

The Impact of Accounting Information System on Financial Performance: Evidence from Sri Lanka

Fonseka, H.F.N.S.¹ and Perera, P.R.M.R.²

¹nileshshamenda7@gmail.com; ²malinthar@kln.ac.lk

Abstract

This research aims to assess the Impact of the Accounting Information System on the financial performance of Sri Lankan listed companies by analyzing the quality and return on assets of the accounting information. The study variables are made up of dependent and independent variables. The study represents dependent variable as financial performance, and the independent variables are System Flexibility, System Sophistication, Effectiveness of the System, and System Control. A sample size of 127 out of the 290 listed companies in Sri Lanka is obtained using a method called stratified random sampling method. A frequency analysis, descriptive analysis, correlation analysis, and simple regression analysis and multiple regression analysis have all been conducted for obtain the expected outcome of this study. Descriptive analysis indicates that Sri Lankan listed companies have high levels of both financial performance and AIS quality. The results of the regression analysis show that the impact of the accounting information system has a significant impact on the financial performance of Sri Lankan listed companies, and the correlation analysis indicates a strong relationship between the variables. Based on the results and findings, the study concludes that the accounting information system in an organization has a significant impact on financial performance and corporate success.

Keywords: Accounting Information System, Financial Performance, System Flexibility, System Sophistication, Effectiveness of the System, System Control