



An overview of Recent Trends in Accounting Business

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Article Info	Abstract
<p>Received: 09/07/2023 Revised: 26/08/2023 Accepted: 15/09/2023</p> <hr/> <p>Keywords: Accounting, software, applications</p>	<p>According to Accounting Today, “The accounting software market will have a global value of \$11.8 billion by 2026, according to new market research, at an expansion rate of 8.6 % per year starting from 2018. Most accounting businesses nowadays adopt and leverage new-age software to become accounting firms of the future. The accounting software applications help them to automate repetitive and time-consuming tasks and redefine existing business processes. However, trends in accounting technologies keep changing from time to time.</p> <p>Each new trend requires accounting businesses to switch from conventional accounting software to emerging accounting technology innovations. No business can remain relevant and competitive in the long run without adopting these innovations early. The researcher has focused in such new areas of accounting business by making use of secondary data</p>

INTRODUCTION:

As indicated by Accounting Today, "The accounting business sector will have a worldwide estimation of \$11.8 billion by 2026, as per new statistical surveying, at an extension pace of 8.6 % every year beginning from 2018."

Most accounting organizations these days receive and influence new-age programming to become accounting firms of near future. The accounting programming applications help them to mechanize redundant and tedious jobs. Though, patterns in accounting advances very frequently. Each new pattern requires accounting organizations to change from customary accounting programming to emerging accounting innovation advancements. No business can stay pertinent and serious over the long period without receiving these developments early.

The field of accounting, often referred to as the "language of business," serves as the bedrock upon which organizations build their financial strategies and make informed decisions. In today's rapidly changing business landscape, accounting practices are experiencing a paradigm shift driven by a confluence of factors. Technological advancements, evolving regulatory landscapes, and the ever-increasing demands of the modern business environment have ushered in a new era in accounting. As organizations strive for greater efficiency, transparency, and adaptability, they are embracing a host of transformative trends that are reshaping the way accounting is conducted. This research paper embarks on a journey through these recent trends in the accounting business, shedding light on the profound changes and opportunities they present.

The overarching aim of this paper is to provide a comprehensive understanding of how recent trends are impacting the field of accounting, with a specific focus on eight key areas: cloud-based accounting, accounting software integration, digital currency, optical character recognition (OCR), artificial intelligence (AI), machine learning, next-generation mobile apps, and robotic software. Each of these trends has carved its niche in the accounting domain, promising to redefine not only the processes but also the fundamental roles accountants play in organizations.

As organizations increasingly transition to cloud-based solutions, the accessibility, scalability, and cost-effectiveness of cloud accounting systems have become undeniable advantages. Simultaneously, the integration of accounting software with other critical business systems has streamlined financial processes, facilitating real-time data sharing and decision-making. Digital currencies, including cryptocurrencies like Bitcoin and central bank digital currencies (CBDCs), are altering the financial landscape, prompting accountants to rethink traditional notions of assets and transactions.

Technological innovations like optical character recognition (OCR) are alleviating the burden of manual data entry and document processing, while artificial intelligence (AI) and machine learning are revolutionizing audit quality, financial forecasting, and fraud detection. The advent of next-generation mobile apps offers real-time financial data access and expense tracking on handheld devices, further empowering professionals on the move. Additionally, robotic process automation (RPA) is reshaping the workforce by automating routine tasks and enhancing productivity.

Methodology:

This study is based on secondary data from various sources. Information is gathered from different journals, websites, newspapers, magazines, and articles.

Review of Literature

- The adoption of cloud-based accounting solutions has surged in recent years. Researchers such as Brown and Smith (2018) and Jones et al. (2019) have explored the benefits of cloud accounting, including increased accessibility, scalability, and cost savings. However, concerns about data security and privacy, as noted by Johnson and Davis (2020), remain a challenge.
- Accounting software integration with other business systems has gained prominence. Studies by Carter and White (2017) and Green

et al. (2020) have emphasized the importance of integrating accounting software with CRM and ERP systems to streamline financial processes and improve data accuracy.

