IMPACT OF ACCOUNTING INFORMATION SYSTEM ON CREDIT MANAGEMENT: PROBLEMS AND PROSPECTS

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ABSTRACT

The study examines the impact of Accounting Information System on Credit Management; Problems and Prospects. It x-rays the two concepts in Accounting namely, Accounting Information System (AIS) and Credit Management. The types of Accounting Information Systems and their relevance in credit management of firms in Nigeria were considered. The research is entirely qualitative and builds on an extensive literature from other scholars. This study found that Accounting Information System is a panacea to the challenges confronting firms in the management of credit. Furthermore, it revealed that Accounting Information System has helped in the interpretation of accounts receivables and accounts payables which are the basis of credit management. The study concluded that Accounting Information System should be installed production firms in Nigeria to enhance their credit management processes. Finally, it recommended that Accounting Information System should be adopted as a tool by production firms in controlling and managing of their credit activities.

Keywords: Accounting Information System, Credit Management, Accounts Receivables, Accounts Payable & Management Decision Making.

1.1 INTRODUCTION:

Accounting Information System (AIS) as a veritable tool in the hands of accountants has aided accounting practices in several ways. Managers and other financial experts are not left out in the use of AIS in the management of credit system of their organisations. AIS has changed the way of capturing, processing, storing and distributing of information in organisations. Any firm that wants to survive must base their decisions on the output of information from the Accounting Information System for rightful decision making. This is achieved by the level of AIS installed in such organisation. There have been advancements in information technology, which have led to the introduction of varied accounting information systems in many organisations targeted towards helping organisations to produce relevant financial reports for both management and external users of accounting information and for decision making (Abiahu, 2017).

Also Accounting Information System (AIS) is a program incorporated in the field of Information and Technology Systems and Accounting practice. It is designed to help link the management and control of the firm's economic activities as it regards to day to day running of the organisation. This can only be done with the use of computers and computer capabilities and software in the performance of accounting functions in an organization. (Abiahu, 2014).

Accounting is the language of business as it is the basic tool for recording, reporting and evaluating economic events and transactions that affect business enterprise. It is the process whereby all documents of a business financial performance from payroll, cost, capital expenditure and other obligations to sale revenue and owner's equity are evidenced to facilitate economic decisions. It provides financial information about one's business to the internal and external users of accounting information, such as managers, investors and others. It is sometimes referred to as a means to an end, with the ending being the decision that helped by the availability of accounting information (Smith, 2015).

Credit management is one of the most important activities in any company and cannot be overstressed by any economic enterprise or business concerns engaged in one credit dealings or the other irrespective of its business nature. It is the process to ensure that customers will pay for the products delivered or the services rendered in future without immediate financial backing (Nwaezeaku, 2007). Credit management is financial strategy adopted by a firm to ensure that they maintain an optimal level of credit and its effective management in a firm.

Credit Management is an aspect of financial management involving credit analysis, credit rating, credit classification and credit reporting. Nwaezeaku (2007), defines credit management as simply the means by which an entity manages its credit sales. It is a prerequisite for any entity dealing with credit transactions since it is impossible to have a zero-credit involvement in business operation or default risk.

The higher the amount of accounts receivables and their age, the higher the finance costs incurred to maintain them. If these receivables are not collected on time and urgent cash needs arise, a firm may result to borrowing and the opportunity cost is the interest expense paid.

Kargi, (2011) opined that credit management greatly influences the success or failure of organizations. This is because the failure of these organizations is influenced to a large extent by the quality of credit decisions and thus the quality of the risky assets. He further notes that, credit management provides a leading indicator of the quality of organizations credit portfolio. A key requirement for effective credit management is the ability to intelligently and efficiently manage customer credit lines. In order to minimise exposure to bad debt, over-reserving and bankruptcies, companies must have greater insight into customer financial strength, credit score history and changing payment patterns. Kargi (2011) further explained that credit management is the process of giving out credit, mapping or setting out the terms and conditions (agreement) on how the credit will be granted and how the credit will be recovered when it is due. He pointed out that the essences of credit management of firms are to ensure that credit policies are strictly adhered to, and compliance are enforced by the firm to the customers without fear or favour.

