TITLE PAGE

THE EFFECTS OF COMPUTERIZED ACCOUNTING SYSTEM ON THE PERFORMANCE OF BANKING INDUSTRY IN NIGERIA (STUDY OF SELECTED BANKS IN ENUGU METROPOLICS)

BY

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Approval page

This project on "The Effect of Computerized Accounting system on the Performance of Banking Industry in Nigeria. (A Study of Selected Bank in Enugu Metropolics)" was supervised and approval in partial fulfillment of the requirement for the award of Bachelor of Science (B.Sc) Degree in Accountancy.

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DEDICATION

This project is dedicated to God Almighty for his mercies and love and also my lovely uncle Dr. Gabriel Agbim for his untiring efforts and wonderful support towards my academic pursuit.

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ABSTRACT

The research topic of this study is "The Effect of Computerized Accounting System on the Performance of in Banking Industry – a study of selected banks in Enugu Metropolis. The purpose is to know whether the application of Computerized Accounting System superceeds that of manual Accounting System, and that if computerized Accounting System enhance higher turnover and profitability, and also whether a computerized accounting system is an effective means of keeping accounting records. The study population is 70 persons who are the members of the staff of the three major selected banks. Using the Taro Yamene's formula the sample size calculated gave (60). The formulated hypothesis were tested using the analysis of variance (ANOVA) statistical technique at 5% level of significance. The researcher also made use of primary methods of data collection which included questionnaire and personal interview. Also the secondary method of data collection used was gotten from official documents of the banks, various research work on computerized accounting system, accounting journals, textbooks and Caritas University Amorji – Nike, Emene, Enugu State library. Based on these, the researcher recommended that banks in Enugu Metropolis should channel most of their resources in the training and development of bankers and Accountants personnel in computerized accounting system related technology such as I.C.T to boost performance in their banking operations and their personnel. Also due to the widespread of computer trends and its dynamics nature, it is recommended that banks in Enugu metropolis who are still battling with manual system should adopt specifically the Computerized Accounting System.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Today's modern technology brought into use the computer, this technology is the application of science to gathering, recording, processing and communicating of business information by means of electronic media. Most commonest tool for application is the computer and it involves all the transaction processing system management information system various business support system etc. The computer is a central force in the advancement of various organization. The historical development of computer started with Hollerith punched card of 1880,Goerge Alken calculator and Charles Babbage' creation of the difference engine.

The computer can be defined as a tool or device which is able to accept facts (data) and figure in a prescribed form, apply prescribed processes to data and supply result of the processes in a specified format as a meaningful information. There are also different types of information depending on the make or type of

their functions. The revolution in technology to the computer complements or in the other hand, substitute for ten elements which are: - paper, personal memos, charts, reports, calculators, terminals letter.

Hartzell (2006) defines computer as an electronic machine for processing information automatically and very quickly. The important of computers is the ability to handle vast amount of information and to do other processes with accuracy and speed which cannot be manually undertaken have been recognized and appreciated by financial institutions, hence the trend in the computerized of banking operations.

Tanembaum (2010) sees computer as a machine that can solve problems for people by carrying out instructions given to it.

The American Accounting Association defines accounting as the process of identifying, measuring and communicating economic information to permit informed judgement and decision by users of the information. Accounting is also the establishment, maintenance, collection and analysis of financial position of an

organization and any changes that have occurred or may occur overtime.

Omolehinwe (2009) defines accounting as the collection and recording of financial data about an organization whether in the private or in the public sector and analyzing the data so collected to suit the decision that needs to be taken and reporting the relevant information in a summary form to the user in a form that is meaningful to him or her.

Chionye (2003) defines accounting system as the art of identifying, recording, classifying measuring and interpreting in a significant manner the financial transaction of an organization for decision making. Summarizing from time to time the information contained in the record, for its significant presentation and interpretation to interested parties as an aid to decision making.

Accounting system is also defined as a consistent way of organizing, recording, summarizing and reporting financial transactions.

Computerization is the installation of computers as a part of a process of automation.

Banking in Nigeria has witness impressive development in recent time particularly within the last decade in time with growth in economic activities and complexities, banking service have expanded significantly in size and variety due to increased by computerization of banks.

1.2 STATEMENT OF THE PROBLEM

In spite of the benefit of computer to banking industry and business generally some problem are still left unsolved and new ones have been credited by the use of computer itself problems like;

The use of computer to keep accounting records.

Another problem is the displacement of labour hands in the accounting department and its union implication and the problem of low turnover (volume of operation) and profitability in banks.

1.3 OBJECTIVES OF THE STUDY.

The objectives of this study are:-

- To determine he relationship between the application of the manual accounting system and the computerized accounting system in the banking system.

- To find out, whether the effect of computerized accounting system enhances higher turnover (volume of operation) and profitability in banks.

- To examine the impact of using computer to keep accounting records.

1.4 RESEARCH QUESTIONS.

To be able to achieve the above purposes, some questions would be asked which help the researcher to gather the necessary information needed, they are:

- Are there any relationship between the manual accounting system and the computerised accounting system in the banking industry?
- Also can computerized accounting system enhance high turnover and profitability in banks?
- Finally, What are the effects of using computers to keep accounting records?

1.5 HYPOTHESES OF THE STUDY

In order to ensure the verification and validation of the primary data gathered through administration of questionnaires. A research hypothesis is formed comprising the null hypothesis (Ho) and the alternative hypothesis (Hi).

Hypothesis One

Ho: - There is no relationship between the application of the

Computer and manual system in the accounting system of banking industry

Hi: - There is a relationship between the application of the

Computer and manual system in the accounting system of the banking industry.

Hypothesis Two

Ho:- The impact of computerized accounting system does not

enhance higher turnover and profitability in banks.

Hi:- The impact of computerized accounting system enhances

higher turnover and profitability in banks.

Hypothesis Three

Ho:- There is no effect of using computer to keep accounting records.

Hi:- There is an effect of using computer to keep accounting records.

1.6 SIGNIFICANCE OF THE STUDY.

Most banks have growth and continuity as part of their objective, and such objectives are best realized by an efficient management, as well as effective computerized accounting system. This has made it possible for banks to gain inherent advantage while minimizing risks involved in their daily operations.

This research project will therefore be of immense advantage or benefit to the management of banks, computers and other business organization using computerized accounting system. Hence, the theories and concept contained therein can be infused into their management system.

This research will also contribute to enhance efficiency in the following ways;

a) Speedy and accurate decision making through the use of computerized accounting system.

b) Improvement in the delivery and quality service.

c) The banks profitability will be improve.

Firstly, in the realm of academic, the project will be very useful to wide audience as it applies to courses in accountancy, banking and finance as well as executive development courses, management seminars and supervisory workshop conducted in colleges and universities.

1.7 SCOPE AND LIMITATIONS OF THE STUDY.

The scope of the study is restricted to examining the effect of computerized accounting system on the performance of banking industries such as, Diamond bank plc, Eco bank plc and First bank plc all in Enugu metropolics of Enugu state.

1.8 DEFINITION OF TERMS

AUDIT TRIAL:- a technique that made it possible to retrace processing of data in all other to charge, add or delete records in a file.

BLOCKING:- the storage of more than one term in a record.

COMPLIER:- a programming system applied by a manufacturer to convert a programme written in an automatic language into machine language.

EXPERT SYSTEM:- A computer system which embodies some of the experienced and specialized knowledge of an expert. it enables a non-expert to achieve comparable performance to an extent in the field.

PPLICATION PACKAGES:- These are computer programmes written for the purpose of carrying out specific task for individuals or organizations with similar or related needs.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL FRAMEWORK

According to the free online dictionary gives the following definitions of a system.

A set of connected things or parts forming a complex whole in particular.

A system is a set of thing working together as parts of a mechanism or an interconnecting network. A system is a set of interacting or interdependent group or components forming an integrated whole or interacting elements forming a collective entity; a methodical or coordinated assemblage of parts, facts, concepts etc.

According to Hartzell (2006) defines system as any series of interconnected elements forming an organized whole with a common objective. Example can range from an individual central nervous system to a societies family and kingship arrangements.

Stallings (2010) states that computer system like any system consists of an interrelated set of components. The system is best characterized in terms of structure the way in

which components are interconnected and functions the operations of the individual components. The major components of the computer system are the processors memories, and 1/0 devices i.e. input and output devices. The task of a processor is to fetch instructions one at a time from a memory, decode them and execute them. The fetch – decode – execute cycle can always be described as an algorithm and, in fact, is sometimes carried out by a software interpreter, running at a lower level. To gain speed, many computers now have one or more pipelines or have a superscalar design with multiple functional units that operate in parallel. Systems with multiple processors are increasingly common. Parallel computers include array processors, on which the same operation is performed on multiple data sets at the same time, multiprocessors, in which multiple CPUs share a common memory, and multiprocessors, in which multiple computers each have their own memories but communicate by message passing. Memories can be categorized as primary or secondary. The primary memory is used to hold the program currently being executed. Its access time is short – a few tens of nanoseconds at most – and

independent of the address being accessed. Secondary memories, in contrast, have access times that are much longer (milliseconds or more) and dependent on the location of the data being read or written. Tapes, magnetic disks and optical disks are the most common secondary memories. Magnetic disks come in many varieties, including floppy disks, Winchester disks, IDE disks, SCSI disks and RAIDs. Optical disks include CD ROMs and CD-Rs and DVDs.

Finally 1/0 devices ie input and output devices are used to transfer information into and out of the computer. They are connected to the processor and memory by one or more buses. Examples are terminals mice printers and modems.

