Journal of Interdisciplinary Research in Accounting and Finance
ISSN: 2837-1895| Impact Factor : 6.18
Volume. 11, Number 1; January-March, 2024;
Published By: Scientific and Academic Development Institute (SADI)
8933 Willis Ave Los Angeles, California
https://sadijournals.org/index.php/jiraf|editorial@sadijournals.org

CLOUD ACCOUNTING COST AND FINANCIAL PERFORMANCE: A STUDY OF NIGERIAN DEPOSIT MONEY BANKS

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DOI: https://doi.org/10.5281/zenodo.10879314

Abstract: This study ascertained the effect of cloud accounting cost on financial performance of Nigerian deposit money banks, using server maintenance cost, software acquisition cost and return on assets of Nigerian deposit money banks. *Ex-Post Facto* research was employed by the study. A sampled of five selected deposit money banks was used for the study. Data were extracted from the annual accounts of the sampled banks from 2012 to 2022. The data were analyzed and tested with multiple regression analysis via E-view 9.0. The results revealed that server maintenance cost has a positive effect on financial performance but this effect was not significant while software acquisition cost has negative and insignificant effect on financial performance of deposit money banks in Nigeria. Based on the findings, the study recommended among others that there is a compelling need for the government to enact a law to protect cloud data and ensure its seamless utilization. Reduce the cost of data and accessories this will act as incentive to many organizations to key into the new technology.

Keywords: Cloud accounting, Server maintenance cost, Software acquisition cost and Return on assets

Introduction

Firms' capability to revolution with the times is vital to its accomplishment in today's competitive market. New economic possibilities, as well as investment in and adoption of emerging technology, will be crucial to achieving this goal. The automation of accounting processes had begun in the 1950s (Matei, 2015). With the introduction of online-based business transactions, accounting cannot be constrained to a desktop computer or office server (Effiong, Udoayang &Davies, 2020). Virtually all data and detailed financial activities may now be accessible and available wherever, cheers to the arrival of cloud accounting.

Cloud accounting encompasses using cloud-based software on any device with a web connection. Accounting software is now essential as an accounting tool for quicker and more effective work completion due to the sizeable information volume and the necessary processing time (Rao, Jyotsna, & Sivani, 2018; El-dalabeeh, 2019; Turner & Weickgenannt, 2020). Cloud computing is also referred to as Cloud accounting because it involves the collection, analysis and storage of data. It is a type of computing that relies on sharing computing resources rather than having local servers or personal devices to handle applications. In cloud accounting, the word "cloud" is used

as a metaphor for "the internet", so the phrase "Cloud Accounting" means an "internet based Accounting" where different services such as servers, storage and applications are delivered to an organization's computers and devices through the Internet. Because financial records are given in a more orderly manner thanks to advanced cloud accounting software, cloud computing is advantageous to corporate enterprises. Since the development of automated accounting systems has demonstrated to improve overall corporate performance, the adoption of cloud accounting in rising and developing nations have recently presented a significant challenge to scholars (Owolabi & Izang, 2020).

Financial performance can be measured from an accounting or market-based perspective and refers to the company's financial situation during a specific time period as well as its capacity to manage and control its resources. Despite the regulatory authorities' concerted attempts to revive corporate enterprises, Nigerian corporate entities have continues to witness unsteady growth in their performance coupled with distress and failure occasioned by low profit (Egiyi & Udeh, 2020). The majority of industrial enterprises operate below capacity, which can be attributed to outdated technological infrastructures and inadequate accounting systems. Additionally, the recent outbreak of the corona virus has highlighted the need of cloud accounting, particularly in developing nations like Nigeria (Abdul-Azeez & Ho, 2015; Oyedokun et al., 2019). However, in the age of globalization, the performance of transnational access of current financial information across the globe at any time becomes of requirement. Processing of data on expenses, revenues, sales, and corporate finance in the cloud permits access to such data restricted only by access credentials independently of location and time (Wyslocka & Jelonek, 2015).