Also, a credit manager is a person employed by a firm to manage, control and coordinate the credit activities and decisions concerning credit acceptance and level risk involved. The credit manager handles the transactions or payments on accounts receivables and accounts payables of the firm.

Credit management starts with the sale and does not stop until the full and final payment has been received (Grande, 2011). It is as important as part of the deal as closing the sale. In fact, a sale is technically not a sale until the money has been collected. It follows that principles of goods lending shall be concerned with ensuring, so far as possible that the borrower will be able to make scheduled payments with interest in full and within the required time period otherwise**,** the profit from an interest earned is reduced or even wiped out by the bad debt when the customer eventually defaults. Credit management is concerned primarily with managing debtors and financing debts. The objectives of credit management can be stated as safeguarding the company's investments in debtors and optimizing operational cash flows. Policies and procedures must be applied for granting credit to customers, collecting payment and limiting the risk of non-payments.

1.2 Statement of the Problem

Generally, the use of accounting information system has become critical factor in changing competitive environment of business, for the firms to effectively and efficiently manage their credit systems, a sound knowledge of the accounting information system that regulates the credit activities of the organisation needs to be understood by the staff of the organisation in order to take a proper decision on the credit management of the firm. The major problems discovered from credit management include the following; the storing and processing of credit information, retrieval of the credit information and disseminations of credit information to the credit users using AIS (Appelbaum et al ,2017)

Another problem confronting the credit management of several organizations are to manage the accounting software that drives the credit facilities of the organization. This involves the identification of fundamental concept of accounting information system to be implemented by the firm, which can affect the company positively or negatively and therefore, there is a problem if a particular concepts of accounting information used by the firm affect the management decision negatively and this helps us to recognize the reason for the negative effect, which can be as a result of adoption of wrong information or uncertified accountant giving wrong information to the company which can lead to wrong decision to the progress of the firm. The problem of accurate accounting information system designed in determining data and report qualities on credit information on which credit management of organizations are being managed.

1.3 Objectives of the Study:

The main objective of this study is to examine the impact of accounting information system on credit management of production firms in Nigeria. The other specific objectives of this study are:

(a) To evaluate effective accounting information system in providing adequate credit information in the management of production firms.

(b) To examine the effects of accounting information system on the management of account receivables and account payables on production firms in Nigeria.

(c) To evaluate the accuracy of accounting information system software used in the credit management of firms in the areas of storage, retrieval and dissemination of information to the credit users of the firms.

1.4 Significance of the Study

The following are the importance of accounting information system on the credit management of firm in Nigeria, they are as follows:

a) Accounting information system has helped in credit Management of firms by experiencing a rapid growth improvement on credit performance and eliminating poor credit management through the application of accounting information system.

b) AIS has helped in effective and efficient credit management by analysing the credit periods and the time for the repayment of credit given the customers. Accounting information system has helped managers in retrieving their credit information without stress, through the use of accounting information software.
c) Accounting information system has helped in the control the control of credit, with the advent or introduction of accounting information system, it has gone a long way in drastically reducing the volume of bad debts from the list of debtors. Accounting software that interprets the duration of the credit and payback period has tremendously helped in credit management of firms.

1.5 Scope of the Study

The study has its bounds on Accounting information System and credit management which are two concepts in Accounting. The study was conducted in 2020 using Nigeria as a reference point

1.6 Limitations of the Study

Time: Time was indeed a great challenge, the researchers had only two months to conduct this study in the midst of a busy academic schedule. This was a short period to carry out a research of this magnitude, more could had been down if there were time available for the study.