Ikemefuna (2006) defines system as a set of interrelated and interdependent parts arranged in a manner that produces a unified whole. Societies are systems, and so are automobiles, plants and human bodies. They take inputs, transform them, and produce some output. The unique characteristic of the systems viewpoint is the interrelationship of parts within the system. Every system is characterized by the diverse forces; differentiation and integration in a system. Specialized functions are differentiated

which replace diffuse global patterns such as in the human body for instance, where the lungs, heart and liver all have distinct functions. Similarly organizations have divisions, departments and such like units charged with performing specialized activities. Every system therefore requires differentiation to identify its subparts and integration to ensure that the system does not breakdown into separate elements.

According to Free Merriam, a computer system refers to the hardware and software components that owns a computer or computers. Computer system will include the computer along with any software and peripheral devices that are necessary to make the computer function.

French (1996) state the basic elements that make up a computer system areas follows:

- Input
- Storage
- Control

- Processing
  - Output

A brief description of each element

- **Input**

Most computers cannot accept data in forms customary to human communication such as speech or hand-written documents. It is necessary, therefore, to present data to the computer in a way that provides easy conversion into its own electronic pulse – based forms. A keyboard device is just one of many kinds of input device.

- **Storage**

Data and instructions enter main storage, and are held until needed to be worked on the instructions dictate action to be taken on the data. Results of action will be held until they are required for output.

- **Control**

The processor controls the operation of the computer. It fetches instructions from main storage, interprets them, and issues the necessary signals to the components making up the system. It directs all hardware operations necessary in obeying instructions.

- **Processing**

Instructions are obeyed and the necessary arithmetic operations, etc. are carried out on the data. The part of the processor that does this is sometimes called the Arithmetic – Logical Unit (ALU), although in reality as for the “control Unit”, there is often no physically separate component that performs this function. There arithmetic logical operations / numbers takes place at incredibly high speeds, e.g. 10million numbers may be totalled in one second.

- **Output**

Results are taken from main storage and fed to any output device. This may be a printer in which case the information is automatically converted to a printed form called hard copy or alternatively data may be displayed on a monitor screen similar to that used in a television set.

2.2 WHAT IS ACCOUNTING SYSTEM

Hussey (2005) defines accounting system as the system designed to record the accounting transaction and events of a

business and account for them in a way that complies with its policies and procedures.

Hartzell (2006) says that accounting system is a consistent way of organizing, recording, summarizing and reporting financial transactions. The minimum requirements for an accounting system include the following;

It must provide financial information for management to make policy decisions, prepare budgets and grant proposals and provide other. Useful financial reports, also, similar transitions must receive consistent accounting treatment.

Ama (2004) defines the accounting system as " a formal system for identifying, measuring, accumulating, analyzing, preparing, interpreting and communicating accounting information about a particular entity to a particular group". By formal system, we mean that the accounting system carries out its functions with laid down rules, regulations, methods, procedures and techniques. It is also a routine and an automatic system. An accounting system as opined by Ama (2001) is a formal mechanism for gathering, organizing and communicating information about an organization's activities.

An accounting system can also be defined as mechanism for gathering and communicating data for the ends of assisting and co-ordinating collective decision in view of the overall objective of a firm or an organization.

Accounting system by definition is a financial information system which includes accounting terms, records instruction manuals flow charts programs, and reports to fit the particular needs of the business.

Accounting system is a set of records, procedures and equipment that routinely deals with the events affecting the financial performance and position of the organization.

Finally, according to business online dictionary, a system is an organized set of manual and computerized accounting methods procedures and control established together, record, classify, analyze, summarized interpret and present accurate and timely financial data for management decisions.

2.3 METHODS FOR COMPUTERIZATION IN ACCOUNTING

The two main method of computerization in accounting which dictate how the company's transactions are recorded in the

company's financial books are cash basic accounting and accrual basis accounting.

2.3.1 Cash – Basis Accounting

Ama (2003), states that cash basis of accounting revenue is recognized and recorded only when the cash is received. Expenses are recognized in the period when payment is made. Recording of revenue and expenses during an accounting period is based on an inflow and outflow of cash. A matching of cash receipts and cash disbursement is done to determine operating results during the period. This method is simple in application.

Rao (2006) defines cash basis as a basis of accounting by which a transaction is recognized only if cash is received or paid. Cash basis of accounting is suitable for such business organizations which operate for a short-term duration.

2.3.2. Accrual – Basis Accounting

The accrual basis of accounting is based on the principle that all revenue earned during a period and the related incurred expenses of earnings that revenue assignable to the period must be determined. These then are matched against each other to determine net income or net loss. Revenue is recognized at the

time of sale of the services or merchandise and expenses are usually recognized at the time the service are received and used in the production of revenue.

Rao (2006) defines accrual basis as a system of classifying and summarizing transactions into assets, liabilities, capital, cost and resources and recording there of. A transaction is recognized when either a liability or asset is created or impaired. Whether payment is made or received is immaterial in accrued basis accounting. The following are the essential features of accrual basis.

- Revenue is recognized as it is earned.
- Costs are matched either against revenues so recognized or against the relevant time period to determine periodic income.
- Costs which are not charged to income are carried forward and are kept under continuous review. Any cost that appears to have lost its utility or its power to generate future revenue is written of as a loss.

TYPES AND PRINCIPLES OF COMPUTERIZED ACCOUNTING SYSTEM

TYPES OF COMPUTERIZED ACCOUNTING SYSTEM

Generally, there are two major types of Accounting System;

- Manual Accounting system and
- Computerized Accounting System.

MANUAL ACCOUNTING SYSTEM

According to Ama (2004), this is a system, which uses special journals to stream line the journalizing and posting procedures. To handle a large volume of transaction rapidly and effectively, it is helpful to group the transactions into classes and to use a specialized journal for each. Recording and posting are made for these journals using the double entry record keeping.

Also according to free online Marrian, manual system is a system in which the accountant or the book-keeper is required to post business transactions to the general journal, general ledger and worksheet by hand. This process can be computed by either using actual paper journal and ledger sheets or by creating these sheets in a computer program such as excel it is considered

manual because each transactions is entered into the systems individually.

COMPUTERIZED ACCOUNTING SYSTEM

Ama (2004) defines this system as a system that uses specialized machines called calculators and computer in gathering information. It is technically known as Electronic Data Processing (EDP) Accounting System.

A computer – based accounting system processes data in basically the same manner as does a manual system. Transactions are initially recorded manually on sources documents, the data from these source documents are then key – punched into punched cards, which can be read by the computer. The computer process the information and performs such routine tasks as printing journals, posting to ledger accounts, determining account balances and printing financial statements and other reports.

A computerized accounting system according free online Merriam is system which allows the user to enter the transaction into the program once and all accounts are updates as necessary for e.g of your bags N1000 worth of office supplies with a

combination of N500 cash and N500 credit instead of going to each accounting and posting the transaction with a computerized system you would check office suppliers cash and the selected account payable account and the transactions automatically would post to the account.

2.4.2 PRINCIPLES OF COMPUTERIZED ACCOUNTING SYSTEMS

In the course of recording, classifying and summarizing financial data, there may arise cases where the exercise of discretion becomes very essential. Some practical principles have been developed to help accountants in the exercise of such judgement, the four basic principles of accounting are important because they provide the conceptual guidelines for application of the basic accounting system. Also they give the measurement, recording and reporting phases of the accounting information processing cycle. They include:

- Historical Cost Principle
- Revenue Recognition Principles
- Matching principles
- Full-disclosure principles.

HISTORICAL COST PRINCIPLES

According to GAAP, this principle requires companies to account and report based on acquisition cost rather than fair market value for most assets and liabilities. This principles provides information that is reliable (removing opportunity biased market values) but not very relevant.

According to Bhorkar (2005), states that historical cost principle in account usually Past happenings are recorded. This is based on assumption of realizations. Accounting involves recording of business transactions which have taken place. The business transactions are recorded as and when they take place i.e date – wise. This lead to the preparation of the historical records of all transactions.

Ama (2004) states that the principle defines the conceptual basis for measuring the assets, liabilities and owner's equity (including revenues and expenses) of a business, the cost principle states that the cash equivalent cost should be used for recognizing (i.e, recording) all financial statement elements.

Cost is measured as the cash paid plus the current value of all non-cash consideration.

REVENUE RECOGNITION PRINCIPLE

Ama (2004) states that the revenue principle relates to the income statement model (Revenue minus – Expenses = Income). This principle specifies when revenue should be recognized (ie recorded) and how it should be measured. Revenue should be recognized when there is an inflow of net assets from the sale of goods or services. Revenue is measured as the cash received plus the current Naira value of all non-cash considerations received.

This principle requires companies to record when revenue is

- realized or realizable and
- earned not when cash is received

This way of accounting is called accrual basis accounting.

MATCHING PRINCIPLE

In this principle, expenses have to be matched with revenues as long as it is reasonable to do so. Expenses are recognized not when the work is performed or when a product actually makes its contribution to revenue.

According to Bhorkar (2005) states that matching principles explains that we have to match the income of a certain period with expenses of that period only. The term matching refers to close relationship that exists between certain expired cost and revenues realized as result of incurring those costs.

Ama (2004) states that this principle relates directly to the income statement (Revenue – Expenses = income). Resources that are used to earn revenues are called expenses. The matching principle holds that when the accounting period revenues are properly recognized in conformity with the revenue principle, all of the expenses incurred in earning those revenues must be matched with the revenue of that period.

FULL – DISCLOSURE PRINCIPLE

Bhorkar (2005) states that entries are made in such a way so that they provide honestly all information relating to the activities of the business, the records should not conceal anything from outsides this implies that accounts must be honestly prepared and all material information must be disclosed there in. Information disclosed should also be enough to make a judgment while keeping costs reasonable.

