

The Relationship Between Accounting Information Systems (AIS) and Financing Decisions in Education

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Abstract

The goal of this study is to investigate how accounting information systems (AIS) and funding choices in educational institutions relate to one another. The researcher employed a combination of descriptive and analytical research design techniques for this investigation. Illustrating the current state of affairs is the primary goal of descriptive research. Utilising data gathered from the intended respondents; an analytical method of research design is employed to examine the known facts. 150 directors of educational institutions make up the sample size. A thorough survey is created to gather data for assessing this paper's theoretical model. Conclusions: Management accounting, financial performance, measurement, and the decision-making process— aspects separated from the Accounting Information System's (AIS) propensity towards financing decisions— have demonstrated important relationships between the AIS and financing decisions. Limitations of the research and implications: the majority of the articles under consideration are from Canada, Malaysia, China, Poland, the United Kingdom, the United States, and other nations; there was not enough time to collect data for the questionnaire survey. Only 150 people made up the sample, but the findings have an impact on how financing decisions are made overall using the Accounting Information System (AIS). It is advised that the entire spectrum of educational institutions be included in the study. Originality/value: While earlier research was conducted across national borders, the present study was carried out with a particular focus on the Bahawalpur region of southern Punjab, Pakistan. The objective was to determine the accurate response of the Accounting Information System (AIS) tendency towards Financing Decisions. The findings may prove valuable to educational organisations making financial decisions.

Keywords: Accounting Information System, Managerial Finance, Management Accounting, Financial Decision in Educational Organizations.

Introduction

the gathering and handling of accounting and financial data for use by decision-makers. When used in conjunction with technological resources, an accounting information system is often a computer-based technique for monitoring accounting operations. The statistical reports that came

may be applied by management on an internal basis or by other interested parties, including as creditors, tax authorities, and investors, on an external basis.

The success of educational organisations is influenced by Accounting Information Systems (AIS). Afterwards, the accounting data is disseminated to assist educational institutions in making financial decisions.

AIS primarily handles the financial transactions of an organisation. Nevertheless, it also handles a few non-monetary transactions that directly affect the monetary transactions.

On the other hand, AIS is unable to process non-financial transactions, which are typically handled by a Management Information System (MIS). As a result, it is appropriate to regard AIS as a MIS component. Both information systems share the same goals of supporting daily operations of the educational organisation, decision-making, and the stewardship function of the management. A finance decision is one that deals with the obligations and fairness to investors sections of the company's balance sheet. It is also a determination made about the means of raising capital.

AIS of Financing Decisions

The actual gathering and recording of information and data about events that have an economic impact on organisations, as well as the upkeep, operation, and verbal exchange of data to internal and external stakeholders, constitute the fundamental goal of an accounting information system (AIS), the process that is primarily user oriented. Decision-making processes and the assessment of the organization's financial status both use this data. (Stefanou, 2006). The main function of this document would be to empirically take a look at how firm-specific and macroeconomic challenges have an impact on the actual outer loan choices of British-making organizations. The actual document furthermore explores the effects of the two varieties of danger on firms' financial debt compared to money

alternatives. The findings indicate that companies heavily evaluate the two company-specific and financial risks when deciding between debt-equity and outside loans. In particular, multinomial log regressions' results imply that when firm-specific (macroeconomic) risk is high, organisations are generally less likely to complete external loans. The effects of probity design disclose how the tendency to financial debt compared to money troubles is reduced inside doubtful situations. Even so, organizations will pay off the exceptional financial debt as an alternative to repurchasing current money after they deal with some danger. In the pair of varieties of danger, firm-specific danger seems to be an additional significant factor regarding firms' outer loan choices (Rashid, 2014).

