

## ROLE OF ARTIFICIAL INTELLIGENCE ON ACCOUNTING

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### ABSTRACT

*Artificial systems can be very powerful and are improving quickly. They provide outputs that can be extremely accurate. But they cannot replicate human intelligence. Due to development in information technology artificial intelligence has gained a lot of importance. The application of artificial intelligence in the field of accounting and finance is also increasing day by day. It has brought widespread changes and development in the accounting industry. This paper studies the applications of artificial intelligence in the field of accounting. This paper also studies the limitations of the applications of artificial intelligence in the field of accounting. This paper also gives suggestions on improving the effectiveness of artificial intelligence applications in the accounting field.*

**KEYWORDS:** *Artificial Intelligence, Accounting, Accounting Applications.*

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### Introduction

Artificial Intelligence is not the natural intelligence found in humans but it is machine language demonstrated by machines. It does the work of learning and problem-solving. The traditional problems of artificial intelligence were learning, mental ability, knowledge, natural language processing, and perception. Artificial intelligence uses many tools like mathematical equations, business models including versions of search and mathematical optimization, methods based on statistics, probability and econometrics.

In the twenty-first century, artificial intelligence techniques have experienced lots of development in computer power. Artificial techniques have become an essential part of the technology industry and are helping to resolve many complicating problems in computer science, software engineering, and operations research.

In present days, artificial intelligence technology has been widely used in horticulture, agro-farming, business, education and service industries. The artificial intelligence is running in its golden age. The use of robots in place of humans is increasing day by day. . There will be new changes in the field of accounting due to the application of artificial intelligence. The traditional accounting work was cumbersome and was facing the problem of repetition. The application of artificial intelligence can solve the problems of inefficiency and low added value in the accounting industry, making the accountants turn to more creative work and bring greater value to the company.

### Review of Literature

The following studies have been done on artificial intelligence and its impact on the accounting field. In 2016, Deloitte Touche Tohmatsu, one of the world's four largest accounting firms, announced the introduction of artificial intelligence into accounting, taxation, and auditing [1]. In 2017, artificial intelligence was first written into the Chinese government work report, and 15 departments including the Ministry of Finance worked together to build the world's major artificial intelligence innovation center. [2]. In February 2018, the "standards for the Training and Evaluation of Accounting Practice Information

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Application Capabilities" was approved in Beijing. The content covers two sections: artificial intelligence application and management accounting information application. The support of relevant policies and the issue of regulations mean that the combination of artificial intelligence and the accounting industry is an inevitable trend in the future.

### **Objectives of the Study**

- To study the applications of artificial intelligence in the field of accounting.
- To study the problems of the application of artificial intelligence in the accounting field.
- To give suggestions on improving the effectiveness of artificial intelligence applications in the field of accounting.

### **Research Methodology**

Secondary data have been used for this study. Journal, research papers, research articles, books, and magazines have been used for this study. Websites are also visited for the study.

### **Applications of Artificial Intelligence in the Field of Accounting**

Artificial Intelligence reduces human intervention that allows accountants to focus on more research-oriented works. The following are the applications of artificial intelligence in the field of accounting.

- **Monthly and Quarterly Close Procedure**

Artificial Intelligence can provide data from various sources, consolidate, and merge it. This would not only speed up the daily process but would be more accurate due to the involvement of machines.

- **Expense Management**

It is a time-consuming process to review and approve all expenses if done manually. But artificial intelligence can check receipts, review expenses quickly and easily and also can warn people if there is any breach.

- **Resolves Queries**

With artificial intelligence, machines can efficiently resolve common queries from users such as when bills are due, latest account balance, and status on accounts. This is done with the help of chatbots.

- **Accounts Payable/Receivable**

Artificial intelligence creates a strong invoice management system that can make accounts payable/receivable processing more streamlined with the help of digital workflow.

- **Audit**

During an audit, auditors need not search file cabinets for documentation as they can easily have access to the digital files. There are chances of auditing each and every firm's financial transaction, instead of just samples. There will be in-depth auditing. And this, in turn, increases the accuracy and efficiency of audits. Digitalization tracks the person who has accessed the and the time at which the file was accessed file, which increases the security of data and files.

### **Problems of the Application of Artificial Intelligence in the Accounting Field**

- **Involves High Cost**

Artificial Intelligence involves high investment with slow returns. To install artificial intelligence in an enterprise requires a huge amount of capital. First of all, capital investment and after the introduction of technology, it is necessary to adjust the management of human resources and the daily operation mode of the enterprise. Training programs are to be conducted for the use of new system features and the training of information security. It also involves lots of costs. Due to the amount of resources in the initial application and later operation, increase the cost of the product. It poses great challenges to the cost control of enterprises.