Ama (2004) states that the periodic financial statements of a business must clearly report (ie. disclose) every relevant information about the economic affairs of a business. This principle requires (a) Complete Financial Statement. (b) Notes on the financial statements to elaborate on the “numbers”.

WHAT IS COMPUTER AND COMPUTER TRENDS

Tanenbaum (2010) defines computer as an electronic device for storing and processing data, typically in binary form, according to instruments given to it in a variable program.

According to O’Leary (2001) computers are electronic devices that can follow instructions to accept input, process that input, and produce information.

Vermant and Shelly (2011) define computer as electronic device, operating under the control of instructions stored in its own memory, that can accept data, process the data according to specified rules, produce results and store the results for future use.

Computers process data into information. Data is a collection of unprocessed items, which can include text, numbers,

images audio and video. Information conveys meaning and is useful to people.

COMPUTER TRENDS

According to Wikipedia, the free encyclopedia, computer trends are changes or evaluations in the ways that computer are used which becomes widespread and integrated into popular thought with regard to these system. These movements often begin with one or two companies adopting or promoting a new technology which grabs the attention of others and becomes popular. Both hardware and software can be part of computer trends such as the developments and proliferation of mobile devices including smart phones and tables changes in the internets, the developments of new websites, and the expansion of the cloud. Computing models are likely to be similar software trends throughout the early part of the 21st century. Much like changing fashions in clothing, computer trends indicate the types of technology or concepts that are popular at a given time. This can occur in a number of ways including a company introducing new technology to a market and computers finding that they can

use certain products more effectively than others. As changes happen computer trends typically evolve and grow over time, so that popular technology one year may be considered out-dated the next. Identifying the next major trend and finding a way to get in on it ahead of time can be substantially profitable for companies that work with technology. Developments in interest coding and viewing continue to make its growth a major trend in the computer industry.

2.6 TYPES AND WHY WE USE COMPUTER SYSTEM

2.6.1 TYPES OF COMPUTERS

Computers have revolutionized all types of industries they proved to be aboon to main kind. A computer is one of the most brilliant inventions of main kind. Thanks for computers technology, we were able to achieve strong and processing of huge amounts of data we could rest on basis by employing computers memory capacities for storage of information.

According to the Wikipedia, the free encyclopedia states the different types of computers and are categorized based on their operational, style of functioning based on the operational principle of computers, they are categorized as analog, digital and hybrid

computers. The classification of computer based on their style of functioning following is a classification of the different types of computers based on their sizes and processing powers.

- Mainframe
- Micro computers.

Some personal computers are:

* Desktop
* Laptop
* Notebook
* Minicomputers
* PDA
* Servers
* Super Computers
* Wearable Computers
* Tablet

*** Analog Computers**

These are almost extinct today. These are different form of a digital computer because an analog computer can perform several mathematical operations simultaneously. It uses continuous various for mathematical operations and utilize mathematical or electrical energy.

*** Digital Computers**

They use digital circuits and are designed to operate on two states namely bits 0 and 1. They are analogous to states ON and

OFF. Data on these computers are suitable for complex computation and have higher processing speeds. They are programmable and either general or special purpose computers. Such as digital cameras. A digital camera is a device that allows users to take pictures and stores the photographed images digitally, instead of on traditional film.

* **Hybrid computers**

These computers are a combination of both digital and analog computers. In this type of computer the digital segments perform process control by conversion of analog signals to digital ones

* **Mainframe Computers**

According to Vermaat and Shelly (2011), a mainframe is a large, expensive powerful computer that can handle hundreds or thousands of connected users simultaneously. Mainframes store tremendous amounts of data, instructions and information. Most major corporations use mainframe for business activities. With mainframes, enterprises are able to bill millions of customers, prepare payroll for thousands of employees, and manage thousands of items in inventory. One study reported that

mainframe process more than 83 percent of transactions around the world.

According to O'Leary (2011), mainframe computers occupy specially wired air-conditioned rooms. Although not nearly as powerful as supercomputers mainframe computers are capable of great processing speeds and data storage. For example, insurance companies use mainframes to process information about millions of policy holders.

* **Micro – Computers**

Microcomputers are the least powerful, yet the most widely used and fastest growing type of computer. They do not occupy space as much as mainframes do. When supplemented with a keyboard and mouse, microcomputers can also be called personal computers. A monitor, a keyboard and other similar input and output device, computer memory in the form of RAM and a power supply unit come packaged in a microcomputer. These can be fixed on desk or tables and prove to be the best choice for single – user's tasks. These are six types of micro computers; desktop, net book, notebook, handheld, tablet PC and media center computers.

* **Desktop Computers:**

According to O'Leary (2011) are small enough to fit on top of or alongside a desk yet are too big to carry around. A desktop is intended to be used on a single location. The space parts of a desktop computer are readily available at relatively lower costs. Power consumption is not as critical as that in laptops. Desktops are widely popular for daily use in the work place and household.

* **Laptops/Notebook Computers**

Also portable, light weight and fit into most briefcases. Laptops are similar in operation to desktops, laptops computers are miniaturized and optimized for mobile use. Laptops run on a single buttery or an external adapter that charges the computer battery. They are enabled with an in built keyboard touch pad acting as a mouse and a liquid crystal display.

* **Net books** are smaller lighter and less expensive than notebook computers. They had a smaller features set and lesser capacities in comparism to regular laptops at the time they came into the market.

* **Handheld Computers** are the smallest and are designed to fit into the palm of one hand. These systems contain an entire

computer system, including the electronic components secondary storage and input and output devices. Personal Digital Assistants (PDAs) and Smart phones are the most widely used handheld computers.

* **Personal Digital Assistants (PDAs)**

According free online Marniam is a handheld computers and popularly known as a palmtop. It has a touch screen and a memory card for storage of data. PDAs can also be used as potable audio players, web browsers and smart hones.

Media Centers blur the line between desktop computers and dedicated entertainment devices. O'Leary (2011).

* **Minicomputers**

O' Leary (2011) states that minicomputers are also known as midrange computers are refrigerator – sized machines. Medium – sized companies or departments of large companies typically use them for specific purpose. For example, product departments use minicomputers to monitor certain manufacturing processes and assemble – line operations.

* **Servers:** They are computers designed to provide services to client machines in a computer network. They have

larger storage capacities and powerful processors. Running on them are programmes that serve client request and locate resources, like memory and time to client machine usually they are very large in size to be fail safe & resistant to crash.

Tanenbaum (2010) states that beefed – up personal computers or workstations are often used as network servers, both for local areas networks (typically within a single company), and for the internet. Theses come in single – processor and multiple – processor configurations have gigabytes of memory, hundreds of gigabytes of hard disk space and high – speed networking capability. Some of them can handle thousands of transactions per second. Architecturally, however a single – processor server is not really very different from a single – processor personal computer. It is just faster bigger, has more disk space and possibly a faster network connection.

* **Supercomputers** are the most powerful type of computer. Theses machines are special high – capacity computers used by very large organizations. IBM's Blue Gene is one of the fastest computers in the world. The highly calculations intensive task can be effectively performed by means of supercomputers, Quantum

physics, mechanics, Weather forecasting, Molecular theory are bests studied by means of supercomputers.

* **Wearable Computer:** A record setting step in the evolution of computers was the creation of wearable computers. They can be worn in the body and are often used in the study of behaviour modeling and human health. Military and health professionals have incorporated wearable computers into their daily routine as a past of such studies.

2.6.2 USES OF COMPUTERS

According to Wikipedia the free encyclopedia, computers are now being used extensively in office administration to perform the routine clerical work. Today, most large and medium sized organizations are almost totally dependent on their computers. Routine uses of computers are given below:

- Accounting, billing, inventory control system with MIS, CRM.
- Computers are extensively used in accounting and there are multitude of computer software for accounting MIS, CRM, HITECH financial accounting is one such software which has been customized for users in many segments in business and services.

- **Payroll and personnel Records**.

  Payroll according was the first commercial area to become widely computerized. The calculation of wages or salaries involves a number of variables which relates to the personal details of each employee such as gross pay or rate for the job, individual deductions tax liabilities of the employees and so on.

- **Stock Control**

  The computer helps to exercise the type of stock control needed by the organization. It up to dates the sales and purchases records determines optimum reorder levels for different items and prints out stock list when desired.

- **Sale Accounts Records**

  Programming can be done for any sales accounting system. The computer will pin point defaulting debtors, determines the right limit for each debtors and maintain stores ledger.

- **Costing and Budgetary Control**

  Costing and Budgetary control can be affected through the computer, the computer will pin point out the variations from the planned performance.

- **Production Control**

  The computers also help greatly in planning and control. It is possible that scheduling of the work may become necessary due to break downs etc a new critical path may have to be worked out. The computer helps the lay down this new critical path.

2.7 ACCOUNTING PACKAGES

According to free Marriam online, accounting software programmes have greatly increased the productivity of back offices for the past several decades. The type of accounting software packages used in businesses depends on the size of company operations, members of users and different segments or departments in a company. Several options are available and may be customized for business depending on how much they are willing to spend on the accounting software. Some of the accounting packages are:

- Quicks Book
- Peach tree Accounting sage's software packages)
- ERPs (Enterprise Resources Systems)

2.7.1 QUICK BOOKS ACCOUNTING

Small businesses and sole proprietorship may use simple accounting software programs like Quick Books or basic computers programs like Microsoft word or Excel. These programs are in expensive and often basis solutions for billing, paying vendors and recording sales.

