



Investigating Computer based Record Keeping Systems Application among Small and Medium Scale Enterprises

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Abstract: *This study examines computer based record keeping systems among small and medium sized enterprises (SMEs) in the Obuasi Municipality of Ghana. The study surveyed 200 SME owners or managers in the municipality with three years or longer operating history, using purposive random sampling. Furthermore, the study employed both open and closed-ended questionnaires, formal and informal interviews and desktop studies to gather information from owners and operators in SMEs. The interviews focused on record-keeping abilities, attitudes towards accounting, and the impact of record-keeping on business viability and stability. The findings show that SMEs typically use manual financial record keeping. However, daily sales books are the most common method. Nevertheless, most SMEs do not create financial reports using computerized systems, thereby negatively impacting their operations. Therefore, the study suggests that the National Board for Small Scale Industries (NBSSI) should collaborate with charitable NGOs to establish training opportunities that provide basic ICT skills and development programs to SMEs in order to improve their decision-making and overall performance.*

Key Words: *Computerized systems, Small and Medium Scale Enterprise, purposive random sampling, additional Methods.*

1. INTRODUCTION

Small and Medium Scale Enterprises (SMEs) are crucial to socio-economic growth and development, contribute significantly to global advancement (Kalu, 2022; Azaare et al., 2021, Azaare & Wu, 2020; Adjei et al., 2014; Beyene, 2004; Snodgrass et al., 1996). According to the Ghana Statistical Service, there are three components that comprise the SME sector: (i) Microenterprises are businesses with 0–9 employees; (ii) Small businesses are those with 10–99 employees; (iii) Medium-large sized businesses are those with 100 and above employees. According to (UNIDO, 1999), SMEs account for over 90% of all businesses worldwide and provide between 50% and 60% of all jobs. In Ghana, SMEs make up around 90% of registered companies and represent the country's economic backbone. According to Aryeetey (2001) survey, SMEs make up Ghana's main source of production. They contribute around 85% of Ghana's manufacturing jobs and also provide 70% of Ghana's Gross Domestic Product (GDP). SMEs comprise of 92% businesses and 80% of the private sector in Ghana (Abor & Biekpe, 2006).

Despite the adoption of Ghana's economic reform program in 2000, a growing number of SMEs in Ghana are failing, prompting ongoing discussions on critical issues affecting their growth and survival. The AGI (2006) examined the dynamic role of SMEs in developing countries and identified them as vehicles for achieving development goals. The previous president of Ghana, (Kuffour, 2008), recognized the importance of SMEs and noted their contribution to the nation's total financial advancement. There have been allegations that SMEs owners do not value maintaining records (Aruw, 2005). Reed (2010) also emphasized that SMEs must keep adequate records, not only for the regular operation of the business but also because it helps entrepreneurs reduce the likelihood of early failure, increase the likelihood of business survival, increase the likelihood of profitability, serve as a basis for planning and controlling business operations and also helps to keep business in a sound and healthy state to face competition.

Maintaining accurate records is essential for SMEs to grow and progress. Traditional methods of maintaining financial records have been outdated, but the introduction of information technology has made it easier and simpler (Runge & Lee, 2002). As (Greuning, 2006) posits, Computerized Accounting Systems were created to assist management and outside users in making decisions by providing a faithful representation of financial reports. Accounting software can handle various business operations, such as payroll, accounts receivable, accounts payable, and trial balance. The Ghanaian economy has gradually implemented computerized record keeping systems in most firms, particularly small and medium enterprises, which make up the majority of businesses in most cities and towns. It is asserted that by addressing the challenges faced by SMEs, the country can continue to grow and prosper.

In previous studies on the growth and development of small businesses, the significance of maintaining accurate

records for fostering their sustainability and growth was investigated (Abor & Biekpe, 2006). Many small and medium-sized enterprises (SMEs) in developing nations, particularly in Ghana, face high failure rates due to poor accounting record keeping. This issue is attributed to various internal and external factors, including inadequate record keeping and inappropriate use of accounting information for financial management. McCannon (2002) noted that many SMEs fail as a result of owners being unable to make crucial managerial decision due to lack of records. The adoption of accounting norms is difficult for SMEs, as accurate financial transaction records are essential for their growth and success.

