

Student Academic Performance in Principles and Application of Financial Reporting Standards 1 Paper

Zuhariah Husin^{1*}, Roslan Abd Wahab², Norlaila Mohd Din³,
Anis Barieyah Mat Bahari⁴, Syahida Md Zeni⁵

^{1,2,3,4,5}Faculty of Accountancy, Universiti Teknologi MARA Pahang,
26400 Bandar Tun Razak Jengka, Pahang, Malaysia

zuhariah@pahang.uitm.edu.my, anisbarieyah@pahang.uitm.edu.my, norliey@pahang.uitm.edu.my
roslanawahab@pahang.uitm.edu.my, syahidamm@pahang.uitm.edu.my

*Corresponding Author

Abstract: This study was undertaken to identify and highlight the possible factors affecting students' performance in the FAR400 of the Bachelor of Accountancy (BAcc) in University Technology MARA (UiTM) Pahang. The mediocre performance and lack of excellent grades in this course were discussed and debated by the faculty members and lecturers alike. Students enrolling in any program are expected to excel in the core courses of the program and since FAR400 paper is one of such courses of the BAcc program, a respectable percentage of students if not the majority are expected to excel in the course by obtaining excellent grades A+, A or at least A-. However this is not the case of FAR400 paper. Survey questionnaires were distributed to second and final year students of BAcc to identify the possible factors affecting their performance in the said paper. The respondents' feedback identified factors namely motivation, mathematics ability, English proficiency, interest on accounting subject, prior knowledge on accounting, time management, study skills, class participation, effort level and study habit. The findings indicate that students are facing a number of critical issues especially bad study habits (mean of 2.41), low effort level (2.44) and inactive class participation (2.46). It was also found that prior knowledge, interest on accounting subject, motivation and class participation is positively correlated to the student excellent performance in the FAR400 paper. Consequently, appropriate recommendations are made to help students and lecturers alike in improving the performance of FAR400.

Keywords: Academic, CGPA, Financial accounting, Participation, Students performance.

1. Introduction

The academic performance of student enrolling in any course at the university level is reflected by their grade which eventually contributed to the cumulative grade point average (CGPA) that determines whether a student would graduate with a first class, second class or third class degree. For students of the Bachelor of Accountancy (BAcc) of Universiti Teknologi MARA (UiTM) excellent performance is indicated by the first class degree with a CGPA of equivalent to and more than 3.5. Therefore excellent grade of A+, A and A- with a credit value of 4.00 and 3.67 respectively is imperative in every individual course towards achieving the excellent performance. However, an analysis of the previous result of the Principles and Application of Financial Reporting Standards 1 paper coded as FAR400 from the context of excellent is disappointing. This study is undertaken to identify and highlight potential factors possibly affecting the students' performance from the student perspective. Consequently, appropriate recommendations are made to help students and lecturers alike in improving the performance in this paper.

1.1 Problem statement

The students' performance in the FAR400 paper were discussed and debated as to its mediocre results and lack of excellent grades of A+, A and A- in the course. As principles and application of Financial Reporting Standards (FRS) is a major requirement in any financial

accounting work in the accounting field, it is a major concern for the Faculty of Accountancy that students seemed to have problems with passing this course let alone securing excellent grades. The passing rate for the last three years was between 60% and 100% and none had obtained the excellent grades of A- , A or A+. This issue needs to be resolved since FAR400 is one of the core papers in BAcc and students were expected to excel in all core papers of any program. The lack of excellent grades in this paper could be due to potential factors possibly affecting the students' performance from the students' perspective were not addressed properly. The problem is highlighted with a comparative analysis of the previous years' results as shown in Figure 1:

