

REVIEW ON DIGITALIZATION ON ACCOUNTING AND FINANCE

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Abstract

Across all industries, accounting and finance have been significantly impacted by the growth of digital technology, which has opened up new opportunities for improved accuracy, efficiency, and strategic decision-making. These new possibilities have been made possible by the advent of digital technology. This article analyses the implications of digitization on accounting and finance, with a particular emphasis on the introduction of automation, cloud computing, artificial intelligence (AI), and block chain technology into traditional financial processes. The processing, analysis, and reporting of financial data have been fundamentally revolutionized as a result of the use of cloud-based accounting systems, analytics that are powered by artificial intelligence (AI), and robotic process automation (RPA). Not only do these technologies make it easier to generate real-time financial reports, but they also make it simpler to do boring tasks like data entry and reconciliation. This, in turn, minimises the risk of errors caused by human intervention and enhances compliance. Block chain technology is causing a shift in the way that money is transferred because to the fact that it records transactions in a manner that is not only accessible but also difficult to modify. The article discusses a number of risks and challenges that are associated with digitalisation. Some of these include the need to upskill individuals in a dynamic setting, the need to ensure that data is secure, and the need to comply with regulatory requirements. Through the examination of real-world examples and current trends, this paper demonstrates how the use of digital technology has enabled accounting and finance departments to become more data-driven, efficient, and adaptive organizations. The future of financial management is set to be changed by digital transformation, which will enable businesses to innovate and stay competitive in a complex and fast-paced corporate environment. This revolution will take place in the near future.

Keywords: digitalization, accounting, finance, automation, artificial intelligence, cloud computing, block chain, financial reporting, data security, regulatory compliance.

INTRODUCTION

As a result of digitalization, the accounting and financial sectors have been significantly influenced, which has resulted in a significant increase in efficiency, accuracy, and decision-making ability but also eliminating methods that have been in place for several years. Through the use of cloud computing, artificial intelligence, robotic process automation, and blockchain technology, the process of data entry, reconciliation, and financial reporting has been significantly simplified. Additionally, the possibility of human error has been minimised, and access to real-time information has been enhanced.[1] These advancements not only increase transparency and compliance, but they also make it possible to conduct operations that are data-driven, more agile, and more cost-effective. There are a number of challenges that come along with the move to digital banking, including the need for continual professional development, the need to comply with laws, and the need to ensure the security of data. As a consequence of this, the process of financial management is undergoing a transformation as a result of digitisation, which is increasing its responsiveness to the rapidly changing requirements of the modern business environment.[2]

OBJECTIVES

1. To study the challenges of digitalization accounting with different industry types.
2. To analyses the role of benefits and the adoption of digitalisation in firms.

REVIEW OF LITERATURE

Yunita Awang et, al (2022)At this very moment, the accounting profession is going through a substantial digital transition. Among the opportunity items, the ones that received the highest mean ratings were "Digitalisation provides better agronomics—support in performing heavy, dangerous, or complex work" and "Digitalisation

expands working time—work from anywhere and at any time." However, there were no variations between the sexes in terms of how they saw the opportunities or risks related with the digitalisation of accounting.

Oualid Meraghet, al (2021) As a direct result of the signals of digital transformation in corporate organisations, there have been observable enhancements, modifications, and innovations made to accounting information systems. This particular approach makes use of them as outputs rather than storing, classifying, or summarising them initially. It is of the utmost importance that individuals who are accountable for accounting information systems make efficient use of the systems that have been built in order to adapt to this transformation process. This will allow the transition to be complete by combining the many components that are used to construct the system and ensure that it will continue to function successfully.

Pushpalatha (2021) outlines the advantages of digital accounting, which include the reduction of the number of tasks involved in accounting, the development of a workforce that is both more productive and more competent, and the enhancement of the accuracy of data sets. As a result of the transition to digital accounting, data is now instantly available, which has resulted in an increase in the number of customers and staff. Considering the increased use of computers in accounting, it is now possible to prepare financial statements like as income statements, balance sheets, cash flow statements, and statements of shareholder ownership automatically.

