

THE STUDY OF STUDENTS' PERCEPTION TOWARDS PRINCIPLE OF ACCOUNTING (PA): A SURVEY AMONG BUSINESS STUDENTS

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Abstract

the principle of Accounting (PA) subject is a core course in most business faculty or department. However, only limited research has examined the perceptions of business students about the accounting course relative to their respective majors. This study examines the differences perception of interest and important and also difficulty and confidence level of the students according to major programmes, accounting experience and non-accounting experience as well as gender. A short questionnaire was distributed to 306 business students in Universiti Malaysia, Sabah, Labuan International Campus. By employing an ANOVA, the result shows significant differences among gender and accounting experience relating to level of important and interest. Significant differences were also found in the level of difficulty and confidence relating to the courses registered among five major programmes. Besides, accounting experiences students perceived more confident in taking the course compared to non-experience student. The implication of this study suggest that non-experience students must be provided with clear explanation and encouragement to increase their perceived level of important, interest and confidence in taking this course.

Keywords: Principle of Accounting, Business Students, Labuan, Malaysia.

Introduction

Accounting is one of popular and important course in business programme. Every business student needs to know how to treat numbers and figures. Thus, it is imperative to perception of the students towards this subject since business students normally will take at least few subject relating to accounting namely principles of accounting, cost accounting, financing statement analysis and etc. However, to date there are few limited researches has examined the perceptions of business students towards the accounting course relative to their respective majors. This study examines the differences perception of interest and important and also difficulty and confidence level of the students according to major programmes, accounting experience and non-accounting experience as well as gender.

Business students whose become marketing managers, production supervisors, finance directors and company officers will thorough review or at least read the financial statement of company. On the other hand, they might also become external users' of financial information such as investors, creditors, taxing authorities, regulatory agencies, customers, labour unions and economic planners. It is indicated that accounting is not only important for accountant and financial controller, but also to all parties because they use this kind of information in business decision-making process. This has been proved by Lin et al., (2005) which found that the respondents in their study identified that financial accounting and management accounting are the first and third most important knowledge subjects out of 19 subjects.

This study focuses on Principle of Accounting subject and students perception of learning this preliminary course in their semester as their preparation for the whole duration of study. Currently, Principle of Accounting also seems important towards business students according to the need of industry. However, based on study conducted by Albrecht & Sack (2000), they found that the number of students majoring in accounting is down. In the worst case, both the quantity and quality of students electing to major in accounting have decreased. This in turn might effect the motivation, perceived important and interest as well as confidence level of major business students in taking the accounting principle subject.

This research seems important especially for accounting and finance lecturer in the business school. Those lectures should concern whether the business students feel that the accounting is tough, burden, uninteresting or boredom course in their programme. Generally, the result of this study could assist lecturers in the business school to motivate the students, because the proper motivation will help them to change this perception (Turner et al., 2006) and make the course more effective. Programmes in Labuan School of International Business and Finance, UMS, Labuan International Campus consist of international finance, international and offshore banking, international marketing, international finance economic and Islamic finance. All of these programmes required students to tale the accounting course as a core subject. However, most of the students tend to just fulfilling the requirement and they are not really understood the reason of studying the accounting course.

The objective of this study has two-folds. First, the study wants to examines the different perception of the level of important and interest among students by demographic

Factors (major Programmes, gender and experience in taking any accounting subject prior to this subject). Second, the study aims to investigate the different perception of the level of workload and confidence by the demographic factors.

The remainder of this paper is organized as follows. A review of related literature of perceptual studies and the introductory accounting course are discussed. Next, research questions and the development of theoretical framework have been developed. The methodology employed in this study, research instruments used and respondents involved are described. Finally, the empirical results and discussion of the study are drawn.

Literature Review

Few researches have focused on the first course in accounting. Nevertheless, there are very limited numbers of studies investigate the business students' perceptions on accounting course. For example Harrington et al., (2006) investigate the effects of class size, high school accounting, aptitude and attitude on learning in an undergraduate financial accounting class. Statistical analysis showed that scores of students in small classes improved by 48% while scores of students in the large classes improved by 6% percent, implying a decline in learning by 88% by shifting to larger classes.