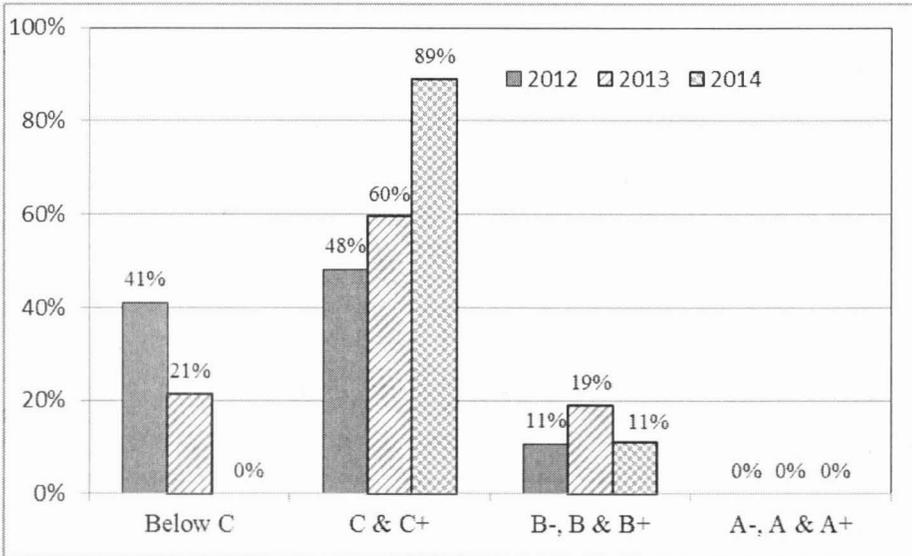


Fig. 1 FAR400 Examination Results for 2012, 2013 and 2014

2. Literature review

Many literatures have been written on the student academic performance in various accounting courses and the factors affecting those performances. According to Bennett (2003) effective study habits and skills affect significantly the students' academic performance. Waples and Darayseh (2011) suggested that extra helps, i.e. extra tutorial, are essential in helping motivated students but lack of study skills and weak student should be identified at the beginning of semester to enhance learning process. Furthermore, Joubert (2010) mentioned that study attitude positively affected accounting students' academic performance. This view was supported by Yu (2011) that saw academic performance of accounting students also depended on their level of effort.

Gracia and Jenkins (2002) concluded that non-participation in class discussion due to lack of confidence contributes to the failure among accounting students. Almunais et al. (2014) found out that accounting students' interaction during class contributed to high academic performance. Ali et al. (2009) suggested that students' performance relates to active engagement in learning process. In addition, Müller et al. (2007) proved time-management are the traits that contributed to good performance in accounting subjects.

Turner et al. (1997) noticed that self-motivation play a role in accounting students' academic achievement. Accordingly, Bennett (2003) indicated that prior poor grade caused low self-motivation and affects academic performance. Rankin et al. (2003) implied that accounting students with high motivation, i.e. through class attendance, perform better academically. Müller et al. (2007) proved that high motivation is one of the traits that contributed to good

performance in accounting subjects. Nayeبزadeh et al. (2011) suggested motivation and expectation of good performance have resulted in better academic performance. However, Atieh (1997) mentioned that there was insignificant indication that the obstacles encountered by the accounting students, such as motivation and other general obstacles, that the students perceived as the main contributors to their performance, affected their academic performance.

Ability in other subjects also played a role in accounting students' performance. Several studies had found that that mathematics background is one of the factors that contribute to accounting students' academic achievement (Koh and Koh, 1999; Alfian and Othman, 2005; Yu, 2011 and Almunais, 2014). Other than that, English proficiency is also among the factors that help in improving their academic performance (Yu, 2011 and Masasi, 2012).

Arquero et al. (2009) suggests that high achievers are associated with interest in accounting. This is supported by Garkaz et al. (2011) who noted that interest in accounting subjects are positively correlated with academic performance. In another study, Adeleke et al. (2013) suggests that the performance of accounting students is affected by their interest in accounting career.

The effect of prior knowledge on the achievement on accounting subjects has been one of the areas heavily researched. The majority of the findings suggested that prior knowledge on accounting subjects affect the academic performance on the subject (Tho, 1999; Tickell and Smyrnios, 2005; Eikner and Montondon, 2006; and Uyar and Güngörmüş, 2011). In addition, Harrington (2006) states that prior accounting knowledge, but with diminishing effect over time, increases performance in financial accounting course. However, Byrne and Flood (2008) emphasized that prior accounting knowledge does not affect accounting student's academic achievement in accounting course.