Tahmina Khanom (2020) the technological forces are shaping our world is the point of departure. In addition to having an impact on almost every other facet of current life, it has an impact on the contemporary economy, social structures, and cultural practises. As a result of a number of variables, including globalisation, increasing levels of competition, and technological advancement, employment patterns are always developing and changing. It is also true in the field of accounting. Considering that accounting functions as a common language for commercial transactions, it has always been beneficial for all different kinds of businesses worldwide. The author feels forced to study the key obstacles and potential chances that this sector confronts in the modern world. This is due to the fact that the accounting company is being the most deeply influenced by quickly expanding digital technology in ways that are yet difficult to comprehend.

Danimir Gulin (2019) drew attention to the many advantages that digitalisation and improvements in information technology can offer to businesses. As a consequence of the advent of digitalisation, the accounting industry is likewise undergoing a significant amount of transformation. The manner that accountants approach their work will be altered as a result. Studies have shown that accountants will be the ones to accept these technologies and utilise them for their day-to-day work, despite the common concern that robots would one day eliminate their professions. This fear is contrary to the fact that accountants are the ones who are most likely to adopt these technologies.

DIGITIZATION

A paradigm change has occurred in the way that we conceive about and put into practice technological breakthroughs as a direct consequence of the introduction of digital technology. A "revolution in information technology" is one definition of digitisation. This definition includes upgrades to means of communication and data transmission, as well as compatibility with coding tools and apps for e-business websites. Humans have been exposed to a world in which digital codes reflect every element of existence as a result of the process of digitisation, which is part of the greater movement towards globalisation. Using a system of binary digits, the process of digitisation includes converting data from analogue sources, such as paper documents, audio recordings, or visual pictures, into digital ones. This may be accomplished by converting the data into digital format. As a consequence of the remarkable technical breakthroughs that have taken place over the course of the last several decades, travel times have consistently decreased, and communication methods have become more readily available. Not only has the advent of digital technology brought about changes in people's lives, but it has also brought about significant changes in business environments. As a result, it is now necessary to make a commitment to continuously upgrading organisational models rather of continuing to use the same old items. [3]

Digitization of Businesses

In recent years, the rapid adoption of e-commerce and e-government operations has been a driving force behind the innovations that have been brought about by the advancement of digital technology. It is impossible to quantify the effects of the new economy and online commerce in Turkey, despite the fact that a significant portion of the work to restructure the country's infrastructure has been completed and part of it is still in progress. The rise of the digital economy is occurring concurrently with the activities of organisations, both public and commercial, that are engaged in online commerce. The process of digitisation, throughout the course of time, brings about a revolution in every technological innovation and invention, each of which occurs in its own separate industry. Not only does it include the digitisation of data or data sources, but it also involves the digitalisation of business processes. The digitalisation of the whole body of information held by the organisation is something that should be taken into consideration in this context. When a firm makes the transition to digital, it has the potential to digitally alter every aspect of its operations, including the automation of corporate processes. When a firm makes the transition to digital, each and every link in the supply chain has the potential to undergo digital transformation. [4]

Areas of Digitization

The process of digitization symbolizes the revolution in information technology and displays the technological advancements that have been made, despite the fact that its boundaries are not precisely defined. Applications that may be covered by digitization include, but are not limited to, Industry 4.0, big data, cloud computing, robots, blockchain, Internet of Things, smart factories, 3D printers, and e-applications.

