

A STUDY ON MANAGEMENT INFORMATION SYSTEM AND REPORTING**ASHWIN KUMAR.P, KISHORE RAAJ S****STUDENT, ASSISTANT PROFESSOR****SCHOOL OF MANAGEMENT STUDIES****SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY**

Abstract - This paper is to analyse the Management Information Systems (MIS) are crucial for today's organizations. They provide timely and relevant information that supports effective decision-making. This study looks at how important MIS and reporting are for improving organizational performance, efficiency, and control. It explores how MIS helps collect, process, store, and share information among different departments. The study also emphasizes the significance of reporting systems. These systems present data in a clear and useful way, allowing managers to evaluate performance, spot trends, and make informed decisions. Both primary and secondary data have been used to understand how MIS is applied in organizations, especially in fields like accounting, auditing, and financial management.

1) INTRODUCTION

In today's fast-paced and competitive business world, information is vital for any organization's success. A Management Information System (MIS) collects, processes, stores, and distributes information to help with decision-making, coordination, control, and analysis within an organization. It allows managers at different levels to access accurate and timely information, which is essential for effective planning and management. MIS gathers data from various departments like finance, accounting, human resources, and operations, turning it into useful reports. These reports help management monitor performance, identify issues, and make informed decisions. With technology improving, MIS has become more efficient, allowing for real-time data processing and better communication across the organization.

2) OBJECTIVES OF THE STUDY

- To understand the concept of Management Information System (MIS) and its role in business organizations.
- To analyze the importance of MIS in reporting systems within an audit firm.
- To study how MIS supports decision-making at different levels of management.
- To evaluate the effectiveness of MIS in improving operational efficiency and accuracy of financial reporting.
- To examine the role of MIS in audit processes, including data collection, analysis, and reporting.
- To identify the challenges faced in implementing MIS in organizations.

3) BACKGROUND OF THE STUDY

In today's businesses, particularly in audit firms and financial organizations, Management Information Systems (MIS) and reporting are essential for ensuring transparency, accountability, and compliance with regulations. They help analyze financial data, track transactions, and evaluate how organizations perform.

4) JUSTIFICATION OF THE STUDY

This study is necessary because many organizations, especially MSMEs, experience delays in decision-making and inefficiencies due to a lack of structured Management Information Systems (MIS) and effective reporting practices. Poor data management and inaccurate reporting can cause operational losses, decreased productivity, and weak financial control. Although more organizations are adopting digital tools, there is little research on how using MIS over time affects organizational performance, reporting accuracy, and decision-making efficiency.

5) LITERATURE REVIEW

- **KUMAR (2024)** studied how Management Information Systems improve decision-making efficiency in Indian MSMEs. The study found that effective MIS implementation boosts operational efficiency by 20 to 25% and significantly decreases decision-making time.

- **SHARMA (2023)** looked into the impact of MIS on financial reporting and internal controls in Indian organizations. The study showed that a structured MIS reduces reporting errors by 30% and increases transparency in financial statements.

- **RAO (2025)** analyzed the connection between MIS usage and organizational performance in the service sector. The findings showed a strong positive relationship between adopting MIS and productivity levels.

6) METHODOLOGY

RESEARCH DESIGN

This analytical research examines the relationship between the effectiveness of Management Information Systems (MIS) and organizational performance. It looks at how MIS impacts decision-making efficiency, reporting accuracy, and operational productivity. The study analyzes how timely and structured MIS reports influence managerial decisions, financial control, and overall performance.

7) SAMPLING TECHNIQUE

The research uses stratified sampling of organizations utilizing MIS. The population is divided by the size of the organization and the type of business, including manufacturing, trading, and service sectors. A proportionate

sample of firms is selected from each stratum to ensure a thorough analysis of MIS usage and reporting practices across different types of organizations.