In another study by Rankie and Stice (1994) discusses the use of business press articles in introductory accounting classes was at a basic level and suitable for students who are experiencing their first exposure to accounting, and where the students are non-accounting and/or non- business majors.

Tan and Lasward (2006) examine the factors that impact on students' intentions to major in accounting and non-accounting disciplines. A survey of a sample of business students enrolled in an introductory accounting course in a New Zealand University was conducted to gather data without their intended academic majors, and their beliefs and attitudes towards majoring in accounting and non-accounting. The results show that three factors (personal, referents, and control) are determinants of students' intentions to major in accounting or other business disciplines. Comparisons of differential personal perceptions by accounting and non-accounting majors revealed that accounting majors hold positive perceptions of some of the qualities of the study of accounting and the accounting profession.

Turner et al., (2006) compared two introductory accounting classes, taught by the same professor. One class was taught in a traditional manner and the second by using career-usage. One class was topics that relate the concepts in the introductory course to each student's chosen discipline. The students were organized into groups of four, three groups of management students, two groups of marketing students, one group each of accounting, finance and entrepreneurship students, and two groups of nonbusiness majors. Two types of evidence were used to judge the effectiveness of the motivational tool. First, some statistical analysis was undertaken, and second, anecdotal evidence was recorded by the professor. The study had examined whether this motivational tool affected the class excitement about accounting and its usefulness eagerness of students

To learn. Finally, they found that tying accounting concepts to career applications can be used successfully in an introductory accounting class. The more that students realize

accounting concepts can be applied in their careers, the greatest their interest and motivation will be in the class, as well as in the accounting professional and business in general.

Geiger and Ogilby (2000) examine students' perceptions regarding the first accounting course and how those perceptions relate to selection of accounting as a major. The study separately examines initial perceptions and changes in perceptions over the semester for intended accounting and non-accounting majors, and assesses the association of individual accounting instructors with changed students' perceptions. Then the study examines the relationship between perceptual changes, final grades, and individual instructors on decisions to major in accounting. Responses from 331 introductory financial accounting students from two universities indicate that while intended accounting majors perceived the course more favorable than non-accounting majors at the beginning and end of the semester, both groups exhibited relatively positive attitudes towards the course. However, these attitudes were similarly less favourable by the end of the course for both groups. They also found evidence of the important role individual instructors play regarding changing students' perceptions and selection of accounting as a major. The analyses for selection of accounting, performance in the first course, and individual instructors, but not on changes in perception regarding the first course.

A study by Malgwi (2006) investigated the differences in perception among all students by major and by gender to ascertain whether the differences are significant enough to suggest the need for separate course delivery. The study compared accounting and non-accounting majors prior to and after taking the course on the basis of their interest, level of importance, level of confidence and difficulty, in the first course accounting (FCA). The study also helps to determine the introductory accounting course, but it would also help them to appreciate the need and relevance of FCA regardless of their degree major.

According to Thein (2006), they discussed the pedagogy in the part of faculty with the purpose of improving it by stimulating student's interest and their eventual participation in the class. Based on Geiger and Ogilby (2000), the significant predictors of a student becoming an accounting major were selecting accounting prior to taking the course, the instructor, usefulness of the course and the level of boredom in the course. By conducting the survey among 333 students, Malgwi (2006) found significant levels for accounting majors. However, there are no significant differences for non-accounting majors for the three attributes. However, no significant differences relating to prior knowledge, course workload and the number of courses enrolled for accounting and non-accounting majors. In addition, there is no significant difference for gender results.

Major Programmes

Accounting Experience

Keef, S.P (1988) examined the effects of previous levels of study of economics and mathematics on three different parts of the first level university accounting course. The results are in agreement with the majority of earlier research in that the level of previous study of accounting had no association with the performance in any part of the course. Whereas, the study of economics showed a positive association with performance in the course, with the major benefit in management accounting.

