
HOW AI IS TRANSFORMING THE ROLE OF ACCOUNTANTS: WITH SPECIAL REFERENCE TO WESTERN AND SOUTHERN MUMBAI

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ABSTRACT

This research looks at how Artificial Intelligence (AI) is changing the role of accountants. As AI technology grows, it's taking over repetitive tasks like data entry, financial reporting, and auditing, allowing accountants to focus on more strategic areas such as financial planning and decision-making. The study explores both the benefits and challenges of AI in accounting.

While AI boosts efficiency and accuracy, it also requires accountants to learn new skills, especially in data analysis and technology.

Through surveys and interviews with accountants, finance professionals, and students, the research finds that although some worry AI might replace accountants, most see it as a tool to improve their work. AI doesn't replace accountants but helps them become more efficient and focus on higher-level tasks. The study concludes that AI offers accountants a chance to improve their roles, but they must embrace technology and keep learning to stay relevant.

Keywords: Artificial Intelligence (AI), Accounting Profession, Automation in Finance

1. INTRODUCTION**2. Artificial Intelligence (AI), AI in Accounting and Its Role and Impact on Accountants:**

Artificial Intelligence (AI) is changing the way industries operate by taking over tasks that once needed human intelligence, like decision-making and problem-solving. In fields like finance, AI is helping businesses work faster, automate repetitive tasks, and make smarter choices.

In accounting, AI is transforming how accountants work. Tasks like bookkeeping, tax calculations, and report preparation, which once took up a lot of time, can now be automated. This lets accountants focus on more important work, like financial planning and advising businesses. While AI makes things faster and more accurate, it also brings up concerns about job security and the need for accountants to learn new skills.

This research looks at how AI is changing the accounting profession. It explores the benefits, challenges, and skills accountants need to stay relevant as AI continues to evolve. The goal is to show how accountants can use AI as a tool to improve their work, rather than seeing it as a threat.

3. Background of the Study

The role of accountants has been changing rapidly with the rise of Artificial Intelligence (AI). In cities like Western and Southern Mumbai, where businesses are growing and technology is advancing, AI is making a big impact on how accountants work. Traditionally, accountants

have been responsible for tasks like bookkeeping, tax calculations, and financial reporting, but now AI tools are automating many of these tasks. I chose this topic for research because

AI is transforming the accounting profession, and I wanted to understand how these changes are affecting accountants in these specific areas of Mumbai. The research will explore how AI is reshaping their roles and what it means for the future of accounting in this region.

2. REVIEW OF LITERATURE**1. J. Taipaleenmäki and S. Ikäheimo (2013)**

This study explores how IT is bringing management and financial accounting closer together.

While technology is rapidly driving this shift, changes in behavior and organizational roles are happening more slowly. The research shows that while full integration hasn't happened,

both fields are increasingly overlapping, helping professionals understand how technology is shaping accounting.

2. Syed Moudud-UI-Huq (2014)

This paper discusses how AI is changing accounting, especially in auditing and tax. It shows that AI improves decision-making and efficiency by reducing uncertainties in auditing. The study highlights how AI's integration is revolutionizing traditional accounting practices, improving productivity, and streamlining processes.

3. Richins, G.et.al (2016)

This study examines how big data analytics (BDA) impacts accounting. Instead of replacing accountants, BDA enhances their skills by helping analyze unstructured data. It calls for changes in education and standards to make full use of BDA, offering accountants an opportunity to expand their roles.

4. J. Moll and O. Yigitbasioglu (2019)

Moll and Yigitbasioglu explore how technologies like AI, blockchain, and cloud computing are transforming accounting. While these tools automate tasks, they also open up opportunities for accountants to focus on strategic roles. The paper calls for more research on how accountants can adapt and add value using these technologies.

5. P. L. Joshi (2021)

This paper looks at how AI is transforming accounting and auditing by automating tasks like data entry and fraud detection. It argues that AI will assist accountants rather than replace them. The study stresses the importance of balancing AI with human judgment, particularly in ethical areas like data privacy.

6. Dr. Pradip Kumar Das (2021)

This paper discusses how AI is impacting various business areas, including accounting. It suggests AI should support human judgment in decision-making, with a focus on retraining the workforce. While AI might eliminate some jobs, it also opens up opportunities for accountants in management roles.

7. Akriti Aryal (2022)

Aryal's research explores AI's role in automating accounting tasks like bookkeeping and fraud detection. It emphasizes that while AI improves efficiency, it cannot replace the human judgment needed for strategy and client interaction. Accountants must focus on developing skills in technology and data management to remain relevant.

