



THE GAP BETWEEN ACCOUNTING EDUCATION AND ACCOUNTING IN PRACTICE: (A SPECIAL REFERENCE TO GULBURGA UNIVERSITY, KALABURAGI)

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ABSTRACT The implementation of ASEAN Free Trade Agreement in 2015 will challenge accounting graduates to secure their accounting positions. The level of the qualification possessed by the graduates depends up on the knowledge and skills the graduates have learnt during their studies. Thus, to create job-ready graduates, it is important for higher education to keep updating their curriculum in accordance with current business practice. This study aims to discover the extent to which the accounting curricula meets the needs of accounting profession in Balinese context. The sample in this study is the academics, alumni and final year students and professional accountants Mixed method is employed in this study. Quantitative data collected by administering a five point Likert scale questionnaires and was analyse statistically; whereas qualitative data accumulated by open-ended questionnaires and interview and was analyse by content analysis. This study reveals that the curricula of the Colleges of Accountancy at University of Gulbarga is relevant to the accounting profession; however, a few course contents and subjects taught needs to be revisited to accord with current business practice. To create job-ready graduates in Balinese context, English had become a major issue besides IFRS and Information Technology. Further, adding new subjects such as Corporate Governance, International Business and Computer-based Audit to the curricula is critical, as these subjects are technical competence that accountants must able to demonstrate according to IES. This study suggests that comparative case studies, internship in accounting-related companies and focus groups discussions are learning method to be developed to enhance graduates' technical and nontechnical skills.

KEYWORDS : Accounting, Implements, Education, Designed, market,

INTRODUCTION:

Higher education should ensure that there is transfer of knowledge a good learning environment. When these are present, higher education can create graduates with the conceptual knowledge and critical thinking necessary for the workforce, including being an accountant. Unfortunately, accounting education in tertiary education is perceived as being problematic with concerns over course content and curriculum, pedagogy, skill development, the use of technology, faculty development and reward structure. Albrecht and Sack further argue that curricula designed is too narrow and often not updated, driven by the interests of faculty not the market demand. The pedagogy lacks creativity which impedes students' ability to learn. Several studies suggest that accounting education is in crisis with a gap between accounting education and accounting in practice. The accounting education of universities puts more emphasis on teaching students for qualification examinations rather than advancing students' professional skills. She further argues that the graduates produced by universities are ill-equipped to handle the needs of the accounting profession.

2. LITERATURE REVIEW

Accounting has become a key discipline because it functions as 'the language of business' (Burritt and Tingey-Holyoak 2011). Considering the importance of accounting,

accounting education delivered in higher education should be in accordance with accounting in practice. Unfortunately, the bond between accounting education and accounting in practice has been heavily criticized (Burritt and Tingey-Holyoak 2011), particularly since the fall of the global accounting firm, Arthur Andersen after Enron (Singh 2004). Several research findings have revealed the challenges to accounting education. For example, Singh (2004) evaluated the accounting courses offered by the professional bodies and universities in India and found that accounting education in India had failed to meet the changing nature of business.

RESEARCH METHODOLOGY

This study involved: (1) the academics of the Colleges of Accountancy at University of Kalaburagi a total of 18 accounting lecturers; (2) alumni and final year students of the Colleges of Accountancy at Universities of Gulbarga who work in commerce departments. Snowball sampling method was used to determine the sample of the alumni and purposive sampling method was used to determine the sample of final year students. (3) Professional accountants from registered Public Accountant Association and from tax and financial consultants in Gulbarga area. Total registered public accountant firms in Gulbarga is ten, and each firm asked for different number of questionnaires ranging from two to fifteen questionnaires. This study employed a mixed method research. Quantitative data collected by

closedended questionnaires to confirm the relevance/importance of subjects and teaching methods, measured on a five point Likert scale ranging from 5 (very relevant/important) to 1 (very irrelevant/unimportant), and was analyzed with statistical analysis; whereas, qualitative data accumulated through open-ended questionnaires and interviews to obtain detailed information, and was analyzed with content analysis.

