

# **ACCOUNTANTS ROLE ON THE GROWTH AND DEVELOPMENT OF SOFT DRINK MAKING COMPANIES**

## **A CASE STUDY OF HARISS INTERNATIONAL LTD**

### **CHAPTER ONE**

#### **GENERAL INTRODUCTION**

##### **1.0 Introduction**

This study will aim at assessing the role of accountants towards the growth and development of soft drink making companies.

##### **1.1 Background of the study**

Accountants keep, protect and maintain the blood vessels (money) of every organisation. It is the responsibility of the Accountants to record, collate and communicate business information to its users. The Accountants must develop and oversee accounting information systems in order to provide reliable and relevant information for both financial and management purposes.

Accountants summarize the results of a firm's transactions and issue reports to help managers make informed decisions. The role of accountants has expanded due to the development of the accounting information of various business sectors, on the one hand, and the increase of the volume and the complexity of the information, on the other hand; the accountants shall play an active and effective role in the processes of designing the systems in order to achieve an effective internal system as well as the needs of accounting information users. There is no doubt the success of developing the system requires the necessity of participation of accountants in establishing and developing that system. The effective method of applying the participation principle is represented by the ability of system to involve the accountants not only in one stage of the development of the system but all stages of system development , in particular that each stage has its own specificity which distinguishes it from other stages; the real participation requires that the accountant shall interact mentally and emotionally through an intellectual debate and consultation with the persons who are responsible for developing the accounting information

system in a manner that encourages them to participate in bearing the responsibility and contributing to achieve the goals desired.

Accountants are major catalysts in the design of accounting information system. They are the most suitable and most equipped information measurement professionals to design the information system. It is generally believed that insiders in every area of life make better developmental instrument. This function of designing AIS includes the design of managerial accounting information system to aid management in decision making processes. An appreciation of the accountant's responsibility for system design requires a historic perspective that predates the computer as a business information tool. Traditionally, accountants have been responsible for key aspects of the information system, including assessing the information needs of users, defining the content and format of output reports, specifying sources of data, selecting the appropriate accounting rules, and determining the controls necessary to preserve the integrity and efficiency of the information system.

Today's accounting system provides more appropriate, consistent and suitable financial information to stakeholders to make the effective financial decisions concerning their business entities. According to the business dictionary 'Accounting' can be defined as a systematic procedure that helps to identify record, measure, classify, verify, summarize, interpret, and communicate financial information. It reveals profit or loss for a specific period, and the value and nature of an organization's assets and liabilities and owner's equity. It involves ascertainment, recording, summarizing, and reporting of financial facts used in evaluating and monitoring an organization's economic undertakings. An accounting system, therefore, is an organized discipline of manual and computerized accounting methodology, processes, and wheels which are employed in gathering, recording, classifying, analyzing, summarizing, interpreting, and presenting accurate and timely financial information for decision making in an organization.

This is an important assumption of accounting as it gives the very basis for showing worth of assets in the balance sheet in the particular organization. According to European Commission (European Commission, 2008) affirms that utilization of accounting practices for a successful management of any entity, whether large or small especially in detecting fraud and theft in the firm. This is why these accounting practices are capturing the picture of most SMEs owners.

This is accompanied with proper documentation of the firm's transactions of financial reports and records (Aruwa, 2005). Not only that, smes owners observed that they prefer to look into on making and selling their products and services rather than keeping accounting books. This perception is attributed to smes operators who believed that accounting practices are too bureaucratic and time consuming (Mairura, 2011).

Accounting practices of soft drink making companies supply potential and appropriate financial information needed by entrepreneurs to make economic decisions. The study therefore mainly focuses on investigating the types of accounting practices used by accountants followed by soft drink making companies, their completeness and the availability of accounting skills and knowledge to capture and process accounting information which can be used to measure performance in soft drink making companies. The accounting practices such as the cost accounting practices, the financial accounting practices and even the management accounting practices provide more information on the performance and other useful material about the organization to the stakeholders.

## **1.2 Problem Statement**

For the last three years (2020-2023), Hariss international Uganda has faced a lot of challenges, among which a big decline in its sales was realized and this reduced profits that were realized with in the three years (2020-2022), since these were covid-19 period people could not consume soft drinks as movements were limited (Annual Report, 2022).

Despite the effort employed by Hariss International Uganda such as increased persuasive advertising among others incentives that were laid out, still performance and growth was very poor. One wonders whether accountants have a role to play towards development and growth of Hariss international Uganda.

This study therefore, seeks to assess the Accountant's role on the growth and development of soft drink making companies using Hariss International Uganda as the case study.

## **1.3 Objective of the study**

### **1.3.1 General objective**

The main objective is to assess the accountant's role on the growth and development of soft drink making companies.

### **1.3.2 Specific objectives**

- i. To examine the contribution of accountants towards the growth of Hariss International Limited
- ii. To examine challenges faced by accountants limiting the growth of Hariss International Limited
- iii. To suggest possible ways how challenges faced by accountants can be solved to stimulate growth of Hariss International Limited

### **1.4 Research Questions**

- i. What is the contribution of accountants towards the growth of Hariss International Limited?
- ii. What are the challenges faced by accountants limiting the growth of Hariss International Limited?
- iii. What are the possible ways how challenges faced by accountants can be solved to stimulate growth of Hariss International Limited?

### **1.5 Scope of the study**

#### **1.5.1 Content scope**

The study will aim at assessing the contribution of accountants towards the growth of Hariss International Limited, challenges faced by accountants limiting the growth of Hariss International Limited and suggest the possible ways how challenges faced by accountants can be solved to stimulate growth of Hariss International Limited.

#### **1.5.2 Geographical scope**

The study will be conducted at Hariss International Uganda Limited which is located along Bombo Road, in Tula, Mpererwe Kawempe Division in Kampala district.

#### **1.5.3 Time scope**

The study will gather information within the past 3 years that from 2020-2023 and this study will be conducted with in a period of 4 months that is being effective from November, 2023, to March, 2024.

### **1.7 Definition of key terms**

**Accounting;** *Quinn, M. (2011) defines Accounting as an integral part of business and may sometimes be a compulsory aspect of business. ‘Accounting refers to the recording, collating and communication of business data of a monetary nature’.*

**Accountant** is defined as a person who works in the accounting field and conducts tasks including account analysis, audits and financial statement analysis. or someone who keeps or examines the records of money received, paid, and owed by a company or a person.

**Soft drink** is defined as any water based flavored drink, usually but not necessarily carbonated and typically including added sweetener.