

**TAX EDUCATION IN THE ERA OF INFORMATION AND COMMUNICATION  
TECHNOLOGY (ICT): CONCEPTUAL VS. TECHNICAL**

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Yang Berbahagia Prof.,

**LAPORAN AKHIR PENYELIDIKAN 'TAX EDUCATION IN THE ERA OF  
INFORMATION TECHNOLOGY AND COMMUNICATION (ICT):  
CONCEPTUAL VS. TECHNICAL'**

Merujuk kepada perkara di atas, bersama-sama ini disertakan 2 (dua) naskhah Laporan Akhir Penyelidikan bertajuk 'Tax Education in the Era of Information Technology and Communication (ICT): Conceptual vs. Technical'.

Sekian, terima kasih.

Yang benar,



**NURUL HIDAYAH AHAMAD NAWAWI**  
Ketua Penyelidik

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

In the era of ICT, accounting education faced significant challenges in developing a suitable accounting curriculum. Due to the rapid changes in business environment i.e., globalization and technological advancement, accounting education context has been facing tremendous challenges and requires a dramatic change in their curriculum (Howieson, 2003). The accounting graduates should possess adequate knowledge and generic, life-long learning skills in order to meet the demand of today's business environment. Engelbrecht (2005) argued that computing and information literacy, innovative problem solving, critical thinking and communication and client relations are the important component to be 'knowledge workers' in the era of information and communication technology (ICT).

Past literature reported that accounting curriculum is inadequate to prepare and equip graduates with the necessary knowledge and skills in the era of globalization and ICT (Albrecht & Sack, 2000; Baharun, Suleiman, & Simpol, 2006). The advancement of ICT has a significant impact on accounting professions, which include tax accountants. Albrecht and Sack asserted that 'our students must understand how technology has and will continue to change the way we provide and use information to make decisions' (Albrecht & Sack, 2000, p. 57). Thus, there is a need for accounting education to revamp its curricula content and teaching delivery methods.

More than four decades ago, Sommerfield (1966) had asserted that tax education has become an education's orphan. He argued that taxation must be taught in the class rather than practice/self-learned. In response, many studies have been done to develop and improve the tax curriculum in several developed countries, such as the United States (Hite & Hasseldine, 2001), United Kingdom (UK) (Craner & Lymer, 1999), Australia (Juchau & Neale, 2001) and New Zealand (Tan & Veal, 2005). For example, Hite & Hasseldine (2001) suggested that tax course should be a compulsory subject rather than optional. Notably, tax course is a compulsory subject in the UK (Craner & Lymer, 1999) and Australia (Juchau & Neale, 2001). All researchers had the same opinions that accounting graduates should possess adequate tax knowledge before joining any accounting and tax firms.

Several studies had been conducted out to gather and analyze the views of tax practitioners and tax educators with regards to tax education. Schwartz & Stout (2001) found that the level of preparedness of entry-level graduates in the public practice was marginal. They argued that most of the fresh graduates were not well prepared in the area of taxation when they first joined the tax firms. Miller and Woods (2000) and Tan and Veal (2005) found that the tax coverage taught at universities failed to equip the fresh graduates with the necessary skills needed in tax practice.

Rubin (1999) and Meade (2002) asserted that fresh graduates should be equipped with high level of technical skill, associated with strong non-technical skill. In addition, strong interpersonal skill or soft skill and good communications would be an added advantage. In the era of ICT, each of fresh graduates should possess adequate computing or ICT skills (Engelbrecht, 2005; Greenstein & McKee, 2004; Stoner, 1999). Notably, in the 21<sup>st</sup> century, the use of ICT is prominent in many areas, for example, in tax collection and tax administration. The Internet also plays an imperative role in delivering information to the taxpaying public in regards of tax updates. Moreover, it is evident that the growth of e-commerce and globalization has an impact of taxation (Engelbrecht, 2005).

Hence, it is crucial for any fresh accounting graduates to be computer and ICT literate (Meade, 2002; Rubin, 1999).

## **1.1 Problem Statement**

Tax education in the 21<sup>st</sup> century faces significant challenges on how to educate accounting graduates (future accountants) in a complex and rapidly changing environment in the era of ICT (Howieson, 2003; Ismail, 2003). The advancement of ICT has changed the way people work and how organizations are structured, managed and operated. However, many research claimed that current tax curriculum failed to equip future accounting graduates with necessary tax knowledge and technical skills as well as ICT skills in order to perform competently in practice (Howieson, 2003; Lai, 2008; Miller & Woods, 2000; Ott & Donnelly, 1999; Tan & Veal, 2005). Therefore, there is a need to examine whether the existing content coverage of tax courses is adequate to prepare accounting students for the tax practice in the era of ICT. In fact, this is important to ensure that graduates are ready for the rapid changes in the business environment, in order to become a knowledge worker. Nonetheless, at the time of study, little is known if accounting graduates are well equipped with the conceptual and technical knowledge in taxation as well as the relevant ICT skills needed in tax practice?

## **1.2 Research Objectives**

This study aims:

- (i) To solicit the tax practitioners' views on the on the level of conceptual knowledge and technical ability of accounting graduates need to acquire in order to perform effectively in tax practice.