A STUDY ON CHALLENGES IN ADOPTION OF CLOUD-BASED ACCOUNTING IN CA FIRMS IN BANGALORE

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ABSTRACT

Growing technological innovations has led to new innovations in the accounting sector as well. Cloud Accounting is a software that is hosted on remote servers. It provides accounting capabilities to businesses in a fashion like the SaaS (Software as a Service) business model. It not only provides access to users on the go, anywhere and everywhere but also extended storage capacities which increases the accounting capacities of firms, meaning a Chartered Accountant (CA) firm can increase the number of clients as well. The objective of this study is to understand the challenges in the adoption of cloud-based accounting, in particular, in sole-proprietary CA firms in Bangalore. The target respondents are the Chartered accountants due to their involvement in advisory initiatives to their client companies. The data was collected from Chartered accountants across Bangalore. Primary data on the different variables related to the possible challenges hindering the adoption of cloud-based accounting was collected through a questionnaire which was prepared using Likert scale. Three hundred and seventeen Chartered accountants from a population of a thousand seven hundred eighty three across Bangalore were surveyed. The data was analysed using regression analysis and ANOVA. The results depicted the major challenges for the adoption of cloud-based accounting from the perspective of Chartered accountants. Conclusions were drawn from the results and it was found that unfamiliarity and cost are the biggest challenges for the non-adoption of Cloud-based accounting in sole proprietor CA firms. Therefore, it is important to note that the increase in the familiarity and reduction in the cost of adoption can influence a greater number of Chartered Accountants to adopt and use cloud-based accounting in their firms. The research can help cloud service providers to understand the reason for the low-rate of adoption, and try and overcome these challenges through means of better marketing about the features and the benefits of using such cloud-based accounting services.

Key Words: Cloud Accounting, Challenges, C.A, Firms
JEL Classification: C12, C83, M41, M42, O33
Paper Classification: Research Paper

INTRODUCTION

Accounting is the systematic and complete recording of financial transactions of a business. Accounting is also the process of summarizing, analysing and reporting the transactions to regulators and tax collection entities. The financial statements that summarize a company's operations, financial position and cash flows over a period are a brief summary of hundreds of thousands of financial transactions it may have been involved in over this period.

Accounting is one of the key functions for almost any business. It is often handled by a bookkeeper or an accountant at a small firm, or by dedicated large finance departments with a number of employees at bigger companies. The reports generated by the various streams that are in accounting, like cost accounting and management accounting, are vital in helping management make important business decisions. Basic accounting functions can normally be carried out by a bookkeeper, advanced accounting is

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characteristically handled by qualified accountants who possess designations such as Certified Public Accountant (CPA) in the United States, or Chartered Accountant (CA) in India.

Accounting was primarily done physically on paper. Huge amounts of paperwork and files was a common sight in accounting. With the introduction of Tally in the year 1986, things took a turn. Big companies developed their own accounting software, and smaller companies adopted Tally into their accounting system.

Tally. ERP 9 is one of the most popular accounting software used in India. It is a complete enterprise software for small & medium enterprises. It is a seamless business management solution and GST software with a perfect combination of function, control and in-built customisability.

It allows business owners and their associates to interact more in accounts related discussions and is a complete product which holds its original simplicity but yet provides wide-ranging business functionalities such as Accounting, Payroll, Inventory, Sales, Purchase, Finance, Point of Sales, etc., along with compliance capabilities for Excise, TDS, TCS, and GST too.

With the growth of technology, the accounting field also witnessed new innovations. Cloud accounting is one such innovation. It is a software-based on cloud computing.

Cloud computing is the availability of computer system resources based on the demand, especially data storage and computing power, without the direct continuous management by the user. Cloud computing is mostly used to describe data centres available to many users over the Internet. Large clouds often have functions distributed over multiple locations from central servers.

Clouds could be limited to a single organization (enterprise clouds), be available to many organizations (public cloud), or be a combination of both (hybrid cloud).

Cloud computing accounting software is an accounting software that is hosted on remote servers. It offers accounting abilities to businesses in a manner like the SaaS (Software as a Service) business model. Data is sent into "the cloud," where it is processed and returned to the user. All the functions of the said application are done off-site, not on the user's desktop.