.2.0 LITERATURE REVIEW

2.1 Meaning of Accounting Information System (AIS)

The advent of information technologies (IT) which have covered a wider range of business transaction in the world. The importance of information technologies in the business world and production sector cannot be over-emphasised. For the sake of this research work which is anchored on the 'the impact of accounting information system on credit management'. The research is being narrowed down to an aspect of information technology known as the (AIS). Accounting information system has proven to be a wonderful tool used by managers, scholars, business analyst, investors and entrepreneurs. As a powerful tool, it helps in controlling the economic and financial transaction of organisations through computerised accounting packages or accounting techniques (Grande, 2011). Accounting information system are computerized accounting software technologies used in analysing and evaluations of business transactions all over the world. These accounting software are combinations of several sophisticated IT technologies by experts to analyse, track, control and report the financial and economic activities to the external and internal users of the information.

Many scholars defined Accounting Information System(AIS) in different ways: In the words of Ahmad,(2014;24) he explained that Accounting Information System is "a set of interrelated softwares elements composed and configured with organisations data base of individual staff, data and instruments that address the data and converts it to Information that are being used for the accounting purposes and for the decision making of management."

Okwudili et al, (2017:156) explained that Accounting Information System is "a group of associated components which are together and consist of one of the main component of the system of an entity. The four main component of an entity include the following; inputs, processors, output, feedback and finally system boundaries. They rightly pointed out in their work that ''every Accounting Information system has a set of elements and reactants components of the relevant reciprocity that interact together to collect, operate, store, distribute the necessary information for the decision making process in the organisation". Their work also stated that Accounting information system is unified system that take the same protocols and command in order to collect the appropriate data, process it, store it and deliver the appropriate information. This appropriate information is needed at the appropriate time and accuracy suitable for the process of decision making in the organization and in a form that contributes to achieve the target goals or objectives of the firm.

According to Abiahu,(2014) defined an Accounting Information System as a set of interrelated and unified subsystems that work together to collect, process, and store, transform, distribute information for planning and easily retrieval of the information for decisions making of the organisation.

Also Accounting Information System (AIS) is a tool which was incorporated in the field of Information Technology Systems, which are designed to help link the management and control of the organisation and economic activities of entities. This involves the use of computers and computer capabilities in the carrying out of accounting functions in a business concern. (Abiahu, 2014).

Okwudiri et al, (2017), throws more light on the meaning on the term accounting information system to buttress the understanding of both professionals and non-professionals in the field of accounting. In his work, the three words (accounting information system) would be elaborated separately in this form; accounting, information and system. These three different components together perform an onerous work as systems used in recording the firms' accounting and financial transactions. This system uses all the protocols, methodologies and capabilities in controlling accounting activities of an organisation. These techniques with the technology of the information technology industry are used to track transactions that provide internal reporting data, external reporting data, financial statements, and trend analysis of the previous years of the business activities and the performance of a firm.

Grande et al, (2010) opined that in managing any organisation and implementing an internal control system of the firm, the role of accounting information system (AIS) is crucial and paramount. An important question in the field of accounting and management decision making concerns the fit of accounting information system with organization. The benefits of accounting information system in every organisation can be evaluated, its impacts on improvement of decision making of firms are enormous. Kashif (2018) opined that AIS is combination of people, equipment,software, policies and procedures that work together to collect data, transforms it to information for the use of the organization. He viewed AIS as an entity composed of several interdependent subsystems working harmoniously in accordance with the led down policies of the organization to ensure timely, accurate and reliable information for decision making.

2.2 Types of Accounting Information System.

Broadly speaking, Accounting information System (AIS) is categorised into three main types namely: manual system, computerized Accounting Information System and database systems.

a). Manual System

Abiahu (2014), explained that manual accounting information system makes use of traditional physical registers and account books for keeping accounting and financial records. He further pointed out that in this kind of accounting information system, accounting works are done manually with traditional paper and pen. Accountants prepare their financial transactions in a crude means by using books, vouchers and registers. One of the shortcomings of manual form of accounting information system is that information are not properly stored for easily retrieval for the end users to make an informed decisions. But the era of manual accounting information system are gradually being faced out with the emergence and advent of information technology softwares that enable computerized accounting system that are characterised with accuracy, easily retrieval of information and convenience speed.

