

Usage of Mobile Applications in Accounting Practices of Micro and Small Businesses with Special Reference to Eastern Uttar Pradesh

Shaniya Noor Fatma¹, L.B Prasad², Ugrasen³

¹Ph.D Scholar, Madan Mohan Malviya University of Technology, Gorakhpur

²Head of Management studies Department Madan Mohan Malviya University of Technology, Gorakhpur

³Assistant professor, Madan Mohan Malviya University of Technology, Gorakhpur

ABSTRACT

The functions of MSE's are important for the regional balance, employment generation not only in urban but also in rural areas, as well as contribute a significant role in the GDP. These enterprises. For continuing to contribute, SME's must keep track of their financial information, in other to make decision, create a budget and better financial performance. Accounting programs that are convenient and economical must be used instead of accounting software, which requires significant financial commitment to set-up. In this study, the factors which are responsible for the usage of mobile applications are determined and the relations among them are analyzed. The study was done on 220 MSE's, and it was found that information reliability and application efficiency play an important role for the satisfied users of accounting applications which leads to organizational advancement.

Keywords: Accounting Applications, Information Reliability, Application Efficiency, Organizational Advancement

Adhyayan: A Journal of Management Sciences (2026); DOI: 10.21567/adhyayan.v16i1.02

INTRODUCTION

Micro and small businesses play a significant role in offering job opportunities to a wide range of people, increasing the standard of living and overall contributing to increasing National Income. Almost every nation in the world, including India, views micro, small, and medium-sized enterprises (MSMEs) as the foundation of its economy (Abdalwali Lutfiet.al. 2022). Thus, the development of these businesses depends upon the reason by which they can increase the profit and reduce the expenses and in order to analyse these purposes, such type of businesses needs to prepare books of account, for which macro businesses involve the use accounting software. But the use of accounting software requires a huge funding which results in the emergence of Mobile Application for Accounting Practices because nowadays smartphones are used by every businessman by which they can easily do accounting, invoicing without the restriction of physical location, every work can be done on fingertips without any disruption and that too with low investment. In other words, the utilization of IT and IS has ultimately

Corresponding Author: Shaniya Noor Fatma, Ph.D Scholar, Madan Mohan Malviya University of Technology, Gorakhpur, e-mail: shaniyanoor13@gmail.com

How to cite this article: Fatma, S.N., Prasad, L.B., Ugrasen. (2026). Usage of Mobile Applications in Accounting Practices of Micro and Small Businesses with Special Reference to Eastern Uttar Pradesh. *Adhyayan: A Journal of Management Sciences*, 16(1):13-19.

Source of support: Nil

Conflict of interest: None

resulted in a variety of opportunities and advantages for all business sectors (Lutfi2021).

This type of research is exploratory research like; whether the use of mobile application fulfils the primary objective of information reliability and secondary objective application efficiency is met or not. Micro and small businesses need to know the reason behind its growth or decline which can only be analysed by the practice of accounting. These improvements relate to management, cost reduction, market competitiveness, and enhanced service delivery,

management functionality, and the reduction of defects (Lutfi et al. 2022b). Some small businesses only follow single entry system by which the reason for profitability or loss cannot be ascertained, thus the adoption of double-entry system must be maintained for the long-term growth of the firm. These businesses nowadays use a lot number of mobile application like, Zoho Books, Quick Books, and Fresh Books etc. for maintaining, storing, and analysing the financial transactions. In addition, combining resources related to information technology (IT) and computers to monitor and report on accounting activities and transactions.

Also, the effect of Mobile Applications will be analyzed to know whether the use of such application gives the adequate information for increasing the profitability of business or not, decreasing the expenses of the business or not, and what are the other benefits of using such application like cost-effectiveness, timeliness, quick response and many more. The suggested model was validated in this study within the framework of micro and small firms and contributes to both the literature on and practice of accounting application (Abdalwali Lutfiet.al. 2022). First and foremost, the study aims to comprehend the elements that influence the implementation of accounting applications, including operational effectiveness, application efficiency, and information reliability. Secondly, the objective is to determine how the factors is responsible for the implementation of accounting applications relate to one another. Given the foregoing context, this study investigates two primary research questions, namely (1) What are the factors responsible for the implementation of accounting applications? (2) Do the factors have any relations among them?

