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A Study on The Impact of Artificial Intelligence on Accounting

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Abstract:

Artificial Intelligence (AI) is reshaping accounting by automating repetitive activities, processing large volumes of financial information, and supporting analytical and decision-making tasks. This study examines the perceived role, applications, benefits, challenges, and future influence of AI in accounting. The study is based on primary data collected through a structured questionnaire from 70 respondents, supported by secondary information from published literature, reports, and professional sources. Descriptive statistics are used to present the survey results. The findings show a high level of AI awareness: 55.7% of respondents reported being very familiar with AI, while 80% considered AI increasingly important to accounting. More than half (57.1%) believed that AI reduces manual work, and 57.1% agreed that it can improve the accuracy of financial reporting. Financial analysis was identified as the leading perceived area of AI application (35.7%), while time saving was the most frequently identified benefit (47.1%). At the same time, respondents identified high technology cost, insufficient technical knowledge, and data-security concerns as important barriers. A strong majority (88.6%) expected AI to assume a larger role in accounting in the future. The study concludes that AI is likely to complement rather than wholly replace accounting professionals, making continuous technology-oriented learning, ethical oversight, and human judgement increasingly important.

Keywords: Artificial Intelligence; Accounting; Financial Reporting; Auditing; Data Analysis; Fraud Detection; Digital Transformation; Accounting Technology

Introduction:

Artificial Intelligence refers to computational systems capable of performing activities that ordinarily require human cognitive abilities, such as learning, pattern recognition, analysis, problem solving, and decision support. Its growing use across business functions has also changed the way accounting information is processed and interpreted.

Accounting traditionally depends on systematic recording, classification, summarisation, analysis, and reporting of financial information. Routine activities such as data entry, reconciliation, invoice processing, and basic calculations can consume considerable time and may be affected by manual errors. AI-enabled applications can automate portions of these activities and analyse large datasets more rapidly.

In accounting and auditing, AI is increasingly associated with document processing, financial analysis, anomaly identification, fraud-risk detection, audit support, and financial reporting. These applications can improve speed and consistency, but they also introduce issues relating to implementation cost, data security, transparency, professional responsibility, and the need for new technical skills.

The present study therefore focuses on respondents' awareness and perceptions of AI in accounting, its perceived applications and benefits, the barriers to adoption, and expectations regarding the future of accounting work.

Review of Literature:

Fajardo (2024): AI is transforming accounting and auditing through applications such as financial reporting, audit support, compliance, fraud detection, and data analysis. The study also emphasises that professional judgement, communication, and critical thinking remain important.

Lee and Tajudeen (2020): Evidence from Malaysian organisations shows that AI-based accounting software can automate invoice-related activities, improve process efficiency, support risk management, strengthen process governance, and reduce manpower requirements.

AlKoheji and Al-Sartawi (2022): The study discusses AI as a technology capable of improving business processes, reducing costs, and enhancing organisational performance while also highlighting implementation challenges.

Tandiono (2023): A review of research on AI in accounting education highlights the need for curricular reform and teaching approaches that prepare accounting graduates for technology-intensive professional environments.

Issa, Sun, and Vasarhelyi (2016): The study proposes research directions for applying AI in auditing and considers how intelligent technologies can supplement the audit workforce and analytical capabilities.

Kokina and Davenport (2017): The authors discuss the emergence of AI in auditing and the way automation is changing audit processes and professional work.

Moffitt, Rozario, and Vasarhelyi (2018): The study examines robotic process automation in auditing and demonstrates the relevance of automation to repetitive and structured audit activities.

The reviewed literature indicates a common theme: AI can enhance accounting efficiency and analytical capability, but successful adoption depends on appropriate governance, employee skills, data quality, and continued human oversight. The present study extends this discussion by examining the perceptions of 70 respondents regarding AI and accounting.

Objectives of The Study:

1. To examine the perceived significance of Artificial Intelligence in accounting.
2. To assess awareness of AI and its perceived adoption across accounting functions.
3. To identify the major benefits associated with AI-enabled accounting.
4. To identify the principal challenges that may restrict AI adoption in accounting.
5. To assess respondents' expectations regarding the future role of AI in accounting and accounting employment.