Quick Books is an easy – To – use load – and – click style of software that allows individuals to quickly set up their business by answering of few, ledgers and invoicing modules are provided for business owners to use in their daily operations.

2.7.2 PEACH TREE ACCOUNTING (SAGE'S SOFTWARE PACKAGES)

Mid-size software programs of more functionality for multiple users of business software. Companies can select different models based on business size and the number of uses accessing the software. While they are more expensive, the customization options help limit purchasing unnecessary modules. Sage's software packages can be server – or – web – based allowing users to access company information form multiple locations.

2.7.3 ENTERPRISE RESOURCES SYSTEMS (ERPS)

Large companies with several operational department or multiple locations may use ERPs as their preferred accounting software packages ERPs, are fully. Customizable packages that can take several weeks to fully implement in a company oracle, people soft, sage and SAP AG are the most common ERPs vendors.

2.8 APPLICATION OF COMPUTER IN ACCOUNTING SYSTEM

According to Wikipedia the free encyclopedia, some applications of computer in accounting system are:

- Word processor
- Data base
- Spread sheet

2.8.1 WORD PROCESSOR

It is a software packages to help in text processing words are processed. Processing includes injection, deletion, changing, moving words, paragraphs etc. Word processing is the preparation of types scripts, using computing facilities for the storage and manipulation of text for e.g word processor has

ability to merge names and addresses with standard text so as to give impression that the letter is personalized even in case of circular letter.

2.8.2DATA BASE

It is simple collections of information (data) on a particular subject. Data base file allows you to manipulate the data in desired form. So database allows us to work on facts and figures to store and manipulates data in any desired way for e.g from the same basic information trial balance is prepared, trading and profit and loss accounts may be prepared; list of debtors creditors may be prepared, purchase and sales forecast may be made etc.

2.8.3SPREAD SHEET

This is one of the software programs which have increased the utility of computers for accounting purposes. Spreadsheet programs help you to draw vertical as will as horizontal columns on a large sized paper. Each column's length and breadth can be adjusted according to suitability.

2.9 MERITS AND DEMERITS OF COMPUTERIZED ACCOUNTING SYSTEM AND ITS DIFFERENCES WITH MANUAL ACCOUNTING SYSTEMS

2.9.1 Merits And Demerits Of Computerized Accounting System

According to Vertmaat and Shelly (2011), society has reaped many benefits from using computers. Both business and home users can make well – informed decisions because they have instant access to information from anywhere in the world. Students another type of users, have more tools to assist them in the learning process. Benefits from using computers are possible because computers have the advantages of speed, reliability, consistency, storage and communication.

- **Speed:** When data, instructions, and information flow along electronic circuits in a computer, they travel at incredibly fast speeds. Many computers process millions or trillions of operations in a single second. Processing involves computing (e.g., adding, subtracting), sorting (e.g, alphabetizing) or gaining, displaying images, recording audio, playing music, and showing a movie or video.

- **Reliability:** The electronic components in modern computers are dependable and reliable they rarely break of fail.
- **Consistency:** Given the same input and processes, a computer will produce the same results – consistently. A computing phrase – known as garbage in, garbage out – points out that the accuracy of a computer's output depends on the accuracy of the input. For example, if you do not use the flash on a digital camera when indoors, the resulting pictures that are displayed on the computer screen may be unable because they are to dark.
- **Storage:** A computer can transfer data quickly from storage to memory, process it, and then store it again for future use. Many computers store enormous amounts of data and make this data available for processing anytime it is needed.
- **Communications:** most computers today can communicate with other computers, often wirelessly. Computers with this capability can share any of the few information processing

cycle operations – input, process, output, and storage – with another computer or a use.

2.9.2 Demerits of Computerized Accounting System

Vermaat and Shelly (2011) states that some disadvantages of computers relates to health risks, the violation of privacy, public safety, the impact on the labor force, and the impact on the environment.

- **Health Risks:** Prolonged or improper computer use can lead to injuries or disorders of the hands, wrists, elbows, eyes, neck and back. Computers users can protect themselves from these health risks through proper workplace design, good posture while at the computer, and appropriately spaced work breaks. Two behavioral health risks are computers addition occurs when someone becomes obsessed with using computers. Individuals suffering from technology overload fell distressed when deprived of computers and mobile devices.
- **Violation of Privacy:** Nearly every life event is stored in a computer somewhere --- in medical records credit reports, tax records, etc. In many instances, where personal and

confidential records were not protected properly individuals have found their privacy violated and identities stolen.

- **Public Safety:** Adults, teens and children around the world are using computers to share publicly their photos, videos, journals, music and other personal information. Some of these unsuspecting, innocent computer users have fallen victim to crimes committed by dangerous storage protect yourself and your dependents from these criminals by being cautious in e-mail massages and on wed – sites for example, do not share information that would allow others to identify or locate you and do not disclose identification numbers, passwords or other personal security details.
- **Impact in Labor Force:**

  Although computers have improved productivity in many ways and created an entire industry with hundreds of thousands of new job, the skills of millions of employees have been replaced by computers. Thus, it is crucial that workers keep their education up-to-date. A separate impact on the labor force is that some companies are outsourcing

jobs to foreign countries instead of keeping their homeland labor force employed.

- **Impact on Environment:**

  Computer manufacturing processes and computer waste are depleting materiel resources and polluting the environment. When computers are discarded in land fills, they can release toxic materials and potentially dangerous levels of lead, mercury and flame retardants.

2.9.3 Difference between Computerized and Manual Accounting System

According to the free online Marriam, it has the following differences.

- **Speed**

  The main difference between manual and computerized system is speed. Accounting software processes data and creates reports much faster than manual system. Calculations are done automatically in software programs, minimizing errors and increasing efficiency. Once data is input you can create reports literally by pressing a button in a computerized system.

- **Cost**

  Another difference between manual and computerized system is cost. Manual accounting with paper and pencil is much cheaper than a computerized system, which requires a machine and software include training and program maintenance. Expenses can add up fast with cost for printers, paper, ink and other suppliers.

- **Back-up**

  A third difference between manual and computerized system is the easy of backup of a computerized system. All transactions can be saved and backed up in case of fire or other mishap. You cannot do this with paper records, unless you make copies of all pages – long and inefficient process.

2.10 PROBLEMS AND CONTROLS OF COMPUTERIZED ACCOUNTING SYSTEM

According to free online Marrian, the problems of computerized accounting system comes with its own set of problems such as the need to protect against data loss through power failure or views and the danger of hackers stealing data.

Computer fraud is also a concern for who has access to the information particularly customer information. If there is a security breach and data is stolen management can be held personally liable for the loss of data has been correctly entered into the system as a mistake in data entry can throw off a whole set of data.

Green computing involves reducing the electricity consumed and environmental waste generated when using a computer. Strategies that support green computing include recycling, regulating manufacturing process, extending the life of computers, and immediately donating or properly disposing of replaced computers.

2.11 THE EFFECT OF COMPUTERIZED ACCOUNTING SYSTEM ON THE PERFORMANCE OF BANKING INDUSTRY IN NIGERIA

Tanenbaum (2010) states that manual processing of accounting data is too slow, and labour intensive in the banking industry. The speed at which computers can get according data processed cannot be matched. Computerized accounting system provides a means for those firms to record, very high volume of

transaction with the great speed and financial and prepare a wide range of detailed financial report.

Computerized accounting system affects strongly on the accounting work and on the performance of banking industry the computers can handle the recording process able to spend more time analyzing, planning and controlling financial operations for management, this can provide a greater amount of analytical information for use in decision making.

Pandey (2007) adds that management is also in a better position to monitor the financial performance of all segments of the organization because a computerized accounting system can produce a broad range of detailed reports at short interval. This is highly important for banks used as a study in this research (Diamond, First and ECO Bank Plc.) because of different branches located at different places.

Thus, computerized systems avoid the time lost in correcting common errors. Computerized accounting system provides management with current accounting balance information since balance is posted as the transaction occur.

This computerized accounting system provides management with current information to support decision making.

A BRIEF HISTORY OF THE SELECTED BANKS UNDER STUDY

The selected banks under study in this research are Diamond Bank Plc, Eco Bank Plc, First Bank Plc.

2.12.I. Diamond Bank PLC

According to free online Marriam Webster, Diamond Bank Plc. Began as a private Ltd. Liability Company on March 21st 1991 (The company was incorporated on December 20, 1990). Ten years later in February, 2001, it becomes a universal bank. In January, 2005, following a highly successful private placement share often which substantially raised the banks equity base, Diamond Bank become a Public Ltd Company.

In May, 2005, the Bank was listed on the Nigeria Stock Exchange. Moreover in January 2008, Diamond Bank's Global Depositary Receipts (GDR) was listed on the Professional Securities Market of the London Stock Exchanged. The First Bank in Africa to record the feat.

Today Diamond Bank is one of the leading banks, Nigeria, respected for its excellent service delivery driven by innovation and operating on the most advance banking technology platform in the market. Diamond Bank has non several awards including the prestigious “Nigerian Bank of the year 2009” the most improved Banks of the year 2007” and Best Bank in mergers and Acquisition 2006.”

2.12.2 ECO Bank PLC

ECO Bank whose official name is Ecobank Transactional Inc. (ETI) but is also known as Ecobank Transactional, is a Pan African banking conglomerate with banking operations in 30 African Countries.

ETI, a public Limited Liability Company was established as a bank holding company in 1985, under a private sector initiative super headed by the federation of West African Chamber of Commerce of Industry with the support of the Economic Community of West African States (ECOWAS).