Gender

Gammie et al.,(2003) examines gender differences across several performance measures both prior to and post entry into an Accounting and Finance degree. Statistical differences were examined using a two independent sample technique, whereby the population was categorized by gender into male and female. Only two gender differences were found: females outperformed their male counterparts in the first year accounting module and also in the auditing module, which was undertaken via distance learning during the third year of the programme. No gender differences were found learning during the third year of the programme. No gender differences were found in any of the final year modules, and this was also evident in the coursework and examination performance analysis.

Research Questions

The purpose of this study is to examine the different perception of the level of importance and interest and also the difficulty and confidence level among students by demographic factors. The approach employs the work of Malgwi (2006). Specifically, the study considers (1) the relative importance that the students perceived the course to have and the level of students' interest in the Principle of Accounting (PA), both prior to and after taking PA; (2) the level of difficulty and students' confidence level relative to other courses taken concurrently with the PA. Several research questions are constructed:

- RQ1:** Do the students' perceptions in PA significantly differ based on their major programmes?
- RQ2:** Do the students' perceptions in PA significantly differ between accounting experience students and non-accounting experience students?
- RQ3:** Do the students' perceptions in PA significantly differ between gender?

Importance and Interest in the Course:

- RQ4:** How important do students perceive accounting as a part of the business core?
- RQ5:** What was the interest level of students prior to taking the PA course?
- RQ6:** Have the students' interest levels changed significantly after taking the PA?

RQ7: How so students compare the workload of the PA relative to other courses?

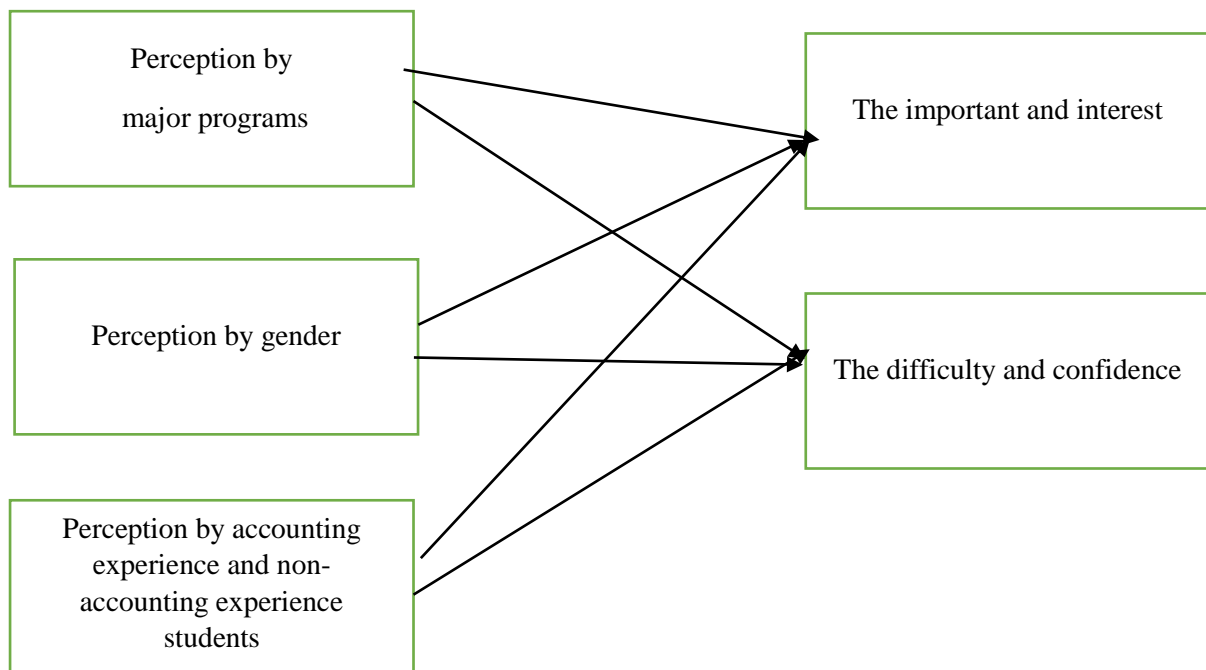
RQ8: What are students' confidence level in taking the PA examinations compared to other registered in the same semester?