- The emergence of digital currencies, including cryptocurrencies like Bitcoin and central bank digital currencies (CBDCs), has sparked significant research interest. Smith (2019) examined the accounting implications of cryptocurrency holdings, highlighting the need for consistent reporting standards.
- OCR technology has been instrumental in automating data entry and document processing in accounting. Research by Patel and Gupta (2018) and Kim et al. (2020) has demonstrated the advantages of OCR in enhancing data accuracy and reducing manual workloads.
- AI's impact on accounting has been extensively studied. Wang and Lee (2019) investigated AI applications in audit quality enhancement, while Chen et al. (2021) explored AI-driven predictive analytics for financial management.
- Machine learning has been leveraged for predictive modeling in various accounting contexts. Research by Li and Zhang (2018) and Tan et al. (2020) delved into the effectiveness of machine learning models in areas such as revenue forecasting and credit risk assessment.
- Mobile apps tailored for accounting purposes have evolved rapidly. Studies by Rodriguez and Martinez (2017) and Brown et al. (2021) highlighted the features and benefits of next-generation mobile apps, facilitating real-time financial data access and expense tracking.
- Robotic process automation (RPA) is transforming routine accounting tasks. Zhao and Wang (2018) explored the implementation of RPA in accounts payable, emphasizing its impact on improving workforce productivity.

Mechanical Developments

The accounting profession is witnessing a transformative period characterized by technological innovation and evolving business needs. Recent literature demonstrates that trends such as cloud-based accounting, software integration, digital currency adoption, OCR, AI, machine learning, mobile apps, and robotic software are reshaping accounting practices. However, these trends also bring challenges, including data security concerns and the need for regulatory adaptations.

They even need to actualize an arrangement to receive and use developments in accounting

business to expand income, hold customers, and increment operational effectiveness. The accounting organizations must consider embracing these mechanical developments immediately.

1. Cloud-Based Accounting

cloud-based accounting programmes is accounting software that is hosted on remote servers. It gives accounting capacities to organizations in a manner like the SaaS (Software as a Service) plan of action. Information is sent into "the cloud," where it got processed and sent back to the client. All application processing's are performed off-site, not on the client's work area. In cloud-based accounting, clients access programming applications distantly through the Internet or other network by means of a cloud application service provider.

Utilizing cloud computing accounting programmes frees the business from installation and maintaining programme on all desktop. It additionally helps employees to access data of remote branch or offices from any part of the world. Most application supplier's charges dependent on use which is always less in comparison with license fees and installation expenses of programme installing on individual computers. Accounting data recovery & backup is generally done through cloud storage.

Within a short period, cloud accounting has been changing organisations from different areas. Like other organisations, accounting business must use cloud computing and change to cloud-based accounting to remain relevant and competitive in the future. The cloud-based accounting software empower accountants to get to financial information anytime and anyplace.

These softwares & tools further assistance accounting firms to encourage steady cooperation among accountants and customers. They can utilize any gadget with internet connectivity to get to financial information and work on the accounting applications. Additionally, organizations can undoubtedly upscale or downscale the assets depend on the necessities without making a huge investment.

2. Accounting Software Integration

There is a revolution happening in the accounting programming industry and it is taking small organisations with it. Where there were recently restricted alternatives accessible for SMBs (Small & Medium without big business level needs and assets, the market has as of late been upset by a significant number well informed accounting software design suppliers offering enterprise level software for SMB needs.

However, it feels awesome to explore and executions - particularly when attempting to choose which applications to use in business. Maybe We will think about cost following administration, portable time sheets or need to incorporate your POS (Point of Sale) with another QuickBooks Online document.

One of the examples can be incorporating QuickBooks software with Drake Software so as to import seamlessly accounting data for tax filing of returns. As the manual entry work is eliminated, the exactness is expanded by manifolds

While deciding about any accounting software or application we have keep following criteria in our mind

2.1 Reduce Data Entry

Discussing of repetitive data entry, our integrations ought to change our workflow so that it is as mechanized as could reasonably be expected. This implies diminishing or taking out altogether the requirement for anybody to hand key data. In case we are inexperienced with how to legitimately import and transfer information from our bank, Master Card, or finance, we either need to begin studying QuickBooks and our integration or find out an accounting service that can do it for us. Investing any energy physically entering data is a worthless exercise for us and it will counter the purpose of accounting software integration.

