1. Meaning and Importance of Outsourcing (quest 1 and 2 did it just need to edit )

What is outsourcing? According to the articles ‘’ Outsourcing and the Contracting Of Responsibility’’ by Hira and Hira 2005,outsourcing is defined as instances where a company purchases goods or services performed within the organization structure of a company ‘’in house’’ from an outside supplier. Hence , in a simple form, outsourcing is often characterized as the hiring an outside company to handle all or part of an organization’s data processing activities. Today, outsourcing is widely used by companies especially small companies tend to outsource its computing, telecommunications, and software managements to accounting firms or firms that specialised in the specific areas.

There are a number of significant factors identified in outsourcing. Firstly, outsourcing companies are able to have the best concentration on the task they are doing and outsource certain specific areas of work to expert in the field they are outsourcing. Thus, this promotes in saving for the costs of the company in doing the outsourcing. Alternatively, some companies choose to outsource offshore as well as onshore in order to maintain a low costs so that that they can keep the prices at a lower rate for consumers. Importance of outsource offshore can be seen from the finding where employees seems to do the task needs to be done. The recognition of the importance of outsourcing is seen in helping the countries development along in providing employment opportunities to the citizens. In the economic globally wide, it is said that outsourcing is important as we cant simply keep everything in this country which is not being realistic.

Another importance of outsourcing is greatly determined in helping to level the field of the business and to make the business appear bigger than it is. This concept is certainly useful for small businesses that cant afford to maintain resources like the large companies. Therefore, by outsourcing, small business companies are able to compete with larger companies in having an increase of own efficiency and expertise access to the resources. At such, this help to increase the overall quality of the business in having an effective and efficient organization management.

1. Application Of Outsourcing in Accounting and their Implications on the profitability and quality of information of a company.

In accounting,application of outsourcing is also known as a business process outsourcing where it is a form of outsourcing of accounting applications in assigning certain projects associated within the business operation to an outside entity.This is definitely done with an aim of maximizing the available resources to the organization in making sure that the task being done in a timely effective and efficient way.Withthis,small firm make use of application outsourcing without having stress on the internal resources of the company.Atsuch,small firm will choose to outsource its bookkeeping needs,payroll,issue invoices and payments to the company’s vendors.The outsourcing of accounting application helps the small business to eliminate the need to pay salaries to the workers.

Besides,application of outsourcing in accounting are widely used in the field of accounting especially in payroll accounting.Frequently, application of outsourcing in accounting are well known in small and medium size firm.This is certainly true where in small firm without any necessary department in dealing with the payroll or to address to the specific accounting matters.Consequently,this lead the small firm to outsource the quality of information without having any pressure related to payroll and the eased of paying salaries to workers.Also,the firm can rest in assure about the changes of the legislation without becoming a barrier in success in the competitive world as the payroll system is being done by the specialist.With the outsourcing in accounting,the company can focus on their performance while having their payroll being specialised outsource of profitability and quality information of the company.

In terms of profitability,application of outsourcing can be said to lead to the fragmentation and disintegration of the supply chain of the company which result in an decrease of profitability of the company.This is supported by the fact that application of outsourcing invites new competitors into the industry of accounting.Forinstance,when more activities such as accounting payroll,marketing,branding being outsourced,the supply chain will changed from a single integrated process in having traditional way of management into a fragment and disintegrated process .Although outsourcing offer advantages such as asset utilization in reducing the expenses,the consequences of the implications lead to low profitability as there be highly competitive new and existing competitors in doing the benchmarking against industries,shorten the product cycles as well as low return on the invested capital by the investors of the company.

Another implication of outsourcing in accounting can be seen where outsourcing affects the relationship between the company and the third party of the company.This is where in outsourcing companies usually shift the production and task to overseas where it lead to a great impact on the economy that will reverse all the gains from outsourcing resulting in a low profitability of the company.This will also lead to the political issues in outsourcing the information to the overseas.As a customers,they may end up boycotting the products just to cut the costs and to raise profits.Atsuch,this will caused a huge disorder unstable issues to the economic as well as to the politics.Foroccurrence,people may end up supporting legislation which increase their cost of doing their business without caring about others community.

Clearly,it can be seen that outsourcing brings implication on the quality of the information to be delivered to the consumers.Outsourcing of information are to be said that it helps to increase the quality of the information in term of having a more accurate and timeliness profitability.Moreover,the outsourcing of quality if information is a reliable process where it aim to save the indirect as well as the direct costs of the company.Likewise,outsourcing brings good implications on the quality of information where outsourcing attract many organisations to outsource by the comparison of wages for high quality and better training being provide.In the long run,this will help to increase the profitibility of the company and outsourcing help to achieve greater amount of savings for the organization.

Not only that,outsourcing of quality information brings successful quality of improvement to the Total Quality Management of the organization.This set as an initiatitives in