The objective of this paper is usually to measure the economic literacy of the UAE person people who purchase your neighborhood economic products. Moreover, the item looks at the connection involving economic literacy along with the effect of the factors that influence your financial commitment. The results indicate that the economic literacy involving UAE people is not your needed amount. The economic literacy amount is found to help have cash flow, education, and work environment activity. High-income respondents who carry high instructional diplomas and who operate in the field of finance/banking or investment had an increased economic literacy when compared with others. Economic illiteracy exists regardless of the age group of the respondents. A substantial difference in how

much economic literacy has been observed likewise relating to the respondents based on their sexual category. In particular, girls have a very low amount of economic literacy when compared with adult men. Finally, the results indicate that there is a tremendous marriage involving economic literacy and investment choices. By far, the most influential factor that influences your financial commitment is religious reasons, along with the very least affecting factor, rumors (Hussein A. Hassan Al-Tamimi, 2009).

Decision-Making Process

Seeks to examine if this economic trait associated with Leveraged Buy-Out (LBO) goals differs from people associated with companies that have not necessarily gone through a good LBO before the cope. Exclusively, to look at your free money passes (FCFs), taxes, money intensity, organization chance, earnings, economic framework, and also tool traits associated with 175 France LBO goals, which are mostly for your dui held and also quite small companies, between 1996 and also 2002. Effects indicate that LBO goals tend to be less indebted, have an overabundance of water (financial) assets, and also exhibit an increased organization chance than the market counterparts. Some variation between LBOs based on the seller form demonstrates self-sufficient companies tend to be more compact, more profitable, and possess increased place burden on profits levels, in contrast to former subsidiaries or maybe partitions associated with organizations tend to be less profitable, and possess more economic assets than the market counterparts. Log these regressions

claim that LBOs associated with more compact self-sufficient goals people LBOs associated with more compact self-sufficient goals in shape budgetary and sequence reasons, in contrast to LBOs associated with former subsidiaries handle managing troubles (Anne-Laure Le Nadant, 2006). This particular report targets Taiwanese-funded businesses functioning in mainland the Far East to research the factors impacting financial decision-making before and after an Initial Public Offering (IPO). The final results indicate that this IR, percent transform regarding stock options catalog, and also change rate volatility before IPO are usually unfavorable linked to the Medical Professional after IPO. The age of IPO businesses will be constructively linked to the Medical Professional after IPO. This particular exploration additionally confirms that this rate of interest volatility before and also after IPO has no one-on-one effect on companies' economic methods after IPO but may well, in a roundabout way, influence companies' economic methods after IPO through the IRs.

Gov, which usually adjusts while using the marketplace facts comments theory planned by Lorries Bommel and Vermaelen (Kuang-Hsun Shih, 2009). The paper's goal is to review the concept of an environmental protection expenditure account (EPEA). This advises its app in the decision-making process in your neighborhood connected with ecological management. The EPEA factors, my spouse and Elizabeth's creation connected with ecological services, ecological security spending, and funding connected with ecological security, have been offered in certain Western European

nations. Yet, the outcomes of your studies are not for your examination or elaboration connected with ecological policy. (Broniewicz, 2007). This great article looks to judge the administrative center structure regarding top lodge snow chains in India to look at the actual purpose regarding financing choice from the operation regarding organizations. This goal is to research the actual debt-equity structure of these accommodations, make an effort to find the sector standard, and also scrutinize the way money structure performs the important purpose of the corporation's all-around expansion. From a personal perspective, money structure is one of the most critical determinants of any corporation's environmentally friendly expansion. Leveraging appears to be working simply for a couple of organizations, though, which affects some others in the wrong way. Organizations that were moderately tailored happen to be capable of making an excellent comeback about value (Madan, 2007).

The goal of this kind of paper is always to recognize the factors impacting firms' determination to work with foreign currency (FX) mixture devices utilizing the facts regarding 90 non-financial businesses detailed with Karachi Stock market for your time 2004-2007. Results explain which businesses acquiring increased foreign sales are more inclined to employ Currency Exchange mixture devices to lessen exchange price subjection. In addition, in financial terms, distressed large-size businesses, along with fiscal restrictions and much smaller managerial holdings, are more inclined to employ currency exchange