Research Methodology:

The study uses both primary and secondary data. Primary information was obtained through a structured questionnaire administered to 70 respondents. The questionnaire captured demographic characteristics, AI awareness, perceived applications, benefits, challenges, and expectations about the future of accounting jobs. Secondary information was drawn from published research, professional material, reports, and other sources identified in the original study. The analysis is descriptive and uses frequencies and percentages to interpret the responses.

The source material does not specify the survey period, geographical coverage of respondents, sampling technique, or inferential statistical test used. These details have therefore not been added or assumed in this revised manuscript.

Data Analysis and Interpretation:

1. Respondent Profile: Gender:

Response	No. of respondents	Percentage
Female	32	45.7%
Male	35	50.0%
Prefer not to say	3	4.3%
Total	70	100.0%

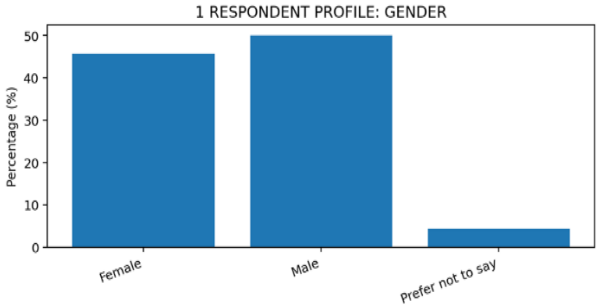


Figure 1. Distribution of responses

The gender distribution among the respondents is relatively balanced, indicating a fair representation of different gender groups in the study. Male respondents constitute 50.0% of the total sample, making them the largest group. Female respondents account for 45.7%, showing only a small difference compared with male participation. Additionally, 4.3% of respondents preferred not to disclose their gender. Overall, the distribution suggests that the study has included responses from both male and female participants in nearly equal proportions. The presence of respondents who preferred not to disclose their gender also reflects respect for individual privacy and personal choice in providing demographic information.

2. Respondent Profile: Occupation:

Response	No. of respondents	Percentage
Student	20	28.6%
Working professional	21	30.0%
Business owner	19	27.1%
Other	10	14.3%
Total	70	100.0%

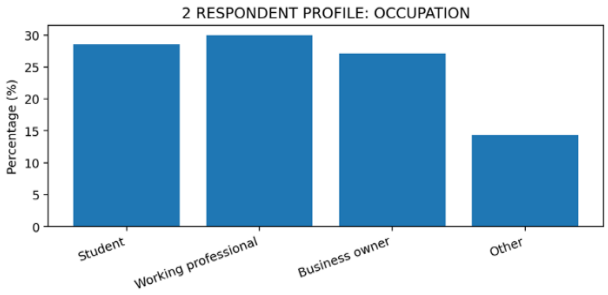


Figure 2. Distribution of responses

Working professionals constitute the largest occupational group among the respondents, accounting for 30.0% of the total sample. They are followed by students, who represent 28.6%, indicating strong participation from individuals currently pursuing their education. Business owners account for 27.1%, reflecting the views of respondents engaged in entrepreneurial and commercial activities. The relatively small difference among these three groups indicates a well-distributed occupational composition. This diverse mix of respondents provides valuable perspectives from people with different experiences, responsibilities, and levels of exposure to technology and accounting practices. Such representation strengthens the study by incorporating viewpoints from both academic and professional environments.

3. Awareness Of Artificial Intelligence:

Response	No. of respondents	Percentage
Very familiar	39	55.7%
Heard about it	19	27.1%
Somewhat familiar	11	15.7%
Yes	1	1.4%
Total	70	100.0%

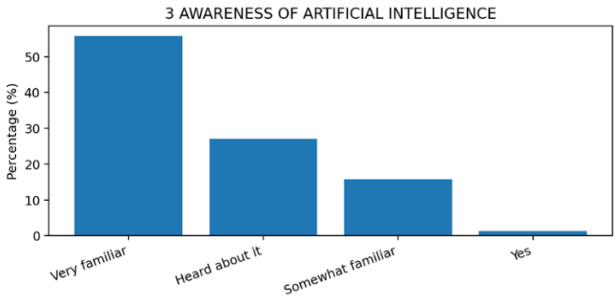


Figure 3. Distribution of responses

The findings indicate a high level of awareness and familiarity with Artificial Intelligence (AI) among the respondents. More than half of the participants, 55.7%, reported being very familiar with AI, demonstrating strong awareness of the technology and its growing applications. A further 27.1% stated that they had heard about AI, while 15.7% described themselves as somewhat familiar with it. This suggests that only a very small proportion of respondents have limited awareness of AI. Overall, the results demonstrate that AI has gained considerable recognition among the respondents, providing a strong foundation for understanding its potential applications and impact on accounting practices.