FINDINGS

To be graduated with a Bachelor Degree in the colleges of Accountancy Faculty at University of Gulbarga, 43 subjects have to be passed. the 43 subjects and the responses from 166 respondents on how relevant each topic is to the profession. Academics viewed 25 subjects as very relevant and 18 subjects as relevant for the accounting profession. The academics ranked Introduction to Accounting, Taxation (practice) and Audit (practice) were most relevant subjects with similar mean scores of 4.93. The academics argued that those three subjects were the core technical competence for being accountants. In Introduction to Accounting, students learn the basic accounting knowledge, debit and credit. While in real accounting work, besides dealing with journals and financial statements, graduates will definitely deal with tax and audit. For instance, they have to calculate employees' and entity's tax levy and report them monthly and annually; or if they work in a public accountant firm, they must understand audit. From public accountants' perspective, 24 subjects as very relevant and 19 subjects as relevant. Audit (practice) ranked first, followed by Audit (theory) and Financial Accounting with means of 4.74, 4.66 and 4.63 respectively. They claimed that being public accountants, mastering audit theoretically and practically have become key requirements. Graduates, who will be future accountants or auditors, have to understand the concept of audit, what to be audited and how to audit. They further argued graduates must well knowledgeable of financial statements including its accounts and its measurement as this is the main object for accounting profession. Alumni and final year students identified 21 subjects as very relevant and 22 subjects as relevant. Most relevant subject was Financial Accounting, followed by Analysis of Financial Statements with means of 4.72 and 4.69 respectively. The alumni and final year students argued that even though they have learnt basic accounting knowledge in the Introduction to Accounting subject1, they have not mastered each account in detailed yet as to what they learnt in Financial Accounting2. In addition, how to interpret numbers in financial statements is highlighted by this group. The alumni and final year students explained that besides preparing financial statements, they also asked to communicate the statements by using financial ratios with their managers. Interestingly, the three groups of respondents had a similar agreement that Sociology Politics3 were ranked last out of 43 subjects. When asked about other subjects to be added to the curricula, 33 per cent of the respondents stated English-based Accounting. The

academics and the alumni and final year students agreed that graduates must be fluent with accounting terminology in English, able to demonstrate their competencies and communicate in English. English proficiency has become a core professional skill in Balinese context. This is because besides being a tourist destination, Bali is also well known as an international business centre in Indonesia. Graduates will need to interact with colleagues, many of whom will be expatriates. Thus, to create job graduates, equipping graduates with accounting knowledge itself is not adequate. The academics emphasized that graduates with English proficiency will be valued higher than those who do not. Next subject was International Financial Reporting Standards (17 per cent).

The professional accountants emphasized that the academics should be able to design a specific case study that applicable or reflect to the real working environment. In designing the case study, the academics mirror from the theoretical framework and literature review of the latest academic journals, then the content of the case study is adjusted with the surrounding circumstances within Indonesia, or more specifically, within Balinese context. The aim is that students can analyzed and implement theory to the specific circumstances.

SUGGESTIONS AND CONCLUSION

- The findings above indicates that the curricula in the colleges of Accountancy at Gulbarga University is relevant to the needs of accounting profession; however, a few course contents and subjects taught needs to be reviewed. To meet current practice requirements, updating accounting programs is critical.
- The academics and the alumni and final year students highlighted the importance of English proficiency to secure accounting profession in the Balinese context. Even though English language already included in the curricula of the Colleges of Accountancy, the content should be updated to be more accounting-business related and more practice need to be conducted.
- Graduates can demonstrate their competencies better to their colleagues, whom most of them are expatriates, when they proficient with English; thus, they will valued higher than those who do not. Similarly, incorporating IFRS to certain accounting subjects had become an issue.
- The development of information and technology has reduced the need of bookkeeping with online financial reporting and extensible Business Reporting Language where information can be accessed anywhere.
- In regard to learning methods, all respondents agreed case study is the best learning approach. The academics should be able to design a specific case study based on real accounting work, so it is applicable and reflects on real circumstances. The case study can be in form of intensive cases, comparative cases or action research
- Professional accountants suggested that better for accounting students to do internships in accounting-related firms within six months. Under the supervision of the accounting manager of a particular firm, students can experience accounting skills when they handle the accounting process of that firm. Internships mentor or supervisor, in this case is the accounting manager, plays important role in shaping students' accounting skills. Students' learning quality depends on the learning experiences that is designed and facilitated by the supervisors.

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