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## AWARENESS OF STUDENTS TOWARDS ACCOUNTANCY AS A PROFESSION

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### ABSTRACT

*This study was taken to investigate the MRSM student's awareness towards accountancy as a profession. The objectives of the study are to identify factors that attract the students in choosing Principle of Accounts subject for SPM examination and to examine the student's awareness towards accountancy as a profession. Overall, the findings show that MRSM students have a low level of awareness towards accountancy as a profession. The findings may have important implications for the profession's future recruitment.*

### INTRODUCTION

Historically, an accountant's work was not as complex as today. According to French and Coppage (2000), in the past, the demand for an accountant's knowledge from the industry was limited to accounting and auditing only. Today, accountants must have a complex array of knowledge and skills as required by the business in a constantly changing business environment. Accountants must be equipped with knowledge of information technology, Law, Marketing, Taxation and must be able to provide complex business services.

Recently, the Australian Society of CPAs in its CPA newsletter (1999) has identified the following skills that should be acquired by the accountants in today's complex business environment.

1. Facility to correlate, manage and add value to financial information
2. Skills to create, re-program and work with web-based data and exploit e-commerce opportunities
3. Ability to work in hierarchical organizational structures that will 'free' decision making to be based on lighting fast data and communication
4. Be business managers rather than information providers which means getting involved in decisions of other management disciplines rather than reporting after the events
5. Be effective communicators and team builders

As Malaysia moves towards the year 2020, the year when Malaysia will become a developed nation the number of accountants needed, will increase substantially (Juhari, Tew and Azmi, 1995). The developments of the economy rely on the behavior and conduct of an accountant. This raises the need for qualified accountants, with both financial and managerial skills. Apart from that, the Malaysian government also has raised the need to produce more Bumiputra accounting graduates under the New Economic Scheme. According to the Malaysian Institute of Accountants (MIA), it is predicted that a total of 60,000 accountants are needed by the year 2020. The problem arise, as reported by Veerinderjeet and Abdul Halim (1993), when they found out that the ac-

accounting profession is one of the critical professions in Malaysia with a ratio of 1 accountant to 3000 people. Compared to other nations for example, Singapore and Australia, the ratio is 1 accountant to 500 people.

There are some concerns that the 'best and brightest' students are no longer selecting accountancy as their major in college due to lack of awareness. Due to old styles of teaching method and out of date syllabus, accounting courses that give students the "wrong" perceptions of accounting may contribute to the "right" people choosing non-accounting careers and the "wrong" people becoming accountants. According to Baldwin and Ingram (1991) the meaning of attracting "wrong" students is selecting students who prefer computation and memorization but dislike analysis and evaluation skills that accountants in today's complex business environment must have.

The purpose of this paper is to conduct a study on MRSM students' awareness towards accountancy as a profession.

The objectives of this study are: -

1. To identify factors that attract the students in choosing Principle of Accounts for SPM examination.
2. To examine students' awareness towards accountancy as a profession.

## LITERATURE REVIEW

The accountant's role in the business world today is evolving from the traditional role of preparing financial statements to decision-making, which involve complex business decisions. In the earlier studies done by Skousen (1977), he concluded that the accounting profession has undergone a transformation where the accountant's role is no more on the traditional approach or number crunchier. A complex business environment has resulted in the need for the accountant to absorb the role of manager and also user of information technology. Students are not aware of the pressures and responsibilities that await them and this has resulted in high turnover in public accounting and in the industry. The accounting curriculums should sufficiently prepare the student for these challenges.

Daidone (1991) mentioned that in the Gallup's study, the level of student's awareness on accountancy profession is low and high achievers did not choose accountant as a career. In Malaysia, Juhari, Tew, and Azmi (1995) and Jamalludin et al. (1999) reported the same outcome as in Gallup's study, where, the level of students' awareness in secondary school towards accountancy as a profession is low.

This might be due to the fact that the professionals and academicians are not reaching the students early enough in the educational process. Pacililo and Estes (1982) as quoted by Felton, Buhr and Northey (1994) concluded that, to compete with other professions, the accounting profession should undertake efforts to recruit students during their high school years. Graves,

and Davis (1992) found that most students in the Federation of schools of Accountancy in United States first seriously considered a career in accountancy during high school. This means that the effort to attract good students into the profession must be done during the high school stage.