In the early 1980s the banking industry in West African was dominated by foreign and state – owned and managed by the African private sector. ETI was founded with the objectives of

filling this vacuum; the federation of West African chambers of commerce promoted and initiated a project for the creation of private required banking institution in West African.

In October, 1985 ETI was incorporated with an authorized capital of US$100 million. The initial paid up capital of US $32 million was raised from over 150 individuals and institutions from West African Countries.

2.12.3 First Bank PLC

First Bank has been through many seasons since 1894; from being the only bank in Nigeria for decades weathered the “banking explosion of the 1930s to 1950s following by an era of government ownership and control to a flurry of consolidations and then gradual growth in number of banks up to early 1980s then get another industry growth sport. In the early 1990s when the banking sector was deregulated lending to an industry shake-up in the late 1990s which reduced the number of banks from 126 to 77 and later – resuscitation and growth to 89 banks. Leading to the recent shake-up to 25 banks. All through he seasons, First bank has remained resilient dependably dynamic and “truly the first”

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The methodology of research is a conceptual field work on which the whole /conduct of research is based.

Ozo and Odo (2007) define research as the systematic and scientific method of finding solutions to a problem. Research is a planned and systematic process of collecting, presenting, analyzing and interpreting data for purpose of arriving at dependable solution to human problem. The methodology for users on the various method and technique employed by the research in the course of collecting and analyzing data with the view of obtaining solutions to the problems.

3.1 RESEARCH DESIGN

Saunders and Philip (2012) states that research design is general plan of how you will go about answering your research questions it will contain clear objectives derived from your research questions specify the sources from which you intend to collect data, how you propose to collect and analyze them.

Ani and Ugwu (2007) adds that research design composes of series of prior decisions that take together provide a master

plan for executing a research project. They continues that it is the specification of procedures for collecting and analyzing the data necessary to help solve the problem at hand the researcher used survey research design for the study, which was employed because of the research topic for this study.

3.2 SOURCES OF DATA

In collecting data for the study, two basic sources were employed;

Primary Source

Secondary Source

3.2.1 PRIMARY SOURCE

These area data collected first hand ie by the user or his paid agent, form original source for the users express purpose. These referred to the data gathered as a result of direct interaction with the respondents. Primary data are usually obtained from the field through interviews questionnaires surveys, planned experimental observations or recording of official transactions.

(a) Interview

Ozo (2007) define interview as a mechanism through oral information is collected from an individual. It is a verbal interaction between the person seeking information (interviewer) and the person supplying the information (Interviewee).

(b) Questionnaire

A questionnaire is a “formalized set of questions for eliciting information”. This was the main instrument of measurement used for the collection of primary data. It contains series of written questions on the effect of computerized accounting system on the performance of banking industry.

3.2.2 SECONDARY SOURCE

These are data obtained second hand from published or recorded sources and used for a purpose different from that of the agency that initially collected and published the data. These are data gotten from reports, financial statements, account and budget plans, magazines etc. In this case, the information was gotten from official documents of the banking industries, varies research work on computerized accounting system, accounting

journals, textbooks, Caritas University Amorji-Nike Emene Enugu State Library.

3.3 RESEARCH INSTRUMENT

The research used close – ended questions in order to sources information from responses. The questionnaire was structured in a five point like it response format to extract the data or information. In order to convert the likert scale to internal scale a weighting was given to each point in the scale as follows:

Strongly Agree (SA) = 5 points

Agree (A) = 4 points

Strongly Disagree (SD)= 2 points

Disagree (D) = 3 point

Undecided (UD) = o points

3.4 VALIDITY AND RELIABILITY OF RESEARCH INSTRUMENT

Validity concept is concerned with average scope and adequacy of the information obtained during the inquiry. The instrument used in this study enjoys face validity. An instrument enjoys face validity when it is accepted by an expect without further verification. However, the questionnaire developed or designed for this study has face validity, since it was carefully

examined and approved for the inquiry by the project supervisor of this study.

Reliability refers to consistency with which an instrument measures whatever it measures. Here the researcher is interested in determining how accurately the measuring tool is measured in the trait of interest. The instrument is considered reliable by the researcher since it tends to proffer answers to the research questions and hypothesis which are to be tested.

3.5 POPULATION OF THE STUDY

Ozo (2007) states that population is the totality of people or object being considered. The population of this are all the banks in Enugu State Metropolics, but for the purpose of this study, the population size will be restricted to the staff of three selected banks in Enugu State Metropolics. The selected banks are:-

(1) Diamond Bank Plc Okpara Avenue Branch

(2) ECO Bank PlC Emene Branch

(3) First Bank Plc Emene Branch

The population of the study was first divided into sub-population based on sections which comprises of;

(i) Accounting/Audit

(ii) Marketing

(iii) Administrative

(iv) Operation

After which the researcher systematically selected some staff in each sections depending on the position of such staff in their department. The total number of staff was 70 (seventy) and they form the population size.

Population Distribution Table for both Banks

		Frequency			
S/N	**Section of Workers**	**Diamond Bank**	**Eco Bank**	**First Bank**	**Total**
a.	Accounting/Audit	10	6	9	25
b.	Marketing	8	5	8	21
c.	Administrative	5	4	5	14
d.	Operation	3	5	2	10
	Total	**26**	**20**	**24**	**70**

Source: field survey, 2013

3.6 SAMPLE SIZE/TECHNIQUE

Sample here refers to operation of the universe or population which reasonably reflects to opinions attitude or

behaviours of the entire group. Sampling/sample size is a process of selecting a proportion of the population considered adequate to represent all the existing characteristics within the target population for the purpose of generating the finding from the sample itself. The sample will be obtained using the formular – Taro Yamene's formular below:

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n = Sample size

N = Population Size

e = Significant level of error (0.05) or 5%

Where;

N = and e = 0.05 or 5%

$$n = \frac{70}{1 + N(e)^2} \qquad n = \frac{70}{1+70(0.08)} \; ; \qquad n = \frac{70}{1+70(0.0025)}$$

$$n = \frac{70}{1 + 0.175} + \frac{70}{1.175}$$

. n = 60 sample size

The sample size of the population is 60 and the researcher issue the same number of questionnaire to the staff of both banks to the responses in the study.

The simple random sampling techniques allows for generalization to take place. Bowley's proportional allocation formular was applie d thus; $nh = n \times \frac{Nh}{N}$

Where;

nh = Number of questionnaires allocated to each firm

n = total sample size

Nh = Number of employees in each section of the Population

N = Population size

Diamond Bank Plc

Accounting Section: $nh = \frac{20 \times 10}{26} = 7.6 = 8$

Marketing Section; $nh = \frac{20 \times 8}{26} = 6$

Administrative Section; $= \frac{20 \times 5}{26} = 4$

Operations sections; $nh = \frac{20 \times 3}{26} = 2$

Equal total number issued to the bank = 20

ECO Bank Plc

Accounting Section: nh = $\frac{20 \times 6}{20}$ = 6

Marketing Section; nh = $\frac{20 \times 5}{20}$ = 5

Administrative Section; = $\frac{20 \times 4}{20}$ = 4

Operations sections; nh = $\frac{20 \times 5}{24}$ = 5

Equal total number issued to the bank = 20

First Bank PLC

Accounting Section: nh = $\frac{20 \times 9}{24}$ = 8

Marketing Section; nh = $\frac{20 \times 8}{24}$ = 7

Administrative Section; = $\frac{20 \times 5}{24}$ = 4

Operations sections; nh = $\frac{20 \times 2}{24}$ = 1

Equal total number issued to the bank = 20

So the table is shown below:

		Diamond Bank Plc		ECO Bank Plc		First Bank Plc	
S/N	**Sections of Workers**	**No. of Staff**	**No. of Sample**	**No. of Staff**	**No. of Sample**	**No. of Staff**	**No. of Sample**
a.	Accounting/ Audit	10	8	6	6	9	8
b.	Marketing	8	6	5	5	8	7
c.	Administration	5	4	4	4	5	4
d.	Operations	3	2	5	5	2	1
	Total	26	20	20	20	24	20

Source: Field Survey 2013

3.7 ADMINISTRATION OF RESEARCH INSTRUMENT

The questionnaire was administered and collected from respondent immediately.

3.8 METHOD OF DATA ANALYSIS

Data obtained were analyzed using simple mean and one way analyses of variance (ANOVA) fastest by fisher (1929). The method was used to analyze these questionnaire to help in decision of which hypothesis will be accepted or rejected ANOVA has the following calculation;

(i) Total sum of square (TSS) = $\sum x^2 - \frac{(\sum x)^2}{n}$

(ii) Treatment sum of square (TRSS) = $r [\sum x^2 - (\sum x^2)]$

(iii) Error sum of square (ESS) = TSS – TRSS

Of (Degree of Freedom) = [r – 1 [N –r]

Level of significance = 5%/O. 05

F – variance

Decision Criterion for validation of Hypothesis

If the calculated F ie (Fcal) is greater than tabulated F i.e. (Ftab), we reject the null (Ho) hypothesis and accept the alternative (Hi) hypothesis will be accepted while the alternative (Hi) will rejected. OR Ho is accepted if Fcal < f_1 .∞, r-I, N-r & rejected if Fcal > f_{1-} ∞, r-i, N-r where; f_1 –∞, r – 1, N-r is the tabulated values obtained from table of F – distribution.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

Data presentation means the various ways of carrying the different forms of data obtained through various data collecting techniques to enable the researcher perform analysis and extract new meaning from it. This research is targeted at understanding in a comparative analysis the effect of computerized accounting system on the performance of banking industry, data analyzed and derived by way of questionnaire administration are presented and analyze and so is done by statistical calculations / computations as tool for hypothesis is analysis of variance (ANOVA) and percentages. At the end inferences and conclusions are arrived at based on the statistical calculations.