2.2 Improve Data Aggregation

The crucial advantage of accounting programming integration is keeping your information matched up between different applications. The main aim of any integration is the continuous exchange of data from one source to another without any interruption, ideally with two-route synchronization consistently. Does CRM (Customer relationship management software) coordinate with QuickBooks to help with job costing and class tacking? Ensure that customers and, hours spent, costs gathered and all that else will show up in each program so effortlessly and abstain from investing any energy in repetitive information section.

3. Digital Currency

Digital currency is a type of money that is available only in computerized or electronic structure, and not in physical structure. It is additionally called digital money, electronic money, or electronic currency. A consistent increment is being noted in the quantity of clients started accepting and making payment in digital currencies. Various financial institutions and business people even using digital currencies to

make payment or get payment from worldwide clients. The accounting firms need to assist organizations with recording digital currency transactions simply like other financial transactions. However, they should put resources into upcoming accounting software to record the digital currency transaction at current ongoing exchange rate and report the capital gain tax at proper rate.

4. Optical Character Recognition (OCR)

OCR (optical character acknowledgment) is the utilization of technology to recognize printed or manually written content characters inside digital pictures of physical reports, for example, a scanned paper record. The fundamental cycle of OCR includes inspecting the content of a record and making an interpretation of the characters into code that can be utilized for data processing.

OCR frameworks are comprised of software and hardware that is utilized to change over physical documents into machine readable content. Hardware, for example, an optical scanner or circuit board is utilized to scan or understand text while software design commonly handles the advanced processing.

Accounting organizations can manage a customer's funds more efficiently by integrating the proper accounting software. But they can't make the accountants more creative by reducing the manual recording of transactions needed in any business

The Optical Character Recognition (OCR) innovation empowers accounting firms to computerize and speed up manual recording of transactions. The accounting firms must use OCR innovation to change printed data to digital documents utilizing scanners and cell phone cameras. The organizations must put resources into OCR-based solutions for record finance related information rapidly and precisely.

5. Artificial Intelligence

In a traditional workplace, accountants put additional time and exertion to analyse and report past financial information. They even boost decision making by ascertaining different ratios, proportions and creating elaborate reports. Artificial Intelligence (AI) makes it simpler for accountants to speed up and simplify different data related assignments like accounting and transaction coding. Apart from robotizing monotonous task, AI will additionally empower accountants to deliver purpose of higher worth like business strategy implementation and financial advising. AI tools even have enough potential to totally transform accounting firms.

According to the research by MIT Sloan, 85% of the respondent's trust AI will permit organizations to

acquire and support upper hand in competitive market.

AI assists in making a detail report by extracting financial data from different sources. It improves the transparency in spending, income, and more by offering tools to track changes in business accounts.

6. Machine Learning

Machine learning is an application of artificial intelligence (AI) that provides the capacity to systems to naturally take in and improve for a fact without being explicitly modified. Machine learning centers around the improvement of computers programs that can get to information and use it on their own.

As a subfield of AI, machine learning recognizes designs by studying large information utilizing calculations and statistics. Accounting organizations must use machine learning to rearrange, automate, categorization and approval of work

For example, an accountant can utilize machine learning strategies to check if an extra cost is required or not by examining a huge data related to expenses. Numerous accountants accept that AI and machine learning will automate their job totally. Yet, the accounting organizations can use these troublesome advances to make their accountants more beneficial.

7. Next Generation Mobile Apps

These are applications created to meet more extensive business goals. The next generation of apps will help organizations to reduce complicated process in business by building up a versatile and cross-platform application system. These applications will likewise be able to empower non-technical staff like advertisers to update themselves consistently. For example, applications that manage work logs, worker details, finance management etc. Most accounting firms these days permit workers to bring and utilize their own devices. This practice empowers accountants to get finance related information and record financial transactions whenever they want and from anyplace using their cell phones.

However, no accounting firm can keep finance related information safe without implementing multipurpose mobile security plan. They need to create custom mobile applications that have features of cloud computing along with data security. The application should also enable top official to access important financial data by wiping out the effect of emerging security attacks.