Luscombe (1988,1989) as quoted by Felton, Buhr and Northey (1994), pointed out that due to the lack of effort to recruit the students in their early stage, many students have negative perception and viewed accounting profession as dull, heavily demanding and has low starting salaries. According to Felton, Buhr and Northey (1994), this trend must be a major concern to accounting educators, who share a common interest with practitioners in their desire to attract and retain high caliber students in accounting programs.

One solution to increase the number of 'best and brightest' Bumiputra students into the profession is to attract students in the boarding school. The researcher selected Maktab Rendah Sains MARA (MRSM) in this study to examine the students' awareness towards accountancy as a profession. MRSM was selected because it is an elite boarding school and all 17 MRSMs in Malaysia have achieved excellent result for the Sijil Pelajaran Malaysia (SPM) examination since its establishment in 1970. The selection criterion for Form 1 and Form 4 students is among the toughest in the country. In addition, the passing rate for Principle of Accounts or PA subject for SPM in the year 2000 was 99.6%, which was among the highest in the country.

According to Carcello et al (1991), some of the blame has been placed on the traditional, and possibly outdated, education system that accounting majors are required to follow. This notion is supported by Porter and Carr (1999), where they concluded that accounting programs are out of step with the changed demands of the accounting profession and may leave graduates ill equipped to deal with the challenges they meet in the new, rapidly changing, globally oriented commercial environment.

## RESEARCH METHODOLOGY

The research covered 16 MRSM in Malaysia, which offer Principle of Accounts (PA). The subjects who are to make up the population, are Form 5, Applied Science MRSM students who will take PA for their SPM examination in the year 2001. Applied Science is an alternative stream to pure science stream. The rationale for choosing Form 5 Applied Science students was that, form 5 students are more matured and more exposed compared to Form 4 students. Most of the Form 5 students have undergone motivation courses and career guidance seminar and as a result, they might have a better view and ideas on their career planning. In contrast, Form 4 students are less sure of their future plans, or may change their minds later and normally cannot clearly classify their own career choice.

There are 521 Applied Science MRSM students. Since the population involved large number of students, simple Random Sampling method was used. Samples of 263 students were selected out of the total 521 students. Each MRSM randomly selected 50% of their students to be the respondents. Questionnaires were distributed as research instrument for the gathering of data in this study.



**DATA ANALYSIS AND FINDINGS**

The response rate was very encouraging, that is 94.68% (249 respondents). Out of this number, 133 (53.4%) of the respondents are male and 116 (46.6%) of the respondents are female. All respondents are Malay.

**Analysis of Findings on Factors that Attract the Students in Choosing PA for SPM Examination**

The first objective of this study is to identify factors that attract the students in choosing PA for SPM examination. For this purpose, firstly, the researcher looks into the source of encouragement for subject choice. Most students (82%) chose PA on their own. The percentages of students who obtained encouragement from their family, teachers and friends were 10%, 5% and 3% respectively. Family encouragement was also an important factor because family usually gives guidance, motivation, financial support and advice to their children. Today, most parents usually let their children decide on what subject to choose from and what profession they want to be in. Therefore, the findings that indicated 82% of the students choose PA on their own was expected by the researcher.

Table 1 – Interest of Studying PA

	Frequencies	Percentage	Rank
Not Interested	1	0.40%	5
Less Interested	10	4.02%	4
Interested	89	35.74%	1
Very Interested	78	31.33%	2
Strongly Interested	71	28.51%	3
	249	100%	

Table 1 shows that majority of students (35.74%) had interest in studying PA. 31.33% were 'very interested' and only 28.51% had strong interest. The findings show that 4.02% were less interested and 0.40% had no interest at all.

Table 2 – Opinion towards the Level of Difficulties of PA

	Frequencies	Percentage	Rank
Very Difficult	1	0.40%	5
Difficult	27	10.84%	3
Fair	164	65.86%	1
Easy	52	20.88%	2
Very Easy	5	2.02%	4
	249	100%	

Table 2 shows that, 65.86% of the students considered PA as a fair subject, 20.88% considered it as easy and only 2.02% considered it as a very easy subject. The rest considered PA as difficult (10.84%) and very difficult (0.40%) subject to study.

Table 3 – Interest towards PA compared to other subject

	Mean	Rank
Modern Mathematics	3.9157	1
Pendidikan Islam	3.8675	2
Additional Mathematics	3.6988	3
Physic	3.4859	4
English	3.4337	5
Chemistry	3.3574	6
Bahasa Malaysia	3.2691	7
Geography	2.9076	8

When comparing with other subjects, the study found that Modern Mathematics, Pendidikan Islam and Additional Mathematics ranked as the 3 most popular subjects. The finding shows that the students prefer computation subject. Baldwin and Ingram (1991) mentioned that accounting students mostly prefer computation and memorization but dislike analysis and evaluation.