derivatives. (Talat Afza, 2011). This particular cardstock looks for you to examine your ideal decision-making practice using girls' owner-managers connected with Minuscule and Little Establishments (MSEs) inside, creating international locations, emphasizing environmentally friendly characteristics to be a strategy for your growth from the MSE market. The actual cardstock testimonials are active literature and practical knowledge in girls' control and decision-making practice. Data from the cardstock locates those women, regardless of whether they are sent or ripped into starting a venture, desire to create separate options. The deficit of sources made these dependent on the husband and wife, therefore restraining the ability to produce separate options. Those sent into starting subsistence companies got greater discretion about decision-making in comparison with people who started companies to take advantage of an opportunity, and whoever standard needs have been easily fulfilled through the wife or husband's profits. Different factors deciding levels of decision-making incorporate culture, higher level of education and learning, and lower income (Bitange Ndemo, 2007).

Background

Over the past fifteen years, a number of writers from different nations have expressed similar opinions about some aspects of the paucity of AIS research. For instance, Seddon, Wong, and Yip (1992) asserted that there has been minimal research conducted in Australia regarding the characteristics that distinguish one transaction-processing system for accounting from another. In a 1996 editorial,

Leech draws attention to the dearth of AIS research in Australia and New Zealand and advocates for more study in this area. The opinion was published in a special Accounting Forum issue that was devoted to AIS research.

When it came to information technology and corporate financial reporting, Xiao, Dyson, and Powell (1996) contended that research in the UK was not as developed. Zmud (1997) made the implication that nobody in the USA, including IS scholars, is aware of how novel software programmes are being implemented in businesses. There is no evidence to suggest that this assertion does not also apply to accounting programmes. In the last ten years, the concept of enterprise resource planning, or ERP, has emerged, drawing attention once more to transactional systems of information and their significance for the contemporary, networked, web-based organisation.

ERP systems are built upon the financial subsystems or module, or more precisely, the overall ledger application, which serves as the structural backbone for the other subsystems that are put into practice. A well-planned and structured back office is also necessary for extended ERP systems, such as supply chain management (SCM) and customer relationship management (CRM), in order to completely support educational procedures. However, there hasn't been much in-depth study done on how accounting and current IS interacted as disciplines. An accounting information system's main purpose is to facilitate management's decision-making by offering a central repository for financial data. An

accounting system offers financial data on income and expenses, as well as who is responsible for what and what bills.

need to be paid, along with information on inventory and tax matters. If a system is used properly, it can speed up lots of processes and decisions.

The research problem is linked to the relationship between the Accounting Information System (AIS) and Financing Decisions in Education.

The main objective of the study is to examine the relationship between the Accounting Information System (AIS) and Financing Decisions in education.

Theoretical Framework

Management Accounting

- Role
- Tools
- Information

H1: There is a positive relationship between management accounting and AIS of financing decisions.