In cloud-based accounting, users can access software applications remotely through the Internet or other networks via a cloud application service provider. Using cloud computing accounting software liberates the business from the hassle of having to install and maintain software on individual desktop computers. It also lets employees in remote or branch offices access the same data and the same version of the software.

Most cloud service providers normally charge based on usage of the application as compared to site license fees associated with the older accounting software available. Accounting data backup and data recovery is primarily a part of the cloud computing accounting software account.

Cloud computing accounting software can also be denoted as online accounting software or Web-based accounting software.

Cloud accounting firms adhere to the same financial standards as normal traditional accounting firms. The tools that are in use are changed, but the policies they abide by are the same. The Financial Accounting Standards Board creates financial standards, which dictates on how private companies prepare their financial reports. The Securities and Exchange Commission oversees the accounting practices of public entities, but it has, from the past, built its policies on the accounting model that the private sector runs.

Cloud accounting involves a few overhead expenses that are bored by the user. A computer and the availability of Internet connection are primarily the only can't-do-without investment. The virtual accountant

is ready for the user to input new information or generate a report at any possible time and place, while an actual accountant has limited work capabilities as the hour's pass. Owing to how regularly a user accesses their cloud accounting service, their subscription may cost less than what a professional would charge for the same availability. Also, cloud accounting saves time in the maintenance prospect than its traditional counterpart. The cloud service provider does the backups from time-to-time, updates of the software occur automatically, and nothing needs to be downloaded or installed on a company computer.

Cloud accounting is generally offered in two formats:

Hosted Application: Here, the software is run on a remote server on the client's desktop. Access to the software is through a remote session using the internet. In this, the user can use their existing files and software.

SaaS: Software as a service is one where the software is run on the service provider's servers and is available through a web browser. The data is stored with the vendor's servers.

Chartered Accountants are accounting professionals who work in all fields of finance and business, such as auditing, financial management, taxation, etc. However, their most important and most common responsibility is that of auditing.

As an auditing professional, a chartered accountant has more than one client, with an average of about 20 clients. As a result, they deal with a huge amount of financial data. All this data is stored in their remote systems, which is stored on their desktops. As cloud-based accounting provides data storage facilities, this provides an easy and convenient data expansion facility. Cloud accounting benefits CAs since they can get timely financial statements from their client, making data manipulation at the end of the financial year almost impossible. This also provides them with a platform to effectively manage and segregate their clients' data.

For this reason, the research has been conducted with Chartered Accountancy firms as the primary respondents. Chartered Accountants also behave as advisors to their clients, recommending them the latest accounting software and innovations.

LITERATURE REVIEW

Mahalakshmi (2017) talked about the awareness among accounting professionals about cloud accounting. In the paper, a survey was performed among chartered accountants and postgraduate teachers teaching accounting in Bengaluru city using purposive sampling. The sample chosen for the study consisted of accounting professionals in different experience groups. Two sample t-test was applied to the data collected from 30 chartered accountants and 30 postgraduate teachers teaching accounting, and it was found that there was no noteworthy difference in the level of awareness of cloud computing between chartered accountants and postgraduate teachers teaching accounting in Bengaluru.

Yasmen Ali and Upasana Thakur (2017) discussed the reasons for the lack of adoption of cloud accounting, with security being a high concern and cost, however, they also concluded that the younger generation of CAs is keener to adopt this technology.

Nurhajati (2016) assessed the current impact of cloud computing technology on the audit process. The firms taken in the study represented two of the four major accounting firms in the world. In a cloud environment the audit is a combination of information systems' audit and audit of Information Technology (audit of infrastructure IT). To understand the process of auditing in cloud computing settings is difficult since the technologies and controls are situated outside the entity. A standard framework for regulating audit in cloud computing is still in the stage of

development. It was found that there were differences in the auditing framework conducted by each audit firms.

Onyali, Chidiebele Innocent (2016) reported that proper awareness provided to users by the cloud service providers on not only the risk and benefits of the cloud, but the availability of more cloud service providers and a free trial of cloud services to clients for a restricted period will encourage the adoption of cloud computing. It was also found that there is a problem with unstable internet facilities in Nigeria, the author, therefore, concluded that before cloud computing could be effectively implemented stable internet access should be in place.