Normally, the students who choose this subject thought that PA is a computation subject when they choose this subject in form 4 but then realized that this subject required understanding of concepts and ability to analyze and evaluate. This may have contributed to their lack of interest to study PA.

Table 4 – Problems faced by students when studying PA

	Frequencies	Percentage
Difficult to understand the concept	90	36.14%
Difficult to memorize the format	69	27.71%
No answer given	33	13.25%
Careless in doing the accounts	25	10.04%
Confuse with the different accounts	24	9.64%
Not enough time to study	3	1.20%
Long format	2	0.80%
Bad Learning Environment	1	0.40%
No commitment from the teacher	1	0.40%
Small Number of students to organize a group study	1	0.40%
	249	100%

Table 4 indicates the problems faced by the students in studying PA. Most students (36.14%) have difficulty in understand the concepts in PA. 27.71% of the students had difficulty to memorize the accounts format. 10.04% of the students responded that they were usually careless in doing the accounts such as putting figures in the wrong accounts and 9.64% of the students were confused about the different type of accounts. Other students have problems in time to study (1.2%), long format (0.80%), bad Learning Environment (0.40%), getting commitment from the teacher (0.40%) and organizing group study due to the small number of students taking PA (0.4%). Overall 86.75% gave feedback on the problems they faced when studying PA. However, 13.25% of the students did not give any answer.

**Analysis of Findings on Student Awareness Towards Accountancy as a Profession**

The study found that 61% of the students had chosen accountancy as their future career and 39% had no intention to become an accountant. For those students who did not choose accountancy as their future career, 49.48% prefer Engineering and 18.56% wanted to be a Businessman. Manager, Architect, Graphic Designer, pilot, Interior designer and Lawyer were the other popular career choices. The rest had chosen teacher, IT Consultant, 3D Animator, Computer Engineer, Economist, Bank Officer and Astronaut as their future careers.

Next the researcher asked the student questions to determine their knowledge towards accounting career. The students were asked to indicate on a 5-point Likert scale of each factor from 1 ("having no knowledge at all"), to 5 ("very good knowledge"). Table 5 shows that the mean score for all 3 statements was below 3 which means that the students have limited knowledge on accountant's job function, accounting courses offered by local institute of higher education and the requirements to further their studies in accountancy at any institute of higher education.

Table 5 – Knowledge in Accountancy as a Career

	Mean	Std. Deviation
Knowledge on what Certified Accountant's do in their daily operation	2.2530	.6870
Knowledge on accounting courses offered by local Institute of higher education	2.3133	.7555
Knowledge on the requirement to further studies in accounting at Institute of higher education	2.5060	.8758

Table 6 – Knowledge on Accounting Examination

	Yes	Percentage	No	Percentage
Malaysian Association of Certified Public Accountant (MACPA)	78	31%	171	69%
Chartered Institute of Management Accountant (CIMA)	58	23%	191	77%
Association of Certified Accountant (ACCA)	108	43%	141	57%

Table 6 shows the percentage of student's knowledge of accounting examination conducted by professional bodies. It can be seen in the above table that, most of the students have low knowledge. Only 43% of the students knew ACCA, 31% knew MACPA and 23% knew CIMA.

Table 7 – Knowledge on Accounting Bodies in Malaysia

	Yes	Percentage	No	Percentage
Malaysia Institute of Accountant (MIA)	158	63%	93	37%
Malaysian Association of Certified Public Accountant (MACPA)	99	40%	150	60%
Malaysian Accounting Standard Board (MASB)	60	24%	189	76%

When, the students were asked on their knowledge on the existence of accounting bodies in Malaysia, Table 7 shows that 63% of the students did know MIA. However, 60% did not know MACPA and 76% did not know the existence of MASB.

The researcher found that most of the students were keen to know more about the accounting profession. It was supported by the findings that 85% (212 respondents) of the students had put an effort to seek information on the accounting profession. From these 212 (85%) students who sought information on accounting profession, most of them got their knowledge from magazines (54.25%). Other sources were books, teacher, seminar/talk, family, pamphlet, counselor, newspapers, friends and the Internet.

Most students considered the reading material in their college insufficient to fulfill their needs to get knowledge on the accountancy profession. 30.66% viewed it as not sufficient, 49.06% viewed it as not that sufficient. Out of that 17.45% viewed it as sufficient, 2.36% viewed it as very sufficient and only 0.47% of the student believed that they had perfect reference.