The majority of Obuasi's SMEs lament the difficulties in implementing computerized record keeping systems, such as expensive installation and maintenance costs, data loss due to viruses, and system failures. Nonetheless, the significance of this study lies in its ability to help SME operators understand the importance of maintaining accurate records and motivate them to enhance their record-keeping procedures for their company's economic, efficient, and effective operation. Thus, to inform business owners and managers about the problems associated with poor record keeping and suggest modern solutions to address them, this study examines computer based record keeping systems among small and medium sized enterprises (SMEs) in the Obuasi Municipality of Ghana.

1.1 Importance of SMEs to the Ghanaian Economy

There is no single, agreed upon definition of what constitutes a small business, making it difficult to define SMEs (Amoako, 2013). SMEs are defined by various economic parameters, including total revenue, economy size, number of employees, and total asset value (Asare, 2014). According to the Ghana Statistical Service, there are three components that comprise the SME sector: (i) Microenterprises are businesses with 0–9 employees; (ii) Small businesses are those with 10–99 employees; (iii) Medium-large sized businesses are those with 100 and above employees. On the contrary, the organization's fixed asset worth is another potential criterion for defining businesses as small and medium-sized organizations (Asiedu, 2016). However, Ghana's National Board of Small Scale Industries (NBSSI) (1990) consolidates the fixed asset classification with the total number of employees. According to their definition, a small business employs no more than nine people and has plant and equipment worth no more than 10 million Cedis, excluding landed property and automobiles. SMEs are also categorized by the Ghana Enterprise Development Commission (GEDC) (1986) according to a plant and equipment ceiling of 10 million Cedis. Moreover, when describing small size firms in Ghana, (Steel & Webster, 1990; Osei et al., 1993) employed an employment ceiling of 30 employees. Nonetheless, they divided small and medium-sized businesses into three separate groups: [i] micro, which includes less than six employees; [ii] very small, which includes six to nine employees; and [iii] small, which includes ten to twenty-nine employees.

Also, the NBSSI uses the value of all assets and the number of employees to classify small and medium firms. SMEs are diverse, with many operating in various sectors, such as provision and retailing shops, supermarkets, restaurants, hair salons, and small-scale manufacturers (Asare, 2014). According to (Beyene, 2004; Snodgrass et al., 1996) SMEs play a crucial role in the growth and development of national economies, contributing significantly to market competition, employment creation, innovation, and economic wealth. Implying that, (SMEs) are important in most developed and developing nations (Azaare et al., 2021; Azaare & Wu, 2020; Abor & Quartey, 2010). With Ghana not exception, SMEs are crucial in creating jobs and making a significant contribution to GDP growth (Musah, 2017; Muneer et al., 2017; Karadag, 2015; Jindrichovska, 2013). To put more weight on SMEs importance in building national economies, (Madurapperuma, et al., 2016; Muneeret al., 2017) postulate that it's expanding at the quickest rate in the majority of economies, including Ghana's, and it enhances the influence of larger companies. Consequentially, SMEs account for 90% of private sector companies in Ghana and employ up to 50% of the labor force (Alhassan & Duker, 2020; Musah, 2017; Madurapperuma, et al., 2016).

1.2 Accounting and Financial Record Keeping System of SMEs

According to the U.S. Small corporate Administration (SBA) and Federal Deposit Insurance Corporation (FDIC), record keeping is a methodical, routine practice of keeping corporate records. One of a business owner's primary responsibilities is to maintain correct records, as they are vital to the success of the enterprise. The type, size, complexity, and resources available to the company determine which record-keeping system works best for it (FDIC). The record-keeping practices of businesses vary based on their capabilities, size, and location. As (Howard, 2009) notes, while many firms may use various record keeping methods to capture information, the fundamental ideas remain the same. According to (Williams et al., 2008), the record-keeping cycle comprises a process that bookkeepers and accountants use to transform unprocessed financial data into financial statements. By account name, business transactions are generated, examined, and documented in journals. After that, journal adjustments are done, the trial balance is calculated, and transactions are posted from journals to ledgers. Journalize closing entries, make an adjusted trial balance, post journal to ledger adjustments, and journalize closing entries.

The basic stage of accounting is record keeping, per (Amid et al., 2011). As a system, it provides a way for SMEs' managers, owners, and operators to select how to get data for tracking their company's expansion and performance. Every micro and small business is built on the foundation of record keeping, according to Maseko et al. (2011). Keeping accurate records is what genuinely makes a business successful, despite the fact that it may seem like a laborious procedure to some. The majority of SMEs, according to Germain (2010), view record keeping

as a task that must be finished in order to obtain some much-needed revenue at the end of a specific time period, such as after a year. Thus, for SMEs to survive, owners and managers need access to fast, accurate, and current accounting information (Amidu et al., 2005).