8. Dr. Ahmad Khalid Khan.et.al (2023)

This study examines AI's impact on accounting based on a survey in Saudi Arabia. It shows that AI is not just automating tasks but reshaping the profession. The paper stresses the need for accountants to learn data analysis and AI skills and highlights the ethical concerns surrounding AI's adoption.

9. Aparna Medda Santra (2024)

Santra's paper explores how AI is transforming accounting through automation and machine learning. It highlights AI's benefits, like efficiency and accuracy, but also discusses challenges like job displacement. The study concludes that accountants must adapt to AI to stay competitive in the industry.

10. Soufiene Assidi.et.al (2025)

This study looks at AI adoption in Tunisia's accounting sector. It finds that while AI improves efficiency, challenges like training and change management slow adoption. The research suggests that strong digital competencies and collaboration among stakeholders are needed for successful AI integration in accounting.

4. RESEARCH DESIGN**1. OBJECTIVE**

- a. To explore how AI changes the accountant's role and the tasks associated with it.
- b. To analyse the effect of AI on automating normal activities such as data entry, auditing, and financial reporting.
- c. To understand how AI helps accountants do their work better, more accurately, and with better decision-making.
- d. To examine the challenges accountants are facing because of AI, such as loss of job and the need to reskill with a new skill like data analytics.

2. HYPOTHESIS OF THE STUDY

In research, a hypothesis is defined as the statement undergoing testing in an attempt to verify its truth or otherwise.

(H_0): AI has no significant impact on the functions of an accountant. With respect to different accounting applications.

(H_1): AI significantly impacts the functions of an accountant: from automating chores till creating a demand for new skills for them to keep themselves relevant.

3. RESEARCH METHODOLOGY

Questionnaire in Google Form was sent to Chartered Accountants, Auditors, Financial Analysts, Accounting and Finance Students and Accountancy Professors for collecting the primary data.

Secondary data was well-received from magazines, books, journals and other online resources.

4. UNIVERSE AND SAMPLE SIZE

The target population for this study consists of professional accountants, auditors, students, teachers and others in Western and Southern Mumbai. . For this research, a questionnaire was shared with approximately 120 people.. A total of 98 responses were received, providing valuable insights into the impact of AI on the accounting profession in these specific regions.

5. LIMITATIONS

Every study has some limitations that may circumscribe the results. The limitations of this particular research are as follows:

- Limited Sample Size** - The research is confined to Mumbai City, meaning that results may not be extrapolated to accountants from other cities or countries.
- Accuracy of Responses** - Since the study would be based on survey response gathering, participants might not fully perceive and accurately report their experiences with AI because they lack knowledge or understanding.
- Rapidly Changing Technology** - With AI changes being permanent, after innovation, changes might alter the current impact of AI in accounting after this study.
- A short-term study** - Being a one-academic-year research study, it might not capture adequately the long-term impact AI is likely to pose on the career of accountants.

6. DATA ANALYSIS, INTERPRETATION AND PRESENTATION

What is your age?
98 responses

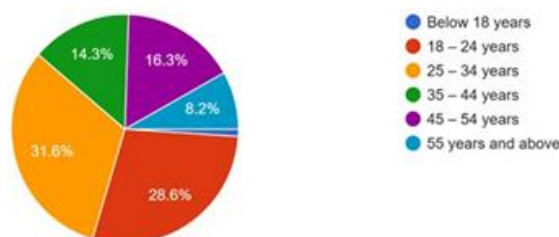


Chart 5.1

What is your profession?
98 responses



Chart 5.2

How many years of experience do you have in accounting/ finance?
98 responses

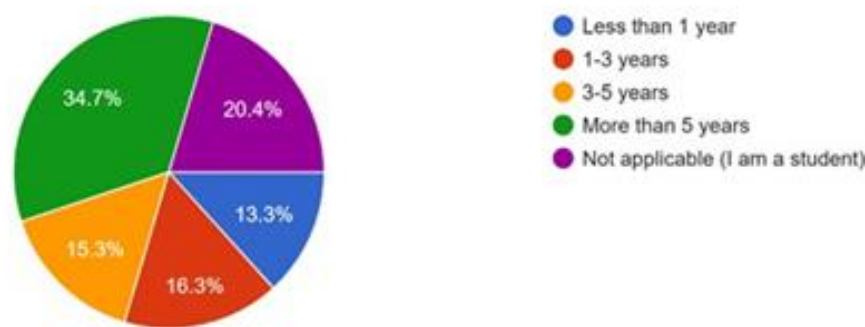


Chart 5.3

Are you familiar with how Artificial Intelligence (AI) is used in accounting and finance?
98 responses

