

UNIVERSITI TEKNOLOGI MARA

**FACTORS DETERMINING
STUDENTS' UNDERSTANDING OF
THE ACCOUNTING CYCLE**

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Dissertation submitted in partial fulfillment of the course
requirements for the degree of
Master of Accountancy

Faculty of Accountancy

JANUARY 2017

ABSTRACT

At present students are facing difficulties to master the introductory accounting subject. This brings a concern to the future of accounting arena whereby fewer competent accounting undergraduates are produced. Conventional methodology or passive learning applied in the classroom may have contributed to the root of the problem. Students prefer and expect opportunities to be actively engaged in their education experience. As more methods become available to engage students in experiential learning, examining the impacts of this methodology becomes even more important. This research seeks to determine the relationship between three determinants influencing the students' understanding of the accounting cycle while engaging the theory of experiential learning through business process simulation at one of the higher education in Setiu, Terengganu. Accounting cycle is discussed from the perspectives of accounting documentation and its functions and element of internal control. The determinants of students' understanding of the accounting cycle are prior knowledge of accounting, students' major of accounting or non-accounting and students' satisfaction after going through a simulation. The study administered questionnaires to 200 respondents of students who had gone through business process simulation. Data is analysed using Pearson Correlation that shows all three independent variables has a positive relationship with students' understanding of the accounting cycle. Besides that, analysis using multiple stepwise regression methods indicates prior knowledge of accounting, students' major and students' satisfaction are the best fit to explain the dependent variable which is students' understanding of the accounting cycle. This study's finding informs educators to make decisions about the use of simulations which add value to students in terms of teaching and learning techniques. It has proven that simulations are a suitable way for students to engage actively in learning and bridging the gap between theory and practice. It has also been found that such simulations can develop students' critical thinking skills, leadership, generic skills and many more. By displaying the impact of implementing a simulation to increase understanding of students in accounting cycle, this study hopes to provide useful information for respected parties in Malaysia such as regulatory bodies, accounting researchers, management accounting practitioners, education institutes and the academicians to analyse whether or to what extent they have to implement positive changes in learning and teaching strategies.

ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious and the Most Merciful

Alhamdulillah, all praises to Allah, the Almighty, on whom ultimately I depend for sustenance, strengths and for His graciousness and blessings in completing this dissertation. Without His countless blessings of good health, strength and guidance, this dissertation could not be completed.

First and foremost, I would like to express my deepest gratitude to my supervisor, Dr. Wan Mohd Nazif bin Wan Mohd Nori, for his dedicated supervision and endless support in the research process. Above all and the most needed, he provided me unflinching encouragement and support in various ways. His excellent guideline, constructive criticism and invaluable advice were very inspirational and very much appreciated.

I am extremely indebted and grateful to my lovely husband, Ahmad Shawal Kassim for his deep understanding of how importance this dissertation to me and moral support throughout the duration of my study at Universiti Teknologi MARA (UiTM). To my beloved parents and parents in law; Mr. Abdul Razak Ibrahim and Mrs. Nor Aini Abdullah, and Mrs. Hasmah Salleh, thank you for your endless love, prayers, unconditional support and understanding.

I would also like to express my appreciation and sincere thanks to all my friends and fellow classmates for their invaluable assistance, cooperation and support me along the way. Thank you for the friendship and memories. Finally, special thanks, tribute and appreciation to all those their names do not appear here who have directly or indirectly contributed to the successful completion of this dissertation.

Thank you very much to all of you.

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