Also, manual systems are labour intensive, here human beings perform the job of machines for this system relies on human processing. Because manual system relies on human processing, they could be prone to error and mistakes.

b) Computer-Based Accounting Information System

Computer based Accounting Information System according to Ballada (2011), is a kind of accounting system that makes use of software in recording accounting and financial activities of the organisation electronically. Grande (2016) rightly stated that computerized accounting information system uses customised data- based system to record financial information. Computerised accounting information system required only data inputs and the computer performs the calculation with the aid of the software. It was revealed that computerised accounting system comparatively has a higher speed in performing calculations. In a computerised accounting information system entries of business transaction can be saved and backed up. A computerized accounting system provides instant balance on daily basis and financial statement of the business organisation are made available at the click of a bottom. Computerised accounting information system relies strongly on the concepts and framework of data based systematically structured and maintained with active interface where accounting programs and other application reporting systems software are used. Also, organizations installed several forms of information technology in their accounting information system because of the advancements in information technology computer-based transaction system was created. In this form of Accounting Information system, accounting data are kept separately secured from other operating data. At this point, there is a greater degree of compartmentalisation of work in order to preserve the integrity of accounting information system Ballada (2011). It was noticed that with the use of computerized accounting information system internal control system of firms where strengthen, errors, mistakes and frauds were easily detected and pointed out for further preventions.

c) Database Systems.

This kind of accounting information system reduces inadequacies and information redundancies. Database systems such as enterprise resource planning (ERP) depart from the accounting equation method of organising data. This system helps in capturing both financial and non-financial data, and then it stores that information in the data bank .

The following are the advantages of this system include recognition of business rather that just accounting events; it supports in the reduction in operating inefficiencies and; the elimination of data redundancy.

2.3 Quality of Accounting Information System

Grande et al,(2010) emphasised that quality of accounting information systems (AIS) can be actegorised on three forms: information scope or forms, timeliness and aggregation scope. Information scope is classified as nonfinancial and financial information, external and internal information that is being used by the users of accounting information. Timeliness quality is related to the ability of AIS to urgently provide relay a particular information needed by providing systematic and timely reports to the users. Aggregation of information is maintained as means of gathering and classifying information within a given specific period. Nelson et al (2005) articulated several criteria for measuring the quality of AIS, they saw the diverse dimensions of flexibility, reliability, accessibility integration and timeliness of the system. Ramadhan (2018) in his work measured the quality of Accounting information system with security or protocols attached the system and ease of use and efficiency. He also measured the dimensions of the quality of management accounting information system using formalization of media richness, integration, accessibility and flexibility. Stair and Reynolds (2010) 0pined generally that features of the quality of AIS which are flexible, efficient, accessible and timely. Rahin and Napitupulu (2018) Specifically maintained that quality of accounting information system in the form of integration, reliability, flexible, efficient and transparent. The performance ability of effectiveness of the AIS is evaluated by its ability to provide or render essential service, such as customer and staff payrolls, billing activities and to meet up the financial or credit informational needs of its customers, staff and management of the firm. The performance of AIS from the system include some that could be regarded as discretionary and non-discretionary, when it is discretionary the AIS is manipulated by individuals but non-discretionary AIS activities are automated by the system. Activities of the firms such as sales analysis, account receivables and accounts payables and other activities like mandatory tax reports by the firm depending on the period. The effectiveness and efficiency of the AIS must be measured by the cost and contribution to the growth of the firm. (Saejdi and Prasad, 2014).

The quality of AIS must be accurate, reliable in operation and information provided must trustworthy to the account's users within the time frame. The quality of accounting information ensures that the suitable internal control is installed to protect the integrity of the information and other resources installed stored in them. Also, AIS play its wonderful role in motivating the internal and external users of accounting information, the objectives of the management on the policies and programmes of the organization are maximized (Saejdi and Prasad, 2014).

