

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 low level of awareness towards accountancy as a profession. The findings may have important implications for the profession's future recruitment.

Keywords: Accountancy, Awareness, MRSM Students, Principle of Accounts.

INTRODUCTION

Historically, accountant's work was not as complex as today. According to French and Coppage (2000), in the past, the demand for accountant's knowledge from the industry was limited to accounting and auditing only. Today, accountants should have a complex 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, 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: -

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

As Malaysia moves towards the year 2020, the year where Malaysia will become developed nation, the number of accountants needed will increase substantially (Juhari, Tew and Azmi, 1995). The developments of economy rely on the behavior and conduct of an accountant. This raises need for a quality accountant, in both financial and managerial skills. Apart from that, the government of Malaysia also had raised the needs to produce more Bumiputra accounting graduates under the New Economic Scheme. According to 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), where they found out that accounting profession is one of the critical profession in Malaysia with 1 accountant for every 3000 population. Comparing to other nations for example, Singapore and Australia, the ratio is only 1 accountant for every 500 population.

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 should be posse by accountants in today's complex business environment.

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: -

- a.) To identify factors that attracts the students in choosing Principle of Accounts for SPM examination.
- b.) To examine student awareness towards accountancy as a profession.

LITERATURE REVIEW

The accountant's role in the business world today is evolving from traditional role of preparing financial statements to decision-making, which involve complex business decisions. In the earlier studies done by Skounsen (1977), he concluded that the accounting profession has undergone a transformation where accountant's role is no more on the traditional approach or number crunchier. A complex business environment has resulted accountant to absorb the role of manager and also user of information technology. Students are not aware of the pressures and responsibilities awaited them and 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 achiever did not choose accountant as a career. In Malaysia, Juhari, Tew, and Azmi (1995) and Jamalludin et al. (1999) study reported the same outcome as in Gallup's study, where, the level of student's awareness in secondary school towards accountancy as profession is low.

This might be due to 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 profession, the accounting profession should undertake efforts to recruit students during their high school years. Graves, Nelson and Davis (1992) found that most students in Federation of schools of Accountancy in United States first seriously consider a career in accountancy during high school. This means that the effort to attract good students into the profession must be done during high school stage.

Luscombe (1988,1989) as quoted by Felton, Buhr and Northey (1994), pointed out that due to lack of effort to recruit the students in their early stage, many students

have negative perception and viewed accounting profession as a dull work, heavy demands and low starting salaries. According to Felton, Buhr and Northey (1994), these trends 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 student's 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 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 major 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 subject who are to make up the population, are Form 5, Applied Science MRSM student 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, form 5 students, is 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 was used. Samples of 263 students were selected out of total 521 students. Each MRSM randomly selected 50% of their students to be the respondent. 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%) choose PA on their own choice. The percentage of students who get encouragement from their family, teachers and friends are 10%, 5% and 3% respectively. Family encouragement is also an important factor because family usually gives guidance, motivation, financial support and advice to their children. Today, most parents usually let their children decides on what subject to choose from and what profession they want to be. Therefore, the findings that indicated 82% of the students choose PA on their own choice was expected by the researcher.

	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 – Interest of Studying PA

Table 1 shows that majority of students (35.74%) have interest in studying PA. Thirty one point three three percent have 'very interested' and only 28.51% have strong interest. The findings show that 4.02% have less interest and 0.40% has no interest at all.

	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 – Opinion towards the Level of Difficulties of PA

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.

When comparing with other subjects, the study found that Modern Mathematics, Pendidikan Islam and Additional Mathematics were ranking as top 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.

	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

Table 3 – Interest towards PA compared to other subject

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 where they have to analyze and evaluate. As a result, the interest to study PA had deteriorated and perceived it as a fair subject to study.