8) DATA SOURCES

- MIS reports (daily, weekly, and monthly reports)
- Financial Statements (Profit & Loss Account, Balance Sheet)
- Internal records and management reports
- Audit reports and performance reports of organizations
- ERP/MIS software data (sales reports, expense reports, dashboards)

9) SAMPLE SIZE & PERIOD

- 7 organizations – 28 observations (7×4 periods)
- The study spans 4 financial years to analyze trends in MIS usage and reporting efficiency
- The period includes initial adoption, implementation, and stabilization phases of MIS

10) DATA ANALYSIS & INTERPRETATION

MANAGEMENT INFORMATION SYSTEM (MIS)

MIS is a system that collects, processes, and presents data to aid decision-making within an organization. It helps managers analyze performance, monitor operations, and generate accurate reports. Effective MIS improves reporting efficiency, cuts down on errors, and supports timely, informed decisions.

11) STATISTICAL FINDINGS

1. RATIO ANALYSIS

i. PROFITABILITY RATIO

It measures the effectiveness of MIS in improving profitability of 7 organizations through better reporting and decision-making.

- Gross Profit Ratio (70–90%) remains stable due to efficient cost monitoring through MIS reports.
- Net Profit Ratio (5–15%) reflects improvements in operational efficiency due to timely information availability.

a) GROSS PROFIT RATIO (%)

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	82.5%	78.2%	85.4%	80.6%	83.1%	79.5%	81.2%
2018	83.2%	78.2%	86.0%	81.4%	84.0%	80.1%	82.0%
2019	84.0%	80.3%	86.8%	82.5%	85.2%	81.0%	83.1%
2020	85.1%	81.5%	87.6%	83.7%	86.3%	82.4%	84.5%

INTERPRETATION:

Profitability shows gradual improvement as MIS enables better cost control and strategic decisions. Organizations with advanced MIS show higher consistency in profits compared to others.

b) NET PROFIT RATIO (%)

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	6.2%	9.5%	7.1%	8.3%	10.2%	9.0%	7.8%
2018	6.8%	10.1%	7.9%	8.9%	11.0%	9.4%	8.2%
2019	7.5%	11.3%	8.6%	9.5%	12.2%	10.1%	8.9%
2020	8.4%	12.0%	9.4%	10.2%	13.0%	10.8%	9.6%

INTERPRETATION:

Profitability shows gradual improvement as MIS enables better cost control and strategic decisions. Organizations with advanced MIS show higher consistency in profits compared to others.

c) OPERATING PROFIT RATIO (%)

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	10.5%	14.2%	11.3%	12.8%	13.5%	12.9%	11.7%
2018	11.0%	14.8%	11.9%	13.4%	14.1%	13.5%	12.2%
2019	11.8%	15.5%	12.6%	14.0%	14.9%	14.2%	12.9%
2020	12.6%	16.2%	13.4%	14.8%	15.8%	15.0%	13.7%

INTERPRETATION:

Organizations using MIS dashboards and periodic reports show better control over operating costs, leading to improved margins.

2. LIQUIDITY RATIO

a) CURRENT RATIO

Current ratio (2.0–3.5) indicates strong liquidity position supported by MIS-based financial monitoring.

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	2.1	2.5	2.0	2.3	2.8	2.2	2.4
2018	2.3	2.7	2.2	2.5	3.2	2.4	2.6
2019	2.5	2.9	2.2	2.7	3.6	2.6	2.8
2020	2.7	3.1	2.6	2.4	3.5	2.8	3.0

INTERPRETATION:

MIS helps organizations track receivables, payables, and cash flows effectively, ensuring stable liquidity

b) QUICK RATIO

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	1.5	1.8	1.6	1.7	1.9	1.6	1.7
2018	1.7	2.0	1.8	1.9	2.1	1.8	1.9
2019	1.9	2.2	2.0	2.1	2.3	2.0	2.1
2020	2.1	2.4	2.2	2.3	2.5	2.2	2.3

INTERPRETATION:

Real-time MIS reporting improves cash management and short-term financial planning.

3. SOLVENCY RATIO

a) DEBT-EQUITY RATIO

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	0.60	0.55	0.65	0.58	0.70	0.62	0.57
2018	0.55	0.50	0.60	0.53	0.65	0.58	0.52
2019	0.50	0.45	0.55	0.48	0.60	0.53	0.47
2020	0.45	0.40	0.50	0.43	0.55	0.48	0.42

Debt-equity ratio (<1.0) indicates conservative financial structure across organizations.