3. Methodology

The study is based on the performance of BAcc students in UiTM Pahang that has undergone and passed the FAR400 paper. Primary data were collected through a survey questionnaire containing a list of potential factors possibly affecting students' performance namely motivation, mathematics ability, English proficiency, interest on accounting subject, prior knowledge on accounting, time management, study skills, class participation, effort level and study habit. These potential factors were adopted from several previous studies relating to this matter (Bennet, 2003; Gracia and Jenkins, 2002; and Nayeبزadeh et al., 2011). The questionnaires were distributed to students in the second and final year of BAcc. The respondents' feedback were measured using a four point Likert scale of 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). Data collected were analysed using IBM SPSS Version 21.

4. Findings and discussions

39 accounting students responded to our questionnaire out of a total of 88 BAcc students, resulting in a 44% response rate. 77% of the respondents are female and 23% are male as depicted in Figure 2.

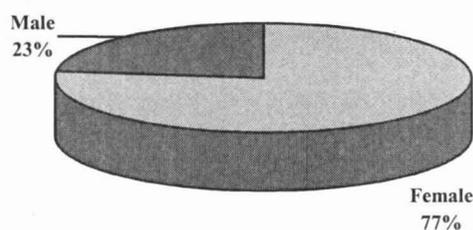


Fig. 2 Profile of respondents

Figure 3 highlighted the overall CGPA of the respondents. It clearly showed that only 10.3% attained a CGPA of 3.50 and above, whereas the majority of the respondents, i.e. 84.6%, were in the CGPA range of 2.51 to 3.50 which indicated moderate performance and 5.1% just managed to get a CGPA of 2.50 and below.

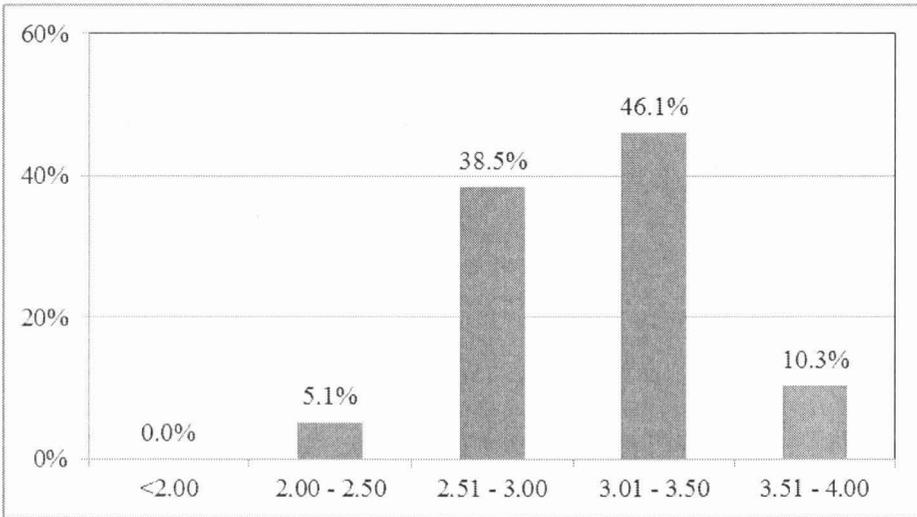


Fig. 3 CGPA of the Respondents

Figure 4 depicted the academic achievement of the respondents in FAR400 paper. It revealed that none of the respondents succeeded in achieving excellent grades of A-, A and A+. Nearly a quarter, 23.1%, obtained grades of B-, B and B+ whilst the majority of the respondents, 69.2%, managed to pass the paper with grades C and C+. Only a small percentage, 7.7% failed and have to repeat the paper. Therefore, there was a glaring contrast between the CGPA and the grade obtained for FAR400 paper.