LITERATURE REVIEW

(Abdalwali Lutf et. al. 2022) in their paper titled "Business Sustainability of Small and Medium Enterprises during the COVID-19 Pandemic: The Role of AIS Implementation" examine how AIS implementation affects business sustainability from an organizational viewpoint. TOE framework has been used in order to justify the implementation of AIS. It was concluded that to encourage and facilitate the adoption of AISs, governmental organizations ought to provide financial assistance to SMEs. Given the competitive business environment, the Jordanian SMEs in this study face several challenges, including the adoption of innovative IT.

(Abdalwali Lutf et. al. 2022) in their paper titled "The Role of E-Accounting Adoption on Business Performance: The Moderating Role of COVID-19" talks about the use of IT in e-accounting. It focuses on developing the different factors which act as a construct for e-accounting based on the TAM model, the study employed PLS-SEM for the validation of the construct. It concludes that information quality and system quality have a significant impact on usage of e-accounting while service quality has insignificant impact. While COVID-19 plays a significant role on usage of e-accounting as well as its business performance.

(Almaiah et. al. 2022) in their paper titled "The Role of Quality Measurements in Enhancing the Usability of Mobile Learning Applications during COVID-19" states that A study is conducted to investigate the role of quality measurements in enhancing the efficacy of m-learning systems during the COVID-19 pandemic. The findings showed that during COVID-19, the most significant aspects influencing learners' usage of mobile learning are service quality, information quality, and system quality. These findings are also helpful in categorizing the importance of these quality factors, which offer direction on how to assign quality features to enhance the use of mobile learning in higher education institutions during COVID-19.

(Lutfi et. al. 2022) in their paper titled "Employing the TAM Model to Investigate the Readiness of M-Learning System Usage Using SEM Technique" concludes that In Saudi universities, students' real use of mobile learning was significantly impacted by the support of the administration. Stated differently, when universities decide to adopt new technologies, such mobile learning systems, they should give senior management support high priority in order to ensure success of the development process.

(Nguyen & Nguyen, 2020) in their paper titled "Determinants of accounting information systems quality: Empirical evidence from Vietnam" states about the accounting information system quality different factors and analysis of the same has been done using EFA and OLS and it was found that all the variables have positive relations among them. It was recommended that Possible third order head accounting knowledge is mandatory for the managers, enhancement and investment in information technology in the field of accounting and providing training for the smooth functioning.

(I M Alnajjar, 2017), in his paper titled "Impact of Accounting Information System on Organizational



Performance: A Study of SMEs in the UAE" study the effects of accounting information systems on performance management and organizational performance, as well as the influence of top management support and the expertise of accounting managers on these systems. The study was done in 74 SME's and it was found that in order to accomplish organizational goals and objectives, decision makers utilize accounting information systems to gather valuable information that they can utilize in strategy development and decision-making, which should improve the performance of the business.

(Soudani, 2012) in his paper titled "The Usefulness of an Accounting Information System for Effective Organizational Performance" was examined about the advantages of AIS in the listed companies of Dubai where it was found that AIS has a significant impact on the financial outcomes and overall business performance. It focused upon the concepts of accounting, information and its application in the system i.e. the integrity with organizational structure.

HYPOTHESES DEVELOPMENT

Information Reliability

Information plays a vital role in preparing and maintaining books of accounts, more reliable information gives a clearer picture of the financial statement. Information reliability can be described as the accurate, clear, comprehensive and pertinent to the users' needs in order to make decisions, the output of such IR gives the accurate information for the decision-making process (DeLone and McLean 1992, 2003), and Anggadini (2015), for example, discovered that Information Quality significantly impacted the implementation of e-accounting in Indonesian businesses. A firm conclusion could not be drawn from previous research that looked at the connection between Information Quality and IT use since the results were inconsistent (Li and Wang 2021).

H1

Information Reliability has a significant impact on the use of Accounting Applications.

Application Efficiency

The second construct of accounting application talks about the level of technical assistance with respect to its user-friendliness, processing time, responsiveness and security which is referred as application efficiency (DeLone and McLean 1992, 2003). The current study

examined the impact of system quality, a component of the DM ISM, on organizations' usage of e-accounting for improved performance and decision-making. System attributes and IS use are significantly correlated, according to the findings of previous research (e.g., Almaiah et al. 2022a; Quintero et al. 2009; Shagari et al. 2015).

H2

Application Efficiency has a significant impact on the use of Accounting Applications.

Operational Effectiveness

The third construct of accounting application indicates about the adaptableness of the accounting application with organization whether it matches with the organizational structure directly or not. SQ efficacy, in light of e-accounting, results in and enhances the system combination across the business departments, enabling the user and enhancing organizational performance, according to Arshah et al. (2012). There is a need to match the fit between the requirements of organization and the structure of accounting applications. Chang et al. (2012) reported a direct relationship between service quality and the use of IS.