4.1 PRESENTATION OF DATA

The study is the effect of computerized accounting system on the performance of banking industry with primary focus on selected banks in Enugu metropolis.

A cross section of the sections in the banks and staffs occupying various positions in the banks were covered. As can be

seen below a total of 60 questionnaire were administered responded to and retuned.

TABLE 4.1.0 QUESTIONNAIRE DISTRIBUTION AND RETRIEVAL

Sections of workers				**Total**	**Distributed and returned**	**Percentages**
	Diamond banks	**Eco bank**	**First bank**			
Accounting/ Audit	8	6	8	22	22	37
Marketing	6	5	7	18	18	30
Administrative	4	4	4	12	12	20
Operations	2	5	1	8	8	13
TOTAL	**20**	**20**	**20**	**60**	**60**	**100**

Source: Freed Survey; 2013

The table above shows that a total number of 60 questionnaires was distributed and returned from accounting section, marketing section, administrative sections and operations sections. 22 questionnaire representing 37% was distributed to staff of accounting/audit sections and the same number where

returned 18 questionnaire representing 30% was issued and the number was retuned, 12 (20%) questionnaire was distributed and the same number was returned and also in operations sections 8 represent (13%) was distributed and the same number were returned.

4.1 DATA ANALYSIS

TABLE 4.1.1 SEX

S/no	Sex	Number of respondents	Percentages
1	Male	25	42
2	Female	35	58
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The above table shows that 42% representing 25 respondents is male and 58% representing 35 respondents is female.

TABLE 4.1.2 MARITAL STATUS

S/no	Marital status	Number of Respondents	Percentages
1	Single	50	83
2	Married	10	17
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The above table shows that 83% representing 50 respondents are single while 17% representing 10 respondents are married.

TABLE 4.2.3 AGE

S/no	Age	Number of Respondents	Percentages
1	Below 18 years	-	-
2	18-29 years	15	25
3	30-39 years	30	50
4	40-49 years	10	17
5	50 and above	5	8
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The above table shows that 25% representing 15respondents are 18-29 yrs, 50% representing 30 respondents are 30-39 yrs, 17% representing 10 respondents are 40-49 yrs. 8% representing 5 respondent are 50 yrs and above and no respondent for below 18 yrs.

TABLE 4.1.4 ACADEMIC QUALIFICATION

S/no	**Academic Qualification**	**Number of Respondents**	**Percentages**
1	WAEC	10	17
2	NCE/OMD	15	25
3	HND/BSC	30	50
4	OTHER	5	8
	TOTAL	**60**	**100%**

Source: Field Survey 2013

This table above shows that 17% representing 10 respondents have WAEC, 25% representing 15 respondents have

NCE/OND, 50% representing 30 respondents have HND/BSC and 7% representing 5 respondents for others

TABLE 4.1.5 WORK EXPERIENCE

S/no	Work Experience	Number of Respondents	Percentages
1	5yrs and Below	5	8
2	6-10 years	15	25
3	11-15 years	10	17
4	16-20 tears	12	20
5	Above 20 years	18	30
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The above shows that 8% representing 5 respondents have 5 years and below work experience, 25% representing 15 of the respondents have 6-10 years work experience, 17% representing 10 respondents have 11-15 years work experience; 20% representing 12 respondents have 16-20 years work experience and 30% representing 18 respondents have above 20 years work experience.

TABLE 4.1.6 DEPARTMENTS / SECTIONS

S/no	Sections	Number of respondents	Percentages
1	Accounting / Audit	10	17
2	Marketing	15	25
3	Administrative	12	20
4	Operations	23	38
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The above table shows that 17% representing 10 respondents are in account / audit section, 25% representing 15 respondents are in marketing section 20% representing 12 respondents are in administrative sections while 38% repenting 23 represents are in operations sections.

SECTION B

Question 1-; To what extent is the operations of your bank computerized.

TABLE 4.1.7- TO WHAT EXTENT IS THE OPERATIONS OF YOUR BANK COMPUTERIZED.

S/no	Options	Number of Respondents	Percentages
1	Strongly agree	30	50
2	Agree	25	42
3	Strongly disagree	5	8
4	Disagree	-	-
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The table above shows that 50% representing 30 respondents strongly agree that the operations of the bank is computerized 42% representing 25 respondent agree that the operations of the banks is computerized, 8% representing 5 respondents strongly disagree while disagree and undecided have no respondents therefore the operations of the bank is computerized.

Question 2:- Does your bank have a specific computer

TABLE 4.1.7 (Data base) department/ section unit?

S/no	Options	Number of Respondents	Percentages
1	Strongly agree	45	75
2	Agree	15	25
3	Strongly disagree	-	-
4	Disagree	-	-
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The table above shows that 75% representing 45 respondents strongly agree that there is an existence of a specific computer (data base) department or section unit in the bank 25% representing 15 respondents agree while no respondents for strongly disagree, disagree and undecided.

Question 3:- Does computerization aid quick customer service decision making process and accountability in your bank?

TABLE 4.1.9

S/no	Options	Number of Respondents	Percentages
1	Strongly agree	40	67
2	Agree	15	25
3	Strongly disagree	-	-
4	Disagree	5	8
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The table above shows that 67% representing 40 respondents strongly agree that computerization aids quick customer service decision making process and accountability in bank, 25% representing 15 respondents agree and 8% representing 5 respondents disagrees, while no respondents for strongly disagree and undecided.

Question 4:- Computerized accounting system is an effective means of keeping proper accounting records.

TABLE 4.1.10

S/no	Options	Number of Respondents	Percentages
1	Strongly Agree	35	58
2	Agree	25	42
3	Strongly disagree	-	-
4	Disagree	-	-
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The Table above show that 58% representing 35 respondents strongly agree that computerized accounting system is an effective means of keeping accounting records, 42% representing 25 respondents agree while no respondents for strongly disagree, disagree and undecided.

Question 5:- computerized Accounting system help to gain inherent advantage while minimizing risks involved in the daily banking operations.

Table 4.1.11

S/no	Options	Number of Respondents	Percentages
1	Strongly Agree	22	37
2	Agree	20	33
3	Strongly disagree	-	-
4	Disagree	18	30
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The above table shows that 37% representing 22 respondents strongly agree that computerized system help to gain inherent advantage while minimizing risks involved in the dally banking operations 33% representing 20 respondents agree 30% representing 18 respondents disagree while no respondents for strongly disagree and undecided.

Question 6:- There is a relationship between the application of the computer and manual system in the accounting system of the baking industry.

Table 4.1.12

S/no	Options	Number of Respondents	Percentages
1	Strongly Agree	30	50
2	Agree	20	33
3	Strongly Disagree	-	-
4	Disagree	10	17
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The table above shows that 50% representing 30 respondents strongly agree that there is a relationship between the application of the computer and manual system in the accounting system of the banking industry. 33% representing 20 respondent agree and 17% representing 10 respondents disagree while no respondents for strongly disagree and undecided.

Question 7: The effect of computerized accounting system enhances higher turnover and profitability in banks.

TABLE 4.1.13

S/no	Options	Number of Respondents	Percentages
1	Strongly agree	28	46
2	Agree	25	42
3	Strongly disagree	-	-
4	Disagree	7	12
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The table above shows that 46% representing 28 respondents strongly agree that the effect of computerized accounting system enhances higher turnover and profitability in banks, 42% representing 25 respondents agree, 12% representing 7 respondents disagree while no respondent for strongly disagree and undecided.

Question 8:- There is co-ordination and quality performance in banking operations through the use of computerized accounting system.

TABLE 4.1.14

S/no	Options	Number of respondents	Percentages
1	Strongly Agree	25	42
2	Agree	20	33
3	Strongly Disagree	-	-
4	Disagree	15	25
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey ,2013

The above table shows that 42% representing 25 respondent strongly agree that the use of computerized accounting system brings about cor-ordination and quality performance in the banking operations 33% representing 20 respondents agree, 25% representing 15 respondents disagree while on respondents for strongly disagree and undecided

Question 9:- There is an effect of using computer to keep accounting records.

TABLE 4.1.15

S/no	Options	Number of Respondents	Percentages
1	Strongly Agree	40	67
2.	Agree	20	33
3	Strongly Disagree	-	-
4	Disagree	-	-
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

The table above shows that 67% representing 40 respondents strongly agree that there is an effect of using computer to keep accounting records 33% representing 20 respondents agree, while no respondents for strongly disagree and undecided.

Question 10:- Computerized accounting system aids in the examination of banks statements of financial position to ensure agreement with source documents.

Table 4.1.16

S/no	Options	Number of Respondents	Percentages
1	Strongly Agree	20	33
2	Agree	18	30
3	Strongly Disagree	6	10
4	Disagree	16	27
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey 2013

The table above shows that 33% representing 20 respondents strongly agree that computerized accounting system aids in the examination of banks statements of financial position to ensure agreement with the source documents 30% representing 18 respondent strongly disagree, 27% representing 16 respondents disagree while no respondents for undecided.

4.2 TESTING OF HYPOTHESIS

The test of hypothesis seeks to further analyze research questions which relates to the effects of computerized accounting system on the performance of banking industry. Here the three hypothesis stated in chapter one have been derived from the analysis table of 4.1.12, 4.1.13 and 4.1.15 for hypothesis one, two and three respectively.

4.2.1 HYPOTHESIS ONE

Ho: There is no relationship between the application of computer and manual system in the accounting system of the banking industry.

Hi: There is relationship between the application of computer and manual system in the accounting system of the banking industry.