Ghosh (2015) explored the possibility of the rise of cloud-based e-accounting practices in India. He suggested that the organizations can design their own accounting software with the help of the cloud's infrastructure and can also design mobile-based applications connected to the cloud to maintain accounts. This helps the firms to be free from hardware or software investment and costs involved in software upgrades and maintenance.

Esther et al. (2014) took a random sample of 72 accountants in Ghana. The sample was further divided into three categories: accountants working in an organization using cloud computing, accountants working in an organization but not using cloud computing, and future accountants. As per their findings, the security of the data that is input could serve as a major drawback of cloud computing, particularly for the fact that financial information is confidential, however, cloud computing can still be used effectively for accounting purpose.

Mahlindayu Tarmidi, Siti Zaleha Abdul Rasid, Bakhtiar Alrazi, Rusli Abdul Roni (2014) found that the awareness of cloud computing was high. Out of the reasons explored, it was found that not understanding its uses was the largest reason for non-adoption. The authors concluded that although there is awareness about cloud computing, there is no knowledge which a huge setback for its growth is.

Gupta, Sheetharaman, & Rudolph (2013) Presented five factors influencing the cloud usage by small and medium-sized enterprises, where the needs and business requirements are very different from large enterprises. Ease of use and convenience are the major favourable factors closely followed by security and privacy and then cost reduction. SMEs do not consider clouds as dependable and at last, SMEs do not want to use clouds for sharing and collaborating and prefer their old convenient methods for sharing and collaborating their stakeholders.

Ceslovas and Regina (2012) examined the advantages and dangers of this newest technology for a business. They investigated the accounting systems for SMEs in Lithuania in cloud computing. Analysis of accounting systems in Lithuania market showed that Lithuanian companies prefer locally developed standalone accounting systems as compared to outsider technologies.

PROBLEM FORMULATION

Identification of Research gap

From the literature review conducted, it was found that most of the papers explored the awareness and the lack of adoption of cloud-based accounting in organisations and firms despite the awareness. The challenges for said adoption were not explored, and chartered accountants were surveyed, but their perception and views were not probed. There is also a lack of research regarding the challenges in the adoption.

Research question addressed

To study the challenges that deter the adoption of cloud-based accounting in chartered accountancy firms in Bangalore.

Research Objectives

RO1: To study the background and role of adoption of cloud accounting.

RO2: To identify the variables impacting the adoption of cloud accounting

RO3: To analyse the challenges of implementation of cloud accounting on their business activities.

RO4: To suggest suitable recommendations based on the findings of the study

Research Hypothesis

Hypothesis:

- **Security:**

H_0= Security has no impact on the non-adoption of cloud-based accounting

H_1= Security has an impact on the non-adoption of cloud-based accounting

- **Service Disruption:**

H_0= Service disruption has no impact on the non-adoption of cloud-based accounting

H_1= Service disruption has an impact on the non-adoption of cloud-based accounting

- **Unfamiliarity:**

H_0= Unfamiliarity has no impact on the non-adoption of cloud-based accounting

H_1= Unfamiliarity has an impact on the non-adoption of cloud-based accounting

- **Cost:**

H_0= Cost has no impact on the non-adoption of cloud-based accounting

H_1= Cost has an impact on the non-adoption of cloud-based accounting

RESEARCH METHODOLOGY

The research design adopted for achieving the objectives were descriptive in nature. The paper employs the use of both primary and secondary data. The primary data was collected through a structured questionnaire. The questionnaire was targeted towards Chartered Accountants. The question aimed at understanding the level of understanding of cloud-based accounting. The first part of the questionnaire enquired the personal details of the respondents, the second part contained the questions based on the variables identified and the final part contained a comment section for Chartered accountants to provide their thoughts on cloud-based accounting.

The secondary data was collected through papers and literature. Variables for the purpose of the study was identified along with the research gap.

Data and Sample

The study conducted is restricted to Bengaluru, Karnataka. Out of a total population of 1783 Chartered accountants in Bangalore, 317 were considered for the purpose of the study using a sample equation with a 95% confidence interval and 5% margin of error.

A structured questionnaire was prepared with the variables identified through literature review conducted. The questionnaire consisted of questions based on the possible challenges and hindrances that may affect the adoption of cloud-based accounting the CA firms.