4. First Source of Learning About AI In Accounting:

Response	No. of respondents	Percentage
College/University	20	28.6%
Internet	23	32.9%
Workplace	14	20.0%
Other	13	18.6%
Total	70	100.0%

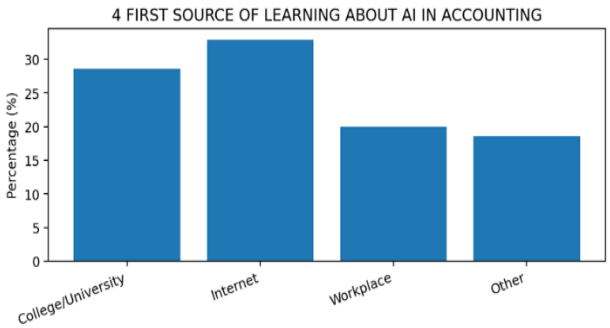


Figure 4. Distribution of responses

The internet is the most frequently reported first source of learning about AI in accounting, accounting for 32.9% of the respondents. This indicates the important role of online platforms, websites, videos, and digital resources in creating awareness about emerging technologies. Colleges and universities are the second major source, with 28.6% of respondents gaining their initial knowledge through academic institutions. Workplaces account for 20.0%, highlighting the role of professional exposure and organizational training. The remaining 18.6% selected other sources, such as social media, friends, professional networks, or personal learning. Overall, the findings show diverse sources of AI-related knowledge.

5. Perceived Importance of AI In Accounting:

Response	No. of respondents	Percentage
Yes	56	80.0%
No	14	20.0%
Total	70	100.0%

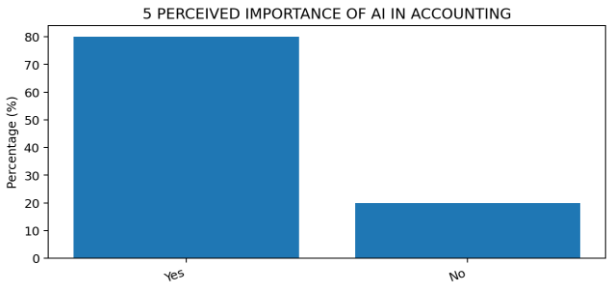


Figure 5. Distribution of responses

A strong majority of respondents, 80.0%, believe that Artificial Intelligence (AI) is becoming increasingly important in the field of accounting. This indicates a high level of awareness regarding the growing role of AI in modern accounting practices. The finding suggests that respondents recognize the potential of AI to support various accounting activities, including data processing, financial analysis, reporting, auditing, and decision-making. The increasing importance attached to AI also reflects the wider digital transformation taking place in the accounting profession. Overall, the responses indicate that most participants consider AI to be an important technological development that may significantly influence accounting practices in the future.

6. AI And The Accuracy of Financial Reporting:

Response	No. of respondents	Percentage
Agree	40	57.1%
Neutral	24	34.3%
Disagree	6	8.6%
Total	70	100.0%

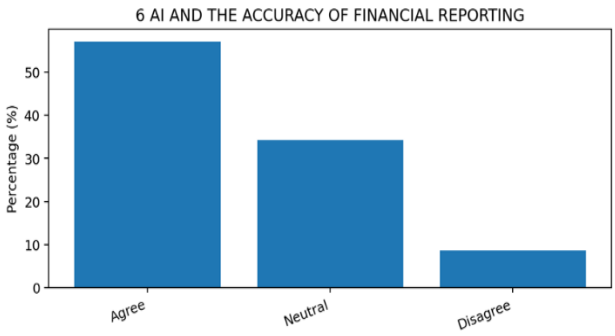


Figure 6. Distribution of responses

A majority of respondents, 57.1%, agree that Artificial Intelligence (AI) can improve the accuracy of financial reporting. This suggests that more than half of the participants recognize the potential of AI to reduce human errors, process financial data efficiently, and support reliable reporting. However, 34.3% of respondents remain neutral, indicating that a considerable proportion are still uncertain about the actual extent of AI's benefits in financial reporting. This uncertainty may be due to limited practical exposure, lack of technical knowledge, or concerns regarding the reliability of AI-generated results. Overall, the findings indicate a generally positive but cautious perception of AI's impact on financial reporting

