape banking.

Rudolph [1968] asset that in commercial banking then that Bankers issued receipts to their customers for the amounts left to deposit. People discovered that payments could be made to others by assigning these receipts to them without actually withdrawing the funds. This new techniques was the start of deposit banking. The warehouse receipts eventually became bank notes, which are a banker‟s promise to pay on demand. When a trustworthy banker issued such notes, they were "as good as gold" unless he went bankrupt banker. Banks in a modern sense can be traced back to Venice and Genoa in the middle ages.

Martin‟s bank in London was founded in 1563 and continued operation until 1966. Commercials banks are private financial institutions authorized to accept demand deposits transferable by cheques. It is their unique function of monetizing debt, which give them their dominant position in a exchange economy [Goldsmith, 1958].

### 2.1.6 Historical Development Of Nigeria Banking System

Ezigbo [2001] noted that the first commercial bank in Nigeria [the Africa banking corporation] was established in 1982 by Elder Dempster and Co, a shipping firm based in Liverpool, England. The establishment of another bank in Lagos Nigeria called the British bank of West Africa [BBWA] was in 1894. Other branches of [BBWA] were opened in Accra, Freetown and Bathurst all in West African. In 1988, the Royal Niger Company [now UAC] established another bank called Anglo African bank in old Calabar to complete with the British bank of West Africa [BBWA]. Later the bank changed its name ot bank to Nigeria and however, due to fierce competition, the bank sold out to [BBWA] in 1912. The Barclays Bank DCO [Dominions Colonial and Overseas] opened its first branch in Lagos Nigeria in 1917, now known as Union Bank. However, in 1949 another expatriate bank called the British and French bank now known as UBA was established.

Ezigbo C.A [2001], also noted in her book that a handful of patriotic Nigerians in 1929 established the industrial and commercial bank, an indigenous bank in an effort to break the foreign monopoly in the banking industry. However, the bank folded up in 1930 due to aggressive competition from the expatriate banks, under capitalization and poor management. Thus another indigenous bank called the Nigeria Mercantile bank was established in

1931 with more courage and planning, it became the firs successful indigenous bank in Nigeria. Next to this was the Agbonmagbe bank founded by Chief Okupe in 1945. in 1969, the bank was taken over by the Western State government and its name was changed to Wema Bank. The African continental Bank limited which commenced operations in 1948 was the second successful indigenous bank it was founded by Dr. Nnamdi Azikiwe. Bank failures were partly due to absence of regulatory measures for the establishment and control of banks at that time.

Ekezie E.S [1995] asserts that the establishment of the central Bank of Nigeria in 1958 fostered government effort to harness the activities of the commercial bank for development.

The government control over the activities of these banks and economy was strengthened further by the banking [Amendment] Act [cap 19 of 1962. This act attempted to remove loopholes in the formulation of the previous banking acts and also promoted the instrument of monetary control of the central including banks. Thus, it was made mandatory for all companies including banks operating in Nigeria to be incorporated in Nigeria through the enactment of the companies‟ decree of 1968. The banking decree of 1969 Supra, further strengthened the control by requiring banks to render to the control bank certain periodic returns. However, the enactment of the Nigerian

enterprises promotion decree of 1972 to 1977, Supra, completed the host of banking and other legislation as regards the operations of the banking industry.

### 2.1.7 The Application Of Computer To Banking Operation

The introduction and application of the computer based system in banking operation is a recent development which evolved a system, which gathers analysis and processes information suing electronic data processing equipment. The issue of the computer based system cannot be dealt with in isolation without mentioning information technology. Information Technology [IT] can be defined as the modern handling of information by electronic means which involves its access, storage, processing, and transportation or transfer and delivery. [Ige, 1995]. According to Goddy Nwosu, writing for the Populi bank news letter of African Continental bank Ltd. "The greatest innovation that many banks have to tackle this centre is the introduction of computer" what could be regarded as the computer revolution in the banking industry. Still talking on the computer revolution in banking industry Ray Vine a senior general manger of Barclays bank of the United kingdom [1984] asserts that with the quiet revolution that by the end of the century, new technology would have brought o end the branch network system in the United Kingdom as we know it today, this new technology he called the computer". So many writers have attributed this quiet revolution to the inefficiency of manual operation, the rising cost of

manual operations, the complexity involved in the use of manual information storage of paper work. Clifford, G. [1984] states that, the rising cost and ever increasing volume of paper work have forced banks in the wealthy countries of the world to mechanize their services and make use of machinery to try and replace the old style." In many banks, the clerical workload was boring and monotonous in nature and therefore becomes a labour of administrative drudgery. When automation and computer were first introduced into banking. It was seen as a way of helping out but it has gradually developed a momentum of its own and banks are now struggling to meet up with automated banking at the same time making sure that it does not destroy the individual of the banks or their relationship with their customers. The computer as already defined is an electronic device which stores information.