These prior studies focused on primarily data except Onifade et al., (2023) who used cost of acquisition and training cost in Nigerian beverage companies, while Okere (2022) employee server maintenance cost in Nigerian manufacturing companies. This however creates both variable and sectorial gaps. This study close these gap by extending the study with a special combination of proxy cloud accounting cost, such as the costs of software acquisition, and maintenance costs in deposit money banks in Nigeria. The aforementioned research works highlight empirical gaps that serve as the impetus for this work. Thus this study assesses the effect of cloud accounting on financial performance of deposit money banks in Nigeria. Specifically, the study sought to:

- Ascertain the relationship between server maintenance cost and return on assets of Nigerian deposit money banks.
- Examine the relationship between software acquisition cost and return on assets of Nigerian deposit money banks.

Review of Related Literature

Pafeq (2011) stated cloud accounting as both the application delivered as services over the internet and the hardware and systems software in the data centers that provide these services. It facilitates sharing of technological resources, software and digital information across multiple platforms, clients and users on internet. In simple terms, cloud accounting refers to computing power in all its totality or specified components (infrastructure, platform or service) being offered in the cloud as a utility to users, to be paid by the meter on consumption basis, just as we pay for utility such as electricity, gas and water based on usage.

Cloud accounting costs is used by cloud accounting software to store accounting data. Owners and employees can now view business data from any locality with an online connection (Onifade, et al, 2023). Cloud accounting is the collection of computer systems, software, and services offered by a private provider outside the workplace

and used to deliver a variety of services. Cloud accounting is the use of cloud computing on the internet to create a virtual accounting information system, i.e., cloud computing plus accounting is equal to cloud accounting (Al-Rabi'e & Ali, 2020).

Cloud accounting is an application of the cloud accounting idea in the accounting sector. The distinction between cloud accounting and cloud computing is that while cloud computing refers to the delivery of computing administrations such as software, information, and shared assets via personal computers and other devices over a network (typically the internet), cloud accounting refers to the entry of accounting software and information via online (Suarta, Suwintana & Sudiadnyani, 2022). End users use cloud-based apps through a web browser or a variety of different applications, while the software and data are stored on typically third-party servers (Rajpoot & Pandey, 2022).

Nielsen (2022) stated that cloud accounting is the process of accessing accounting software and data over a web application. The programme is accessible on a payment basis, and the data is saved on a remote server. In distinction to the traditional accounting design, that needs the purchase and installation of software on either a workstation or a neighborhood server. Access to cloud accounting applications and data is restricted using client login credentials rather than the physical location of the information records. This simplifies data interchange by removing the requirement for data to be physically transported to personal computer (PCs). According to Buyya, Yeo, and Venugopal (2009), cloud accounting is a hypothetical collection of administrations that are accessible from any location via a cell phone with web connectivity, and are provided via a parallel and adapted arrangement of virtualized PCs that are interconnected and can be gradually provided and exhibited as a computing asset, or collection of assets bound together, as constrained. Additionally, the National Institute of Standards and Technology (NIST) defined cloud accounting as "a model that enables perpetual, convenient, on-demand access to a shared system based on configurable computing assets that is effectively accessible via a base administration effort or a base interaction with the specialist organization."

Cloud accounting is an interesting topic in the accountancy world at present. Traditionally, a business would purchase accounting software as a product and install this into its computer systems. With cloud accounting you are purchasing the use of accounting software through an online service provider, instead of purchasing Software as a Service (SAAS). The accounting information is therefore accessed through the internet.

Server Maintenance

Effiong, Udoayang and Davies (2020) investigated the effect of cloud accounting on the harmonization of cost structures of manufacturing-oriented enterprises listed on the Nigerian Stock Exchange. The paper examined the practicality of cloud accounting in manufacturing enterprises by a comparison of cloud expenditures to manufacturing firms' cost structures. In order to create the estimated model, we used the least squares random effect technique. The price of the server was used as a starting point to calculate the costs of the power bill, maintenance, the network, and the building itself. There was a negative influence on direct expenditure from the price of the server, the network, and the building, but a favourable effect from the price of maintenance and electricity (Okere, 2022). Costs associated with servers and infrastructure was favourably connected with indirect expenses, whereas those associated with electricity, maintenance, and networks were adversely correlated.