Scale(s)

The main part of the questionnaire employed the use of Likert scale against which responses from respondents were recorded from the values 1 to 5. 1 pertaining to strongly agree and 5 pertaining to strongly disagree.

RESULTS AND ANALYSIS

Measure of Scale Reliability

Descriptive data analysis has been conducted using SPSS. Reliability analysis was conducted on the questionnaire. Cronbach Alpha measures the internal consistency of a data set, that is, it measures how closely related a set of items are as a group. It measures how well a set measures what it needs to measure. The questions were divided based on the variables used. Reliability test was conducted for the overall reliability of the questionnaire and individual variable reliability.

Table 1. Overall Cronbach Alpha Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.869	.869	24

Source: IBM SPSS Statistics 23

Cronbach's α was used to measure the questionnaire's overall consistency. The overall coefficient was found to be 0.869 which exceeds the minimal recommendations i.e., 0.8. Therefore, the internal consistency of the questions is relatively high.

Table 2. Individual variable Cronbach Alpha Reliability Test

Variables	**Cronbach Alpha**
Security	**.588**
Service Disruption	**.639**
Unfamiliarity	**.727**
Cost	**.666**
Non-Adoption	**.569**

Source: IBM SPSS Statistics 23

The above table displays the Cronbach's Alpha of the four independent variables and one dependent variable. It shows that the variable "Security" has the least consistency, meaning it does not align itself with the other variables.

Regression Analysis

Regression is a statistical measure that is used to predict or show the relationship between two variables, commonly a dependent variable and an independent variable.

A dependent variable is a factor for which is being predicted, that is, the factor that equation is being used to solve.

An independent variable is a factor that is used to predict the dependent variable in the equation.

Taking Non-Adoption as Dependent variable and Security, Service Disruption, Unfamiliarity and Cost as Independent variables

To establish a relationship between the dependent variable and the independent variables, the dependent variable, that is, Non-Adoption was regressed against the independent variables-Security, Service disruption, Unfamiliarity, and Cost. And the results of 317 Chartered Accountants from sole-proprietary firms in Bangalore are listed below:

Table 3. List of Variables

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Cost, Unfamiliarity, Security, Service disruption[b]	.	Enter

Source: IBM SPSS Statistics 23

a. Dependent Variable: Non-Adoption
The table shows that Cost, Unfamiliarity, Security and Service disruption are the independent variables, and Non-adoption is the dependent variable for which regression is calculated.

Multiple Regression R^2 and ANOVA

Table 4. Multiple Regression Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.784[a]	.615	.610	.25600	.615	124.585	4

a. Predictors: (Constant), Cost, Unfamiliarity, Security, Servicedisruption

Source: IBM SPSS Statistics 23

A multiple regression analysis was conducted to understand the relationship between the dependent variable non-adoption and the independent variables-security, service disruption, unfamiliarity, and cost.

The analysis shows that this model can explain 61% of the impact that the

independent variables- Security, service disruption, unfamiliarity, and cost have on the dependent variable Non-adoption. This is proven from the Adjusted R square of 0.610. The remaining 39% of the factors affecting the non-adoption of cloud accounting are not shown in this model.

The findings of the analysis show that there is a good strong relationship between Non - adoption and the independent variables, Security, service disruption, unfamiliarity and cost as evidenced by the regression model showing Coefficient of R as 78.4%. This result is supported by the R Square of about 61%, which is the proportion of total variance that is explained by the model.

Table 5. ANOVA Table

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.660	4	8.165	124.585	.000[b]
	Residual	20.448	312	.066		
	Total	53.107	316			

Source: IBM SPSS Statistics 23

a. Dependent Variable: NonAdoption

b. Predictors: (Constant), Cost, Unfamiliarity, Security, Servicedisruption

From the ANOVA results, the probability value obtained was of .000b. This implies that the regression model was significant, hence fitting in predicting the relationship between Non-adoption using independent variables such as Security, service disruption, unfamiliarity and cost since the p-value |t| (95% confidence level) is less than 0.05.