According to "Populi bank news letter of African Continental Bank Limited [page 28] writing on the impact of computers asset that "computer has the ability to increase transmission, processing and reproduction speeds". In analyzing the impact of computer to our banks an economist Akinsanya A. O. a principal computer manager for West African Examination Council on the myths and realities of computer" [page 4] state that "computer has started having a positive impact on the economic development of Nigeria". It is

therefore obvious that computer is relevant to the development of Nigeria economy.

The computer has the ability to reduce the need for manpower is our banks, reduce storage space requirements and automatically handle intermediate steps in data processing with less manual interferences.

### 2.1.8 Principles Of Accounting System

The methods and procedures for recording and reporting financial information make up a business accounting system [Warren, 1997]. The accounting system for most businesses, however is more complex than we have illustrated, and one of the reasons for this complexity is that the accounting system is uniquely designed for a business because of difference in management information needs, the type and number to transactions to be recorded, and the information needs of the external users of financial information, accounting system will also very depending on whether a business uses a manual system or a computerized system. However, the basic principle that we discussed in the following paragraphs are applicable to all types of systems.

i. **COST-BENEFIT BALANCE:** An accounting system must be designed to meet the specific information needs of a business. However, providing

information is costly. Thus, a major consideration in designing an accounting system is balancing the benefits against the cost of the information. In general, the benefits should be at least equal to the cost of producing the information [Warren, Reeve, Fess, 1997].

ii. **EFFECTIVE REPORTS:** To be effective, the reports generated by an accounting system must be prepared in a timely, clear and concise manner. When these reports are prepared, the needs and knowledge of the user should be considered. For example, managers may need a variety of detailed reports for planning and controlling operations on a daily or weekly basis. In contrast, regulatory agencies such as the Securities and Exchange Commission and the Internal Revenue Service often require uniform reports at established intervals, such as quarterly or yearly.

iii. **ABILITY ADAPT TO FUTURE NEEDS**

Warren, Reeve, Fess [1997] asserts that business operates in a changing environment. This environment may include changes beyond the control of a business, such as new government regulations, changes in accounting principles or changes in computer technology. An accounting system must be able to adapt to the changing information needs in such an environment. Accounting system must support all level of management and as individuals or lines of

authority and responsibility within a businesses change, the accounting system must also adapt and change.

### 2.1.9 Accounting Information System Concept

In statement of financial accounting concept No.2, the FASB defines accounting as an information system. It stated that the primary objective of accounting is to provide information useful to decision makers. Because individuals make decisions based upon the data in accounting reports, accounting has a major impact upon our economic and social system. For example, the management of Union Bank of Nigeria Ltd may decide to lay off 100 staff in Lagos based upon accounting projections and reports. Likewise, congress and state legislations allocate monies to various programs, based at least partially upon accounting reports.

Rahman [1990] asserts that the accounting information system [AIS] is a relatively peon system of personnel, data software and hardware which provides internal and external users timely, accurate, and relevant information regarding on organization's financial activities in a cost effective manner. The goal of the accounting information to internal and external users. The components of an accounting information system include people, data, software, procedure, hardware and information technology infrastructure.

### 2.1.10 The Growth Of Computer In Nigerian Banks

The growth of computer in Nigeria banks have turned out to the a blessing as the new electronic technology stretching from the computer with its constantly increasing capabilities through vastly more powerful system for the storage access, analysis and dissemination of information around the world in seconds rather than weeks, has brought about a revolution in the banking industry [Adebowale, O., 1988]. The consequence to which are far from complete, yet for bank customers and employee, it remains true that banks is a bank. The customers may sometimes find it exasperating that the computer, which now seems to manage their resources is to reluctant to see reasons or make exceptions. The employee may regret the erosion of individual discretion and the personal touch. But the reality of revolution even more profound than the change from the personal service to the self-servers hyper mark in seldom fully appreciated. In developed nations, like United States of America, with technology still advancing by leaps and bounds, there is not reason why a bank customer should ever draw or deposit cash or indeed should use cash at all except for very small purchase [Roy, C., 1997]. Home banking, which is practiced today in most banks, has found it inevitable to integrate computer systems into the banking [Union Bank with Union Value Card, First Bank with First Card, UBA and UBA card]. The computer has also introduced the stress

free kind of banking with the universal banking system, the flexible banking system which necessitated the easy deposit and withdrawal of cash as and when needed at any of the bank branch. Union Bank of Nigeria Plc also has the Vigo money transfer facility and the ATM cash point facility, which are enabled by the computer system.

The growth of computer in Nigeria commercial banks has also been characterized by high level of information technology. Information Technology [IT] was defined as the modern handling of information by electronic means, which involved its access, storage, processing, transportation or transfer and delivery [Ige, 1995].