Software acquisition

Although accounting software was first developed a few decades ago, its potential has grown through time, and the end result is a complex instrument. Recent accounting debates have been sparked by the growth of information

technology, which ultimately led to the advancement of computerized accounting systems like cloud accounting (Onifade *et al.,* 2023). Companies' accounting departments are now more vulnerable to the effects of business digitization, the enormous potential of the internet, the implications of big data, and the growing significance of data mining as a result of technical advancements. Businesses can access applications and services over the cloud without the burden and expense of owning and managing the hardware. Unquestionably influential, cloud computing is expected to serve as the foundation for future developments in the economy (Ferri et al., 2019; Fu et al., 2019).

Financial Performance

Financial Performance is a measure of how well a firm can use assets from its primary mode of business to generate revenues (Abakasanga, Ogbonna, & Umobong, 2019). It is used to pronounce the state of affairs of a firm. The term is also used as a general measure of a firm's overall financial health over a given period (Abakasanga, Ogbonna, & Umobong, 2019). In the corporate world, financial performance is an index in determining the health of an organization (Abraham, Zhang, Joseph, Agyemang & Ofori, 2021). Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate (Investopedia, 2021).

According to Abraham *et al.* (2021) financial performance are measured in various ways, such as shareholders' wealth maximization, profitability, and components of financial statements including sales, assets, liability and equity. In terms of measurement, several scholars measured financial performance differently in their study: Rieke, Sri, Juita & Dewi (2020) Measured financial performance by Return on Asset (ROA) and by Debt to Equity Ratio (DER); Rotcharin (2020) measured financial performance by Return on Assets (ROA); Uadiale **(2010)** measured financial performance by return on equity (ROE) as the proportion of profit after tax to issued share capital and return on capital employed (ROCE) as the proportion of profit after tax to issued share capital plus reserves; Kechi (2011) measured financial performance by return on assets (ROA) and profit margin (PM); Fazlzadeh, Hendi, and Kazeem (2011) measured financial performance as the net income to total assets and ordinary income to total assets; Olaniyi and Abubakar (2018) measured financial performance by Return on Equity (ROE) and Earning per Share (EPS). For the purpose of this study, Return on Asset (ROA), returns on Equity (ROE), Earnings per Share (EPS) and Net profit Margin (NPM) is to be used as measures of financial performance.

Return on Asset (ROA)

Return on Assets is a measure of a company's ability to generate profits with all assets owned by the company (Rieke *et al.,* 2020). It shows how efficient a company uses its assets to generate earnings. Return on Assets is estimated by dividing net income by total assets (Abraham *et al.,* 2021). A higher return on assets ratio implies that the business is very efficient in the use of its assets to generate net income. The higher the value of the ratio obtained, the better the company's ability to earn profits by utilizing all its assets (Tedi, Suharto, & Akhmad, 2017)

According to Rieke *et al.* (2020) this ratio figure is commonly used to measure a company's performance by investors. The higher the return on asset, the higher the company's ability to generate profits and the higher the company's revenue will make investors interested in the value of shares (Warrad & Omari, 2015). This is in line with Bintara and Tanjung (2019) who argued that companies with good asset returns have the potential to attract companies by investors.