SMEs may maintain simple manual accounting records, per Hagenimana (2008). Among the journals used in routine business activities are the general journal, general ledger, and purchase, payment, sales receipts, and payroll journals. A company needs multiple distinct daybooks that serves as a thorough and well-organized record of daily accounting activities, according to Ademola et al. (2012). Entries from the day books are carefully typed in the journals before being posted to the ledgers. The following transactions, according to (Wood et al., 2012), must be kept up to date by any organization: records pertaining to cash, purchases, accounts payable, receivable, inventory, bank records, sales, payroll, personnel, and cash. These books consist of the following: the Sales book records all sales invoices; the Sales credits book records all sales credit notes; the Purchases book records all purchase invoices; and the Purchases credit books record all purchase credit notes Wood et al. (2012).

1.3 Computer Based Record Keeping Systems of SMEs

In businesses that use computer technology to store and process financial data, computer based record keeping is a technique for maintaining financial records (Amidu et al., 2011). An electronic record keeping system is used to keep track of financial documents. It computes and records data faster, but it lacks the ability to know what to do until it receives explicit instructions. Thus, (Amidu et al., 2011) implies that, the computer can only automatically process data upon receiving a request.

According to Waburoko (2001), a computer is a general-purpose device with the ability to input, store, process, and output data. Thus, it is reasonable to say that a computer is an electronic device that accepts input of data, stores it, processes it, and generates output all while operating under the direction of instructions or directives kept in its own memory unit. Wood & Sangster (2005) define computerized accounting as a comprehensive set of components that include all inputs, storage, transactions, processing, data collection, and reporting related to financial transactions. Computer software is increasingly popular among accountants and non-accountants for these kinds of tasks. Manual accounting requires great detail because accountants have to meticulously enter data into physical books. In contrast, computerized accounting makes use of computers, spreadsheets, and software applications that are made to record and report financial data electronically. These tools are derived from traditional manual accounting systems (Amanamah et al., 2016; Osmond 2011).

According to (Amanamah et al., 2016; Meigs et al., 1998), an accounting system that is computerized is one that inputs, processes, stores, and outputs accounting data for financial reports. A computerized accounting system is a method or scheme that uses computers and computer-

based systems like accounting packages to record, organize, summarize, analyze, interpret, and communicate financial information on business transactions to stakeholders (Marvic, 2009). Marivic (2009) continues, "An essential component of any organization is maintaining accurate accounting records." Thus, required by funding organizations or contributor, in addition to aiding in its financial and legal survival. Notwithstanding, computerized accounting systems employ computers to process massive amounts of data quickly, accurately, and efficiently in order to overcome underlying issues that do not alter the fundamentals of accounting (Amanamah et al., 2016). Small businesses can profit greatly from computerized record keeping systems, which are affordable, provide instant access to financial data, and allow for the viewing of a company's financial status (Magloff, 2015). An automated record-keeping system aids in the decision-making process of the business (Laudon & Laudon, 2010) and these systems offer automatic updates and facilitate speedy data entry, enhanced payment collection, inventory control, and cash flow (Hadler, 2014; Sam et al., 2012).

Despite the enormous benefits derived from adoption of computerized accounting systems, it presents some challenges, such as data protection against power outages, virus threats, and data theft by hackers (Magloff, 2015). High costs for creating, implementing, and operating the system, specialized staff training, and dependence on machines are also significant challenges (Knol et al., 2001). Internal and external obstacles can prevent SMEs from implementing ICT, including organizational, human, cost, and return on investment. The main obstacles to ICT adoption in the SME sector include lack of awareness, doubt about the benefits of ICT, lack of human resources and skills, setup costs, pricing challenges, and security concerns. Despite these challenges, the adoption of computerized accounting systems can significantly improve SMEs' decision-making processes and overall efficiency.

Finally delving in to other jurisdictions in brief, while small and medium-sized businesses in the UK use basic accounting principles, the majority of SMEs in Malaysia adopt computerized record keeping systems within their first periods of commencement (Noor et al., 2003). A study conducted in Kuching, Sarawak, by Josept et al. (2003) found that just 52% of companies employ computerized accounting systems, underscoring the low adoption rate of computerized technology among SMEs. Also, Maseko et al. (2011), postulates that, while most SMEs in Zimbabwe retain subsidiary books of accounts, they do not use computerized record keeping in their operations.