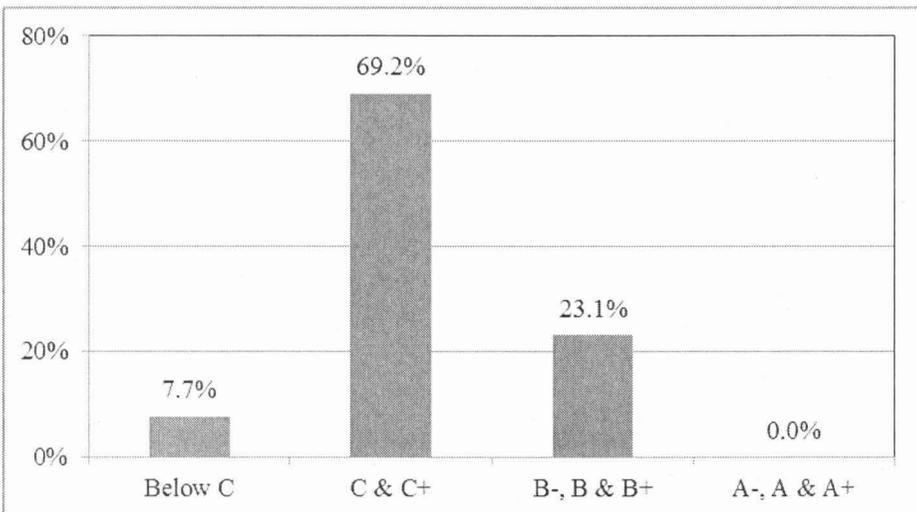


Fig. 4 Academic Performance in FAR400 Subject

Figure 5 showed the means of potential factors that affected academic performance based on respondents' perspective. The mean of 2.5 and below represented the fact that the

respondents did not or slightly utilize these potential factors. The potential factors that fall into this category were study habit with a mean of 2.41, effort level, 2.44, and class participation, 2.46. The results demonstrated that the students did not practice good study habits, i.e. pre-class preparation, complete course assignment, practice past years' questions, take detailed lecture notes, and review course learning materials regularly (Yu, 2011 and Bennet, 2003).

Effort level referred to the amount of time students spent on a specific course (Yu, 2011). The outcome indicated that the efforts spent by the students in FAR400 paper was inadequate to make them fully understood and applied the techniques and concepts in solving the assessment and final examination questions.

Class participation denoted verbal contribution in class discussion or other learning activities. The mean of 2.46 in class participation as shown in Figure 5, relates to low confidence and anxiety about reaction of peers or lecturer, in response to any incorrect answer given, thus affecting the learning process (Gracia and Jenkins, 2002). The results suggested that students did not fully employ the time allocated for them in class and this could potentially affect their ability to achieve excellent results in FAR400 paper.

Some of the students were having difficulties to achieve excellent grades due to ineffective study skills, 2.62, and poor time management, 2.67. Figure 5 also illustrated that students have not encountered any problem in motivation, 3.18, mathematical ability, 3.08, English language proficiency, 2.92, interest in studying accounting subject, 2.87, as well as prior knowledge on the subject, 2.74.