Finally, the researcher asked for feedback from the students on which university that they would prefer to go to if they choose to major in accountancy. As stated in Table 8, most of the students (45.78%) chose UiTM as their first choice. UM, UKM and UUM are rank second, third, and fourth respectively.

Table 8 – University Preferred if Accountancy is Chosen as a Major

	Frequencies	Percentage
Universiti Teknologi MARA	114	45.78%
Universiti Malaya	42	16.87%
Universiti Kebangsaan Malaysia	29	11.65%
Universiti Utara Malaysia	26	10.44%
Universiti Islam Antarabangsa	10	4.02%
Overseas	9	3.61%
Universiti Teknologi Malaysia	8	3.21%
Universiti Tenaga National	3	1.20%
Universiti Sains Malaysia	3	1.20%
Universiti Teknologi Petronas	2	0.80%
Universiti Multimedia	2	0.80%
Not Sure	1	0.40%
	249	100%

### Conclusion

Accountants play an important role in today's business and their roles have changed from preparing financial statements to participating in the decision making process in an organization. In achieving the country's Vision 2020, the demand and expectation of the business towards accountant will increase. The accounting education system in Malaysia must be able to cope with this demand and expectation by designing a good education system and identifying good students in order to increase the quantity and quality of accountants.

In Malaysia, the concern is whether the accountancy course is the alternative course for students who fail to get entry into other courses. This is due to low entry requirement. For example, at Universiti Teknologi Malaysia (UiTM), the entry requirement for Pre-Diploma courses in accounting is that applicants must have 4 credits and at least a pass in English, Mathematics and Bahasa Melayu. For Diploma in Accountancy, the entry requirement is 6 credits including English and Mathematics and at least a pass in Bahasa Melayu. The entry requirement for both courses offered by UiTM did not take into consideration whether the applicant had taken any accounting subject. This means that it is possible to select non-accounting background students who did not have intention to choose the accounting profession and later in their life, they may leave the profession. This might affect the quality and quantity of the supply of accountants in this country.

### Recommendation

Most secondary school students did not know that if they choose to major in accounting after SPM, there are many career options available to them. It is suggested that one way to improve the image of the profession and the recruitment program, is to supply the potential student with the correct information at the secondary school level, especially students in form 5. The rationale

is, at this level the students will decide on their career path after SPM.

Each MRSM has an important role in supplying the students with the relevant information relating to the accounting profession. More effort should be taken in order to attract students to know the existence of the career guidance unit in the college and fully utilize it to gain knowledge on the accountancy career. Professional bodies and Universities should supply this career guidance unit with pamphlets and books that relate to the accounting profession. Fully trained career advisor should be allocated to this unit in order to provide the students with correct information on accounting profession.

Academician must increase their efforts to inform students about the benefits of a career in accountancy and the opportunities that await them. Informational programs or career talks at an early stage for example to secondary school students should be conducted more frequently. The students should know that when they choose accounting major after their SPM, there is a wide number of career options available to them. They might choose to sit for professional examination to qualify them to be chartered or certified practicing accountants. They may also work in industry, commerce or a finance institution, either in government or private sector.

To attract more students to enroll in accountancy courses, universities must put some effort to visit secondary school more often to give talk on accountancy profession. This practice might help the students update their knowledge in the profession. This might also improve the students' attitude towards accountancy profession. This will enable the academician and practitioners to make decisions to adjust any wrong perception and attract more students to take this accountancy course. The academicians should propose to the Ministry of Education to redesign the syllabus of Principle of Accounts subjects and introduce to the students the roles of an accountant and career prospects in accountancy.

Accounting bodies should supply the students with relevant information regarding the accounting career using pamphlet, magazines and books. Based on the findings of this research, magazines followed by books are the most popular medium where the students get the information on accountancy profession. It is suggested that the profession exploit these mediums optimally.

In summary, to attract students to choose accountancy as their profession, requires a focused, distinctive, and a nationwide effort that needs the involvement and cooperation of accounting professionals in all areas of interest; education, business and industry, non-profit organizations, private organizations, the government and the public. Costs incurred in the effort to attract good students to the profession are not material compared to the benefits that the profession will gain in the future.

#### **FUTURE RESEARCH**

It is hoped that this research is the beginning of a full-scale nationwide research on secondary and boarding schools in Malaysia. It will better reflect the overall situation of student's awareness towards accountancy as a profession.

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