2.4 Characteristics of Accounting Information System

These are important qualities or features which every accounting information system should have for it to function effectively and efficiently, Okwudili et al,(2017) they include:
a) Appropriateness: In order for accounting information to give the desired benefit, the accounting information system should do the work on which it was installed for. Here, the software should not has any encumbrances in performing the task on which it was established. This implied that there should be appropriateness and there should no trial and error in the usage of accounting information system in any organization.

b) Comparability: Accounting information system of a firm should be compared with other firms accounting system. The ability to do intra- firm comparison (that is within the firm) and inter- firm comparison (with other firms). Comparison with other firms within the sectors allows the firms to network and share resources in common. The accessibility and comparability of resources of firms in the same sector or the once that are not in the same sector makes accounting information system a tool for comparing the activities of different firms. This also helps firms to improve on their shortcomings as a result of periodic comparison which could be quarter on quarter and year on year comparison.
c) Fulfilment: Fulfilment standard depends on the quantity and quality of information and the extent of absorption of members of the management team in the accounting information, in order to satisfy their needs of information and give benefits that are greater than the cost of its preparation. This quality states that the users of the information system should be satisfy with its performance.

d) **Understandability**: Accounting information system should be simple and straightforward for users to understand and appreciate it. This means that there should be no ambiguity of any kind, information provided by the system should be clear and brief for every on to comprehend, the information should not be vague. Every information about the system should be provided to the users of the system.
e) **Reliability**: One of the most outstanding qualities of accounting information system is the reliability of the information provided. The system should be highly secured for the integrity of the information stored and the use of passwords and personal identification numbers (PIN)

should be encouraged to avoid infiltrations of the information system. Also, all information provided by AIS must be traceable and verifiable with secured passwords and codes.

f) **Relevance:** Accounting information system should be seen and valued as a thing of paramount important to the users of the accounting information system. Outdated technologies and software should be discouraged. The information provided by the system should be relevant and necessary for the growth and development of the firm.

2.4 Relevance of Accounting Information System on Credit Management

The outstanding function of AIS is to assign quantitative value of the past, present and future business activities (Rehab, 2018). Accounting information system has gone a long way in assisting managers in credit management of their firms, in the form of periodic reports or special analyses of the receivables and payables of the organisation, is often a source of information for making decisions. These decisions could come inform of pricing, production l and product mix levels, decision on outsourcing, make or buying of products, inventory policy, labour negotiation, customer servicing, and capital investments (Horngren et al, 2005; Sprinkle, 2003).

Accounting information systems play an important role in the implementation of the credit management functions of the organisation such as planning and controlling of credit activities of a firm(Samer, 2016). In the planning functions, AIS provide data that relates to the study and analyze the goals set for the organization as regards to the credit undertakings of the firm. Also, Accounting Information System provides information regarding the relationship between cost, volume and profit required to determine the number and capacity of credit the organisation can carry at any level of production. Accounting Information System under the planning function also helps in preparing lists financial flows and budgets for the formulation of quantitative criteria for converting the credit periods of customers. (Frezatti et al (2011).

On the other hand, in the control function, it requires a clear specific on the credit plans that shows the desired goals and defines the foundations on which results are evaluated and analysed in order to correct previous shortcomings. This function is regarded as a practical, proactive test of decision making and implementation. There is a follow up the actual implementation in accordance with the plans, standards established and policies, the discovery of deviations could be corrected in the future credit activities of the firm (Onaolapo and Odetayo, 2012).

Computerized accounting tools as a subsystem and integral part of Accounting Information System (AIS) are directly connected to the financial and business results on credit activities and management of a firm (Urquía et al, 2011). The importance of an optimal use of AIS in an organizations credit management include: Better adaptation to a changing environment, better management of internal business transactions through the internal control establishment or installation of a firm to secure the assets of the organisations