Return on Asset = $\frac{\text{Net Income}}{}$ x 100%

Total Assets

Review of Empirical Studies

Akpan, Igbekoyi, Ogungbade and Osaloni (2023) examined the effect of cloud accounting on financial information quality of selected firms in Nigeria. Cross-sectional survey research design was employed for this study. The study covers Lagos state metropolis because it is highly dominated with commercial activities and host the head office of most companies in Nigeria. Data were obtained from primary sources through the administration of a well-structured questionnaire to the respondents. Data generated were analyzed using descriptive and Ordinary Least Square (OLS) regression. The three hypotheses raised for the study were accepted with a high and positive relationship indicating that cloud accounting technique is able to positively and significantly influence data storage. Findings of the study from the statistics revealed that cloud accounting techniques played a significant role in enhancing efficiency of financial information quality. Onifade, Shittu, Aminu and Ajibola (2023) ascertained the effect of cloud accounting characteristics on the performance of listed food and beverage companies in Nigeria, using Cost of Software (COSW), Cost of Risk (CORSK), and Cost of Training (COTR), while Return on Equity (ROE) and Market Value (MKV) were used to measure performance from (2012–2021). The study employed the multiple regression analysis technique. The findings revealed that COSW had a negative and significant effect on ROE and MKV. However, COTR has a positive and significant influence on ROE and MKV. The study concluded that COSW and COTR have a significant effect on the performance of food and beverage companies in Nigeria. Okere (2022) determined the effect of cloud accounting on the performance of listed manufacturing enterprises in Nigeria using both primary and secondary data. The research evaluated a random sample of 10 manufacturing firms and discovered that cloud accounting and cloud accounting costs had a significant impact on the performance of publicly listed manufacturing companies. Egiyi *et al*. (2020) overviewed Cloud Accounting in Nigeria using qualitative research design to examine how cloud accounting has changed in Nigeria and its significance for accounting procedures. Findings showed that the inefficiency of conventional accounting techniques led to the adoption of cloud accounting. Ezuwore-Obodoekwe, Okoye, and Obinabo (2020) examined the effect of cloud accounting on the performance of the Nigerian banking sector, using annual data from 2008 to 2017 and adopting the Ordinary Least Squares (OLS) technique. The study's results reveal that private cloud computing has a significant influence on the profit after tax of the Nigerian banking industry. Additionally, the community cloud has an influence on the Nigerian banking sector's revenues after taxes. Effiong, Udoayang, and Davies (2020) examined the effect of cloud accounting on the harmonization of cost structures of manufacturing-oriented enterprises listed on the Nigerian Stock Exchange. In order to create the estimated model, they used the least squares random effect technique. The price of the server was used as a starting point to calculate the costs of the power bill, maintenance, the network, and the building itself. The study found a negative influence on direct expenditure from the price of the server, the network, and the building, but a favourable effect from the price of maintenance and electricity. Livera (2019) considered cloud accounting from the standpoint of Sri Lankan accounting professionals. The research methodology adopted was positivistic in nature. From the general population, a sample of accounting professionals was chosen, totaling 100 respondents. A descriptive statistics tool was used to evaluate the data. According to the results, 48.9% of respondents said they currently do not use a cloud computing system. Cloud accounting is used by 24.8% of respondents several times per day, while 10.9% said they use it several times each week (mean value of 2.86). Mugyenyi (2018) explored on the reception of Cloud Computing Services by Commercial Banks in Uganda for