7. Does AI Reduce Manual Work?:

Response	No. of respondents	Percentage
Yes	40	57.1%
No	8	11.4%
Maybe	22	31.4%
Total	70	100.0%

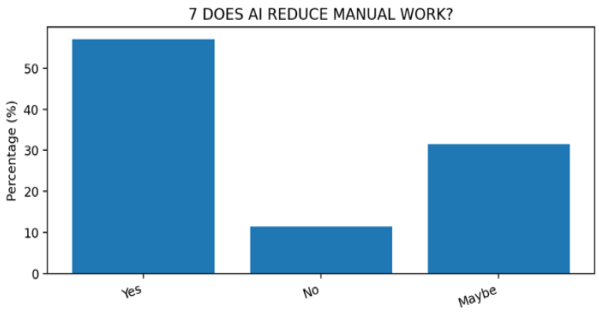


Figure 7. Distribution of responses

The results indicate a generally positive perception of AI-based automation in accounting activities. 57.1% of respondents believe that AI can reduce manual work, suggesting that they recognize its ability to automate repetitive tasks such as data entry, calculations, record keeping, and transaction processing. However, 31.4% of respondents selected "maybe," indicating some uncertainty regarding the practical extent of these benefits. This uncertainty may be related to limited exposure to AI tools, lack of technical knowledge, or concerns about implementation. Overall, the findings suggest that respondents acknowledge the potential of AI to reduce workload and improve efficiency, while remaining cautious about its actual effectiveness.

8. Perceived Area Of Greatest AI Use In Accounting:

Response	No. of respondents	Percentage
Data entry & bookkeeping	19	27.1%
Financial analysis	25	35.7%
Auditing	14	20.0%
Not sure	12	17.1%
Total	70	100.0%

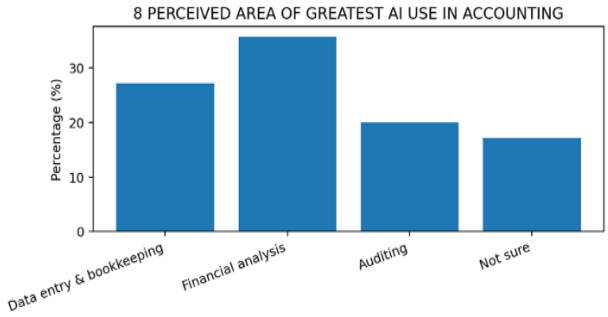


Figure 8. Distribution Financial

Analysis is perceived as the leading area of Artificial Intelligence (AI) application in accounting, selected by 35.7% of respondents. This indicates that respondents recognize the potential of AI to analyse large volumes of financial data, identify patterns, and support better decision-making. Data entry and bookkeeping are the next major areas, accounting for 27.1%, reflecting the usefulness of AI in automating repetitive and time-consuming accounting tasks. Auditing accounts for 20.0%, suggesting that respondents also recognize AI's role in checking records, identifying errors, and

detecting irregularities. Overall, the findings highlight the growing relevance of AI across various accounting functions.of responses

9. Biggest Benefit of AI in Accounting:

Response	No. of respondents	Percentage
Saves time	33	47.1%
Reduces errors	14	20.0%
Improves decision-making	23	32.9%
Total	70	100.0%

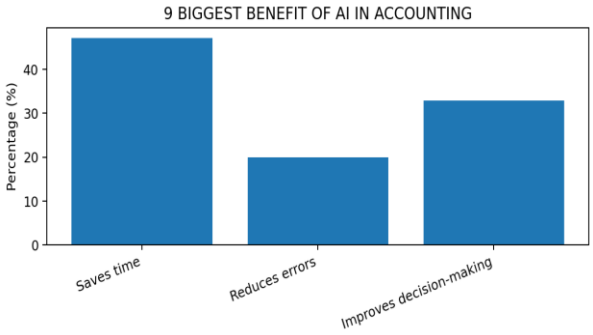


Figure 9. Distribution of responses

The findings indicate that saving time is the most significant benefit of using Artificial Intelligence (AI) in accounting, selected by 47.1% of respondents. This suggests that respondents value AI's ability to automate repetitive tasks and complete accounting activities more quickly and efficiently. Improved decision-making is the second most frequently identified benefit, with 32.9% of respondents recognizing AI's role in providing timely information and supporting financial decisions. Meanwhile, 20.0% of respondents consider error reduction to be the major benefit. Overall, the results indicate that respondents perceive AI as a useful tool for improving efficiency, decision-making, and accuracy in accounting.