2. METHODOLOGY

2.1 Source of Data and Sample size

The study uses a descriptive survey to gather data from SME owners in May 2023, focusing on their views and opinions. The research design is based on a current-events-focused approach (Creswell, 2012). According to (Ary et al., 2002) survey allows quick and affordable data collection. The population comprises entrepreneurs and business owners in various industries, including agriculture, agro-

processing, artisans, and textiles. These SMEs were divided into three main sectors: manufacturing SMEs (soap and detergent making shops, bakeries, restaurants, metal fabricators, carpentry and furniture making shops in cottage industry, real estate and building contractors, dress making), retail SMEs (supermarkets, boutique and second-hand clothing shops, building materials and hardware shops, licensed pharmaceuticals and agrochemical shops), and service SMEs (hairdressing, law firms, insurance). Through structured questionnaires and interview, the study used purposive random sampling to select 200 SME owners/managers in Obuasi municipality, focusing on the above sectors. This data gathering methods included open and closed-ended questionnaires, formal and informal interviews, and desktop studies. The interview guidelines were used to gather information about record-keeping abilities, attitudes towards accounting, and the effects of record keeping on business viability and stability. The 200 semi-structured questionnaires which were distributed to various SMEs in the Obuasi Metropolis obtained a response rate of 96%, which means that 192 of the questionnaires were completed and returned in full for analysis.

2.2 Data Analysis and Processing

The analysis was done using SPSS and Excel, which helped to condense the data into descriptive statistics in graphs, charts, ratios, and frequencies. Shown in Table 1, are the socio-demographic characteristics of the respondents considered in this study.

Table3.1: Socio-Demographic Characteristics of Respondents.

Demographic Characteristic	Frequency		Percentage (%)
Age Distribution	18-30	56	29.2
	31-45	81	42.2
	46-60	46	23.9
	Above 60	9	4.7
Gender	Male	101	52.6
	Female	91	47.4
Educational Level	Tertiary	36	19.0
	SHS	58	30.0
	JHS	46	23.9
	Primary	32	16.7
Marital status	None	20	10.4
	Married	119	62.0
	Single	48	25.0
	Divorced	25	13.0
Religion	Islam	83	43.2
	Christianity	91	47.4
	Traditional	18	9.4
TOTAL		192	100.0

3. RESULTS AND DISCUSSION

The study distributed 200 semi-structured questionnaires to SMEs in Obuasi Metropolis, dividing them into manufacturing, retail, and service sectors. The response rate was 96%, with 192 questionnaires returned and completed for analysis. The study aims to understand the challenges faced by SMEs in the region.

Shown in Table1, are the socio-demographic characteristics of the respondents considered in this study which indicate that majority of respondents (101), are men —52.6%, while the remaining 91 respondents (47.4%) are women. This highlights the fact that men operate SMEs in large numbers. The majority of respondents, in terms of age distribution, are in the 18–60 range, which is the active working age range. Table 1 shows that 56 (29.2%) of the respondents are between the ages of 18 and 30, followed by (81) 42.2% and (46) 23.9% of the respondents who are between 31-45 and 46-60 years of age, respectively. Again, 9 (4.7%) of the respondents, belong to the over 60 age groups. Regarding the education level of SME operators, it is seen that 58 (30.0%) of the respondents, or the majority, have completed SHS. Following this are 46 (23.9%), 36 (19.0%) and 32(16.7), who have completed JHS, Tertiary and Primary levels of schooling, respectively. However, a considerable percentage of respondents 20 (10.4%) have not completed any form of formal education. This result suggests that majority of Obuasi small and medium-sized enterprise (SME) owners have acquired a respectable level of fundamental education that enables them to read and write, which is highly important for their enterprises. Additionally, 119 (62.0%) of the respondents are married, compared to 48 (25.0%) and 25(13.0), who are single and divorced respectively. Regarding their association with a particular religion, the majority of SMEs’ owners—91, or 47.4%—are Christians, while 83 (43.2%) and 18 (9.4%) are Muslims and Traditionalists, respectively.