Sustainable Development. The analysis indicated that over the previous 20 years, business banks in Uganda have been steadily growing in terms of the number of branches, their sizes, and their operating activities. Results showed that, when adopted, cloud computing offers the greatest and most cutting-edge solution for solving the problems identified in business banks in this study. Haslinda (2017) examined Cloud Computing Adoption in Organizations. The review of prior material on distributed computing has been done in order to identify its key components and how they were operationalized. The three settings—innovation, association, and condition—recommended by the Technology Organization-Environment (TOE) approach are used by the scientists to order the factors affecting distributed computing reception. The results of the analysis showed that these factors have different effects on different research, and that many of these investigations have operationalized the adoption of distributed computing or the double factor rather than actually using the innovation. Yau-Yeung (2017) conducted a study on An Exploration of Risks in Using Cloud Accounting Information Systems in Australia. The study employed a multi-theoretical approach, specifically transaction cost economics (TCE) and Technology-Organization Environment (TOE) framework to explore user experience of risks in cloud accounting and user perceptions of possible measures to mitigate those risks. Findings demonstrate that, due to the sensitivity and particular purpose of financial data and information in cloud accounting, it not only entails risks similar to those associated with general cloud computing services (such as email and file sharing), but also introduces risks of a stronger magnitude in a number of areas. These include regulatory compliance, data ownership and location, and the reliability of financial statements. Al-zoubi (2017) determined the effect of cloud computing on elements of accounting information system, The examination recognizes the effect of Cloud Computing on the Elements of the Accounting Information System spoke to by: Establishment "Bookkeeping Entity.", Financial Operations, Documents, Accounting Books, Financial Reporting, Users, Procedures, Software, and Physical Devices. The examination gathered past writing on distributed computing and data innovation and studies their effect on bookkeeping data frameworks. The examination discovered that Cloud accounting lead to Reducing the size of the venture as far as the structure and the workplaces since they permit property anyplace without the executives' responsibility to a particular area, improving operational execution as far as encouraging the finishing of activities and exact bookkeeping tasks. Van den Bergh (2016) conducted research on how accounting businesses in Cape Town perceived and were aware of cloud computing technology. The study's objective was to ascertain how Cape Town accounting businesses felt and were aware of cloud computing technologies. The results of the poll, which used a survey research approach, showed that corporate managers and accountants are significantly aware of CAS. Regarding how they view CAS, small and medium-sized businesses have different perspectives in several ways. Onyali (2016) conducted a study on the use of cloud computing and accounting packages for corporate business transactions in Nigeria: An Explorative Study. Descriptive statistics, Kolmogorov-Smirnov (K-S), One Sample t-test was used in analyzing the primary data. Using a sample of 100 respondents, comprising of accounting academics that fall within the category of investors, chartered accountants and customers drawn from across Anambra state in southeastern Nigeria, The results of the data analysis showed that the use of cloud computing packages by corporate firms is a welcomed development in Nigeria. Xinding (2015) carried out a study on the adoption of cloud accounting for small and medium accounting firms in Canterbury. The study was carried out using the multiple case study design, and semi-structured interviews were used as the primary method of data collection. The results from the findings indicated a strong distinction in the adoption pattern between cloud-based software for clients' use and for accounting firm's own use. While all of the six firms are offering

some form of cloud-based accounting software to their clients, only two firms have implemented their practice management over the cloud.

Methodology

Ex-post fact research design was employed for this study. An *Ex-post Facto* research determines the cause-effect relationship among variables. *Ex-post Facto* seeks to find out the factors that are associated with certain occurrence, conditions, events or behaviours by analyzing past events or already existing data for possible casual factors (Kothari & Garg 2014).

The population of this study consists of the fifteen (15) deposit money banks quoted on the Nigerian Exchange Group (NGX). The study covered eleven years annual reports and accounts of these banks from 2012 to 2022. This study purposively select five (5) deposit money banks in Nigeria for the study due to unavailability/ for not disclosed the independent variables for the periods covered; United bank of Africa (UBA), Access bank plc, Fidelity bank plc, FCMB plc and Zenith bank plc.

Source of Data Collection

Data were collected from only secondary sources. The data were extracted from audited annual accounts of the deposit money banks in Nigeria. The data to be extracted include; Server Maintenance Cost (SMC), Software acquisition cost (SAC), as the independent variables, while dependent variable is Return on assets (ROA).

Method of Data Analysis

The data analyzed using descriptive statistics and inferential statistics generated from E-Views 9.0 statistical software, using 95% confidence interval as in Aiken and West (1991). This study employed the following statistical tools:

Panel data regression technique: this was employed since the data set includes panel data set and estimated using panel data regression. Regression analysis predicts the value of a variable based on the value of the other variables and explains the level of significance and effect of changes in the values of variable on the values of the other variables.