8. Robotic Software

Robot software is the arrangement of coded commands or guidelines that tell a mechanical tool and electronic framework, referred to all together, what assignments to perform. Robot software is utilized to perform autonomous assignments. Numerous product frameworks and systems have been proposed to make programming robots simpler.

Some robot software targets creating smart mechanical devices. Normal tasks include, control, path finding, information filtering, finding, and sharing information and data.

Many accounting firms are presently utilizing mechanical programming to decrease operational expenses via mechanizing all possible jobs. As indicated by Accenture, the automation lessens the expense of activity by 80% in financial organizations.

However, the utilization instances of the automated software will vary across accounting organizations. Most accounting firms will require automated software to record various transactions like - entering financial information, saving the monetary information in specific formats, producing reports, and calculating taxes – rapidly and precisely.

Implications

Following are some of Implications of each of the trends in accounting business:

- Cloud-based accounting systems offer increased accessibility and real-time data sharing. This means that financial information can be accessed from anywhere at any time, facilitating remote work and collaboration among geographically dispersed teams. It also allows for automatic software updates and reduced dependence on physical hardware.
- Integrating accounting software with other business systems streamlines financial processes and promotes data consistency. This integration enables organizations to have a holistic view of their financial data, resulting in better decision-making, improved efficiency, and reduced errors.
- The emergence of digital currencies implies a potential shift in how financial transactions are conducted. It introduces the possibility of faster and more cost-effective cross-border transactions, reduced reliance on traditional banking intermediaries, and increased transparency in financial transactions.
- OCR technology implies increased efficiency in data entry and document processing. It reduces the need for manual data input, which can

minimize errors and save time. This technology is especially useful in automating the extraction of data from invoices, receipts, and other documents.

- AI has the potential to enhance audit quality by automating routine tasks, detecting anomalies, and providing deeper insights into financial data. It can lead to more accurate financial reporting and improved risk assessment, ultimately enhancing the reliability of financial information.
- Machine learning's predictive capabilities imply the ability to forecast financial trends, assess credit risk, and detect patterns in large datasets. It enables organizations to make data-driven decisions, optimize resource allocation, and identify emerging opportunities or risks.
- Next-generation mobile apps provide real-time access to financial data and empower professionals to manage expenses and make decisions on the go. They facilitate greater mobility and agility in financial management and reporting.
- Robotic process automation (RPA) implies the automation of routine and repetitive accounting tasks. This allows accountants to focus on more strategic and value-added activities. RPA can lead to increased efficiency, reduced human error, and enhanced productivity in financial processes.

Challenges

Following are some common challenges associated with mentioned trends in accounting business:

- Data Security and Privacy: Many trends, such as cloud-based accounting, mobile apps, and digital currencies, raise concerns about data security and privacy. Safeguarding sensitive financial information and complying with data protection regulations is paramount.
- Regulatory Uncertainty: Evolving regulatory landscapes, especially in the case of digital currencies and AI, create uncertainty around compliance requirements, demanding ongoing monitoring and adaptation to changing rules.
- Integration Complexity: Integrating various technologies and systems, as seen in accounting software integration and automation, can be complex and costly, often requiring customized solutions and expert guidance.
- Initial Investment: Implementing these trends often involves upfront costs, from adopting cloud-based systems to AI and automation solutions. Organizations need to budget for these investments.

- **Data Quality and Accuracy:** Maintaining high-quality data is a challenge across all trends, as errors or inconsistencies can lead to inaccurate financial information, impairing decision-making.
- **Ethical Considerations:** Trends like AI raise ethical questions regarding the use of algorithms in decision-making, necessitating guidelines and responsible AI practices.
- **Volatility:** Digital currencies can be highly volatile, posing financial risk to organizations that hold them and requiring risk management strategies.
- **Connectivity Reliance:** Cloud-based systems and mobile apps rely on stable internet connectivity, which may not be available in all regions or at all times.
- **Resistance to Change:** Employees may resist adopting new technologies or processes, necessitating change management strategies and training programs.
- **Skills Gap:** Implementing advanced technologies like AI and machine learning may require organizations to hire or upskill staff with the necessary technical expertise.
- **Maintenance and Updates:** Ongoing maintenance and updates are necessary to keep technology systems, such as OCR and robotic software, functioning effectively.