3.1 SMEs Categorization, Types of Ownership and Years in Operation

Regarding the ownership structure of SMES in Obuasi, it has been shown that sole proprietorship ownership accounts for the majority (55.2%) of SMEs in the municipality of Obuasi. Partnership-type SMEs (20.3%) and Cooperative SMEs (15.1%) are the next in line. Additionally, as shown in Figure 1, 9.4% of Obuasi’s SMEs are of the limited liability variety. Once more, when it comes to categorizing SMEs by industries, it is found that the majority (42.7%) of all SMEs in the Obuasi Municipality are part of the retail services. Moreover, manufacturing and service providers SMEs reported a rate of 22.9% and 34.4% respectively. Again, in an effort to count the number of years that SMEs have been operating in the Obuasi Municipality, it is found that 86 (44.8%) operators have been in operation between three and six years. 54 (28.1%) and 32 (16.7%) have been in operation for six to eight and nine to twelve years, respectively.

The remaining 20 (10.4%) businesses have been in existence for more than 15 years. As a result, the majority of SMEs in Obuasi Municipality have just recently begun to operate and are still in the early stages of development.

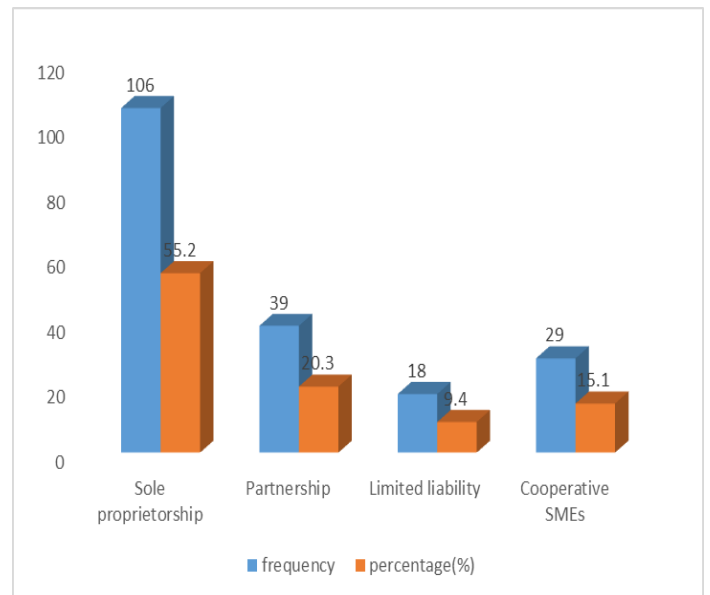


Figure 1: Type of SMEs Ownership in Obuasi Municipality

3.2 Traditional Record-Keeping Methods used by SMEs

This paper also attempted to determine traditional financial record keeping systems used by SMEs. Results as shown in Table 2 found that 126 (65.6%) SME operators used single-entry bookkeeping for conventional record keeping, while 66 (34.4%) used double-entry accounting. This finding supports previous research by (Adekunle et al., 2014), who discovered that single-entry accounting is the most popular method.

Table 2: Common Bookkeeping Systems

Common Bookkeeping Systems	Frequency	Percentage (%)
Single-entry bookkeeping	126	65.6
Double-entry bookkeeping	66	34.3
Total	192	100

Additionally, after the majority of respondents named the single-entry bookkeeping system as their primary method, they were asked to specifically name the kinds of traditional financial record keeping procedures they use. The results are shown in Table 3.

Table 3: Types of Traditional Financial Record-Keeping Practices used by SMEs

Types of Financial Records	Yes Frequency (%)	No Frequency (%)	Total (%)	Ranking
Daily Sales/Cash Receipts Book	177 (92.2)	15 (7.8)	192 (100)	1st
Daily Purchases Book	164 (85.4)	28 (14.6)	192 (100)	2nd
Debtors' and Creditors' Ledger	152 (79.2)	40 (20.8)	192 (100)	3rd
Petty Cash Book	128 (66.7)	64 (33.3)	192 (100)	4th
None	27 (14.1)	165 (85.9)	192 (100)	5th

From Table 3, the Daily Sales/Cash Receipts Book is the most commonly used financial record keeping system by majority of respondents in the Obuasi Municipality. This system is used by a majority of SMEs, with a whopping 177 respondents using it as their primary method. The Daily Purchases Book is the second most important system, followed by the Petty Cash Book, and the Debtors' and Creditors' Ledger.