## 2.2 Theoretical Review

**The Technology Acceptance Model (TAM):** The Technology Acceptance Model (TAM) is an information systems theory that models how users come to accept and use a technology. The model suggests that when users are presented with a new technology, two specific factors influence their decision about how and when they will use it. the two factors are; perceived usefulness (PU), and perceived ease-of-use (PEOU) (Davis, 1989). TAM has proven to be a useful theoretical model in helping to understand and explain use behaviour in the information system implementation. It has been tested in many empirical

researches and the tools used with the model have proven to be of quality and to yield statistically reliable results. However, parsimony has been one of TAM's strengths but also major weakness as it is having limited use in explaining users' behaviour. As a result of the shortcomings, many authors have extended TAM with additional constructs. Mbogo (2016) for instance, employed TAM and extended it to include other factors such as perceived ease of accessibility. perceived low cost, perceived security, perceived convenience, perceived satisfaction and perceived support to investigate the success factors attributable to use of CAS. Tobbin (2011) modelled adaptation of CAS expanding TAM to investigate the consumer 12 behaviour towards CAS adaptation in Ghana. Similarly, Odia (2012) applied TAM with additional factors such as perceived trust, security, and perceived convenience. Saleh (2017) mentioned that individual's attitude using the CAS can motivate the actual usage of it. It is a function of an individual belief when using the technology and the value he or she was looking for. CAS has been valued by accountants not only for face to face conversation but also for making interest based decision as they seek any chance to maintain business group booking on the internet. Moreover, when there is a lot of integration rather than the past systems, the process will be more efficient and accurate. Analysing the perceived ease of use (PEOU), perceived usefulness (PU) effects on the intention towards using CAS as

dependent variable, required the basis of TAM in exploring the actual usage of CAS.

**Agency Theory:** Meckling and Jensen developed the agency theory in 1976 to explain the relationship between principals (shareholders) and agents (managers) (Mwaniki, 2017). In this context, the principal delegates an agent to perform work in the best interest of the principal (Oluoch, 2018). However, this delegation of the decision-making authority can lead to a loss of efficiency and consequently increased costs (Mwaniki, 2017). In the context of the financial reporting accuracy, the agency theory is concerned with the corporate disclosures that provide an enabling environment for the managers to disclose negative information voluntarily.

**Unified Technology Acceptance user theory**: The Unified Technology Acceptance user theory (UTAUT) proposed by (Venkatesh et al., 2003) was developed through a review and consolidation of eight IT adaptation theories: TAM, the motivational model, theory of reasoned action, theory of planned behaviour/technology acceptance model, model of PC utilization, innovation diffusion theory, and social cognitive theory (Venkatesh et al, 2003). The UTAUT aims to explain user intentions to use an information system and subsequent usage behaviour. The theory suggests that four key constructs (performance expectancy; refers to the extent to which an individual believes

that using a system will help him or her achieve better results on the task; effort expectancy: refers to the extent of the ease associated with the use of the system; social influence: refers to when a person's emotions, opinions, or behaviours are affected by othersand lastly facilitating conditions at work places (Vankatesh et al. 2003). Lee (2006), found that the significant relationship between perceived ease of use and attitudes can be proven when a system is believed to enhance job performance, instructors will have positive attitude toward the use of that system for which it may reduce the perceived amount of mental efforts when learning and using a new technology.

## 2.3 Empirical review

A computerized accounting system as a method or scheme by which financial information on business transactions are recorded, organized, summarized, analysed, interpreted and communicated to stakeholders through the use of computers and computer based systems such as accounting packages. The computer has the ability to reduce the need for manpower is our banks, reduce storage space requirements and automatically handle intermediate steps in 52 data processing with less manual interferences. Marivic (2009)

The development of computers has followed a similar path throughout the history of computing, mankind have had the tasks of performing time

consuming tedious and difficult numerical calculations. One of the first mechanical devise was the Abacus, developed by the Chinese as early as 5000 B.C. In 1642, Braise Pascal [19 years old] developed Pascal‟s calculating machine. In 1967, Gottfried Wilhelm Leibniz developed a calculating device that could automatically divide and multiply. Two of the most significant developments in mechanical devices were made of Charles Babbage.

**The Basic Elements Of A Computer System**

The electronic digital computer system can be divided into Hardware and Software. The Hardware are the physical components and devices which make up the visible computer. It can be divided into two: Central Processing Units [CPU] and the peripherals. The CPU is responsible for the processing functions of the computer while the peripherals are responsible for feeding data into the system and for collection information from the system. The Central Processing Unit [CPU] consists of the main storage, Arithmetic and Logical Unit [ALU] and Control Unit [CU]..

.