Analysis Table 4.1.12

S/no	Options	Number of Respondents	Percentage
1	Strongly Agree	30	50
2.	Agree	20	33
3	Strongly Disagree	-	-
4	Disagree	10	17
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

Reponses and Scoring

S/N	Section	Strongly Agree	Agree	Strongly Disagree	Disagree	Undecided	Total
a.	Accounting/Audit	13 x 5 = 65	8x4=32	-	3x3=12	-	
b.	Marketing	4x5=20	3x4=12	-	2x3=6	-	
c.	Administration	5x5=25	3x4=12	-	1x3=3	-	
d.	Operations	8x5=40	6x4=24	-	3x3=**9**	-	
	$\sum x$	150	80	-	30	-	260
	X	37.5	20	-	7.5	-	65
	$\sum (X^2)$	6,850	1888	-	270	-	9008

$X = \frac{\sum x}{}$ where n = 20

$= \frac{260}{20} = 13$

- $x = 13$
-

$SS\ total = \sum x^2 - \frac{(\sum x^2)}{n}$

$= 9008 - \frac{(260)^2}{20}$

$= 9008 - 3380$

- $SS\ total = 5{,}628$

$SST = n \sum (1 - x,) = x)^2$ where $n = 4$

$= 4(37.5 - 13)^2 + (20 - 13)^2 + (7.5 - 13)^2$

$= 4(600.25) + (49) + (30.25)$

$= 4(679.5)$

- $SST = 2{,}718$

$SSE = TSS - SST\ (SSE)$

$= 5{,}628 - 2, 718$

- $ESS = 2{,}910$

DEGREE OF FREEDOM

SS Total =n – 1 = 20 -1 =19 = sum square total (SS total)

SST = r – 1=4-1=3 = sum Square Treatment (SST)

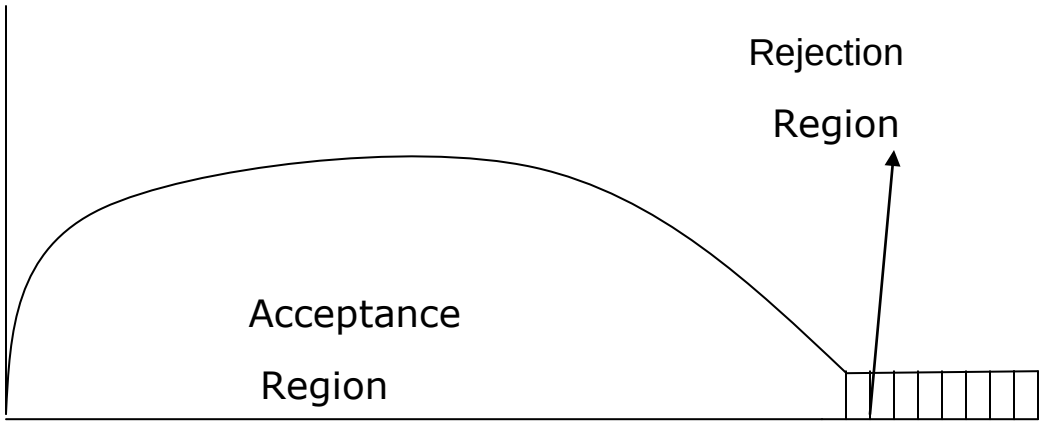
SSE = n-r =20–4 =16=Sum of square due to Error (SSE)

ANOVA TABLE

Sources of Variations	**DF Degree of Freedom**	**SS Sum of Squares**	**MS Mean of Squares**	**F-Ratio**
Treatment	3	2,718	2718 3 =906	906 181.875 =4.98
Error	16	2910	181.875	
Total	**19**	**5,628**		

F cal = 4.98

F tab. = F0. 05, 3, 16 = 3.24



DECISION

Since the Fcal is greater than the Ftab, that is 4.98 > 3.24 therefore holds that null (Ho) hypothesis is rejected and the alternative (Hi) is accepted; we therefore conclude that there is a relationship between the application of computer and manual system in the accounting system of the banking industry.

4.2.2 Hypothesis Two

Ho: The effect of computerized accounting system does not enhance higher turnover and profitability in banks.

Hi: The effect of computerized accounting system enhances higher turnover and profitability in banks.

ANALYSIS TABLE 4.1.13

S/no	Options	Number of Respondents	Percentage
1	Strongly Agree	28	46
2.	Agree	25	42
3	Strongly Disagree	-	-
4	Disagree	7	12
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

Reponses and Scoring

S/N	Sections	Strongly Agree	Agree	Strongly Disagree	Disagree	Undecided	Total
a.	Accounting/Audit	12 x 5 = 60	10x4=40	-	4x3=12	-	
b.	Marketing	3x5=15	5x4=20	-	-	-	
c.	Administration	3x5=15	4x4=16	-	-	-	
d.	Operations	10x5=50	6x4=24	-	3x3= **9**	-	
	$\sum x$	140	100	-	21	-	261
	X	35	25	-	5.25	-	65.25
	$\sum (X^2)$	6,550	2832	-	225	-	9607

$X = \frac{\sum x}{n}$ where n = 20

$= \frac{261}{20} = 13.05$

- $x = 13.05$

SS total $= \sum x^2 - \frac{(\sum x^2)}{n}$

$= 9607 - \frac{(261)^2}{20}$

$= 9607 - 3406.05$

- SS total = 6200.95

SST = $n \sum (1 - x ;) = x)^2$ where n = 4

$= 4[(35 - 13.05)^2 + (25 - 13.05)^2 + (21 - 13.05)^2$

$= 4(481.8025) + (142.8025) + (63.2025)$

$= 4(687.8075)$

- SST = 2,751.23

SSE = TSS – SST (SSE)

= 6200.95 – 2,751.23

- ESS = 3449.72

DEGREE OF FREEDOM

SS Total =n – 1 = 20 -1 =19 = sum square total (SS total)

SST = r – 1=4-1=3 = sum Square Treatment (SST)

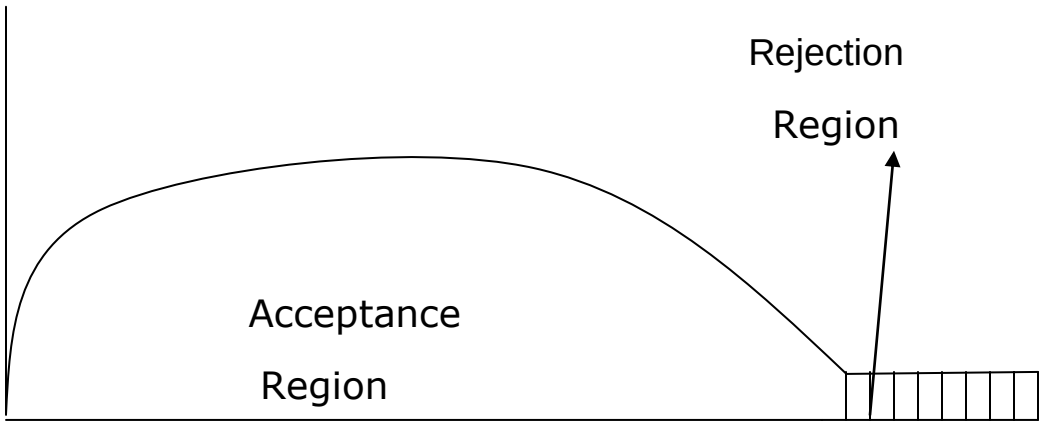
SSE = n-r =20–4 =16=Sum of square due to Error (SSE)

ANOVA TABLE

Sources of Variations	**DF Degree of Freedom**	**SS Sum of Squares**	**MS Mean of Squares**	**F-Ratio**
Treatment	3	2,751.23	2751.23 3 =917.077	917.077 215.6075 =4.25
Error	16	3449.72	3449.72 16 = 215.6075	
Total	**19**	**6200.95**		

F cal = 4.25

F tab. = F0. 05, 3, 16, = 3.24



Decision

Since the Fcal is greater than the Ftab, that is 4.25 > 3.24 therefore holds that null (Ho) hypothesis is rejected and the alternative (Hi) is accepted; we therefore conclude that the effect of computerized accounting system enhances higher turnover and profitability in banks.

