

**AN ASSESSMENT OF COMPUTERIZED ACCOUNTING SYSTEMS IN
THE MANAGEMENT OF FINANCIAL INFORMATION AMONG
SMALL MEDIUM-SIZE ENTERPRISES IN ELDORET TOWN**

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Abstract

The focus of the study was to assess computerized accounting system (CAS) as a tool for efficient management of financial information by SMEs within the Eldoret Town. The main objective of the study was limited to the use CAS for efficient management by SMEs within Eldoret where it is approximated that most of them engage in different form of business activities at various scales of operation. The objectives of the study were four fold and it included the following (1) To establish the efficiency of CAS and how it has contributed to the overall profitability of the SME, (2) To establish the effectiveness of CAS on the performance of SMEs in Eldoret Municipality, (3) To determine the correlation between CAS and relative efficiency within SMEs in Eldoret Municipality and (4) To examine the barriers to CAS usage. The study utilized the diffusion of innovation theory as the main theoretical framework for the study. The theory postulates that the diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. An authority on innovation theory, defined an innovation as an idea, practice, or object that is perceived as new by an individual or other unit of adoption. The research employed survey across the SMEs within the Eldoret Municipalities, thus being the most appropriate research method for this study. The study covered a target population of approximately 17,000 SMEs and the sample of the entire population of SMEs in Eldoret Municipality used a random sampling technique. The most appropriate research instrument used was questionnaires as tools for data collection. In conclusion, the study found out that most SMEs in Eldoret use CAS as a tool for managing information and that the CAS is efficient and its effectiveness is seen from the fact that there is improved productivity and performance within the organization. The study suggests that CAS can be integrated into other business processes other than accounting function only.