H3

Operational Effectiveness has a significant impact on use of Accounting Applications.

Accounting Applications Usage

Usage of Accounting Applications is highly based on the level of satisfaction the users get from the use of the accounting application. It is subjective to the user's requirement. According to Bokhari (2005), the use of an IS mostly depends on the user's or adopter's evaluation of the system; if they are persuaded that it enhances task performance, this will lead to increased satisfaction and use frequency.

H4

Usage of Accounting Applications has a significant impact on User Satisfaction.

User Gratification

User gratification is the level of satisfaction from the use of accounting application that is the meeting of requirements, information search, decision making processes etc. Three use metrics— time in hours, frequency of use, and level of usage—were noteworthy in previous studies that measured user satisfaction and usage (Chou et al. 2014; Lin et al. 2006; Ramli 2013).

H5

Use of Accounting Applications has a significant impact on Organizational Advancement.

Organizational Advancement

Organizational Advancement is defined as the user's interaction with the system that leads to a particular outcome (Petter et al. 2008). Prior studies reported about the positive relations, according to a study by Bhattacharjee (2001), user satisfaction and system use efficacy are partially correlated. As a result, more e-accounting usage and user satisfaction would result in better performance.

H6

User Gratifications have a significant impact on Organizational Advancement.

COVID-19 Moderating Effect of Use of Accounting Application and Organizational Advancement

Due to the COVID-19 pandemic, businesses are facing an unprecedented issue that is posing hazards to their operations and environment (Alsyof et al. 2022a; Almaiah et al. 2022e; Lutfi et al. 2023). Because of unfamiliar business situation firms have suffered a lot. According to Azazz and Elshaer (2022) and Song et al. (2022), there is general agreement that the pandemic would change the business environment both inside and outside of companies which could lead to develop the relation between accounting application usage and its development.

H7

COVID-19 moderates the relationship between accounting application usage and organizational advancement.

Theoretical Framework

A theoretical framework comprehending how people

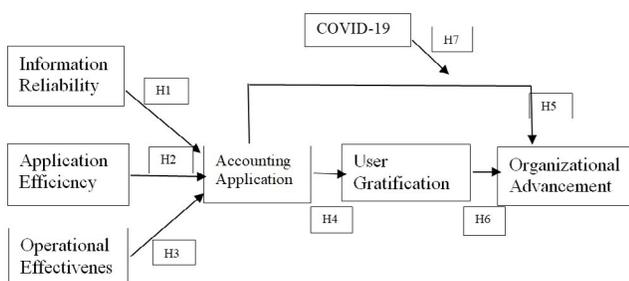


Figure 1: Model of the Research Framework.

Source: Based on (Abdulwadi Lutfi, 2022)

integrate and make use of technology is the Technology Acceptance Model or TAM which was developed by Fred Davis in 1989. It is based on the two main factors perceived usefulness (PU) refers to enhancement in job performance and perceived ease of use (PEOU) which means a process which involves less effort and can be integrated in user's routine after adopting a technology. On the basis of previous research, it has been established that the use of accounting software builds a platform for one-stop solution of all the decision-making in the organization. The study aims to focus on determining the influence of Information Reliability (IR), Application Efficiency (AE), Operational Effectiveness (OE) which are exogenous factors for the usage of accounting applications (UOAA). There are several endogenous factors like Usage, User Gratification (UG) and Organizational Advancements (OA). It also examines the association of usage of accounting applications on organizational advancements. In this study, there is a moderating effect of COVID-19 on the usage of accounting applications and organizational advancement.

RESEARCH METHODOLOGY

The increasing use of mobile applications for accounting practices encourage to study this particular topic. This research design is Descriptive and the data collection tool which was used is Mailed-Questionnaire. The area of sampling was Eastern Districts of Uttar Pradesh, and the respondents are the users of Accounting Applications, generally small traders. A preliminary exam was appropriately created to determine the questions' relevancy, comprehensibility, clarity, and unambiguity (Alsmadi and Oudat 2019; Alsyof et al. 2022b; Almaiah et al. 2022i; Sekaran and Bougie 2013). All the items were evaluated on a 5-pointer Likert scale which ranges from 1 i.e. Strongly Agree to 5 Strongly Disagree. The method which is used to analyse the data is PLS. The size of the sample was 280 out of which 220 have returned.