# CHAPTER THREE

## RESEARCH METHODOLOGY

### 3.1. Research Design

Research Design is concerned with the fundamental question of how the subject matter of the study will be brought into scope of when and how they will be applied within the limits of the researcher. Research according to Osuala, [1987] is simply the process of aiming at dependable solution to problems through the planned and systematic collection, analysis and interpretation of data. Design on its own is used in statistical sense to refer to the property of statistical analysis necessary to prepare data for interpretation [Ikeagwu, 1998]. This research work is designed to interpret and report on the impact of computerization of accounting information processes in commercial banks with the view to stress the significance and effect of the computer in bank operations. The work is based on recent findings in the survey conducted and those of historical research from several documents.

### 3.2 Area Of Study

The area of study was Union Bank of Nigeria Plc 131 Broad Street and Lagos branch. A study was also carried out at the Enugu branch at 3 Garden

Avenue. This was in the bid to acquire regional view of respondents as to the issue of computerization of the bank.

## 3.3 Population Of The Study

Population could be defined in terms of elements, sampling units, extent and time. For this research work, the target population for the investigation was carried on mostly staffs of Union Bank of Nigeria Plc, who are in one way or the other directly connected with the use of computers in two major branches used for the study at 3 Garden Avenue, Enugu and 131 Broad Street Lagos. They are 60 in number.

## 3.4 Sampling Method

A non-probability sampling method was used. A non-probability sample is one in which chance selection procedures are not used and the probability of selection is not known. In this type of sampling, there is no way of estimating the probability that each element has the same probability of being included in the sample and no assurance that every element has the same chance of being included [Ikeagwu, 1998]. Thus, the researcher used non-probability method on the grounds of convenience and economy geared towards obtaining ideas, good insights and critical appraisals of the study. Under this non-probability sample, purposive sampling where the researcher uses his own judgement about which

respondents to choose, and picks only those who best meet the purpose of the study was adopted. The sampling unit is the basic unit containing the elements of the population to be sampled which are the staffs of Union Bank Plc. The sample size of 60 staff was considered and adopted for the study.

## 3.5 Source Of Data

The major source of data for this research is grouped into primary and secondary sources of data collection. Both sources are extensively used for the purpose of drawing empirical conclusion or analysis of the study so as to come up with fairly objective findings.

## 3.6 Method Of Gathering Data

The following research methods were used to gather data for the study:

1. Desk research method.
2. Survey method

1. Desk research method involved researching into the secondary source of data in order to extract relevant and reliable data for the study.
2. Survey method involves conducting interview with bank staff, administering of questionnaires to the staff and personally observing computerized transactions. Some of the bank staff the researcher conducted interview on

includes: a. Senior manager [Domestic operation] b. Manager [Banking operation] c. Manager [Data processing] d. Manager [Credit and Marketing]

## 3.8 Tools For Statistical Analysis

In the analysis of this research data collected would be classified, tabulated and later analyzed. The data collected will be represented by percentages and a particular percentage represents the number of respondents who opted for a particular view.

For the purpose of hypothesis testing, the researcher would make use of the chi-square test. This is a non-parametric inferential statistical method used in the analysis of frequency or nominal data [Ikeagwu,1998]. The researcher would

make use of tables and pictorial representations. The formula for chi-square [X2] distribution is:

$$_{Xo}2 = \Sigma[oi - ei]2\ ei$$

Where oi = observed frequency

Ei = expected frequency

X2 = calculated chi – square value

$\Sigma$ = sum

# CHAPTER FOUR

## DATA PRESENTATION AND ANALYSIS

This chapter deals with the presentation and analysis of data collected from the respondents by way of questionnaire administered by the researcher. The analysis would be carried out in a manner as to allow comparison and to enhance recommendations. Base don‟t he result from the test, useful conclusion will be drawn. From the presented data below, it is deducted that thirty-five [35] respondents representing 58% of the 60 respondents that filled and returned the questionnaire were male, while the remaining 25 [twenty-five] were females. 97% [ninety-seven] of the total respondents were staff while the remaining 3% were non-staff of the bank. According to the statistic of the questionnaire gathered, about 26 [twenty-six] of the respondents representing 44% were single as in marital status and 32 of the total representing 53% were among the married, group, 3% represented the widowed group, 33 respondent representing 55% of the total respondent had a working experience of between six and twelve years, 16 of the total respondent representing 27% has a working experience of between 3 and 6 years. 8 [eight] of the total respondents representing 13% has a working experience of 12 years and above and the remaining 5% of the total respondents has the working experience of between one [1] and three [3] years.

The educational qualification of the 60 [sixty] respondents ranged from school certificate holders to professional education qualifications. School certificate holders with a percentage of 25, Diploma holders has 34% out of the 60 respondents, Degree holders were 17 representing 28%, Professional exam holder were 6 representing 10%, while others were 3% out of the total 60 respondents. However, emphasis on the analysis will be placed on those questions that have direct bearing or relevance on the formulated hypothesis and objective of study.