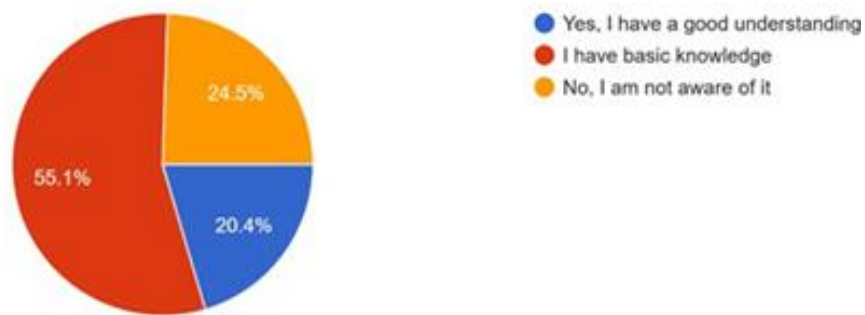


Chart 5.4

Have you personally used any AI-powered accounting or financial tools?
98 responses

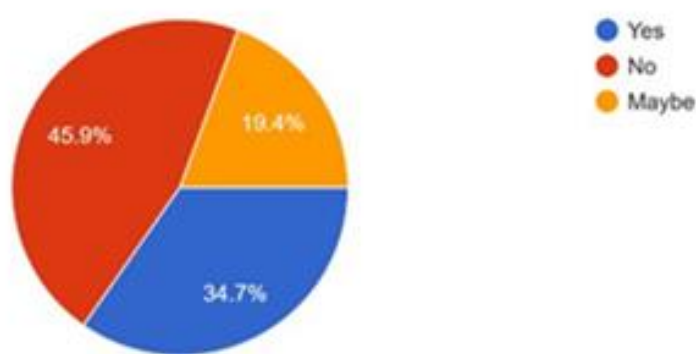


Chart 5

If yes, which AI-based tools have you used or heard of? (Select all that apply)
98 responses

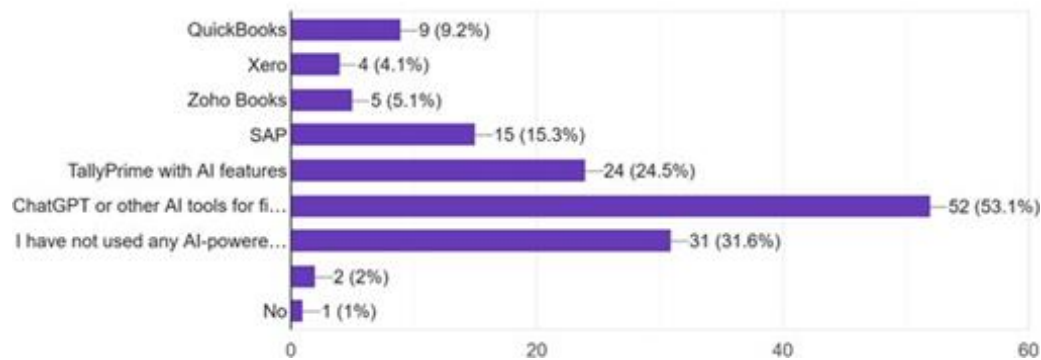


Chart 5.6

What do you think are the main benefits of AI in accounting and finance? (Select all that apply)

98 responses

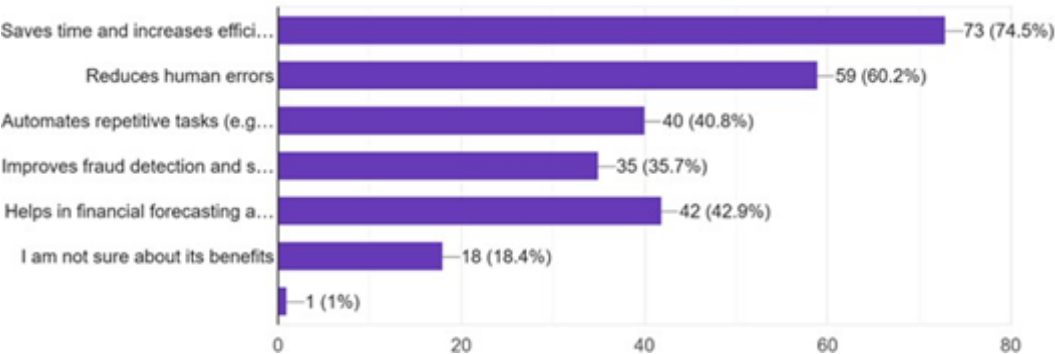


Chart 5.7

What concerns do you have about AI in accounting and finance? (Select all that apply)