10. Biggest Challenge of AI in Accounting:

Response	No. of respondents	Percentage
High technology cost	37	52.9%
Lack of technical knowledge	32	45.7%
Data security concerns	29	41.4%
Total	98	Multiple response

Note: Multiple-response question; totals may exceed 100%.

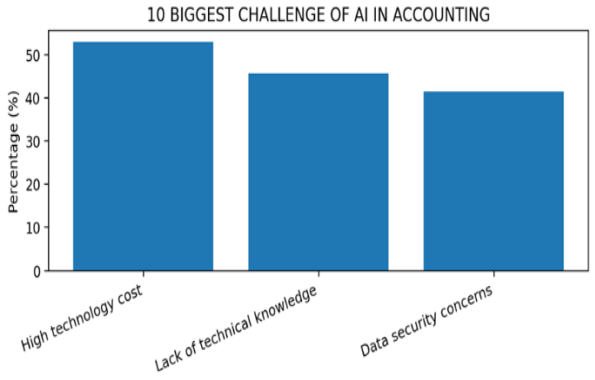


Figure 10. Distribution of responses

Note: Multiple-response question; percentages can exceed 100% when combined.

The findings indicate that high technology cost is the most frequently identified challenge in adopting Artificial Intelligence (AI) in accounting. This suggests that the financial investment required for AI tools, software, infrastructure, and implementation may discourage organizations from adopting these technologies. Lack of technical knowledge is another significant concern, highlighting the need for proper training and skill development among accounting professionals. Data-security concerns also represent an important challenge, particularly because accounting involves handling sensitive financial information. Since this was a multiple-response question, respondents could select more than one challenge; therefore, the percentages are not expected to total 100%.

11. Expected Effect of AI On Accounting Jobs:

Response	No. of respondents	Percentage
Create more opportunities	20	28.6%
Change nature of jobs	24	34.3%
Reduce opportunities	19	27.1%
No major impact	7	10.0%
Total	70	100.0%

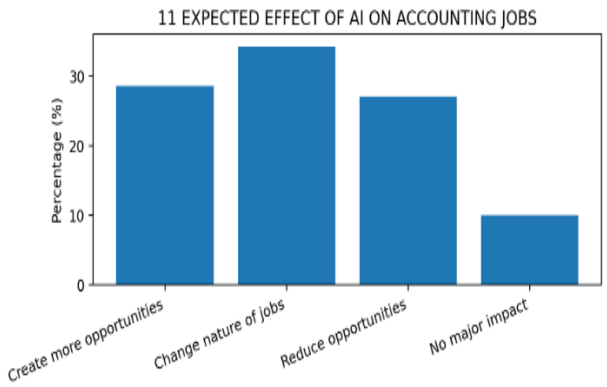


Figure 11. Distribution of responses

The findings indicate mixed perceptions regarding the impact of Artificial Intelligence (AI) on accounting employment. The largest group, 34.3%, believes that AI will change the nature of accounting jobs, suggesting that respondents expect professionals to adapt to new technologies and develop additional skills. At the same time, 28.6% of respondents expect AI to create more employment opportunities, particularly in technology-oriented and analytical roles. In contrast, 27.1% anticipate fewer opportunities due to increased automation of routine accounting tasks. Only 10.0% expect no major impact, indicating that most respondents believe AI will significantly influence the future of accounting employment.