Financial Performance Measurement

- Investigation
- Financial position
- Measurement tools

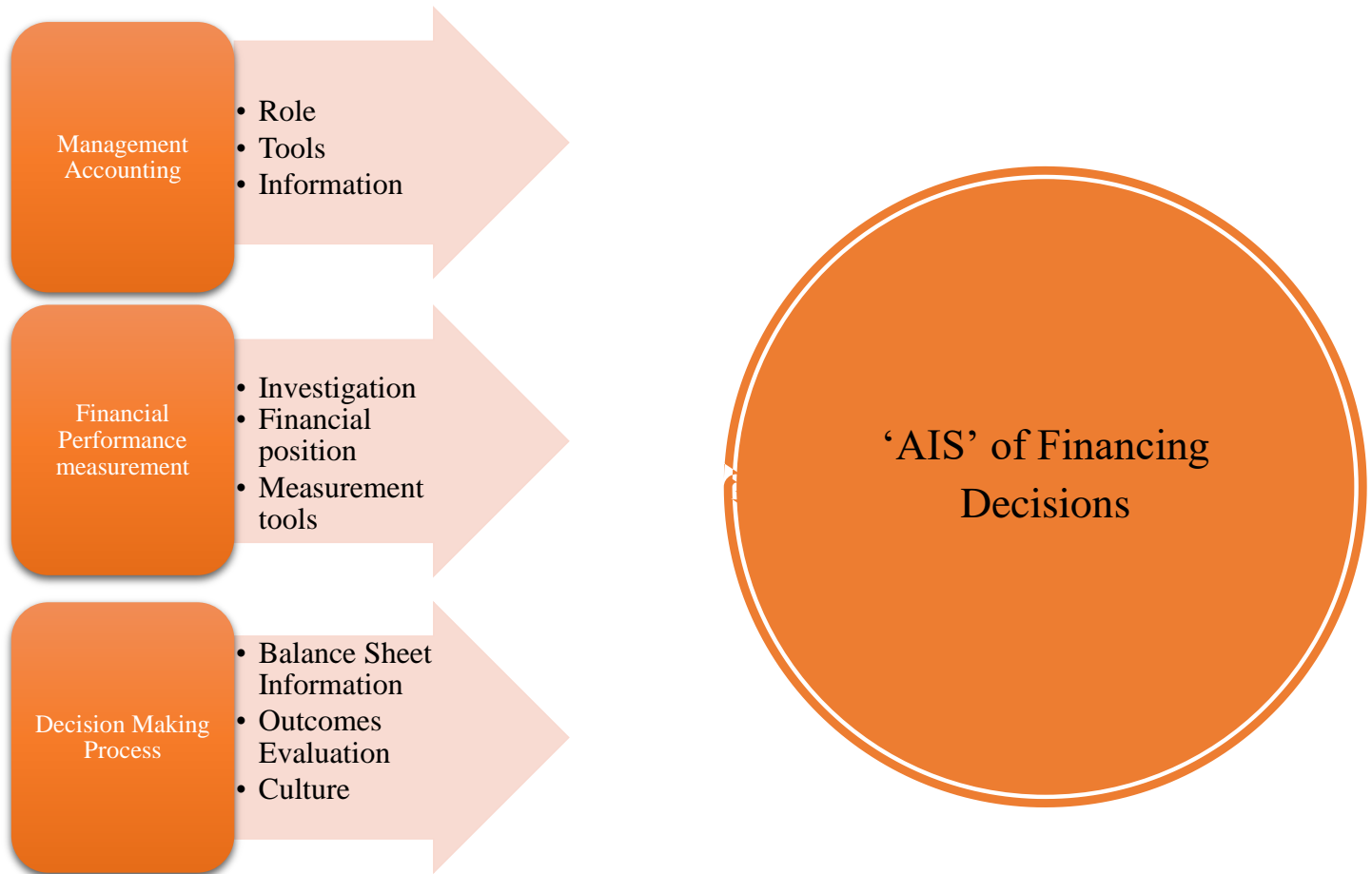
H2: There is a Positive relationship between financial performance measurement and AIS of financing decisions.

Decision-Making Process

- Balance Sheet Information
- Outcomes Evaluation
- Culture

H3: There is a Positive relationship between the decision-making process and AIS of financing decisions.

Figure 1
Model of the Study



Methodology

Chi-Square Analysis

H₁: The Accounting Information System (AIS) of financing decisions is positively associated with managerial accounting decisions in Educational organizations. Since the Chi-Square computed value of the Accounting Information System (AIS) of

financing decisions with the Management Accounting is $65.711 > 53.38$, we reject the null hypothesis and accept the alternate. Therefore, it is concluded that there is a positive relationship between the AIS of financing decisions and management accounting decisions.

H₂: The Accounting Information System (AIS) of financing decisions is strongly positively associated with the financial performance measurement decisions in educational organizations.

Since the computed value of the Chi-Square of Accounting Information System (AIS) of financing decisions with the financial performance measurement is $84.004 > 58.12$, we reject the null hypothesis and accept the alternate. Therefore, it is concluded that there is a strong positive relationship between the AIS of financing decisions and financial performance measurement decisions.

H₃: The Accounting Information System (AIS) of financing decisions is strongly

positively associated with the decision-making process decisions in educational organizations.