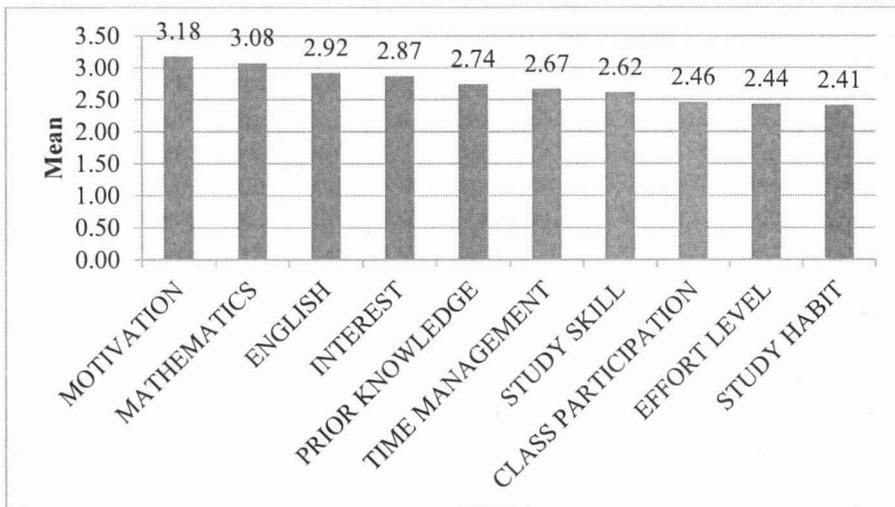


Fig. 5: Potential Factors That Affect Academic Performance

Table 1 showed the correlation between the academic results in FAR400 and the factors which contributed to the results. It is noted that the FAR400 results is positively correlated to prior knowledge, which is consistent with the findings by Tho, 1999; Tickell and Smyrnios, 2005; Eikner and Montondon, 2006; Harrington, 2006 and Uyar and Güngörmüş, 2011. In addition, active class participation is also positively correlated to the academic performance in FAR400 as suggested by Gracia and Jenkins, 2002; Ali et al., 2009 and Almunais et al., 2014. Other than that, interest in accounting subjects also positively correlated with FAR400 results as demonstrated by Arquero et al., 2009; Garkaz et al., 2011 and Adeleke et al., 2013. Lastly, motivation plays a positive role in achieving good results as shown by Turner et al., 1997; Bennett, 2003; Rankin et al., 2003; Müller et al., 2007 and Nayebzadeh et al., 2011.

Table 1. Correlation between the Academic Achievement in FAR400 and Potential Factors that Affect Academic Performance

	Pearson Correlation	Sig. (2-tailed)	N
PRIOR KNOWLEDGE	0.269	0.098	39
INTEREST	0.248	0.127	39
MOTIVATION	0.219	0.181	39
CLASS PARTICIPATION	0.269	0.098	39

5. Conclusion and recommendation

This study identified ten (10) possible factors affecting students' academic performance namely motivation, mathematics ability, English proficiency, interest on accounting subject, prior knowledge on accounting, time management, study skills, class participation, effort level and study habit. It was found that the main contributing factors on the lack of excellent grade were shown by study habit, effort level and class participation. The study skill and time management has influenced on the performance to a certain degree. Prior knowledge also impacted the students' performance to achieve excellence. Interest and English have less effect on the students' performance in the course. Lastly, mathematics ability and motivation had not been considered to be problems to the students.

It was established from the finding of the study that four (4) potential factors, namely prior knowledge, interest on accounting subject, motivation and class participation were identified to be positively correlated to the student excellent performance in the FAR400 paper. Therefore, it was determined that only class participation was essential in affecting students' performance.

It is recommended that active class participation should be encouraged by lecturers to improve student performance. Teaching lecturer should adopt a variety of interactive and participative teaching approaches such as group pop quiz and a compulsory pre-assign question and answer session. The group pop quiz involves division of students into groups and each group is required to prepare questions for other groups.

In addition the lecturer may require students to do course related preparation such as reading relevant topic as laid out in the lesson plan prior to attending class. Since accounting courses and classes are always perceived as a boring and dry subject, it is suggested that lecturers lighten up their classes by making classes more cheerful for instance by incorporating role play. As for the faculty administration, they have to take the initiative such as conducting motivational workshop or boot camp for students taking the course during the first week of the semester. The objective of such programs is to equip the students with the correct mindset and behavior throughout the course.

6. References

- Adeleke, M. S., Binuomote, M. O., & Adeyinka, M. S. (2013). Determinants of Students' Academic Performance In Financial Accounting among Senior Secondary School Leavers in Oyo State. *Universal Journal of Marketing and Business Research*, Volume 2(3), pp. 064-075, June.
- Alfan, E., & Othman, M. N. (2005). Undergraduate students' performance: the case of University of Malaya. *Quality Assurance in Education*, Volume 13(4), pp. 329-343.
- Ali, N., Ali, S., Mokhtar, N., & Salamat, A. (2009). The Factors Influencing Students' Performance at Universiti Teknologi MARA Kedah, Malaysia. *Management Science and Engineering*, Volume 3(4), pp. 81-90.