98 responses

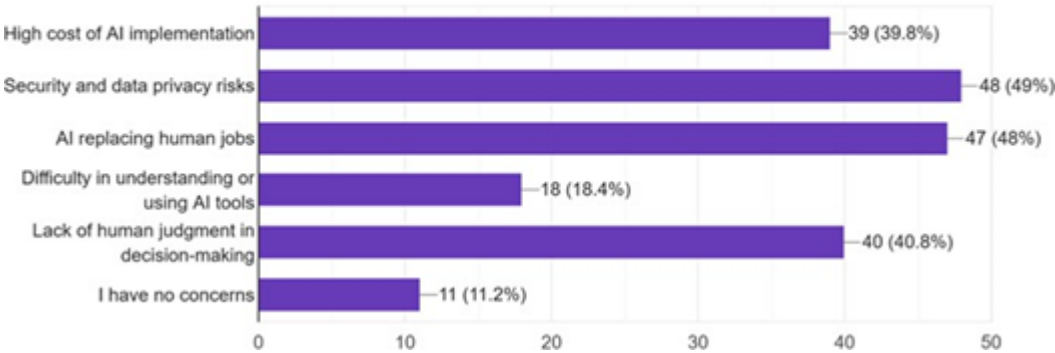


Chart 5.8

To what extent do you agree with the following statement? "AI is transforming the role of accountants and finance professionals."

98 responses

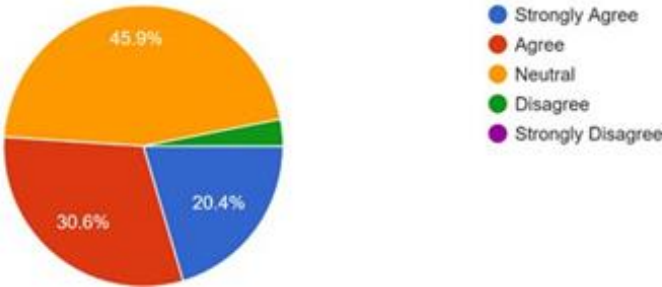


Chart 5.9

Which of the following accounting or finance tasks do you think AI can handle effectively? (Select all that apply)

98 responses

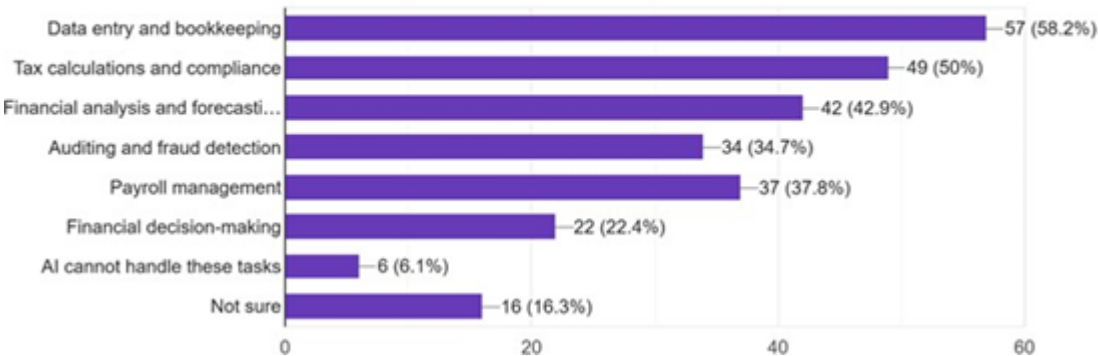


Chart 5.10

Do you believe AI is reducing the need for human accountants?
98 responses

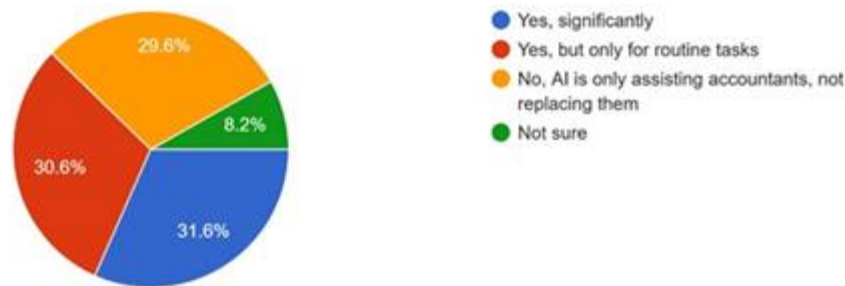


Chart 5.11

What are the biggest advantages of AI in accounting? (Select all that apply)
98 responses