- **Lack of Experience**

The application of artificial intelligence in the accounting field is still in its infancy. It is limited to the preparation of financial reports. If artificial intelligence is used in accounting work, it will replace every step of traditional accounting, from recording of the data to the formation of accounting information, the generation of financial reports, analyzing the financial data, the decision-making process and to improve

the overall financial work. Artificial Intelligence has not yet entered the core areas of accounting such as financial analysis. The complexity of artificial intelligence technology and lack of application experience have brought great difficulties to its development. Therefore, there is still a long way to go for the development of Artificial Intelligence in the accounting field.

- **Lack of Accounting Professionals**

There is a lack of accounting professionals who have in-depth knowledge of artificial intelligence and its application in the accounting field. The application of artificial intelligence technology in the accounting field requires the corresponding professional talents to manage and control the accounting system. Accounting personnel not only need professional knowledge in the accounting field but also need proper training and skills to master information technology and data management, to adapt the changes of a new work situation.

- **Accounting Personnel Training Program in Universities Needs Improvement**

Currently, most universities have set relevant courses in accounting computerization. But there are some problems such as the theoretical contents of courses, availability of theoretical papers, no facility for practical applications, and there is lack of scientific computerization system, which cannot compete with the developments of the times. We are in need of trained college graduates in future. But outdated courses are provided in the universities. Updates in the syllabus are not made by board of studies which meet the current requirements of advancements. However, at present, the talent training programs in Indian Universities fail to make accounting reforms. There is lack of information technology courses related to artificial intelligence and pay less attention to the innovation of accounting principles and postulates. . This has lead to the lack of market competitiveness of college graduates and the inability to meet the market demand of the accounting industry in the future.

### **Suggestions**

- **The Government should encourage the application of artificial intelligence in the accounting field**

The Government should take initiative to encourage the use of artificial intelligence in the field of accounting. The government should also implement relevant plans and measures in various industries and actively create favorable environmental conditions for the development of artificial intelligence in the accounting field. Relevant policies and regulations are needed to support and guide the application of artificial intelligence in the accounting industry. Those enterprises that actively apply artificial intelligence should be given subsidies or tax reduction.

- **Support of Enterprise Management**

Artificial Intelligence has become a new focus for enterprises to improve their core competitiveness. Applying artificial intelligence at the accounting level will increase the cost of the enterprise in the short term, but looking forward to the future, it will enable the company to have more sustainable development capabilities and will occupy a place in the future of artificial intelligence. At present, technology giants such as Apple, Google and Microsoft are investing more and more resources to capture the artificial intelligence market. The domestic internet leader "BAT" is also actively deploying artificial intelligence. For example, Alibaba's face recognition technology in payment and financial services, and intelligent robot customer service on the shopping platform, these specific applications of artificial intelligence technology have driven the transformation and upgrading of business and services.

- **To improve the quality of accounting education in colleges and universities**

Colleges and universities should update their syllabus and courses according to modern technology and development. Colleges should constantly improve the quality of teachers by organizing refresher courses from time to time. Teachers should always keep aware themselves of the changes and trends in the development of international financial standards and accounting to make accounting classroom teaching and practical teaching keep pace with the development of the times. Universities also need to attach great importance to the combination of student's theoretical knowledge and practical knowledge, should strengthen cooperation between universities and enterprises, and strive to create practical opportunities to improve students' practical ability and cultivate applied accountants. We can cultivate excellent accounting talents that meet market demands by improving the teaching level.

- **Building of Accounting Professionals**

There should be programs to develop accounting professionals. Accounting personnel should change their concepts, actively study and creatively apply artificial intelligence and other related knowledge, and strive to become a high-level comprehensive accounting talent, to avoid being eliminated by the market. Accountants should pay attention to the improvement of personal professional skills and the cultivation of professional ethics, and establish the idea of lifelong learning to adapt to the rapid changes and development requirements of the accounting field in the future.

### **Conclusion**

Artificial Intelligence has ushered in the golden age. It is already impacting the marketing sector and would also bring radical changes in the accounting sector with a huge possibility of the reduction in costs and increased productivity. For global economic development it has become a new driving force. It is moving to industrial application from technology research and development. Nowadays accountants are freed from doing menial tasks and their roles are widened. Accountants would no longer have to look through the receipts and categorize dates and GST numbers. Chartered Accountants can now deliver more valuable and better service to clients, as well as focus on the development and extension of the company and overall success.. The accounting industry should also strengthen the main position of artificial intelligence application in the process of reform and innovation. Those enterprises which use this technology can capture opportunities and can upgrade in the new era. Intelligent finance and accounting is the future development trend. But in promoting the application of artificial intelligence in the accounting field, it is necessary for the country, enterprises, universities, individuals and other parties to work together, to effectively solve the problems arising in the process of its application. Due to the remarkable progress made by artificial intelligence, this new world would be well-known to accountants and their work in the field of accounting.

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