

## AN EXAMINATION OF THE USE OF ACCOUNTING INFORMATION SYSTEMS AND THE SUCCESS OF SMALL BUSINESS IN EASTERN PROVINCE

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The purpose of this study is to explore the relationship between the use and sophistication of accounting information systems (AISs) and the success of small business in Eastern province. Additionally, this study explores the variables that influence Eastern province small business owners/managers in the extent of adoption (sophistication) of AISs. This study applied the contingency theory of management accounting information systems as the theoretical foundation of the study. The study sought to fill the gap in the literature related to the use of accounting information systems in Small Business. Previous empirical studies of owner/manager behaviour have resulted in conflicting findings with respect to accounting and business processes and systems utilized in small business. The data and information required for the study were obtained through a questionnaire survey. The primary concern is with the various financial practices within cooperating Small Businesses. Accounting information systems and their usage, financial system, historical and future-oriented AIS practices and historical financial statement analysis practices were considered. The research question central to this study is whether the sophistication of accounting information systems improves the success of Eastern province small business. The researcher expected to find that businesses owned by individuals with business-related education and previous business experience would be using more sophisticated AISs, and therefore, be more successful. The results of the study did show a positive relationship between the sophistication of the AIS and higher levels of sales in small business. Also, the study found a significant positive relationship between the importance the owner/manager placed on AISs and the sophistication of the AIS. The findings indicated no significant differences between the sophistication of accounting information systems and owner/manager education, experience, ethnicity, or gender.

**Keywords:** Accounting Information Systems, Eastern Province, Small Business