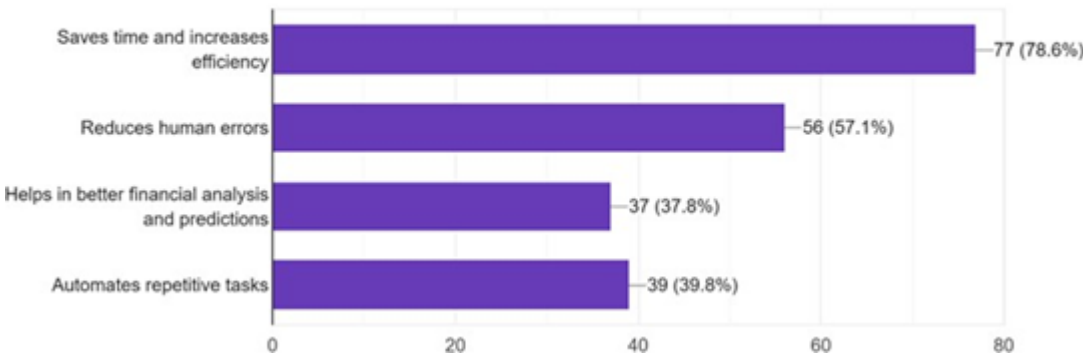


Chart 5.12

What are the biggest challenges of using AI in accounting? (Select all that apply)
98 responses

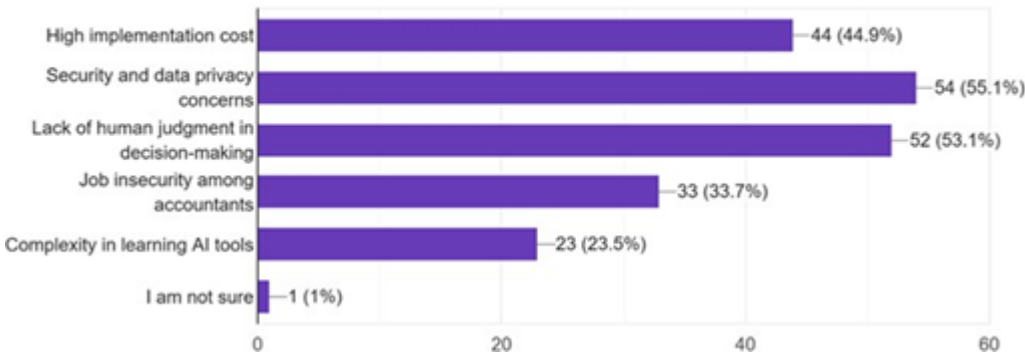


Chart 5.13

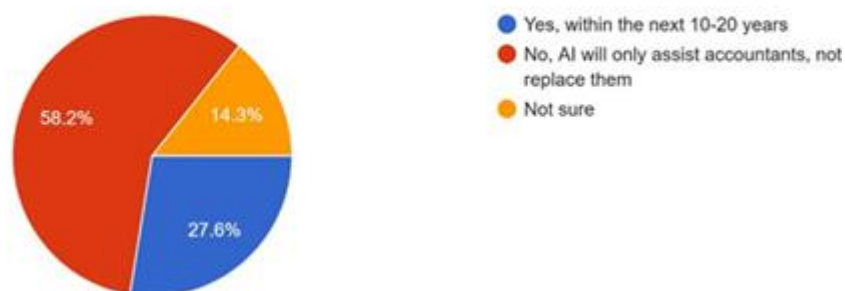
How do you see the role of accountants changing in the future due to AI?
98 responses



Chart 5.14

Do you think AI can completely replace human accountants in the future?

98 responses



Would you be interested in learning more about AI-powered accounting and financial technologies?