**QUESTION 6: HOW COMPUTERISED IS THE SERVICE OF THE BANK? TABLE 4.2 RESPONSE ON HOW COMPUTERISED THE BANK SERVICE ARE.**

| Response | Number | % |
|---|---|---|
| Fully computerized | 34 | 56.67 |
| Partially computerized | 24 | 40 |
| Not computerized | - | - |
| Do not know | 2 | 3.33 |
| Total | 60 | 100% |

From the table 4.2 above, it could be deducted that out of the 60 respondent, 34 of them representing about 56.67% agree that the bank is fully computerized, 24 representing 40% asserts that the bank is partially computerized, while 2 respondents representing 3.33% do not know whether the bank is computerized or not, no respondent believed that the bank is not computerized. From these, it could be deduced that the bank used for this research work is at least computerized to a certain level and that the level of computerization within the bank is high as most of the respondent are knowledgeable of computerized banking service in the bank compared to the number that are not aware.

**QUESTION 7: HAS THE COMPUTERIZATION OF THE BANK AFFECTED THE SERVICES RENDERED BY THE BANK?**

**TABLE 4.3 RESPONSES TO IF COMPUTERIZED OF THE BANK HAS AFFECTED THE SERVICES RENDERED BY THE BANK.**

| Responses | Number | % |
|---|---|---|
| Yes | 45 | 75 |
| No | 6 | 10 |
| Do not know | 9 | 15 |
| Total | 60 | 100 |

From the above table, it is clearly indicated that 75% of the total respondents asserts that the computerization of the banking service has an impact to the services being rendered by the banks to their customers. Then 10% of the respondents asserts that computerization of the banking services has not improved, the bank services while 15% of the respondents do not know whether computerization has impact on the services being rendered by the bank. The explicit interpretation of this is that computerization of banking services has greatly affected the services rendered by the bank to a very high degree.

**QUESTION 8: HAS THE COMPUTERIZATION OF ACCOUNTING INFORMATION PROCESSED AFFECTED THE EFFICIENCY OF THE BANK SERVICES POSITIVELY?**

**TABLE 4.4 RESPONSES TO WHETHER COMPUTERIZATION OF ACCOUNTING INFORMATION PROCESSED HAS AFFECTED THE EFFICIENCY OF THE BANK SERVICES POSITIVELY.**

| Responses | Number | % |
|---|---|---|
| Yes | 45 | 76.67 |
| No | 8 | 13.33 |
| Do not know | 6 | 10 |
| Total | 60 | 100 |

From the above table, we can deduce that 46 [forty-six] respondent representing 76.67% agree that computerization in bank has reduced time wastage leading to more efficiency services in the bank, while 8 respondents representing 13.33% believe that computerization has not reduced time wastage for customers in the bank and 6 respondents do not know whether computerization actually reduced time wasted in processing accounting information. Hence, it could be interpreted that computerization of accounting information processes has affected the efficiency of the bank service by means of faster processing and time reduction or wastage.

**HAS COMPUTERISATION OF THE BANK REDUCED TIME WASTED IN CARRYIGN OUT BANKING TRANSACTIONS? TABLE 4.5. RESPONSE TO IF COMPTUERIZATION HAS REDUCED TIME WASTED IN CARRYIGN ON BANKING TRANSACTIONS.**

| Responses | Number | % |
|---|---|---|
| Yes | 43 | 71.67 |
| No | 8 | 13.33 |
| Do not know | 9 | 15 |
| Total | 60 | 100 |

From table 4.5. above, 43 [forty-three] of the total respondent affirms that computerization of the bank has reduced time wasted in carrying banking

transaction, 8 of the respondents asserts that computerization has not reduced time wasted and 9 of the respondents representing 15% of the total respondents

do not know if computerization of the bank has actually reduced the time wasted in carrying out banking transactions.

**QUESTION 14: HAS COMUTERIZATION LED TO MORE EFFICIENT INFORMATION STORAGE IN THE BANKS? TABLE 4.8. RESPONSE TO WHETHER COMUTERIZATION HAS LED TO MORE EFFICIENT INFORMATION STORAGE IN THE BANK.**

| Responses | Number | % |
|---|---|---|
| Yes | 45 | 75 |
| No | 9 | 15 |
| Do not know | 6 | 10 |
| Total | 60 | 100 |

From table 4.8 above, it can be deduced that 45 respondents out of the 60 representing 75% of the total respondent agree that computerization of banking

has led to more efficient storage of information in the bank while 15% of the total respondent assets that computerization has not led to efficient storage of

information. 6 respondent don‟t know whether computerization of the banking facilities has led to more efficient storage of information in the bank.