Linear Regression R^2

Table 6. Linear Regression

Variables	R^2	Adjusted R^2
Security	.295	.292
Service disruption	.253	.251
Unfamiliarity	.353	.351
Cost	.459	.457

Source: IBM SPSS Statistics 23

From the above table, it can be seen that the model for security is capable of explaining about 29.2% of the impact that it has on the dependent variable non-adoption, while the model for service disruption is capable of explaining 25.1% of the impact. Therefore, we can see that security and service disruption are the minor factors influencing the non-adoption of cloud-based accounting. However, the Unfamiliarity model can explain 35.1% of the impact, while the Cost model explains 45.7% of the impact on non-adoption. Therefore, it can be concluded that the major factors for non-adoption are Unfamiliarity and Cost. Since there is a lack of study on these variables in the Indian context, we can assume that the R^2 is acceptable.

p-Value and t-Test results from Linear Regression

A p-value is a tool that helps determine the significance of the results when a hypothesis test is conducted. A hypothesis test is generally used to test the legitimacy of a claim that is made regarding a population, this claim is the null hypothesis. An alternative hypothesis is accepted if the null hypothesis is proven to be untrue. The p-value is used to measure the strength of the evidence, it is normally a number between 0 and 1.

A small *p*-value (typically ≤ 0.05) indicates strong evidence against the null hypothesis, so the null hypothesis is rejected, and the alternative hypothesis is accepted.

A large *p*-value (> 0.05) indicates weak evidence against the null hypothesis, so the null hypothesis is accepted, and the alternative hypothesis is rejected.

The t-test value in regression measures the size of the difference in relation to the variance in the data collected. A higher t value provides greater evidence against the null hypothesis. Hence, the null hypothesis gets rejected.

For this research, the p-value was calculated through regression and the relationship between the dependent variable non-adoption and the independent variables-security, service disruption, unfamiliarity, and cost explored.

Relationship between Non-Adoption and Security

Table 7. Regression Coefficient of non-adoption and Security

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.693	.081		8.571	.000
	Security	.625	.054	.543	11.469	.000

Source: IBM SPSS Statistics 23 a. Dependent Variable: Non-Adoption

The regression analysis results show that the security concern is a significant predictor variable in the non-adoption as depicted by a p-Value |t| (95% confidence level) equal to 0.000 which is lesser than the P-value 0.05 which means they are strong in deterring the adoption of cloud-based accounting.

This outcome implies that with all other variable held constant, assurance of security will increase or decrease the willingness to adopt cloud accounting, possibly by one percent will on the average bring about a 0.625% change towards the adoption of cloud accounting.

The t-test results from regression model tell that there is a positive effect of 11.469 between these two variables.

Therefore, the null hypothesis "Security has no impact on the non-adoption of cloud-based accounting" is rejected while the alternative hypothesis "Security has an impact on the non-adoption of cloud-based accounting" is accepted.

Relationship between Non-Adoption and Service disruption

Table 8. Regression Coefficient of non-adoption and Service Disruption

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.881	.072		12.270	.000
	Servicedisruption	.485	.047	.503	10.328	.000

Source: IBM SPSS Statistics 23

a. Dependent Variable: Non-Adoption

The regression analysis results show that the possibility of service disruption is a significant predictor variable in the non-adoption as depicted by a p-Value |t| (95% confidence level) equal to 0.000 which is lesser than the P-value 0.05 which means they are strong in deterring the adoption of cloud-based accounting. This outcome implies that with all other variable held constant, assurance about continuous service flow will increase or decrease the willingness to adopt cloud accounting, possibly by one percent will on the average bring about a 0.485% change towards the adoption of cloud accounting.

The t-test results from regression model tell that there is a positive effect of 10.328 between these two variables. Therefore, the null hypothesis "Service disruption has no impact on the non-adoption of cloud-based accounting" is rejected while the alternative hypothesis "Service disruption has an impact on the non-adoption of cloud-based accounting" is accepted.

Relationship between Non-Adoption and Unfamiliarity

Table 9. Regression Coefficient of non-adoption and Unfamiliarity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.751	.067		11.222	.000
	Unfamiliarity	.499	.038	.594	13.115	.000

Source: IBM SPSS Statistics 23

a. Dependent Variable: Non-Adoption

The regression analysis results show that the lack of familiarity is a significant predictor variable in the non-adoption as depicted by a p-Value |t| (95% confidence level) equal to 0.000 which is lesser than the P-value 0.05 which means they are strong in deterring the adoption of cloud accounting.

This outcome implies that with all other variable held constant, familiarity will increase or decrease the willingness to

adopt cloud accounting, possibly by one percent will on the average bring about a 0.499 % change towards the adoption of cloud accounting.