Since the computed value of the Chi-Square of the Accounting Information System (AIS) of financing decisions with the decision-making process is $102.875 > 53.38$, we reject the null hypothesis and accept the alternate. Therefore, it is concluded that there is a strong positive relationship between the AIS of financing decisions and decision-making process decisions.

Descriptive Statistics

The descriptive statistics of the research data have been analyzed, and the results interpretation is presented as follows:

Table 1
Descriptive Analysis

	N	Mean	Std. Deviation	Variance
Management Accounting	150	1.70	0.86	0.73
Financial Performance Management	150	1.77	0.84	0.71
Decision-Making Process	150	1.87	0.76	0.58

Source: Researcher's computations

The descriptive analysis of the AIS for mean indicates that most of the respondents agree that the AIS is a significant management accounting for the financing decisions in the educational organizations; however, the Std. Deviation from this value is computed to be 0.86 with a variance of 0.73. The descriptive analysis of the AIS for mean indicates that most of the respondents agree that the AIS is significant for financial performance in educational organizations;

however, the Std. Deviation from this value is computed to be 0.84 with a variance of 0.71. The descriptive analysis of the management accounting for mean indicates that most of the respondents agree that management accounting is a significant decision-making Process for financing decisions in educational organizations; however, the Std. Deviation from this value is computed to be 0.76 with a variance of 0.58.

Table 2
Frequency Analysis

Useful Tool			
Variables	Frequency	Percent	Valid Percent
Strongly Agree	70	46.67	46.67
Agree	66	44.00	44.00
Indifferent	6	4.00	4.00
Disagree	5	3.33	3.33
Strongly Disagree	3	2.00	2.00
Total	150	100.00	100.00

The frequency analysis of the Useful tool of Accounting Information System (AIS) in Financing decisions indicates that of the total of 150 respondents, 46.67% strongly agreed, 44% agreed, 4% were

indifferent, 3.33% disagreed, and 2% strongly disagreed that AIS is related with the Financing decisions in the educational firms.

Table 3
Key Role

Variables	Frequency	Percent	Valid Percent
Strongly Agree	60	40	40
Agree	61	40.67	40.67
Indifferent	18	12	12
Disagree	8	5.33	5.33
Strongly Disagree	3	2	2
Total	150	100	100

The frequency analysis of the key role of Management Accounting in Financing decisions indicates that of the total of 150 respondents, 40% strongly agree, 40.67% agreed, 12% were indifferent, 5.33% disagreed, and 2% strongly disagreed that management accounting is related with the Financing decision in the educational firms.

Table 4*Manager`s Financing Decision*

Variables	Frequency	Percent	Valid Percent
Strongly Agree	68	45.33	45.33
Agree	60	40	40
Indifferent	17	11.33	11.33
Disagree	5	3.33	3.33
Total	150	100	100

The frequency analysis of the manager`s financing decisions of the Financial Model in Financing decisions indicates that of the total of 150 respondents, 45.33% strongly agreed, 40% agreed, 11.33% were indifferent, 3.33% disagreed, and 2% strongly disagreed that the financial model is related with the Financing decision in the educational firms.

Conclusion

This study intends to test the inclination of accounting information systems (AIS) towards the reception of financing decisions, whether they are paying attention to the usage of management accounting or not. Another purpose of this research is to explore those factors that play a main role in the pursuit of the accounting information system for financing decisions in which management accounting is not prohibited. Different modes of financing are offered to finance decisions for educational purposes, such as management accounting, financial performance management, decision-making processes, and others. Research shows that people are fascinated by AIS, but they have no proper knowledge and consciousness of financing decisions. Awareness about AIS can be enhanced through proper disclosure of information. When educational firms are satisfied with the Manager`s financing decision, then they will repeat their decisions. Managers are also satisfied due to the fair utilization of their finances because

this financing decision ensures that their finances are used for educational purposes. It could be easily concluded that AIS is related to financing decisions. It emphasizes that financing decisions have to adopt new policies, rules, and regulations for the improvement in the level of contentment and satisfaction in its educational firms. It has a strong role in AIS acceptance towards financing decisions; the educational firm can make more Financing decisions by proper use of AIS.

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