98 responses

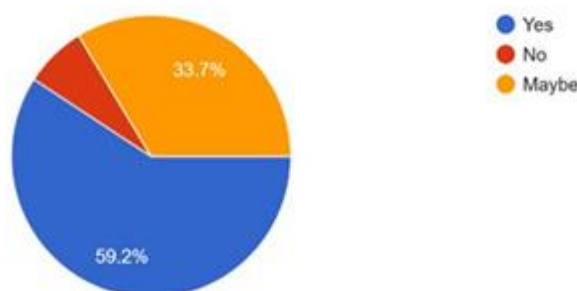


Chart 5.16

This shows that most accountants want to upskill and adapt to AI in their profession.

The survey results show that AI is changing the way accountants work. It's taking over routine tasks, making things faster, and reducing errors. But at the same time, people are worried about job security, data privacy, and how complicated AI tools can be.

Instead of replacing accountants, AI is actually helping them shift their focus to bigger things—like financial analysis, planning, and giving expert advice.

With the right skills and training, accountants can use AI to their advantage, making their work more efficient and valuable. AI isn't something to be afraid of—it's a tool that can help accountants grow and succeed in their careers.

7. FINDINGS AND CONCLUSION

1. Findings:

Through our research on how Artificial Intelligence (AI) is transforming the role of accountants, we found the following key points:

- AI is automating many traditional accounting tasks, such as data entry, financial reporting, and even auditing. This has significantly reduced the time accountants spend on routine tasks.
- Many accountants are using AI tools to improve their decision-making and financial analysis, which has led to more accurate and timely financial insights.
- AI is helping accountants move beyond traditional roles. Instead of just focusing on numbers, they are increasingly involved in strategic roles like financial planning and risk management.
- While AI brings many benefits, it also creates challenges. Accountants feel the pressure to reskill in areas like data analytics and tech management to stay relevant in their profession.
- Despite fears that AI might replace accountants, the general sentiment is that AI is more of an assistant. It helps accountants do their jobs more efficiently but doesn't replace the need for human judgment, especially in complex decision-making.

2. Conclusion:

In conclusion, our research shows that AI is changing the accounting profession, but it's not replacing accountants. Instead, it's a tool that helps them work more efficiently.

On the positive side, AI saves time, increases accuracy, and allows accountants to focus on more important tasks like strategic decision-making. It also gives accountants the chance to dive into more advanced areas of business, such as financial forecasting and risk management.

However, AI also brings challenges. Accountants need to stay updated with new technology and learn skills like data analysis and AI management to stay valuable in their roles. While AI can handle some tasks, accountants are still needed for making complex decisions and addressing ethical concerns.

Overall, AI should be seen as an opportunity, not a threat. To succeed, accountants must embrace AI, upskill, and adapt to new technologies so they can continue to grow in the evolving field.

8. SUGGESTIONS AND RECOMMENDATIONS

1. Suggestions:

Based on the findings of this research on how AI is transforming the role of accountants, here are a few suggestions to help accountants, students, and educational institutions make the most of AI and its potential:

- a. Embrace AI as a tool for efficiency
- b. Continuous learning by Accountants by updating their skills
- c. AI training programs to be arranged by accounting firms and educational institutions
- d. Accountants should work alongside AI, focusing on areas where human judgment and expertise are essential.
- e. Accountants should stay aware of AI-related ethical issues, like data privacy.
- f. Accountants should ensure they follow best practices to maintain trust and transparency.

2. Recommendations:

Based on the research findings and conclusions, the following recommendations are meant to guide accountants, students, educational institutions, and AI developers in adapting to the changes AI brings to the profession. These recommendations are designed to ensure a smooth transition and help everyone benefit from the advancements in AI.

• For Accountants:

Stay updated on AI tools for tasks like reporting, taxes, and auditing. Focus on developing skills that AI can't replace, like critical thinking and data analysis. Use AI to enhance decision-making and boost productivity, while focusing on more complex tasks that require human judgment.

• For Educational Institutions:

Include AI courses in accounting programs to better prepare students for the future. Hands-on workshops with AI tools will give them practical experience. Encourage students to embrace continuous learning and find the balance between traditional accounting skills and AI knowledge.

• For Employers and Accounting Firms:

Invest in training employees to use AI tools and create a culture of continuous learning. Ensure that human judgment is used for complex decisions and client relationships, maintaining a balance between automation and personal insight.

• For Students and Future Accountants:

Learn about AI and develop skills in data analysis and technology management. Stay flexible and open to new tools, and focus on creativity and problem-solving to stand out in areas where humans excel.

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