Model Specification

This study adapted the model of Okere (2023), the econometric model is presented below:

FP= *f* (MC)

The econometric model is given as

$FP_{it} = \beta 0 + \beta_1 MC_{it} + \beta_2 FS_{it} + \beta_3 FA_{it} + \mu_{it}$ (i)

Financial performance= f (maintenance cost, firm size, firm age)

Where;

FP= Financial Performance,

MC= Maintenance Cost,

FS= Firm Size

FA= Firm Age,

β_0 signify constant term,

β_1 = represents the coefficient of cloud accounting and

μ denotes error terms

The modified model specification is shown below:

$ROA_{it} = \beta_0 + \beta_1 SMC_{it} + \mu_{it}$ i

$ROA_{it} = \beta_0 + \beta_1 SAC_{it} + \mu it$ ii

Where;

ROA = Return on assets

SMC= Server maintenance cost,

SAC = Software acquisition cost

i = (number of the sampled banks) and t = (number of the years to be covered)

u_{it} = firm-specific error term

β_0 = Constant term

β_1, β_2 = Beta Coefficients to be estimated

Table 3.2 Variable Description and measurement

Indicators	Variable Symbols	Definition and Measurement	
Independent Variable			
Server Maintenance Cost	SMC	Measured from the comprehensive income notes	Effiong, Udoayang, and Davies (2020)
Software Acquisition Cost	SAC	Measured from the comprehensive income notes	Al-Rabie & Ali, (2020); Onifade, Shittu, Aminu, Ajibola,. (2023).
Dependent Variables			
Return on Asset	ROA	Returns on asset: profit after tax/Total Assets * 100	Okere et al (2019

Source: Researchers compilation, (2023)

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal to the alpha and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

Data Analysis

Table 4.1: Descriptive Analysis

	ROA	SMC	SAO
Mean	0.010047	4518969.	7879285.
Median	0.011288	3301000.	7783924.
Maximum	0.014588	9654300.	18583000
Minimum	0.001990	1274000.	1623000.
Std. Dev.	0.004040	2994009.	5840187.
Skewness	-0.854844	0.729969	0.584840
Kurtosis	2.605630	2.025962	2.040601
Jarque-Bera	1.411006	1.411743	1.048940
Probability	0.493860	0.493678	0.591869
Sum	0.110522	49708655	86672134
Sum Sq. Dev.	0.000163	8.96E+13	3.41E+14

Observations	11	11	11

Source: E-View output, 2023

Interpretation of Descriptive Statistics

The descriptive statistics in table 1 indicates that the financial performance (ROA) of the sampled bank is 0.010; the maximum of 0.015 with a minimum of 0.001 with a standard deviation of 0.004. The average firm size (FSIZ) from the sampled observations is 1.890; standard deviation of 9.830; a maximum observation of 3.82 with a minimum value of 1.140. The mean value of server maintenance cost (SMC) stood at 4518969.0, a standard deviation of 2994009.0; maximum observation of 9654300.0 with a minimum value of 1274000.0.

Table 42: Pearson Correlation Matrix

	ROA	SMC	SAC
ROA	1		
SMC	0.36578	1	
SAC	-0.27978	-0.18395	1

Source: E-View output, 2023

The Pearson Correlation Matrix in table 4.2 shows the existence of a positive relationship between SMC, and ROA at a coefficient value of 0.366. On the other hand, the coefficient factors of -0.280 is an indication that SAC negatively correlates with the performance.

Test of Hypotheses

Table 3 Panel Least Square Regression analysis testing the effect between ROA, SMC and SAC

Dependent Variable: ROA
Method: Least Squares
Date: 10/05/23 Time: 22:49
Sample: 2012 2022
Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.006488	0.005033	1.288999	0.2449
SMC	4.19E-10	5.77E-10	0.726005	0.4952
SAC	-6.63E-11	2.86E-10	-0.231817	0.8244

R-squared	0.402704	Mean dependent var	0.010047
Adjusted R-squared	0.084507	S.D. dependent var	0.004040
S.E. of regression	0.084031	Akaike info criterion	-7.886823
Sum squared resid	9.75E-05	Schwarz criterion	-7.705962
Log likelihood	48.37753	Hannan-Quinn criter.	-8.000831
F-statistic	1.011319	Durbin-Watson stat	1.540133
Prob(F-statistic)	0.470532		