4.2.3 HYPOTHESIS THREE

Ho: There is no effect of using computer to keep accounting Records

Hi: There is an effect of using computer to keep accounting Records

ANALYSIS TABLE 4.1.15

S/no	Options	Number of respondents	Percentages
1	Strongly Agree	40	67
2.	Agree	20	33
3	Strongly Disagree	-	-
4	Disagree	-	-
5	Undecided	-	-
	TOTAL	**60**	**100%**

Source: Field Survey; 2013

Reponses and Scoring

S/N	Sections	Strongly Agree	Agree	Strongly Disagree	Disagree	Undecided	Total
a.	Accounting/Audit	15 x 5 = 75	8x4=32	-	-	-	
b.	Marketing	8x5=40	4x4=16	-	-	-	
c.	Administration	5x5=15	3x4=12	-	-	-	
d.	Operations	12x5=60	5x4=20	-	-	-	
	$\sum x$	200	80	-	-	-	280
	X	50	20	-	-	-	70
	$\sum (X^2)$	11,450	1824	-	-	-	13,274

$X = \frac{\sum x}{n}$ where n = 20

$= \frac{280}{20} = 14$

- $\bar{x} = 14$

$SS\ total = \sum x^2 - \frac{(\sum x^2)}{n}$

$= 13,274 - \frac{(280)^2}{20}$

$= 13,274 - 3,920 = 9,354$

- SS total = 9,354

$SST = n \sum (x) = x)^2$ where n = 4

$= 4[(50 - 14)^2 + (20-14)^2$

$= 4(1,296) + (36)$

$= 4(1,332)$

- SST = 5,328

SSE = TSS – SST (SSE)

= 9,354 – 5,328

- ESS = 4,026

DEGREE OF FREEDOM

SS Total =n – 1 = 20 -1 =19 = sum square total (SS total)

SST = r – 1=4-1=3 = sum Square Treatment (SST)

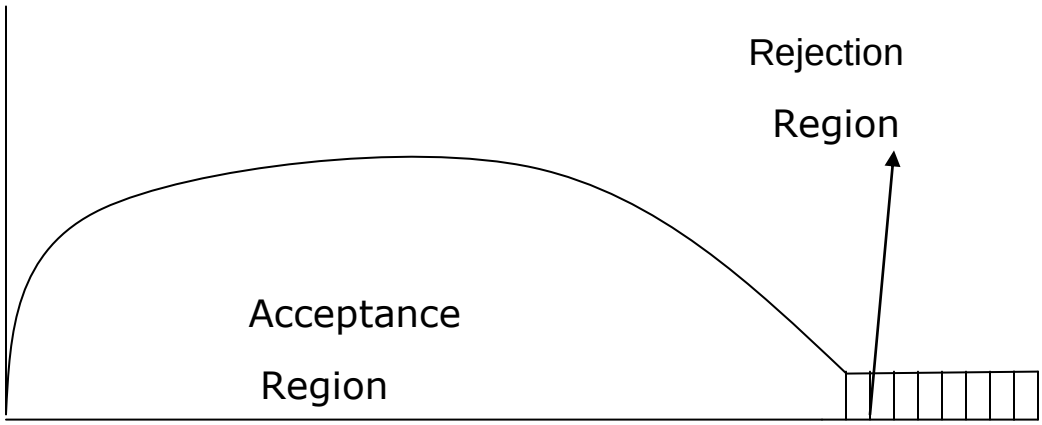
SSE = n-r =20–4 =16=Sum of square due to Error (SSE)

ANOVA TABLE

Sources of Variations	**DF Degree of Freedom**	**SS Sum of Squares**	**MS Mean of Squares**	**F-Ratio**
Treatment	3	5,328	5,328 3 =1,776	1,776 251.625 =7.06
Error	16	4,026	4,026 16 = 251.625	
Total	**19**	**9,354**		

F cal = 7.06

F tab. = F0. 05, 3, 16, = 3.24



DECISION

Since the Fcal is greater than the Ftab, that is 7.06 > 3.24 therefore holds that null (Ho) hypothesis is rejected and the alternative (Hi) is accepted; we therefore conclude that there is an effect of using computer to keep accounting records.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINGS

The effect of computerized Accounting system on the performance of banking industry, was the study carried out by the researcher in this research exercise. Selected banks in Enugu Metropolis formed the focus of this study.

The researcher study in consideration of its objectives had made some useful findings from the data collected through personal interviews, questionnaire administration and library research and also from the hypothesis formulated and tested.

Based on the outcome of the investigation, a summary of the findings made are as follows:-

* There is a relationship between the application of the computer and manual system in the accounting system of the banking industry. This was found to be true because the application of a computerized accounting system in

banking operations aids quick customer services decision making process and quality performance than in manual accounting system. Also, the installation of accounting software in the computer, processes data and creates reports much faster than manual system which is slow.

* It is evident that the impact of computerized accounting system enhances higher turnover and profitability in banks.

Through this was corroborated by the test carried out, it was observed that some banks in Enugu Metropolis are yet to take advantage of the excellent benefits provided by it, as such this reports from banking operations carried out have remained uninterested and unreliable.

* It is evident that the computerized accounting system is an effective means of keeping accounting records.

This is because computerized accounting system provides a means for them to record; very high volume of transactions with the great speed and financial and prepare a wide range of detailed financial report. It also provides

management with current account balance information since balance is posted as the transactions occur.

Other findings include:

* The application of computerized accounting system is effective in strengthening the control system and accountability in banks.

* There is co-ordination in the entire banking operations through the use of computerized accounting system.

5.2 CONCLUSION

Computerized Accounting System which is technically known as Electronic Data Processing [EDP] accounting system is an integrated, computer – based used machine system which allows the user to enter the transaction into the program once and all accounts are updated as necessary. It is also a specialized machine system use in gathering information. It also provides information for decision making functions and has been of tremendous benefits not only in banks also to all manner if firms and organizations. Computerized accounting system has helped in facilitating the provision of timely, quick customer service

delivery, accurate and reliable information, required by them ie. (banks and other firms and organizations).

It has also brought about quality performance in banking operations by abiding by the accounting instructions and guidelines which help them to minimize risk/challenges that are likely to be encountered in the course of their duties as well as evolves adequate measures to combat such challenges and achieve success.

Though the cost of maintenance and designing an effective computerized accounting system and the purchase of the associated facilities needed for it is high, if the banks are well committed to improving their performance and enhancing higher quality of work performed for higher profitability, they should go for it as well as ensure that the recommendations are rigidly followed.

5.3 RECOMMENDATIONS

From the findings of this study the following recommendations are therefore made to enhance the

performance by banks in their banking operations in Enugu metropolis.

The recommendations are:-

* Banks in Enugu metropolis should take advantage of the excellent benefits derivable from the adoption of well designed computerized accounting system. This will help them to achieve a high and acceptable standard of quality in the performance of their banking operations.

* Banks in Enugu metropolis should channel reasonable proportion of their efforts and resources to the training and development of their bankers and accountants personnel (manpower development) through seminars, workshops and the use of computer. Accounting system so as to promote efficiency in banking operatives and in their statement of financial position ensure accurate timely and much easier and reliable for use.

* Due to the dynamic nature of computerized Accounting system, and in line with the present global computer trends of events which is now widespread and mostly known as

"Computer Age". It is recommended than banks and other firms and organizations that are still in the operations of manual system of accounting to adopt specifically the computer based/Electronic Data processing (EDP) accounting system and this will in no small way aid in quick customer services delivery, produce a wide range of detailed report at short interval and provide management with current information to support decision making and aids collection storage, retrieval, communication and adequate security of information from unauthorized persons or fraudulent purpose and for the purpose of efficient performance and management and the achievement of the terms of their objectives.

* Banks in Enugu Metropolis should as a matter of necessity and duty strive to incorporate the attributes of a well developed and effective computerized accounting system in the implementation of these quality performance that are stated in form of accounting principles which are important because they provide the conceptual guidelines for application of the basic accounting system. Also they give

the measurement, recording and reporting phases of their accounting information processing cycle.

* They way computer trends is widespread, the way also computer frauds and problems is also widespread I recommend that “Green Computing” strategies to be use to reduce to problem the computer have on our environment. Green Computing involves reducing the electricity consumed and environmental waste generated when using a computer strategies that support green computing include recycling, regulating manufacturing process, extending the life of computers and immediately donating or properly disposing of replaced computers.

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APPENDIX I

Faculty of Management and Social Science

Department of Accountancy

Caritas University

Amorji – Nike, Emene

Enugu State.

Dear Sir/ Madam,

I am a final year student of the above named institution and department, I am conducting a research of the topic “The effect of Computerized Accounting system on the Performance of Banking Industry in Enugu Metropolics. (a study of selected bank of Diamond, Eco and First Bank Plc. Enugu Metropolics.

The study is in partial fulfillment of the award of Bachelor of Science (B.Sc.) degree in Accountancy. The findings will definitely be of immense help to the banks, please kindly provide the appropriate response by ticking the right box to the best of your knowledge of those questions, I plead for your co-operation and be rest assured that the information obtained from this exercise is purely for academic purpose and will be hold strict confidence.

Thank you.

Yours faithfully,

Agbim Chioma .P.

APPENDIX II

QUESTIONNAIRE

Instruction, Please read the question carefully and tick any answer you deem appropriate.

SECTION A

1. Gender

   (a) Male [ ] (b) Female [ ]

2. Marital Status

   (a) Single [ ] (b) Married [ ]

3. Age

   (a) Below 18 years [ ] (d) 40-49 [ ]

   (b) 18 – 29 [ ](e) 50 and above [ ]

   (c) 30 – 39 [ ]

4. Academic Qualifications

   (a) WAEC [ ] (c) HND/B.Sc. [ ]

   (b) NCE/OND [ ] (d) Others [ ]

5. Work Experience

(a) 5 years and below [ ] (b)6 -10 years [ ]

(c) 11 – 15 years [ ] (d) 16 – 20 years [ ]

(e) Above 20 years [ ]

(6) Department/Sections

(a) Account/Audit [ ]

(b) Marketing [ ]

(c) Administrative [ ]

(d) Operation. [ ]

QUESTIONS SECTIONS B

S/No	Questions	SA	A	SD	D	UD
1	To what extent are the operations of your bank computerized?					
2.	Does your bank have a specific computer (data base) department?					
3.	Does computerization aid quick					

	customer service decision making process and accountability in your bank?					
4.	Computerized means of keeping proper accounting records.					
5.	Computerized accounting system help to gain inherent advantage while minimizing risks involved in the daily banking operations.					
6.	There is a relationship between the application of the computer and manual system in the banking Industry.					
7.	The effect of computerized according system enhances higher turnover and profitability in banks					
8.	There is co-ordination and quality performance banking operations through the use of computerized accounting system.					
9.	There is an effect of using computer					

	to keep accounting records.					
10.	Computerized accounting system aids in the examination of banks statements of financial positions to ensure agreement with source documents.					