## 4.3. Hypothesis Testing

In this section, the hypothesis associated with the study will be tested. The data presented earlier and analyzed in the beginning of the chapter would be subjected to hypothesis test. It is important to find out whether the difference in opinion is significant enough o draw a conclusion.

### 4.3.1. Testign Of Hypothesis 1

Data presented in table 4.5 would be grouped into the two branch used for the testing. The chi-square [X2] distribution would be used to test for significance and the null hypothesis [Ho] would be accepted or rejected based on the finding of the test.

**Statement Of Hypothesis 1** Ho: The computerization of the union Bank of Nigeria Plc has not reduced time wasted in carrying on banking transaction. Hi: The computerization of the union Bank of Nigeria Plc has reduced time wasted in carrying on banking transaction.

**TABLE 4.5 RESPONSES TO WHETHER COMUTERIZATION HAS REDUCED TIEM WASTED IN CARRYING OUT BANKING TRANSACTION**

| Option | Group A | Group B | Total |
|---|---|---|---|
| Yes | [21.5] 18 | [21.5] 25 | 43 |
| No | [4] 3 | [4] 3 | 8 |
| Do not know | [4.5] 9 | [4.5] 0 | 9 |
| Total | 30 | 30 | 60 |

Group A and B represent the two branches of Union Bank of Nigeria Plc. That the researcher administered his questionnaire as against the responses obtained.

### 4.3.2 Testing Of Hypothesis II

Data presented in table 4.6. is relevant to this hypothesis. So, it would be used to test for significance in the increase in the bank deposit since it was computerized.

**Statement Of Hypothesis II**

Ho: Computerization has increased the number on depositors at the bank.

**TABLE 4.6. RESPNOSE TO WHETHER THERE HAS BEEN AN INCRESE IN THE BANKS DEPOSIT SINCE IT WAS COMUTERISED?**

| Option | Group A | Group B | Total |
|---|---|---|---|
| Yes | 23 [24] | 25 [24] | 48 |
| No | 6 [3] | 0 [3] | 6 |
| Do not know | 1 [3] | 5 [3] | 6 |
| Total | 30 | 30 | 60 |

### 4.3.2. Testing Of Hypothesis III

**Statement Of Hypothesis**

Ho: Computerization of Accounting Information has not improved efficiency in operation and accuracy of performance in the bank. Hi: Computerization of Accounting Information has improved efficiency in operation and accuracy of performance in the bank. Data provided in table 4.4. as gathered from the questionnaire would be used to test the above hypothesis, as the question postured is relevant to the hypothesis.

**TABLE 4.4. RESPONSES TO WHETHER COMUPTERIZATION OF ACCOUATNIGN INFORMATIN PROCESSES HAS AFFECTED THE EFFICENCY OF THE BANK SERVICES POSITIVELY.**

| **Options** | **Group A** | **Group B** | **Total** |
|---|---|---|---|
| Yes | 17 [23] | 29 [23] | 46 |
| No | 7 [4] | 1 [4] | 8 |
| Don‟t know | 6 [3] | 0 [3] | 6 |
| Total | 30 | 30 | 60 |

The figures not in the brackets are the observed figures obtained from the questionnaire while those in the brackets are the expected figures.

### 4.3.3. Testing Of Hypothesis Iv

**Statement Of Hypothesis**

Ho: Computerization has contributed to better information storage in the bank The data presented in table 4.8 would be used to test the above hypothesis, as the responses is relevant to the hypothesis and would be a tol to affirm or reject the assertion.

**TABLE 4.8. RESPONSES TO WHETHER COMUTERIZATION HAS LED OT MORE EFFICIENT INFORMATIN STORAGE IN THE BANK**

| Options | Group A | Group B | Total |
|---|---|---|---|
| Yes | 21 [22.5] | 24 [22.5] | 45 |
| No | 9 [4.5] | 0. [4.5] | 9 |
| Don‟t know | 0.[3] | 6 [3] | 6 |
| Total | 30 | 30 | 60 |

Group A and B represent the two branches of Union Bank of Nigeria Plc used for this research with the corresponding responses obtained.

## 4.4. CONCLUSION OF DATA ANALYSIS

The hypothesis postured was tested using the chi-square statistical technique and from the result of the hypothesis, there is great evidence to suggest that the computer has to a great extent had an impact on the processing of accounting information thereby conducting time transactions, led to efficient information storage and retrieval increased the number of depositors.

# CHAPTER FIVE

# SUMMARY OF FINDINGS, RECOMMENDATION AND CONCLUSION

## 5.1 Summary Of Findings

Findings on this research work were based on the analysis of information gathered from the type of questionnaire administered, analysis of various hypothesis and revelations by respondents interviewed.

Emphasis, however was placed on those questions that are relevant to the topic under consideration.