Source: E-Views 9.0 Correlation Output, 2023

Interpretation of Regression Result

In Table 3, R-squared and adjusted Squared values were (0.40) and (0.08) respectively. The indicates that all the independent variables jointly explain about 40% of the systematic variations in return on assets of our samples banks over the eleven years periods (2012-2022). Table 4.3 revealed an adjusted R^2 value of 0.40. The adjusted R^2, which represents the coefficient of multiple determinations imply that 40% of the total variation in the dependent variable (ROA) of deposit money banks in Nigeria is jointly explained by the explanatory variables (SMC, and SAC). The adjusted R^2 of 40% did not constitute a problem to the study because the F- statistics value of 47.686 with an associated Prob.>F = 0.471 indicates that the model is fit to explain the relationship expressed in the study model and further suggests that the explanatory variables are properly selected, combined and used. The value of adjusted R^2 of 40% also shows that 6% of the variation in the dependent variable is explained by other factors not captured in the study model.

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 3, it is observed that DW statistics is 1.540 and an Akika Info Criterion and Schwarz Criterion which are 7.887 and 7.705 respectively also further confirms that our model is well specified. In addition to the above, the specific findings from each explanatory variable are provided as follows:

Hypothesis One

Ho_1: There is no significant effect between server maintenance cost and return on assets of Nigerian deposit money banks.

Table 3 indicates that server maintenance cost has a positive significant effect on return on assets of deposit money banks in Nigeria. This can be observed from the beta coefficient (β_1) of 4.190 with p value of 0.495 which is not statistically significant at 5% level of significance.

Since the P-value of the test was 0.495 higher than 0.05 (5%)., this study upholds that server maintenance of banks has a positive insignificant effect on return on assets of deposit money banks in Nigeria Thus, alternative hypothesis is rejected and null hypothesis accepted.

Hypothesis Two

Ho_2: There is no significant effect between software acquisition cost and return on assets of Nigerian deposit money banks.

Table 3 indicates that software acquisition cost has a negative significant effect on return on assets of deposit money banks in Nigeria. This can be observed from the beta coefficient (β_1) of -6.630 with p-value of 0.824 which is not statistically significant at 5% level of significance.

Since the P-value of the test was 0.824 higher than 0.05 (5%)., this study upholds that software acquisition cost has a negative and insignificant effect on return on assets of deposit money banks in Nigeria Thus, alternative hypothesis is Rejected and null hypothesis Accepted.

Conclusion and Recommendations

This study determined the effect of cloud accounting cost on financial performance of Nigerian deposit banks. *Ex-Post Facto* research was employed by the study. A sampled of five deposit money banks was used for the study. Data were extracted from the annual accounts of the sampled banks from 2012 to 2022. The data were analyzed and tested with multiple regression analysis via E-view 9.0. The results revealed that cloud accounting cost (server maintenance cost, and software acquisition cost) were not statistically significant on financial performance of deposit money banks in Nigeria. However server maintenance cost has positive effect on financial

performance while software acquisition cost has negative effect. Meanwhile, server maintenance gives preference to work more efficiently and intelligently and in a smooth and easy way. This result is in conformity with Onifade, Shittu, Aminu and Ajibola (2023) whose findings revealed that COSW had a negative and significant effect on ROE and MKV while COTR has a positive and significant influence on ROE and MKV, and negate the finding of Okere (2022) who discovered that cloud accounting and cloud accounting costs had a significant impact on the performance of publicly listed manufacturing companies. Based on the findings, the following recommendations were made;

1. There is a compelling need for the government to enact a law to protect cloud data and ensure its seamless utilization. Reduce the cost of data and accessories this will act as incentive to many organizations to key into the new technology.
2. Government should provide high-quality data centers to encourage companies to invest in cloud accounting. Some companies are scared of patronizing low-quality data centers for obvious reasons. Organizations in this category will certainly be rest assured if government invests in this direction.

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