Big Data

The term "big data" refers to vast volumes of data that are difficult to understand, stored in an unstructured manner, and collected from a wide range of sources. When it comes to the quantity of data that is generated and saved on a daily basis on a worldwide scale, there is no way to measure it. This is the information that is the focus of the discipline of big data. The three pillars of the big data platform—volume, velocity, and variety—have expanded to become five pillars as a result of the addition of two additional components. To generate big data, you need data that is of a high quality and data that has a significant amount of value. The advent of cloud computing has made it possible for new systems to filter, compress, and access massive amounts of data. In order to accommodate the petabyte and exabyte scale calculations that are characteristic of big data, data and programming languages are critical components of information technology infrastructure. During this time, cloud computing platforms are also being used to provide services related to big data.[5]

Block chain

Due to the fact that blockchain technology is a decentralised ledger management system, it does away with the need for a central authority. Because of its adaptability, it is also helpful for keeping track of physical or numerical assets and the transactions that apply to them. Although the majority of people think of it in terms of digital money transfers, it is also useful elsewhere. Among the many advantages that blockchain technology offers, some of the most notable ones are decentralisation, anonymity, traceability, and sustainability. Furthermore, the system, which is protected against cyberattacks and is generated by linked chain codes and digital signatures of powerful computers, will be available to everyone for the purpose of utilisation and monitoring.

FINANCE

The field of finance is concerned with the allocation (investment) of assets and liabilities across a variety of places and time periods, and this may occasionally take place in an environment that is unexpected or dangerous. To put it another way, finance may be defined as the study of how to effectively manage money. Investors and traders in the market attempt to assign valuations to assets based on the inherent value of the asset, the degree of risk associated with the asset, and the expected return on the asset. There are three primary subfields that fall under the umbrella of finance: personal finance, corporate finance, and institutional finance. As we investigate the origins of money, we can discover that it existed prior to the development of human civilisation. Originally, the word "finance" was derived from the French language. As early as the 18th century, English-speaking nations had reinterpreted it to mean "the management of money." The addition of this word to the English language is now irreversible. Within the last several decades, the area of finance has developed into a more major academic discipline than it was even a generation ago. Within the realm of economics, accounting and finance are presently regarded to be subfields. Consequently, the process of financial planning and management has become an integral part of our everyday life. We now make frequent use of this word, which has become commonplace.

Financial Theories

Inflation, unemployment, and economic growth are some of the real-world economic variables that financial economists study in connection to asset values, interest rates, and stock market shares. In contrast to conventional economics, which centres on products and services, financial economics investigates the links between real-world economic factors and financial variables, as well as the risk-reward balance inherent in investment policy choices. It goes beyond only explaining how rational investors handle risk using models like the Capital Asset Pricing Model (CAPM) and contemporary portfolio theory. Principles of investment and company valuation under certainty may be better understood with the aid of financial economics, which adds to corporate finance theory via important theorems such as the Modigliani-Miller theorem and the Fisher Separation theorem. Financial econometrics, which uses econometric methods to parameterise financial connections and build predictive models, also relies heavily on it.[6]

Another related area of study is financial mathematics, which uses mathematical techniques to create models of financial markets and the underlying numerical models that are used to determine the prices of derivatives and options. Financial engineering, which is primarily concerned with practical applications and places an emphasis on the development and evaluation of intricate financial products, has many commonalities with this field. Quantitative analysis has its roots in mathematical finance, which is essential for risk management and option pricing. Insurance mathematics and quantitative portfolio theory tackle practical financial issues like minimising losses and maximising profits.

The purpose of experimental finance is to get a better understanding of market dynamics, price setting, and information dissemination by studying agent behaviour in controlled market settings. In order to refine or challenge current models in behavioural finance and financial economics, researchers employ trading simulators or fake market settings to test hypotheses. Experts in behavioural finance study the ways in which investors, managers, and others involved in the financial market are influenced by their emotions, prejudices, and psychological variables. This subfield of finance clarifies the major departures from classical economic theory

and how illogical actions and cognitive biases cause market inefficiencies. Additionally, the effects of investor psychology on asset prices, trading volumes, and market returns are the primary areas of study. Behavioural finance helps us understand better financial choices, market behaviour, and trend forecasting by examining experimental asset markets and making predictions based on these findings.