The authenticity of this research is validated by the fact that the bank used for this research is well computerized as an analysis of table 4.2 show, it is generally agreed that computerized has usually had effects on banks operations. In table 4.4 and 4.5, it could be seen that computers have increased efficiency by reducing the amount of time cost in daily transactions. Again, table 4.6 shows a distinct increase in bank deposit was attributed to the introduction of computers it follows, therefore to conclude that the positive trends associated with computerized services has reinstated customers trust in banking operations which as a result increases customers deposit. At this point, it is important to mention that the result of the rest hypothesis revealed that the introduction of

computers has not reduced the operational cost of running a bank. This is largely due to the cost of repair and maintenance of these equipment.

In spite of this short coming, computers have given rise to better of storage of information and a greater efficiency in the rendering to services to customers in the banking sector of the nation. Computers have reduced the daily workload in banks a great deal. What this implies is that with the introduction of computer in banking, it is expected to increase effectiveness, efficiency and reduction in the running cost of operation/staff welfarism in the long run as all this are possible with the minimum amount of work put in by each individual staff. As mentioned earlier, there are short comings found in Nigerian Bank operations with computers such as:

i. Inadequate trained personnel to handle the computer equipment.

ii. Lack of locally made parts and incompetent engineer to undertake the machine repairs and maintenance.

iii. Due to lack of pre-installation planning, computers installed in some banks have been found inadequate for the numerous operations of banks.

iv. Most banks fail to extend computer services to their branches, they computerize only their main branches. This is not productive, as the impact of

the branches of the bank cannot be ignored in assessing the overall bank performance.

v. Frequent breakdown in transmitting area network program, occasioned by epileptic supply of electricity.

vi. On line and off line problems and subsequent systems failure.

vii. Slow processing speed of computers and lack of commitment by computer operators.

## 5.2 Conclusion

The study was carried out to determine to what extent computers have affected the processing of accounting information in the Nigerian banking business; with the Union Bank of Nigeria Plc as a case study. The main aim being to find out whether the computer has had any effects on the banking sector and if so, to what extent it has gone and to give recommendations which have been made based on the findings of the research carried out. Based on the research work, I hereby conclude that;

i. Computerization has made bank workless burdensome and has improved the efficiency of bank services.

ii. Computerization of accounting information has led to efficiency information storage.

iii. Computers have led to an increase in the bank deposit base.

iv. Computers have not contributed to a reduction in the cost of running bank services.

v. Computerization of accounting information has improved the speed of services to customers.

vi. Banks should append their computer personnel to highly reputable computer engineering firms for proper training to reduce the cost of maintenance and repairs.

vii. Information on the effects of the computer in banking ought to be intensified.

## 5.3 Recommendations

From the analysis of the annual report of various banks, there is a clear indication that banks which have imbibed the computer culture are making greater returns in their transactions. Thus, it would be a worthy cause for banks which are yet to tap the benefits of computerization to learn from the financial reports of these other banks. Take the Union Bank of Nigeria Plc which is

among the most capitalized bank in Nigeria as stipulated by the Nigeria Stock Exchange weekly report [Dec. 1998] edition. This is as a result of its total paid up capital, its persistent increase in returns due to proficiency in computerized services and efficiency bank management. Based on the researcher‟s findings, the following are recommended:

i. Computer Information: there is need for attention to be paid to computer literacy by bank staff. Courses on modern computer and information technology should be encouraged. Also staff needs to be informed on computer processes and just how it affects the "conventional" banking. This will lead to greater appreciation by the customers.

ii. Personnel Training: as has already mentioned in this research work that lack of trained personnel is one of the banes of the computerization of the banking sector in Nigeria. Bank should therefore engage in personnel training so as to turn out staff that are more efficient and trained with experience to handle these equipment.

iii. Increased Computer Services: it would pay banks to subject a lost more banking functions to computer application. Some of these computer services include modern telecommunication and information technologies which includes: telephones, ATM, facsimile, local area network, computer system,

MLCR [Magnetic Link Character Recognition], Very Small Aperture Terminal [VSAT], Electronic Fund Transfer and Wireless radiophone, etc. These new banking innovations should be introduced and encouraged to facilitate better banking operations.

iv. Branch Computerization: Banks going to computerization should endeavour to go all the way, their branches should not be left out of the exercise. They should do this within the shortest possible time. Computer in the branches will in the long run yield returns for the banks.

v. Information Technology Compliance: banks should endeavour to be abreast of the modern handling of information by electronic means, which involves its access, storage, processing, transportation or transfer and delivery. Information Technology affects financial institutions by easing enquiry, saving time and improving service delivery.

## 5.4 Recommendations For Further Research

The original use of computers in accounting focused on automating the record keeping functions, manual books were replaced by computer "books" thus, computer made accounting functions faster, less expensive and more accurate.

However, this research work could not exhaustively discuss all the problems militating against the full usage of computers in processing Accounting Information. The researchers do suggest that further research should be carried out in this area.