INTERPRETATION:

MIS supports better financial planning and capital structure decisions, reducing dependency on debt.

b) DEBT RATIO

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	0.35	0.32	0.38	0.34	0.40	0.36	0.33
2018	0.32	0.30	0.35	0.31	0.38	0.33	0.30
2019	0.29	0.27	0.32	0.28	0.35	0.30	0.27
2020	0.26	0.24	0.29	0.25	0.32	0.27	0.24

INTERPRETATION:

Organizations maintain balanced financing due to improved financial insights from MIS reports.

4. TREND ANALYSIS**a) MIS UTILIZATION**

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	75%	70%	72%	74%	76%	71%	73%
2018	80%	78%	79%	81%	83%	77%	79%
2019	88%	85%	86%	87%	89%	84%	86%
2020	95%	92%	93%	94%	96%	91%	93%

INTERPRETATION:

There is a steady improvement in adoption of MIS tools, indicating digital transformation and better reporting practices.

b) REPORTING ACCURACY (%)

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	78%	75%	76%	77%	80%	74%	76%
2018	82%	80%	81%	83%	85%	79%	81%
2019	88%	86%	87%	89%	91%	85%	87%
2020	94%	92%	93%	95%	96%	91%	93%

Errors in reports decreased significantly over time.

INTERPRETATION:

Automation and structured MIS reduced manual errors and improved reliability of reports.

c) DECISION-MAKING TIME (Days)

YEAR	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5	FIRM 6	FIRM 7
2017	10	12	11	10	9	11	10
2018	9	11	10	9	8	10	9
2019	8	9	9	8	7	9	8
2020	7	8	8	7	6	8	7

Time taken for managerial decisions reduced by 20–30%.

INTERPRETATION:

Timely MIS reports enable faster and more effective decision-making.

5. DESCRIPTIVE STATISTICS

VARIABLES	N	MIN	MAX	MEAN	STD DEV
MIS Efficiency (%)	28	70	96	85.2	7.5
Revenue (Lakhs)	28	800	1600	1150	220
Net Profit (Lakhs)	28	60	300	170	65
Current Ratio	28	2.0	3.4	2.7	0.4
Debt-Equity Ratio	28	0.40	0.70	0.52	0.09
Reporting Accuracy %	28	75	96	86.5	6.8

6. CORRELATION

The study shows a positive correlation between MIS usage and profitability ($r = 0.60$). This indicates that better use of MIS leads to improved financial performance.

A negative correlation ($r = -0.40$) exists between reporting errors and MIS efficiency.

7. REGRESSION

The regression model accounts for 30% of the variation ($R^2 = 0.30$) in organizational performance. MIS effectiveness is the most important predictor ($\beta = 0.45, p < 0.05$).

12) CONCLUSION

The research indicates that implementing Management Information Systems (MIS) has significantly improved the efficiency and performance of organizations. The data shows a moderate positive correlation between MIS

effectiveness and the net profit margins of the firms. The study focused on the operational and financial data of seven organizations from 2017 to 2020. Despite initial challenges with adopting MIS, organizations achieved reporting accuracy levels of 90 to 95% and enhanced decision-making efficiency over time.

The regression results confirm that MIS effectiveness is a crucial factor for organizational performance and profitability. The benefits of MIS include improved reporting accuracy, shorter decision-making time, and better financial control. Overall, the study demonstrates that properly using MIS and reporting systems gives organizations a strategic advantage for sustainable growth.

13) FINDINGS

- MIS utilization rates rose from 75% in 2017 to 95% in 2020 across seven organizations
- Net profitability showed a moderate positive link with MIS efficiency ($r = 0.60$, $p < 0.05$)
- Decision-making time dropped by 20 to 30% thanks to timely MIS reports
- Reporting accuracy increased to 90 to 95%, greatly reducing manual errors
- The current ratio averaged around 2.5, showing strong liquidity supported by MIS monitoring

14) SUGGESTIONS

Organizations should work on strengthening their MIS by establishing regular reporting systems, including daily, weekly, and monthly reports to support timely decisions. Adopting better MIS/ERP software like Tally Prime and SAP ERP can help enhance data accuracy and reporting efficiency.

Training employees on using MIS and managing data will cut down errors and boost the reliability of reports. Regularly analyzing financial and operational ratios through MIS dashboards will help organizations maintain profitability and operational efficiency.

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