- Almunais, T. A., Alfraih, M. M., & Alharbi, F. M. (2014). Determinants of Accounting Students Performance. *Business Education & Accreditation*, Volume 6(2).
- Arquero, J. L., Byrne, M., Flood, B., & González, J. M. (2009). Motives, expectations, preparedness and academic performance: a study of students of accounting at a spanish university. *Revista de Contabilidad*, Volume 12(2), pp. 279-299.
- Atieh, S. H. (1997). Student Perceptions of the Causes of Low Performance in Principles of Accounting: A Case Study in Saudi Arabia. *JKAU: Econ. & Adm.*, Volume 10, pp. 35-50.
- Bennett, R. (2003). Determinants of undergraduate student drop-out rates in a university business studies department. *Journal of Further and Higher Education*, Volume 27(2), pp. 123-141.
- Byrne, M., & Flood, B. (2008). Examining the relationships among background variables and academic performance of first year accounting students at an Irish University. *Journal of Accounting Education*, Volume 26, Issue 4, December, pp. 202-212.
- Eikner, A. E., & Montondon, L. (2006). Evidence on factors associated with success in intermediate accounting I. *The Accounting Educators' Journal*, Volume 13.
- Garkaz, M., Banimahd, B., & Esmaeili, H. (2011). Factors Affecting Accounting Students' Performance: The Case Of Students At The Islamic Azad University. *Procedia - Social and Behavioral Sciences*, Volume 29, pp. 122-128, The 2nd International Conference on Education and Educational Psychology 2011.
- Gracia, L., & Jenkins, E. (2002). An exploration of student failure on an undergraduate accounting programme of study. *Accounting Education*, Volume 11(1), pp. 93-107.
- Harrington, D. R., Kulasekera, K., Bates, R., & Bredahl, M. E. (2006). Determinants of Student Performance in an Undergraduate Financial Accounting Class (No. 34117). *Working Paper 06/01*, Department of Agricultural Economics and Business, University of Guelph, Guelph, Ontario.
- Joubert, J. A. (2010). Significant predictors of success and non-completion in first year accounting at a South African University. *Doctoral dissertation*, University of the Free State.
- Koh, M. Y., & Koh, H. C. (1999). The determinants of performance in an accountancy degree programme. *Accounting Education*, Volume 8(1), pp. 13-29.
- Masasi, N.J. (2012). How personal attribute affect students' performance in Undergraduate Accounting Course. A Case of Adult Learner in Tanzania. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, Volume 2, Issue 2.
- Müller, H., Prinsloo, P., & Du Plessis, A. (2007). Validating the profile of a successful first year accounting student. *Meditari Accountancy Research*, Volume 15(1), pp. 19-33.
- Nayebzadeh, S., Aldin, M. M., & Heirany, F. (2011). Educational Performance: The Role of Background Variables. *International Journal of Information and Education Technology*, Volume 1, No. 5, December.
- Rankin, M., Silvester, M., Vallely, M., & Wyatt, A. (2003). An analysis of the implications of diversity for students' first level accounting performance. *Accounting & Finance*, Volume 43(3), pp. 365-393.
- Tho, S. L. M. (1999). Predicting success in university accounting examination performance. *Jurnal Pendidikan*, Volume 20, pp. 95-104.
- Tickell, G., & Smyrnios, K. X. (2005). Predictors of Tertiary Accounting Students' Academic Performance: A comparison of Year 12-to-university students with TAFE-to-university students. *Journal of Higher Education Policy and Management*, Volume 27(2), pp. 239-259.
- Turner, J. L., Holmes, S. A., & Wiggins, C. E. (1997). Factors associated with grades in intermediate accounting. *Journal of Accounting Education*, Volume 15(2), pp. 269-288.

- Uyar, A., & Güngörmüş, A. H. (2011). Factors Associated with Student Performance in Financial Accounting Course. *European Journal of Economic & Political Studies*, Volume 4(2).
- Waples, E., & Darayseh, M. (2011). Determinants of students' performance in intermediate accounting. *Journal of College Teaching & Learning*, Volume 2(12).
- Yu, D. D. (2011). How Much Do Study Habits, Skills, and Attitudes Affect Student Performance in Introductory College Accounting Courses?. *New Horizons in Education*, Volume 59(3).