AREAS OF FINANCE

Personal Finance

A broad variety of actions, such as saving for retirement, paying for education, and accumulating long-term assets like a home and vehicle, are included in the activities that fall under the umbrella of personal financial management. The administration of loans and debts is also a component of it. According to the Financial Planning Standards Board, the following are the six most important aspects of personal financial planning at the individual level: 1) Financial Position, which involves assessing personal resources through net worth (assets minus liabilities) and household cash flows to determine goal feasibility; 2) Adequate Protection, which focusses on safeguarding against risks like liability, health, and disability through insurance; 3) Tax Planning, which involves managing income tax to minimise lifetime tax burdens by utilising deductions, credits, and tax-deferred savings opportunities; 4) Investment and Accumulation Goals, which focusses on accumulating assets for significant life events like buying a home or saving for retirement, requiring careful asset allocation and inflation risk management; 5) Retirement Planning, which involves estimating retirement costs and developing strategies to ensure sufficient income.[7]

Corporate Finance

The field of corporate finance involves a broad variety of subjects, such as the capital structure and sources of funding, management methods for maximising shareholder value, and analysis and techniques for allocating financial resources. Although the theoretical framework of corporate finance is unique from that of managerial finance, the essential concepts that are taught in this discipline are applicable to the study of financial challenges that are encountered by all different kinds of firms. There are three primary features of capital resource allocation in corporate finance. These aspects often involve maximising an entity's assets, net incoming cash flow, and stock value while maintaining a balance between profitability and risk. First and foremost, "capital budgeting" necessitates the making of decisions at the highest level on possible "projects" to start. Capital budgeting encompasses not just the several conventional approaches of valuing firms but also the true options that are available. In the second place, there is the issue of "sources of capital," which refers to the many ways in which these investments will be procured for financial support. Capital for investments may come from a variety of sources, such as private or public stock offers made by shareholders, bonds issued by creditors, and cash flow generated by the day-to-day activities of the company. Banking institutions often provide lines of credit to companies that are in need of either short-term liquidity or operational capital. Because of the harmony that exists between these components, the capital structure of a corporation is the consequence. In the third place, "the dividend policy" stipulates that management is obligated to make a decision about whether or not to distribute any excess revenue to shareholders in a certain way or to retain it for use in future investments or to meet operational requirements. The process of managing a company's short-term cash, inventory, and debts is sometimes referred to as "working capital management," which is a frequent name for the technique.

Public Finance

When it comes to the administration of financial resources, public finance is comprised of sovereign states, sub-national organisations (such as municipalities, counties, and provinces), and public agencies (such as school districts). A long-term strategic perspective, often encompassing a period of five years or more, is required for investment decisions that have an impact on public companies. One of the most important aspects of public finance is determining how much money the public sector needs and where that money is coming from. Another important aspect of public finance is the issuance of debt (specifically, municipal bonds) to pay public works projects. Central banks, such as the Federal Reserve in the United States and the Bank of England in the United Kingdom, provide a key duty in public finance. They do this by acting as lenders of last resort and by having a significant effect on the monetary and credit conditions in the economy.[8]

Digital Finance

The retail industry, the media industry, the transportation industry, and business-to-business commerce are all following the example of other industries that have been severely impacted by digital transformation. The financial services industry is following in their footsteps. Because of the ease with which one may get computer power, internet connection, data storage, and advanced analytical tools, all of which have practical uses in the financial industry, it was inevitable that this would occur in this manner. The financial services industry is particularly susceptible to disruptions brought about by technology advancements because of the extensive history of the production, use, storage, processing, and transportation of electronic money. The design, production, marketing, delivery, and service responsibilities, as well as the interactions between firms both internally and externally, have been transformed as a result of technology innovations such as distributed supply chains, freelance design, outsourced manufacturing, contract warehousing and delivery, and other technical advancements. Data analysis is being used by online marketplaces, distributors, and back-end operations in

order to increase the efficiency of customer service, speed up delivery, and enhance risk assessment. This is being done in order to support the adjustments that are being made.