3.3 Traditional Record-Keeping Methods used by SMEs

In order for this study's main goal to be achieved, we delve more in relation to the Computer based recording systems application by SMEs in the target area relying on the gathered data. Shown in Table 4, is the extent of how SMEs apply computer based recording systems in cash management. According to this findings, 130 out of 192 respondents (67.7%) indicated that they do not employ computerized record keeping systems for their cash management processes. 62 (32.3%) respondents, confirmed that they do employ computerized record keeping systems for their financial management processes. According to these results, the majority of small and medium-sized business owners in the Obuasi Municipality do not use computerized record keeping systems for their cash management processes. This findings also corroborate those made by (Grablowsky, 1978; Grablowsky et al., 1980), who found that SMEs in Norfolk, Virginia had poor cash financial management techniques after conducting a survey.

Table 4: Extent of Computer based Record Keeping Systems in Cash Management Procedure.

Do you use computerized record keeping systems in cash management procedures?	Frequency	Percentage (%)
Yes	62	32.3
No	130	67.7
Total	192	100

Moving forward, this paper delves into unraveling the number of SMEs who use computer based systems in their Accounts receivable and payable preparations. From Table 5, it can be seen that the majority (67.7%) of respondents working for SMEs do not prepare accounts receivable and payable using computerized record keeping systems. The remaining 32.3%, however, indicated that they have been preparing accounts receivables and payables utilizing computerized record keeping methods. This leads to the conclusion that practically majority SME owners do not create accounts receivable and payable using computerized record keeping systems. Again, the results, as shown in Table 6 below, indicate that the majority 68.7% of the total sampled SMEs, confirmed that they do not conduct inventory management operations using computer based systems. Contrarily, 60 respondents which is 31.3% of the total, were in support of the question, suggesting that the majority of SMEs do not use computerized record keeping systems for their inventory management procedures. Once more, this study supports the findings of (Grablowsky et al.,1980), who discovered that small Canadian shoe and plastic manufacturing enterprises had poor utilization of computerized record keeping systems for preparing accounts receivable and payable.

Table 5: Extent of Computer based Record keeping Systems to prepare both Accounts Receivables and Payables.

Do you use computerized record keeping systems to prepare both accounts receivables and payables?	Frequency	Percentage (%)
Yes	62	32.3
No	130	67.7
Total	192	100

Table 6: Extent of Computerized Record Keeping Systems in Inventory Management Practices.

Do you use computerized Record Keeping Systems in inventory management practices?	Frequency	Percentage (%)
Yes	60	31.3
No	132	68.7
Total	192	100

Furthermore, we unraveled the extent of computer based record keeping systems application in financial reports/statements preparation. From Table 7, it is clear that a significant portion 137 (71.4%) of respondents, who operate SMEs do not generate financial reports using computer based recording systems. In contrast, 55 (28.6%) respondents said they use computer based recording systems in preparation of their financial reports. This finding suggests that the majority of SME owners in the Obuasi Municipality do not generate financial reports using computer based recording methods.

Table 7: Extent of Computer based Recording Systems usage in preparing Financial Reports.

Do you use computerized record keeping systems to prepare financial reports?	Frequency	Percentage (%)
Yes	55	28.6
No	137	71.4
Total	192	100

3.3 Benefits and Challenges of Computer based Recording Systems

Finally, this study attempted to throw more lights on the challenges faced by SMEs and possible benefits they could derived in using computer based recording system, from the respondents own point of view. Based on the above reasons, Table 8 presents the comments of SME owners regarding the advantages of computerized recording systems over traditional methods in the target area. The following analyses are done for five assertions that the chosen SMEs in the Obuasi Municipality responded to. The study found that 43.2% and 32.3% of SMEs operators strongly agreed that computerized record keeping systems make business decisions easier and quicker. (Thong, 1999) assertion supports the growing adoption of IT by small businesses, emphasizing its importance in decision making. However, 7.3% of respondents were still unsure about the claim. The study also found that a large number of respondents (87 and 69) strongly agreed with the statement that computerized record keeping systems aid in the efficient use of time and resources. Also, the majority of respondents (41.2%) and 93 (48.5%) agreed that computerized record keeping systems help maintain correct records and eliminate multiple errors. Additionally, 36.5% and 45.8% of respondents agreed that computerized record keeping systems help to cut down on

staff time spent on accounting and audit costs. This conclusion is consistent with (Temtime et al., 2003) findings, who noted that the advancement of computer technology today has made it simpler and easier for managers of SMEs to complete their jobs. The majority of respondents agreed that implementing an effective computerized record keeping system will have a favorable impact on SME operators' financial record keeping, ultimately improving business operations

Moreover, the study reveals that SMEs face several challenges as shown in Figure 2 when using computerized record keeping systems. Poor financial management abilities, high costs for financial statement preparation, excessive disclosure requirements, and time restrictions are the main obstacles. Additionally, SMEs need robust security measures to protect against data breaches, unauthorized access, and system failures. Thus, computer based recording system reduces human errors but is not immune to data inaccuracies or corruption, and its implementation and maintenance are expensive.

