AN ANALYSIS ON THE IMPACT OF INTERNET BANKING ON CASH MANAGEMENT. A CASE STUDY OF INNSCOR AFRICA FAST FOODS DIVISION (AXEAQ INVESTMENTS), 2012 TO 2013.

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ABSTRACT

Innscor Fast Foods had lost vast amounts of revenue in the past financial years. This problem was perceived to be as a result of the weak cash management system that was used which allowed employees to abuse company funds through theft and fraudulent transactions. Therefore, this study aimed at analysing the impact of internet banking on Innscor’s cash management for the time period 1 August 2012 to 31 July 2013. The study sought to explore the reasons for using internet banking on cash management, the challenges and risks involved and the effectiveness of techniques for overcoming these challenges and risks. The research analysed the relevance of internet banking to organisations and the reasons why organisations continuously manage cash online despite challenges and risks involved. A sample of thirty respondents was selected using random sampling and convenience sampling from the total population of three hundred employees who form the Innscor Finance Department. Questionnaires, face to face interviews and observations were used to collect data. Research findings, which were presented using graphs, tables and charts, showed that internet banking played a major role on cash management. It became empirical that internet banking used at Innscor improved cash security, cash convenience, accounts control, cost saving and saved transactional time. The research concluded that internet banking at Innscor was creating a positive impact on its cash management system and costs incurred in using internet banking were recouped by its benefits. The research recommended Innscor to effect employee training and development so as to overcome the challenges faced in introducing internet banking.