ACCOUNTING

Accounting is a service sector, and its primary objective is to assist individuals in making more informed choices on their economic situations by supplying them with numerical data, which is often of a financial character, concerning a variety of economic organisations. In light of this, accounting may be seen as the act of keeping track of money in order to provide various individuals with the ability to use it to make decisions and find solutions to issues that arise inside their company. Despite the fact that accounting does not produce money on its own, it may be of assistance in the process of accumulating and preserving wealth if the knowledge that it generates is beneficial to other people. The term "language of business" refers to accountancy. The reporting and dissemination of information pertaining to the firm is the primary focus. In the same way that learning a new language enables one to engage and communicate with others, accounting is a skill that must be learnt and practiced in order to effectively represent the occurrences of a company. The fundamentals and symbols that are used in accounting are comparable to those that are utilised in a language. Both are dependent on and advocate for the use of fundamental symbols and standards. The representation, display, and presentation of accounting data, which includes words and numbers, debit and credit, is often accomplished via the use of symbols that are dedicated to accounting.[9]

Digital accounting

When it comes to accounting, the term "digits" refers to numbers, however in the field of computer science, the term "digits" refers to the representation of information as a string of zeros and ones that is readable, writeable, and storable. The prefix "e" is abbreviated as "electrical," referring to the use of electricity to power electronic equipment such as computers. Electronic accounting, often known as digital accounting, is a kind of accounting that involves the representation of accounting data in a digital format, which enables electronic modification and transfer. The word "digital accounting" does not refer to a particular definition; rather, it is used to represent the manner in which accounting has developed as a consequence of improvements in computer technology and networking. Accounting, which is both the science and the art of evaluating the performance of a firm, has advanced alongside enterprises, particularly in this period during which information technology has been prevalent. Databases, data warehouses, personal computers, productivity software, local area networks (LANs), wide area networks (WANs), specialised accounting software, and enterprise resource planning (ERP) systems are only some of the technical advancements that have had a significant impact on accounting theory and practice. As an example, throughout the course of the last several decades, there has been a continuous evolution in the techniques of data input, the procedures of data storage and processing, the final reports, the internal controls, the audit trails, and the skill sets of accountants among other things.

IMPACT ON THE ACCOUNTING PROFESSION

The accounting profession has undergone a transformation, shifting away from work that is static and repetitive and towards a position that is more active and strategic inside businesses. Bookkeeping, the preparation of financial statements, and compliance responsibilities have historically been duties that have been assigned to accountants. Cloud computing, artificial intelligence, robotic process automation, and blockchain are just a few examples of the digital tools and technologies that have automated accounting procedures that were previously performed manually. This has freed up more time for accountants to concentrate on more strategic work. With the assistance of these instruments, accountants are able to make significant contributions to the planning and strategy of the firm. These instruments improve the speed and accuracy of data processing and make it possible to conduct financial analysis in real time. As a result of the widespread use of digital technology, the profession of accounting has evolved from one that is reactive to one that is proactive. A growing number of accountants are turning to predictive analytics that are powered by artificial intelligence in order to better plan for the future, recognise trends, and anticipate possible financial threats. Accountants are increasingly seen as useful advisors by upper management, who can depend on them to assist in the formulation of plans for the future and to make their organisations more adaptive. This transformation has occurred as a consequence of the aforementioned development. In addition, the use of big data analytics has brought about a change in the way that accountants evaluate complex financial data. It is possible for accountants to enhance decision-making by doing statistical analysis on enormous amounts of data in order to discover linkages and patterns that were previously missing. The technical revolution in blockchain technology has had an effect on accounting. This revolution has enhanced the integrity and transparency of monetary transactions, which has had an influence on accounting. By reducing the risk of errors and fraudulent activity, the use of this decentralised ledger system contributes to an improvement in trust in the reporting of financial information. Because auditors can now access data that cannot be altered in real time, blockchain technology has made auditing procedures more straightforward. The need for accountants who are proficient in blockchain technology and forensic accounting has increased as a result of this, and these accountants are required to maintain a high degree of technical proficiency. Since the advent of digitalisation, the skill sets that are essential for accountants to possess in order to be successful in the modern workplace have also undergone significant changes. Not only are accounting businesses searching for applicants with more traditional fields of study, but they are also looking for candidates who have good technological abilities, data analytics skills, and the ability to think strategically among other things. In recent years, there has