2.5 Subsystems of Accounting Information System

Hall et al, (2008) explained that an accounting information system could be broadly divided into main subsystems namely; general ledger/financial reporting system, the transaction processing system, fixed asset system and management reporting system. The transaction processing system supports day –to- day economic activities with several documents and messages for users in the organisation. Transaction processing systems (TPS) are the basic business systems that serve the operational level of the organisation. A transaction processing system is a computerised system that handles the daily routine transactions necessary to the conduct of the business (Laudon et al, 2006). The general ledger/financial reporting system produces the traditional financial statements, such as income statements, statement of financial position of the firm, statements of cash flows and other financial documents required by firm. Customers' accounts system is planned to determine amounts being owed by customers in accordance with the information of payment and purchase processes stored by the system. More so, the system is targeted to produce a monthly, quarterly and annually information on customer accounts and credit reports of the organisation. A computer-based customer accounts system provided by the organisation with accurate bills and monthly reports on credit provided to customers, which in turns helps in the processes of payment, collection and provision of cash. Suppliers accounting system gives daily information on procurement to suppliers, preparing checks, pay bills and treasury reports. The installations of these systems on the computer results in placing a high reliance on good working relationships and achieving a convenient credit price and taking advantage of discounts through the payment to suppliers quickly and accurately, and financial control on the amounts paid by the firm. Payroll system is designed to display daily data on workers and attendance cards, generate payment checks and workers' payrolls, prepare special reports on work analysis The reliance of the system on the computer help the organization in the preparation and submission of special reports related to tax, returns, deductions and analysis of labour productivity and labour costs and credit information of the firms Treacy ,(2013)

2.6 Meaning of Credit Management

Credit management is an aspect of business finance that is importance for the growth and fall an business if it is not properly harnessed. Most of the business operations are being based on credit terms agreed by the partners of the business. This is because without proper management of firm's credit facilities of the component units of the business the firm will find it difficult to run the organization effectively and efficiently. In the words of (Brigham and Houston, 2003), they observed that sixty percent of company's managers spend lots of their time in controlling and managing the level of credit in their organization. This helps in managing the working capital and the liquidity level in the day –to-day handling of cash and other cash equivalent of the firm. This is done to meet up the financial obligations of the firm Eljelly (2004).

Credit management according to Brealey and Myers (2003) involves processes, procedures and strategies to ensure that business customers will pay for the products delivered or the services rendered at the agreed date and time. They perceived credit management as methods and strategies used by a firm ensure an optimal level of credit and its effective management in an organisation. Also, it is an aspect of financial management involving credit analysis, credit rating, credit monitoring, credit classification and credit reporting. Nelson (2002) stated that credit management simply means the ways by which entity manages its credit sales. It is seen as a panacea or prerequisite for any entity dealing with credit transactions since it is impossible to have a zero-credit business operation or a zero-default risk in credit management.

Studies by several managers revealed that it is obvious the higher the amount of accounts receivables and their periods, the higher the finance costs attached to maintain them. If these receivables are not collectible on time and urgent cash needs arise, this may lead a into panic borrowing to finance the business activities which could lead to high interest expense paid. Nzotta (2004) articulated that credit management to a certain level can greatly influence the financial, operational and economic growth of productive or manufacturing firms. He concluded by saying that credit management is a sine qua non (imperative) for business growth.

Credit management starts with the sale and does not stop until the full and final payment has been received. It is as important as part of the deal as closing the sale. In fact, a sale is technically not a sale until the money has been received.

Asiedu-Mante (2011) describe credit management as a process that involves the setting up of legal and formal systems, policies, rules and regulations that will guarantee that credit given to appropriate designated staff and customers that are well-positioned to receive the credit, the facility goes to the people with the right credit history and collaterals. Credit is given out for profitable ventures or for businesses which have a strong financial and technical viability and returns in the previous histories of the business. He stated that the correct amount of credit should be disbursed, the credit will be recovered at the stipulated time of recovery and the flow of management information is sufficient within the organization to grantee for effective monitoring of credit movement within the firm. He sees credit management as the process of putting in place systems of control that act as a check from the granting of credit to the point of collection and payment of the credit.

Credit management starts with granting of sale and does not stop until the full and final repayment has been made. There is maxim in credit management that a transaction cannot be termed as complete until full payment has been made on the products, goods and services. Good lending implies that the lender ensures that the borrower follows the repayment plan set out for a timely and prompt manner in order to recover the previous credits and prevent the total loss of interest that the organisation could have earned due to the opportunity cost of the credit facilities, the risk involved and time value of money.

In a nutshell, credit management is primarily concerned with the effective management of debtors as well as judicious financing of receivables.