The t-test results from regression model tell that there is a positive effect of 13.115 between these two variables. Therefore, the null hypothesis "Unfamiliarity has no impact on the non-adoption of cloud-based accounting" is rejected while the alternative hypothesis "Unfamiliarity has an impact on the non-adoption of cloud-based accounting" is accepted.

Relationship between Non-Adoption and Cost

Table 10. Regression Coefficient of non-adoption and Cost

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.571	.065		8.821	.000
	Cost	.663	.041	.678	16.352	.000

Source: IBM SPSS Statistics 23

a. Dependent Variable: Non-Adoption

The regression analysis results show that the cost of adoption is a significant predictor variable in the non-adoption as depicted by a p-Value |t| (95% confidence level) equal to 0.000 which is lesser than the P-value 0.05 which means they are strong in deterring the adoption of cloud accounting. This outcome implies that with all other variable held constant, affordability will increase or decrease the willingness to adopt cloud accounting, say by one percent will on the average bring about a 0.663% change towards the adoption of cloud accounting. The t-test results from regression model tell that there is a positive effect of 16.352 between these two variables. Therefore, the null hypothesis "Non-adoption has no impact on the non-adoption of cloud-based accounting" is rejected while the alternative hypothesis "Non-adoption has an impact on the non-adoption of cloud-based accounting" is accepted.

Hypothesis Test Results

Table 11. Table of Hypothesis Results

Objective	Hypothesis	Test Performed	Values (p-value and t-test value)	Inference
RO3	H_0= Security has no impact on the non-adoption of cloud-based accounting. H_1= Security has an impact on the non-adoption of cloud-based accounting.	Regression	p-value = 0.000 p-value < 0.05 t value= 11.469	H0 is rejected hence security has an influence on non-adoption.
	H_0= Service disruption has no impact on the non-adoption of cloud-based accounting. H_1= Service disruption has an impact on the non-adoption of cloud-based accounting.	Regression	p-value = 0.000 p-value < 0.05 t value=10.328	H0 is rejected hence service disruption has an influence on non-adoption.
	H_0= Unfamiliarity has no impact on the non-adoption of cloud-based accounting H_1= Unfamiliarity has an impact on the non-adoption of cloud-based accounting	Regression	p-value = 0.000 p-value <0.05 t value=13.115	H0 is rejected hence unfamiliarity has an influence on non-adoption.
	H_0= Cost has no impact on the non-adoption of cloud-based accounting H_1= Cost has an impact on the non-adoption of cloud-based accounting	Regression	p-value = 0.000 p-value < 0.05 t value=16.352	H0 is rejected hence cost has an influence on non-adoption.

CONCLUSION

Cloud accounting, although a new topic has quite an amount of awareness among individuals. Many cloud accounting service providers have come up over the years like, Zoho, Quickbooks, Profitbooks, Netsuites, etc.

The study conducted tried to explore the challenges of adoption of cloud-based accounting, even with the availability of many service providers. The study showed that the main challenges for implementation of cloud-based accounting was, security concerns, the need for a continuous service, the unfamiliarity with the new technology that was provided by cloud-based accounting software, and lastly the cost of adoption. The 317 Chartered Accountants surveyed talked about the complexity and the innovation of said cloud-based accounting. From the above results, it can be concluded that although cloud-based accounting is intriguing and sounds like a new and innovative solution for accounting, firms are still wary to adopt due to concerns regarding unfamiliarity and cost mainly.

RECOMMENDATIONS

After arriving at the results and the main reasons for the non-adoption of cloud-based accounting, the following recommendations have been provided to attempt and overcome these challenges:

- In terms of security concerns, cloud accounting access can be double encrypted with the requirement of an admin password.
- Cloud access can also be limited to IP addresses.
- Service disruption can be minimized by having two cloud servers operating a single cloud instead of one.
- To increase familiarity, cloud accounting can be a learnable course with the likes of Tally.ERP9
- Firms can opt for yearly renewal instead of one-time purchase to reduce temporarily reduce their costs.

LIMITATIONS

- The study is subject to time constraint.
- The study is limited to a single geographical location, that is, Bangalore.
- Only sole proprietary CA firms were surveyed.

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