been an increase in the number of academic and organisational initiatives that are developed with the purpose of upgrading and creating new skill sets. This is a reaction to the rising need for more diversified skill sets. Universities are starting to include courses on digital technology, artificial intelligence, and blockchain into their accounting curriculum. Additionally, corporations are investing money in training programs to aid employees in adapting to the new reality that they are working in.[10]

On the other hand, despite the fact that digitisation has unquestionably made many elements of life better; it has also posed new challenges for accountants. A significant number of professionals are hesitant to adopt new technology for a variety of reasons, including a lack of knowledge with the technology or a fear of losing their jobs. As a result of ethical issues, the utilisation of digital technologies is already problematic. Some examples of these problems are the risk of bias in artificial intelligence algorithms and the lack of transparency around automated decision-making processes. When digital systems are depended upon, the likelihood of cybersecurity risks increased. These dangers include data breaches and efforts to hack into the system. In the midst of these challenges, accountants have the responsibility of guiding their customers towards the ethical and secure use of technology. Both the strategic function that accounting plays inside businesses and the scope of its influence have expanded significantly as a direct consequence of the rise of digitisation. While advances in technology have made it possible to take advantage of a wide range of new opportunities, they have also made it more challenging to keep up with the constantly shifting environment and to adjust to new circumstances. In the increasingly digital world of today, accountants are playing an increasingly crucial role as data analysts and strategic advisors, which is driving the success of organisations.

IMPACT ON FINANCE

The financial sector has undergone a paradigm shift, which has resulted in changes to the operations of financial institutions, investment strategies, and risk management. The speed, precision, and efficiency of financial processes have been significantly increased because to the implementation of modern technology such as blockchain, artificial intelligence (AI), big data analytics, and cloud computing, amongst other comparable technological instruments. The traditional financial processes have been transformed as a result of these developments, which have enabled companies to strengthen their customer service, simplify their operations, and acquire a competitive advantage in a market that is very competitive. One of the most apparent impacts that digitisation has had on the industry is on the automation of boring but vital financial operations. These activities include the processing of transactions, the management of invoices, and the reconciliation of accounts. With the use of technologies such as robotic process automation (RPA), financial professionals are now able to dedicate more time to high-level activities such as budgeting, forecasting, and analysis. These processes have become more straightforward and have decreased the possibility of errors caused by human intervention. Additionally, technology that is driven by artificial intelligence has fundamentally revolutionized the process of making financial decisions since it provides improved skills for predictive analytics. Experts in finance may be able to more accurately forecast future financial performance, recognise trends, and sort through huge amounts of data with the use of the newly developed capabilities for real-time analytics.

The manner in which banks and other financial institutions approach investment management has been influenced by the advent of digitalisation. The expansion of algorithmic trading has resulted in the power of complicated algorithms that are able to swiftly evaluate market circumstances and carry out transactions. These algorithms are increasingly controlling investment methods. This has resulted in an increase in both the efficiency of the capital markets as well as the low transaction costs that they typically have. Just a few examples of how the proliferation of FinTech technology has democratized access to financial services include crowd funding solutions, peer-to-peer lending, and digital payment systems. Also included in this category are crowd funding solutions. As a consequence of these innovations, which have posed a threat to the more traditional financial institutions, the sector has seen a rise in the amount of creativity and inclusiveness.