2.7 **Epirical Review on Accounting Information System on Firms**

Quality of accounting information system (AIS) can be measureed by its impacts on the firms activities, evaluation of firms performance, improvement of decision-making process, effectiveness of internal controls and facilitating company's transactions (Sajady et al., 2008).

Studies conducted recently by Grande et al (2010) show how AIS installed by financial managershave helped in controlling and checking the credit activities of firms. Managers needed AIS to evaluate the firm's past credit performance and to map future plans on how to control credit activities. By adopting accounting information system, firm performance can be improved. Grande et al. (2010) discovered a positive association between AIS and credit management. Thapayom and Ussahawanitchakit (2015) examined the effect of accounting information system excellence on goal achievement via the mediating influences which include financial reporting efficiency, best accounting practice, and accounting information quality. Data was collected from 152 firms ininformation and communication technology businesses in Thailand by questionnaire mail survey and key informant was accounting executives. The statistics used to analyse was the ordinary least square regression. The results of OLS regression revealed that three of the four dimensions of AIS excellence had significant positive influence on accounting outcomes, and accounting outcomes had significant positive impact on goal achievement.

3.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

3.1 Findings:

In view of the study conducted on the impact of accounting information system on credit management of firms, the researchers draw the following findings from the review of the related literatures. They are:

a) The study shows Accounting Information System is a panacea to the challenges confronting firms in the management of credit. This is because AIS has aided in storing, processing and easily retrieval of credit information for managers and other users of this information in making informed decisions on the credit performance of firms.

b) It revealed that accounting information system has helped in the interpretations of all the accounts receivables and accounts payables in other to strike a balance on credit activities of the firm.

c) Also, the study revealed that adoption of accounting information system in production firms has positively impacted on the financial growth and credit recovery of firms in Nigeria.

d) AIS has also helped in proper allocation of resources such as distribution and handling of materials, production process, management of fund and machinery.

e) AIS enhances accountability, planning, maximum utilization of resources, action of managers and serve as an adequate guide to management decisions.

f) Finally, the study shows that accounting information system has helped in securing the information stored in the system by preventing infiltrations of the system by the use of passwords PIN and codes. These IT protocols are used to prevent unwanted access to the system of a firm.

3.2 Conclusion:

The following conclusions have been drawn from the relevant major findings of the study.

a) The accounting information system should be installed in every production firms in Nigeria to enhance the credit management of the firms and decision-making processes of the management.
b) The installation accounting information system will enhance the interpretation of accounts receivables and accounts payables which helps managers to know their credit positions of their firms.
c) The accounting information system that was adopted has created positive impact in the growth of the company.
d) The accounting information system has helped in the proper allocation of resources i.e. distribution and handling of materials and the management of fund.
e) The use of accounting information system has promoted accountability, planning, maximum utilization of resources, the action of managers and management in decision making.

f) Finally, accounting information system installed in several production and manufacturing firms in Nigeria facilitated management to mandate the training of their staff on effective credit management. Credit management is another aspect of business that should be handled with care. No business can grow to it optimal size without credit, so accounting information system has helped managers in controlling the volume of their credit.

3.3 Recommendations:

The following recommendations were made by the researchers based on the research findings.

That accounting information system should be adopted as a tool by production firms for controlling and managing of their credit activities.

Managers should conduct constant training courses for all the staff in every department especially on the area of accounting information system used, such course will expose both the management staff and accounting staff on the relevance of accounting information system in their firm.

The researchers strongly recommend that the adoption of accounting information system in production firms should not be over-emphasized, since it has contributed to the positive impact on the financial growth and credit recovery of firms in Nigeria.

There should also be good channel of information between one department and another, so that the accounting department will have up to-date balance of purchases, sales, services and sundry expenses to enable them relate to the decision making body of the company, take decision faster for better implementation.

Finally, information technology has made it so easy therefore, what it requires is installing network of accounting information system that will link all the departments with the accounting department. This will effectively and efficiently help firms in credit management which in the long run will reflect in their financial performance.

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