Navigating these shared challenges is essential for organizations to successfully implement these trends and unlock their full potential, ultimately contributing to improved financial management and decision-making.

Opportunities

Followings are some opportunities associated with each of the mentioned trends in accounting business:

- **Enhanced Efficiency:** Cloud-based accounting, AI, machine learning, OCR, and robotic software all contribute to streamlining processes, reducing manual workloads, and improving operational efficiency.
- **Real-Time Insights:** Cloud accounting, accounting software integration, and next-generation mobile apps enable real-time access to financial data, providing decision-makers with immediate insights for informed choices.
- **Cost Savings:** Cloud-based accounting, robotic software, and automation technologies reduce operational costs, from infrastructure expenses to labor hours spent on routine tasks.
- **Data Accuracy:** OCR technology, AI, and machine learning enhance data accuracy by

minimizing errors in data entry and automating data validation.

- **Predictive Analytics:** Machine learning and AI empower organizations to leverage predictive analytics, aiding in financial forecasting, risk assessment, and trend identification.
- **Cross-Border Efficiency:** Digital currencies simplify cross-border transactions, potentially reducing fees and transaction times, especially for international businesses.
- **Mobile Accessibility:** Next-generation mobile apps enable professionals to access financial data and manage expenses on the go, enhancing mobility and agility.
- **Streamlined Compliance:** Trends like digital currencies and integrated software systems offer opportunities to streamline regulatory compliance, reducing administrative burdens.
- **Enhanced Audit Quality:** AI-driven audit tools can improve the quality and thoroughness of audits, leading to more reliable financial reporting.
- **Strategic Focus:** Robotic software and automation free up accountants to focus on strategic and value-added tasks, driving innovation and growth.
- **Data-Driven Decisions:** The integration of these trends provides organizations with vast amounts of data, enabling data-driven decision-making and strategic planning.
- **Embracing these opportunities** can empower organizations to thrive in the dynamic accounting landscape, fostering adaptability, cost-effectiveness, and enhanced financial management. However, careful consideration of associated challenges, such as security and regulatory concerns, is essential to realize these advantages fully.

Conclusion

Each of these trends carries significant implications for the accounting profession and organizations. These implications highlight the potential benefits and changes that organizations can expect as they incorporate these trends into their accounting practices. However, it is crucial for organizations to assess these implications carefully and tailor their strategies to align with their specific goals and requirements.

In the world of globalization, the role of sustainable development and innovation in commerce has gained greater importance. Many businesses are moving towards new methods of accounting standards. Today most of the business focuses on accurate and timely results, which was not possible through manual accounting system.

In conclusion, the recent trends in accounting business are reshaping the profession and offering significant opportunities for organizations. While these trends bring about transformative benefits such as enhanced efficiency, real-time access to data, and advanced analytics, they also present challenges, including security concerns, regulatory uncertainties, and the need for ongoing maintenance. To thrive in this evolving landscape, organizations must carefully assess and adapt to these trends, capitalizing on the opportunities they present while proactively addressing their associated challenges. Embracing these innovations will empower accountants and organizations to navigate the future of accounting with confidence and agility.

Suggestions

- To harness the benefits of these trends and overcome the associated challenges, organizations should consider the following suggestions:
- Invest in Education and Training: Ensure that employees, especially accountants, are well-trained in utilizing these new technologies. Offer ongoing education to keep up with the latest developments.
- Data Security Measures: Implement robust data security measures to protect sensitive financial information, especially in cloud-based systems and mobile apps.
- Regulatory Compliance: Stay informed about evolving regulations, especially in areas like digital currencies and AI, to ensure full compliance and reduce legal risks.
- Customization and Integration: Tailor software solutions to the specific needs of the organization. Invest in integration to create a seamless flow of data between different systems.
- Ethical Considerations: Develop and adhere to ethical guidelines when using AI and other technologies for decision-making to maintain trust with stakeholders.
- Change Management: Acknowledge resistance to change and implement effective change management strategies to ensure smooth transitions.
- Risk Management: Develop strategies for managing the volatility associated with digital currencies and stay prepared for unforeseen challenges.
- Continual Assessment: Regularly assess the performance of these technologies to ensure they continue to meet the organization's goals and objectives.

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