The blockchain technology has suddenly become a significant matter when it comes to the issue of ensuring that financial transactions are both secure and transparent. Blockchain technology eliminates the need for intermediaries, which results in a reduction in the amount of time and money required to complete transactions. This, in turn, enhances trust and accountability. Traditional financial paradigms have been shaken up as a result of the introduction of crypto currencies, which are founded on blockchain technology. These cryptocurrencies have introduced new investment alternatives and asset categories. To further simplify monetary agreements, the use of blockchain technology in smart contracts has made them automatically executable upon the satisfaction of specific conditions. This has resulted in the simplification of the process. Also, when it comes to the management of financial risks, the advent of digitalization has completely altered the game. With the help of cutting-edge analytics and artificial intelligence technology, the capability to identify, analyse, and mitigate financial risks has been significantly enhanced. It is possible, for instance, to monitor financial data in real time in order to identify abnormalities, which may assist in preventing fraud or the inappropriate use of money. Digital solutions improve compliance reporting in addition to making it easier to conform to regulatory requirements in a more efficient manner.

Making the switch to digital banking is not going to be an easy process. By placing an excessive amount of trust on digital technology, one increases their susceptibility to cyberattacks, data breaches, and hacking that may

occur. For the purpose of protecting sensitive data, financial institutions have to make substantial investments in robust security measures. A skills gap is also formed as a result of the rapid pace at which technological advancements are being made, which makes it necessary for financial professionals to continually increase their technical expertise. Problems of an ethical nature, such as issues over the privacy of data and the use of artificial intelligence in decision-making, further complicate the usage of digital technology. There has been a significant impact that the introduction of digitalization has had on the financial sector, which has resulted in increased transparency, efficiency, and innovation. In spite of the fact that there are a great number of benefits, such as improved methods of investment and administration of finances, there are also a great number of drawbacks, such as the need for robust precautions against cybercrime and ethical issues. It will be necessary for businesses and financial professionals to adapt to the changing times in order to make full advantage of digitisation while simultaneously reducing risks.

FINDINGS OF THE STUDY

Over the course of the study conducted on the digitisation of accounting and finance, revolutionary consequences, vast opportunities, and major impediments were discovered. We are now able to reach better levels of efficiency and accuracy with far less potential for human error because to the automation and digitisation of traditionally labour-intensive financial activities like as data entry, reconciliation, and compliance checks. It is now possible for businesses to save both time and money as a result of these advancements. Additionally, they are able to create real-time financial data, which enables them to make choices that are both timely and informed. Businesses have been able to acquire a competitive edge by using predictive analytics and AI-driven forecasting, which have further improved financial planning and risk assessment. This has resulted in the businesses gaining a competitive advantage.

The roles of accounting and finance professionals have evolved over the years, shifting from simple bookkeeping to a greater emphasis on advisory and strategic work. Due to the fact that technology is now taking care of boring tasks, professionals are now free to focus on providing useful insights and interpreting data. Cloud computing, artificial intelligence (AI), blockchain, and robotic process automation (RPA) are examples of cutting-edge technologies that are being used by an increasing number of businesses. These technologies increase security, scalability, and transparency. One example of how blockchain technology has improved the safety of audits and financial transactions is that it has made them more secure. The findings of the investigation also shed light on the challenges that are associated with putting these technologies into effect. However, one of the challenges that small and medium-sized firms (SMEs) must contend with is the high initial costs associated with the use of digital technology. Given addition, given the current financial sector, which is becoming more digitalised, there are valid concerns about cyber security risks such as data breaches and fraud. Another factor that makes adoption more difficult is the unwillingness of professionals to change, which is often brought on by a lack of adequate technical expertise and worries about the stability of their jobs. There are ethical and regulatory considerations that arise as a result of concerns around bias, transparency, and accountability in judgements that include artificial intelligence. In spite of these challenges, digitalisation presents a significant opportunity for expanded operations. Businesses have the ability to improve on a number of fronts, including customer service, operational efficiency, and financial success. The manner that individuals utilise banking and investing is being altered by the introduction of new financial technologies. Online payment systems and peer-to-peer lending platforms are two examples of this kind of technology. It is quite expected that the landscape of financial research and management will undergo significant transformations as a result of recent advancements such as the Internet of Things (IoT) and autonomous systems powered by artificial intelligence (AI). The Metaverse and other virtual worlds have the potential to alter the relationships that exist between customers and financial advisers.