12. Expected Future Role of AI:

Response	No. of respondents	Percentage
Yes	62	88.6%
No	8	11.4%
Total	70	100.0%

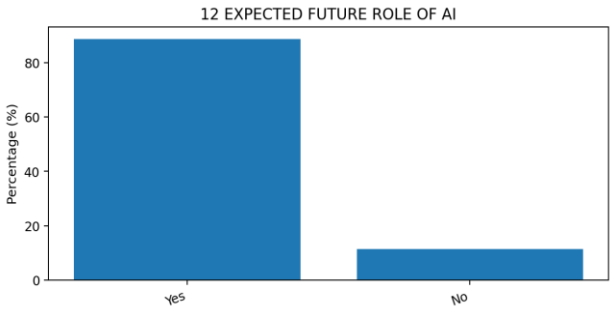


Figure 12. Distribution of responses

The strongest finding of the survey relates to the expected future role of Artificial Intelligence (AI) in accounting. A substantial 88.6% of respondents believe that AI will play a larger and more significant role in accounting in the future. This indicates widespread recognition of the growing importance of AI in modern accounting practices. Respondents appear to expect greater use of AI in areas such as financial analysis, reporting, auditing, data processing, and decision-making. In contrast, only 11.4% of respondents disagree with this view. Overall, the results demonstrate a strong positive perception of AI's future relevance and influence on the accounting profession.

Secondary Evidence: Illustrative PWC Case:

The original study also includes secondary observations concerning PwC. It reports that AI-supported automation reduced dependence on slower manual processes and improved the handling of large volumes of data. The source also associates AI-enabled tools, including Halo and Aura, with faster and more structured audit work, as well as improved fraud-risk and analytical capabilities.

These observations are presented as contextual secondary evidence rather than as a statistical test of the hypotheses relating to PwC. The source material does not provide a complete before-and-after dataset or significance testing; therefore, no causal or inferential claim is made in this revised version.

Major Findings:

The respondent profile is broadly balanced by gender, with 50.0% male and 45.7% female

respondents. Working professionals constitute the largest occupational group (30.0%), followed by students (28.6%) and business owners (27.1%).

1. AI awareness is high, with 55.7% of respondents describing themselves as very familiar with AI.
2. The internet is the most frequently reported first source of learning about AI in accounting (32.9%).
3. 80.0% of respondents believe that AI is becoming important in accounting.
4. 57.1% agree that AI can improve the accuracy of financial reporting.
5. 57.1% believe AI reduces manual work, although 31.4% remain uncertain.
6. Financial analysis is perceived as the leading accounting area for AI use (35.7%).
7. Saving time is the most frequently identified benefit of AI (47.1%).
8. High technology cost (52.9%) is the most frequently selected challenge, followed by lack of technical knowledge (45.7%) and data-security concerns (41.4%).
9. 34.3% expect AI to change the nature of accounting jobs; respondents are divided on whether AI will create or reduce opportunities.
10. 88.6% believe AI will play a larger role in accounting in the future.

Suggestions:

1. Organisations should adopt AI strategically, prioritising accounting processes where automation can generate measurable efficiency gains.
2. Accounting professionals should receive continuous training in AI-enabled tools, data analysis, digital controls, and technology-related risk management.
3. Institutions should strengthen accounting curricula by integrating AI, automation, analytics, digital ethics, and practical technology skills.
4. AI adoption should be supported by clear data-governance, privacy, security, transparency, and accountability mechanisms.
5. Human judgement should remain central to significant accounting and audit decisions, with AI used as an augmentation tool rather than an unquestioned substitute.
6. Organisations should evaluate implementation costs and expected benefits before scaling AI systems, particularly where resources are limited.
7. AI systems should be continuously monitored and validated to identify errors, bias, model limitations, and unusual outputs.

Limitations of The Study:

1. The primary analysis is based on responses from 70 participants; therefore, the findings should not automatically be generalised to all accounting professionals.
2. The source material does not state the sampling method, survey period, or detailed demographic profile beyond gender and occupation.
3. The analysis is primarily descriptive and does not report inferential statistical tests.
4. Some perceptions, particularly regarding the future of accounting employment, may change as AI technologies and organisational practices evolve.

Conclusion:

The study demonstrates a predominantly positive perception of Artificial Intelligence in accounting. Respondents associate AI with reduced manual effort, faster processing, improved financial-reporting accuracy, and stronger analytical support. The survey also shows that awareness is already substantial and that most respondents expect AI to become more influential in accounting. At the same time, adoption is not without constraints: implementation cost, technical-skill gaps, and data-security concerns remain important barriers.

The findings suggest that the future of accounting is likely to involve closer interaction between intelligent technologies and professional expertise. Rather than viewing AI only as a replacement for routine work, organisations can use it to augment accountants' analytical and

decision-support capabilities while retaining human judgement, accountability, and ethical oversight. Accordingly, investment in skills, governance, and responsible implementation will be essential for realising the benefits of AI in accounting.

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