

**The Effects of Computerized Accounting System on The Performance of
Manufacturing Firms In Uasin Gishu County, Kenya**

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Abstract

The accounting system is key to the success of any firm as it influences the quality of the financial reports which influences the firm performance. The researcher sought to find out the effects of computerized accounting systems on the performance of the manufacturing companies in the Uasin Gishu County. The study was guided by the following objectives; to determine the effects of the CAS adoption on the performance, to find out the effect of CAS level of usage on the performance and to find out the challenges encountered in CAS usage in the Manufacturing firms in the Uasin Gishu County. The study was guided by the following theories; the technological acceptance model, agency theory and the system theory. The study adopted the descriptive survey in research design. The study adopted the stratified random sampling the target population of 340 employees to get a sample population of 100 employees. The study findings were presented in tables, bar graphs and pie charts. The study made the following conclusions; the majority of the companies used the computerized accounting system, the adoption of CAS had helped in time saving as it is relatively faster compared to the manual, the adoption of the CAS had improved the quality of the financial reports hence improved the performance and the adoption of the CAS in the company of the CAS in the company had cost saving benefits. The usage of the CAS influenced the performance of the firms, the companies with greater usage of CAS had recorded high performance, the companies used the quality of the financial reports as a measure of the level of usage of CAS and the CAS used the Ms. Excel in the usage in the companies. The CAS had a high initial capital which makes it expensive for the small companies to install, the usage of the CAS had a high cost of maintenance which is expensive for the companies and the usage of CAS in the companies required expertise's which are very few. The study recommends the following: the companies which had not adopted the Computerized Accounting System should ensure they install as it faster as compared to the manual input, it also ensure quality work is done, it also ensures that the quality and the credibility of the financial statements is high which attracts more investors' hence improving on the performance and it is cost saving thus improving on the firm performance. The companies should also improve on the level of usage and make sure it is greater as it influences the firm performance. The companies should also the use of EPICOR and Pastel in the CAS usage instead of just Ms. Excel. The companies should seek outside funding for the small companies in order to counter the problem of the high initial cost. The firms should also train and educate their employees to increase their expatriate in order to solve the challenge of few expertise in the market.

Key words: accounting system, manufacturing firms, Uasin Gishu County