Data Analysis**Internal Consistency Reliability**

Internal Consistency Reliability refers to the extent to which its various items evaluate the same underlying construct (Hair et al. 2019). Cronbach Alpha is the most used static to measure the internal consistency which ranges from 0-1 where greater than or equal to .90 reflects that excellent, greater than equal to .80 reflects good and greater than or equal to .70 reflects acceptable Sekaran and Bougie (2010). In order to check



Table 1: Internal Consistency Reliability Test Results

<i>Variables</i>	<i>Cronbach Alpha</i>	<i>Composite Reliability</i>
Information Reliability	.908	.935
Application Efficiency	.817	
Operational Effectiveness	.905	.957
Accounting Application Use	.772	
User Gratification	.907	
Organizational Advancement	.942	
COVID-19	.787	.834

Source: Data Analysis by the researchers

Table 2: Testing of Hypotheses

<i>Hypotheses</i>	<i>Relationships of Factors</i>	<i>Statistics Beta</i>	<i>t-value</i>	<i>p-value</i>	<i>Results</i>
H1	Information Reliability-Accounting Application	.232	1.959	0.050	Supported
H2	Application Efficiency-Accounting Application	.283	2.851	0.038	Supported
H3	Operational Effectiveness-Accounting Application	.139	1.247	0.203	Not Supported
H4	Accounting Application Usage-User Gratification	.252	2.643	0.006	Supported
H5	Accounting Application Usage-Organizational Advancement	.211	2.012	0.037	Supported
H6	User Gratification-Organizational Advancement	.438	5.043	0.002	Supported
H7	COVID-19-Accounting Application-Organizational Advancement	.201	4.889	0.000	Supported

Source: Data Analysis by the researchers

the relatedness among the different variable composite reliability test have been done which is considered as more accurate than Cronbach's alpha with context to structural equation modelling (SEM). Table no. 1 depicts the value obtained by Cronbach's Alpha and Composite Reliability which met the threshold limits.

From the above table, it was established that the entire variable value is greater than .70 which means that there is a high reliability.

Hypotheses Testing

There were 7 hypotheses tested out of which 6 were accepted and 1 was rejected based on the fact that when p-value is less than 0.05 then hypotheses is accepted otherwise it should be rejected. (IR) and (AE) have a significant impact on the usage of Accounting Applications, (OE) has less significant impact on Accounting Applications Usage. (UOAA) has a significant impact on (UG) and (OA) while (UG) has a significant impact on (OA). COVID-19 has a moderating effect on both (UOAA) and (OA). The following table represents the hypotheses testing

DISCUSSIONS AND IMPLICATIONS

The findings of the study provide deeper insights into the factors influencing the adoption and continued usage of accounting applications among Micro and

Small Enterprises (MSEs) in Eastern Uttar Pradesh. The empirical results highlight that information reliability (IR) and application efficiency (AE) are the most influential predictors of application usage, while operational effectiveness (OE) exhibits comparatively weaker influence. This suggests that users primarily value systems that ensure accuracy, dependability, timely reporting, and ease of use over structural alignment with organizational processes.

The increasing dependence on mobile-based accounting tools indicates a paradigm shift from traditional accounting practices to digitally enabled financial management systems. Users perceive these applications as a cost-effective and one-stop solution for invoicing, bookkeeping, transaction tracking, and financial reporting. The presence of automated reminders, real-time updates, and cloud-based accessibility further strengthens user confidence and supports business continuity, especially in dynamic or uncertain business environments.

The study also reveals that accounting application usage enhances user gratification and organizational advancement, confirming that digital accounting not only improves operational activities but also contributes to informed decision-making, financial discipline, and strategic planning. MSE owners reported improvements in cash-flow monitoring, expense tracking, tax

compliance management, and record accuracy, which collectively increases transparency and financial governance.

From a theoretical point of view, the results reinforce the Technology Acceptance Model (TAM), as perceived usefulness and ease of use are reflected through IR and AE constructs. Practically, the findings imply that application developers should continue prioritizing system reliability, user interface simplicity, security features, and processing speed to sustain adoption levels. Policymakers and development agencies may also consider promoting digital accounting literacy programs and subsidizing mobile accounting tools to strengthen digital transformation among micro-entrepreneurs.

Further, the moderating role of COVID-19 highlights that crisis situations accelerate the need for remote, accessible, and technology-driven financial tools. This underlines the importance of building resilient technological ecosystems to support MSEs in times of disruption. The findings collectively indicate that accounting applications are evolving from mere record-keeping tools to strategic enablers of organizational growth and sustainability.