## REFERENCE


Accounting Review [1971]: Committee on Foundation of Accounting Measurement pp.3.

Adebowale, o. [1998]: Myths and Realistic of Computer. Daily Times Newspaper. Dec 6th Nigeria

Alu, A. .O. [2002]: Effects of Information Technology on Customer Services in the Banking Industry in Nigeria. Obafemi Awolowo University, Ile-Ife, Nigeria

Bohnar and Hopwood [2001]: Accounting and Information System, 8th edition Prentice Hall Inc, Ohio.

Central Bank of Nigeria [1995]: Annual Report and Statement and Account. Clifford, G. [1984]: Nigerian Banking Magazine Coombs, R.

Donald, H. S. [1989]: Computer in Society, pp. 18-22.

Davis, (1988). Accounting and Information System, 7th edition

Ekezie, E. S. [1995]: Money and Banking; Lecture note Nnamdi Azikiwe University Awka [unpublished].

Eze, B. O. [1999]: Application of Computer. Lecture monograph University of Nigeria Nsukka [Unpublished].

Ezigbo, C. A. [2001]: Element of Business Economics, Principles and Applications. Immaculate Business Report Services Enugu. Nigeria.

Goody, N. [1969]: Populi Bank News, published by African Continental Bank Plc, pp.8

George (1972): Economics and Technological Changes, Macmillan, London.

Hilton, R. W. Swiering R. J. [1980]: Perception of initial uncertainty as a determinant of information values, McGraw Hill book company Inc New York London.

Idowu, P. A. [2000]: Effect of Information Technology on selected service industries in South Western Nigeria, MSC Thesis Technology Management, Obafemi Awolowo University Nigeria

Igben, . [2007]: Information Technology in a deregulated Telecommunication s Environment. Keynoe address, INFOTECH First International conference on Information technology Management Lagos [Nov. 16-17].

Ikeagwu, E. K. [1998]: Groundwork of Research Methods and Procedures. Institute for Development Studies. UNEC. Nigeria. James, D. S. Stice, E. K. Albrecht,

Jeffry, C. [1996]: Computers and its effects on efficiency. Harpers and Collins College Publisher Inc. New York.

Kent, P. D. [1990]: Practical Research: Planning and Design. Macmillan Publishing Company Inc, New York London.

Levitt, T. [1992]: The Globalization of Market in Transnational Management. Cases and reading in cross border management .

Lee, (2006): Computers and its effects on efficiency in banking system

Macmillan, G. [1990]: Computer Handbook for Senior Managers

Mwaniki, O. (2017): Application of Computer. Lecture monograph University of Nigeria Nsukka [Unpublished].

Osuala, E. C. [1987]: Introduction to Research Methodology, 2nd edition, Onitsha African Feb. Publisher, Nigeria.

O‟Brien J. A. [2000]: Introduction to Information Systems, 9th edition McGraw Hill Inc, Singapore

Odia, (2012). Africa Journal on Computer for Senior Manager

Oluoch, G. (2018) Introduction to Research Methodology, 4th edition,

Page, J. Hesper, P. [1992]: Accounting Information System, 4th edition Prentice Hall, USA

Pickles, W. [1990]: Accounting, 4th edition, London, Pitman Ltd.

Rahman M. [1990]: Accounting Information System: A Cycle Approach, 3rd edition, John Wiley and Sons, USA.

Rudolph, M. [1968]: Accounting Information System, Addison Wesley Publishing Company USA.

Reynolds, W. G. [1984]: Financial Intermediaries in the American Economy Princeton N. J. Princeton.

R. W. Hilton and S.J [1970]: The Quiet Revolution World-Banking Magazine. Pp. 2-4. Roy, C. S.

Robert, O. Igben, (2017): Basic Economics 2nd edition, Meredith Publishing Company USA

ROY,C, (1997): Accounting Information System

Stallion [2000]: An Inquiry into the Nature and cause of the Wealth of Nations.

Saleh, O. [2017]: Computerization in Banks. Business Times Jan 25th

Tobbin, (2011). Effect of Information Technology on selected service industries in South Western Nigeria

Ugwoke, R. O. [2000]: Financial Accounting: A Theoretical and Problem Solving Approach. John Jacob‟s Classic Publishers Ltd, Enugu Nigeria.

Ugwu, L. O. [1999]: Assessment of Impacts of Information Technology on selected service industries in South Western Nigeria. MSC Thesis in Technology Management, Obafemi Awolowo University, Nigeria.

Union Bank of Nigeria [2001]: Annual Report and Accounts Academy Press plc, Lagos.

Venkatesh, (2003): Computerization in Banks. Unpublished

Walter, I. [1987]: Global Banking. Oxford University press New York pp. 17.

Warren, (2018): Financial and Managerial Accounting, 5th edition, South Western Publishing Co.