Table 8: Benefits of Computerized Record Keeping Systems.

STATEMENT	SA	A	U	D	SD
	F (%)	F (%)	F (%)	F (%)	F (%)
1. Computerized record keeping systems makes it easier and quicker in making business decisions.	83 (43.2)	62 (32.3)	14 (7.3)	24 (12.5)	9 (4.7)
2. Computerized record keeping systems aid in the efficient use of resources and time.	87 (45.3)	69 (35.9)	9 (4.7)	23 (12.0)	4 (2.1)
3. Computerized record keeping systems help in keeping accurate record and reducing multiple errors.	93 (48.4)	79 (41.2)	7 (3.6)	10 (5.2)	3 (1.6)

4. Computerized record keeping systems help to reduce staff time doing accounts and reduce audit expenses.	88 (45.8)	70 (36.5)	7 (3.6)	23 (12.0)	4 (2.1)
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Source: Field Survey, 2023.

SA stands for "Strongly Agree", A for "Agree", U for "Uncertain", D for "Disagree", SD for "Strongly Disagree", F for "Frequency", and % for "Percentages".

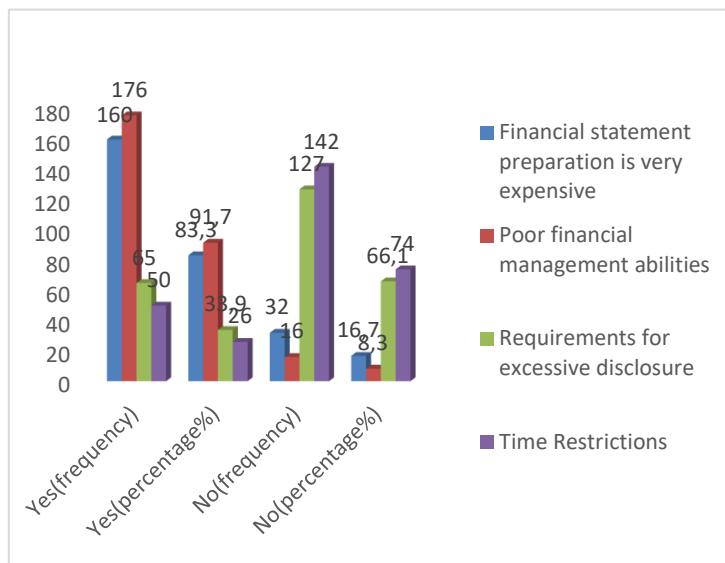


Figure 2: Challenges facing SMEs with the use of Computer based Record Keeping Systems.

4. CONCLUSION AND RECOMMENDATIONS

To inform business owners and managers about the problems associated with poor record keeping and suggest modern systems of keeping records, this study examines computer based record keeping systems among small and medium sized enterprises (SMEs) in the Obuasi Municipality of Ghana. Through purposive sampling technique, 200 SMEs owners/manager were considered with the help of structured questionnaires in this study. The findings suggest that the most popular method of record keeping utilized by SMEs in the Obuasi Municipality is manual record keeping, especially the use of cash receipt books and financial record keeping systems. According to the study, most small and medium-sized business owners do not use computer based record keeping systems to generate financial reports, which negatively affects their company's operations. Thus, despite the advantages of computer based record keeping systems, this study has shown that the majority of SMEs in the Obuasi Municipality do not employ it in their cash

management processes, accounts receivable and payable preparation, inventory management activities and other financial record keeping. Furthermore, the study found inadequate financial management skills, the idea that onerous disclosure requirements exist, and time restraints, among other issues obstructing SMEs operations. Also, Lack of information for tax preparation and obtaining loan facilities, time restrictions for example, were stated specifically to have hampered the ability of SMEs to grow. In the nutshell, it is worthwhile to report that SME operators' suffer as a result of their inability to use computerized record keeping systems for routine record keeping duties.