CONCLUSION

Present study concludes that the adoption and usage of accounting applications among MSEs has significantly increased, driven largely by benefits such as cost-effectiveness, timeliness, data reliability, responsiveness, and ease of financial reporting. Among the constructs examined, information reliability and application efficiency emerged as the most critical determinants of application usage, indicating that users prioritize accuracy, credibility of financial outputs, and operational convenience when selecting and continuing to use such applications.

The results further establish that enhanced usage of accounting applications positively influences user gratification and organizational advancement, demonstrating that digital financial tools play a strategic role in improving business performance, financial decision-making, and overall managerial effectiveness. Although operational effectiveness showed a weaker influence, it still reflects the need for better alignment between application capabilities and organizational structures.

The study makes a valuable contribution by empirically validating the relationships among technological,

behavioural, and performance-oriented factors in the context of micro and small enterprises. Even, the findings also open avenues for future research. Subsequent studies may explore the post-implementation outcomes of accounting applications across different sectors, conduct comparative analyses between urban and rural MSEs, or examine the role of digital skills and training in strengthening adoption behaviour. Longitudinal studies may also capture how usage patterns evolve over time with technological advancements if adopted by other researchers.

In this way, the study caters that accounting applications are not merely technological tools but significant catalysts for financial empowerment, operational efficiency, and sustainable business growth among MSEs.

REFERENCES

- Almaiah, M. A., Al-Otaibi, S., Lutfi, A., Almomani, O., Awajan, A., Alsaaidah, A., Alrawad, M., & Awad, A. B. (2022). Employing the TAM Model to Investigate the Readiness of M-Learning System Usage Using SEM Technique. *Electronics*, 11(8), 1259.
- Lutfi, A., Alkelani, S. N., Al-Khasawneh, M. A., Alshira'h, A. F., Alshirah, M. H., Almaiah, M. A., Alrawad, M., Alsyouf, A., Saad, M., & Ibrahim, N. (2022). Influence of Digital Accounting System Usage on SMEs Performance: The Moderating Effect of COVID-19. *Sustainability*, 14(22), 15048
- Lutfi, A., Al-Khasawneh, A. L., Almaiah, M. A., Alsyouf, A., & Alrawad, M. (2022). Business Sustainability of Small and Medium Enterprises during the COVID-19 Pandemic: The Role of AIS Implementation. *Sustainability*, 14(9), 5362.
- Almaiah, M. A., Hajje, F., Shishakly, R., Lutfi, A., Amin, A., & Awad, A. B. (2022). The Role of Quality Measurements in Enhancing the Usability of Mobile Learning Applications during COVID-19. *Electronics*, 11(13), 1951.
- Nguyen, H.T. and Nguyen, A.H. (2020) 'Determinants of Accounting Information Systems Quality: Empirical evidence from Vietnam', *Accounting*, pp. 185–198.
- I M Alnajjar, M. (2017a) 'Impact of accounting information system on organizational performance: A study of smes in the UAE', *Global Review of Accounting and Finance*, 8(2), pp. 20–38.
- Soudani, S.N. (2012) "The usefulness of an accounting information system for effective organizational performance", *International Journal of Economics and Finance*, 4(5).
- Xie, Y., James Allen, C. and Ali, M. (2014), "An integrated decision support system for ERP implementation in small and medium sized enterprises", *Journal of Enterprise Information Management*, Vol. 27 No. 4, pp. 358-384.
- Lutfi, A., Al-Okaily, M., Alsyouf, A., Alsaad, A., & Taamneh, A. (2020). "The Impact of AIS Usage on AIS Effectiveness Among Jordanian SMEs: A Multi-group Analysis of the Role of Firm Size". *Global Business Review*, 0(0).
- Jong-Min Choe, (1998), "The effects of user participation on the design of accounting information systems", *Information & Management*, Vol 34, Issue 3, pp. 185-198.
- Putra, Y. M. (2019). Analysis of factors affecting the interests of SMEs using accounting applications. *Journal of Economics and Business*, 2(3).



- Tsakumis, G. T. (2007). The influence of culture on accountants' application of financial reporting rules. *Abacus*, 43(1), 27-48.
- Amani, F. A., & Fadhalla, A. M. (2017). Data mining applications in accounting: A review of the literature and organizing framework. *International Journal of Accounting Information Systems*, 24, 32-58.
- Barnea, A., Ronen, J., & Sadan, S. (1975). The implementation of accounting objectives: An application to extraordinary items. *The Accounting Review*, 50(1), 58-68.
- Marshall, T. E., & Lambert, S. L. (2018). Cloud-based intelligent accounting applications: accounting task automation using IBM watson cognitive computing. *Journal of emerging technologies in accounting*, 15(1), 199-215.