CHALLENGES AND LIMITATIONS

There are a number of obstacles and challenges that need to be conquered before accounting and finance may be implemented digitally properly. The substantial initial cost of deploying cutting-edge digital tools and technology is one of the most significant challenges, particularly for small and medium-sized enterprises (SMEs). The cost of these costs is impacted by a number of factors, including software, infrastructure, and personnel training to maximize the use of new technology. Due to the fact that financial information is both precious and very fragile, it is also susceptible to vulnerabilities such as cyber attacks and data breaches. Businesses have to spend a significant amount of money on security solutions in order to ensure the safety of their data.

A further significant barrier is the unwillingness of professionals in the fields of finance and accounting to implement change. A great number of individuals are content with the current state of affairs and may be hesitant to make changes due to the fear of losing their employment or because they are unsure of how to make use of new technologies. In addition, there are ethical considerations, particularly in light of the increasing likelihood that decisions would be made by artificial intelligence. Regulatory and ethical considerations may emerge if artificial intelligence systems exhibit bias or draw conclusions that are not clear. When these issues are taken

into consideration, it is essential to take a balanced approach to digitalization, which involves blending technological advancements with intelligent human supervision.

OPPORTUNITIES AND FUTURE TRENDS

Opportunities

Both accounting and finance are two fields that stand to gain a great deal from the widespread use of digital technology. One of the most significant benefits is due to the fact that the reporting of financial information is now more precise and efficient. As a result of automated processes that reduce the likelihood of errors caused by human intervention, professionals are now able to dedicate their time and energy to higher-level, more strategic undertakings such as financial planning and investment analysis. With the assistance of digital solutions that provide real-time financial data, businesses are able to make decisions that are both prompt and very well-informed. As a result of its nimbleness, it is highly vital in today's fast-paced and competitive corporate environment, where accurate and up-to-date data may give an advantage.

Future Trends

The fields of accounting and finance are going to be considerably influenced by a number of exciting new trends that are expected to emerge in the imminent future. In recent years, autonomous accounting systems that are powered by artificial intelligence have made significant advancements, which have enabled them to undertake complex tasks such as the processing of taxes, the detection of fraud, and compliance checks completely by them. Integration of the Internet of Things (IoT) with financial systems is yet another recent breakthrough that makes it possible to easily collect and analyses data from connected devices. It's possible that managing expenses, keeping track of assets, and funding supply chain operations may all profit from this link. Many people feel that the Metaverse and virtual environments will bring about a significant change in the way that financial planning and consumer interaction are addressed. It is possible that financial advisers might give their clients with a more individualized and engaging experience by communicating with them in virtual reality settings. In a world that is becoming more digitalized, these innovations not only promise to boost efficiency and creativity, but they also underline the need of ongoing adaptation in order to sustain competitiveness.

CONCLUSION

Cutting-edge technologies such as blockchain, artificial intelligence, and cloud computing have transformed the accounting and financial sectors by contributing to an increase in productivity, accuracy, and the ability to make decisions. With the help of these technologies, it has become much simpler to streamline processes, improve the quality of financial reporting in real time, and improve risk management. There are still significant challenges to overcome, including data security, regulatory compliance, and a lack of sufficiently skilled workers. As the process of digitalisation continues to advance, the future of accounting and finance will be influenced by new technologies and concepts that provide even more efficiency and insight. In order for organisations to maintain their competitive edge in the increasingly digital financial industry, they need to adjust to these advances by embracing new technology while also using risk management strategies. The objective of this study was to provide a response to the question, "What does the business model of a digitalised accounting firm look like?" This was accomplished by analysing the structure of such a model and putting up fundamental recommendations for how digital firms need to be formed. Our primary purpose has been to shed light on the decision-making processes of digital accounting companies in order to assist you in manoeuvring more effectively within the market, which is constantly evolving.

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