The study offer the following useful recommendations based on the conclusion and implications from its findings; to enable and motivate SMEs to employ their services, Ghana's Association of Chartered Accountants and other consulting businesses must first come up with a workable plan which may include downward adjustment of their prices so that SMEs aren't discouraged from using their services. Also, it is suggested that the Ghanaian government facilitate the computerization of SMEs' accounting and other operation functions through the NBSSI and the Ministry of Trade & Industry. This can be done through the collaboration with other non-profit organizations to create training platforms that offer SMEs operators free or reasonably priced ICT training and development courses.

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Appendix

QUESTIONNAIRE FOR SME OPERATORS

This questionnaire is to help complete a study on the topic “Computer based Record Keeping Systems Application among Small and Medium Scale Enterprises”. Therefore, it would be greatly appreciated if you could provide an honest, unbiased, and correct response. Please note that your bio data will be kept confidential as this is just an academic endeavor, thank you.

Please tick where appropriate

SECTION A: PERSONAL INFORMATION

1. Please indicate your age.

- A. 18- 30
- B.31-45
- C. 46-60
- D. Above 60

2. Please indicate your sex.

- A. Male
- B. Female

3. Please indicate your marital status.

- A. Single
- B. Married
- C. Divorced

4. Please indicate your educational Status

- A. Tertiary
- B. SHS
- C. JHS
- D. Primary
- E. None

Others
specify.....
.....

5. Please indicate your religious affiliation

- A. Christianity
- B. Islamic
- C. Traditional

Others
specify.....
.....

SECTION B: TYPE OF CONVENTIONAL FINANCIAL RECORD KEEPING PRACTICES EMPLOYED BY SMEs IN THE OBUASI MUNICIPALITY

1. What Type of Ownership is your SME?

- A. Sole Proprietorship
- B. Partnership
- C. Limited Liability type
- D. Cooperative SMEs

2. How long has your SME been in Operation?

- A. 3 to 6years
- B. 7 to 10 years
- C. 11 to 15 years
- D. Above 15 years

3. What is the Common Bookkeeping Systems that you use in keeping records?

- A. Single-entry bookkeeping
- B. Double-entry bookkeeping

4. What is the most Conventional Financial Record Keeping Practice Employed by your SME?

- A. Daily Sales/Cash Receipts Book
- B. Daily Purchases Book
- C. Petty

Cash Book D. Debtors' and Creditors'
 Ledger

**KEY: SA= STRONGLY AGREE, A=AGRE,
 U=UNCERTAIN, D=DISAGREE,
 SD=STRONGLY DISAGREE**

**SECTION C: THE EXTENT TO WHICH
 SMEs USE COMPUTER BASED RECORD
 KEEPING SYSTEMS**

1. Do you use computerized record keeping systems in cash management procedures?
 Yes No
2. Do you use computerized record keeping systems to prepare both accounts receivables and payables?
 Yes No
3. Do you use computerized Record Keeping Systems in inventory management practices?
 Yes No
4. Do you use computerized record keeping systems to prepare financial reports?
 Yes No

**SECTION D: BENEFITS OF COMPUTER
 BASED RECORD KEEPING SYSTEMS OVER
 TRADITIONAL/CONVENTIONAL BOOK
 KEEPING**

Instructions: Please kindly answer the questions in this questionnaire using the scales assigned to each statement, indicate by ticking (√) the appropriate bracket that answers the questions.

S/N	QUESTIONS	SA	A	U	D	SD
1	Do you agree that computerized record keeping systems makes business decision-making simpler and faster?					
2	Are you in agreement that Computerized record keeping systems aid in the efficient use of resources and time management?					
3	Do you agree that Computerized record keeping systems help to reduce staff time doing accounts and reduce audit expenses?					
4	Do you agree that Computerized record keeping systems assist in maintaining correct records and minimize multiple errors?					

SECTION E: CHALLENGES FACING SMEs WITH THE USE OF COMPUTERIZED RECORD KEEPING SYSTEMS

S/N	CHALLENGE	YES	NO
1	Financial statement preparation is very expensive		
2	Poor financial management abilities		
3	Requirements for excessive disclosure		
4	Time Restrictions		
5	Others specify		

	expansion.		
4	Market share declines as a result.		
5	Others specify		

SECTION F: EFFECTS OF THE CHALLENGES OF COMPUTERIZED RECORD KEEPING SYSTEMS ON SMEs OPERATIONS

S/N	EFFECTS	YES	NO
1	It result to reduced profit margins		
2	It leads to low production levels		
3	It results in little or no		