	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 – Problems facing when study PA

Table 4 indicates that, most students (36.14%) have difficulty in understand the concepts in PA. Twenty seven point seven one percent of the students had difficulty to memorize the accounts format. Ten point zero four percent of the students have always careless in doing the accounts especially putting figures in the wrong accounts and 9.64% of the students were confused with 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 small number of students taking PA (0.4%). Overall 86.75% given the feedback on the problem they are facing when study PA. Thirteen point two five percent of the students had given no answer.

Analysis of Findings on Student Awareness Towards Accountancy as a Profession

The study found that 61% of the students have chosen accountancy as their future career and 39% have 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 was the next popular career choices. The rest had chosen teacher, IT Consultant, 3D Animator, Computer Engineer, Economist, Bank Officer and Astronaut as their future career.

Next the researcher asked the student by using the questionnaires to determine their knowledge towards accounting career. The students were asked to indicate on 5 points Likert scales of each factor from 1, 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 requirement to further studies in accounting at the Institute of higher education.

	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 5 – Knowledge towards Accountancy Career

	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 – Knowledge on Accounting Examination

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 has low knowledge. Only 43% of the students know ACCA, 31% know MACPA and 23% know CIMA.

	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%

Table 7 – Knowledge on Accounting Bodies in Malaysia

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

Most students viewed that the reading material in their college was not sufficient to fulfill their needs to get the knowledge on accountancy profession. Thirty point six six percent 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 have perfect reference.

Finally, the researcher asks for feedback from the students on university that they prefer to go if they choose accountancy major. As stated in table 4.24, most the students (45.78%) choose UiTM as their first choice. UM, UKM and UUM are rank second, third, and forth respectively.

	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%

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

CONCLUSION

Accountants play an important role in today's business and their roles have changed from preparing financial statements to participating in decision making of 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 these demand and expectation by designing a good education system and identify good students in order to increase the quantity and quality of accountants.

In Malaysia, the concern is whether accountancy course is the alternative course for students who fail to get entry to other courses. This is due to low entrant requirement. For example, Universiti Teknologi Malaysia (UiTM), entry requirement for Pre-Diploma courses in accounting is the applicants must have 4 credits and at least passes 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 take an accounting subject. This means that it is possible for selecting non-accounting background students who did not have intention to choose accounting profession and later in their life, they will 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 accounting major after their SPM, there are wide number of career options available to them. It is suggested that one way to improve the professions' image and the recruitment program, is to supply the potential student with the correct information at the secondary school level, especially the students in form 5. The rationale is, at this level the students will decide on their career path after the SPM.

Each MRSM have important role in supplying the students the relevant information related to accounting profession. More effort should be taken in order to attract students to know the existence of career guidance unit in the college and fully utilize it to gain knowledge on accountancy career. Professional bodies and Universities should supply this career guidance unit with pamphlet and books that relates to 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 accountancy career and the opportunities awaiting them. Informational programs or career talk at early stage for example to the secondary school students should be conducted more frequently. The students should know that when they choose accounting major after their SPM, there are 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 might also work in industry, commerce or finance institution, either in government or in private sector.

To attract more student 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 student update their knowledge on the profession. This might also improve the student's attitude towards accountancy profession. Thus will enable the academician and practitioners to make decision to adjust any wrong perception and attract more students taking this accountancy course. The academician might propose to the Ministry of Education to redesign the syllabus of Principle of Accounts subjects and introduce into the students, the role of accountant and the career prospects in accountancy.

The accounting bodies should supply the students with relevant information regarding the accounting career using pamphlet, magazines and books. Base on the findings of this research, magazines (54%) was the most popular medium followed by books (17%) where the students get the information on accountancy profession. It is suggested that the profession should exploit these mediums optimally.

In summary, to attract students to choose accountancy profession, requires a focused, distinctive, nationwide effort that needs the involvement and cooperation of accounting professionals in all areas of interest; education, business and industry, not-for-profit, private, public and the government. 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 for a full-scale nationwide research on secondary and boarding schools in Malaysia. It would be better reflect the overall situation of student's awareness towards accountancy as a profession.

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