Methodology

The sample of the study consists of business students that have taken Principle of Accounting subject as a preliminary course for their programmes. In addition, students from international finance and international and offshore banking programmes are required to take financial accounting, financial statement analysis, and management accounting courses for their second stage of learning. The survey instrument is adapted from Malgwi (2006) who has conducted in one rather than multiple institutions to control for differences in curriculum.

Demographic Factors Variables

Dependent



The questionnaires consist of two parts on a five point Likert scale of varying style. First part has been developed in order to identify how important and interest level of the respondents towards accounting course pre and post taken this subject. Meanwhile, the second part is constructed to evaluate the level of difficulty and confidence among the students.

The population of the participants was 1470 registered students at the time the survey was sent out. Based on Sekaran (2003), the sample that should be selected for these populations are 306 respondents. The population consists of five programmes that have been conducted and instructed by one single lecturer. Students are needed to fill in the questionnaires at the end of the lecture and they have to send it back immediately.

Findings and Discussion

Table 1 shows the breakdown of the five major programmes according to genders composition. International Financial Economics students (N=133) are the larger composition among the five programmes. This is following by International and Offshore Banking (N=82) and international Marketing (N=68). The rest of the respondents consist of International Finance and Islamic Finance students which are only 13 and 10 students respectively. Concentration of programmes by gender shows that majority of female (213 students) dominates the five major programmes, which is represented by 70% out of total respondents. This indicates that female conquer or seems to influence in determining composition of the class.

Table 1: Major programmes by gender

Major Programmes	Gender		Total
	Male	Female	
International Finance	5	8	13
International and Offshore Banking	25	57	82
International Marketing	23	45	68
International Financial Economics	36	97	133
Islamic Finance	4	6	10
Total	93	213	306

Table 2 presents the breakdown of five major programmes according to the experience and non-experience students in taking any accounting subject prior to this class. Generally, the table indicates that there are 142 students (46%) who have an experience in taking other accounting subject before this PA class. Most of the experience students are from International Financial Economics (N=56), which represents (39%) out of total number of experience students.

Table 2: Major Programmes By Experience And Non Experience Students

Major Programmes	Experience Students	Non-experience Student	Total
International Finance	6	7	13
International and Offshore Banking	42	40	82
International Marketing	33	35	68
International Financial Economics	56	77	133
Islamic Finance	5	5	10
Total	142	164	306

Table 3 indicates experience and non-experience students by gender. From the table, the number of female students (N=96.68) is greater than male students. (N=46). This is in line with the higher proportion of female students number registered with the university or even with the subject itself. This might be also due to the experience in taking similar subject. (i.e the fundamental of accounting principle) during their secondary level.

Table 3: Experience and non-experience students by gender

Experience in taking accounting subject	Gender		Total
	Male	Female	
Yes	46	96	142
No	47	117	164
Total	93	213	306

First, this study tests the important and interest by major programmes. The results do not show any statistical differences of importance and relating to perceptions by major programmes. This suggests that all in any programmes regardless the dominant programmes are perceived the importance and interest of principle of the accounting course equally. There is significant difference between accounting and non-accounting majors in terms of their interest level, both prior to and after taking the course in Mlagwi (2006). However, the results show insignificant difference between accounting and non-accounting majors relating to the level of clear explanation about importance of the course.

Next, the study tests the important level in the course, interest level, (post), clear explanation about importance of accounting and interest level before took the courses. (Pre). The mean and ANOVA results are shown in panels A and B of Table 4, respectively. Table 4 presents ANOVA test showing the importance and interest in the course by accounting experience. Both accounting and non-accounting experience students perceived important and interest level (post) equal by the significant figures ($p < 0.05$). However, in terms of received a clear explanation about the importance of accounting, the result shows there is significant differences ($p = .006$) at .05 level significant. The mean score for received clear explanation about the importance of accounting with the accounting experience students is 1.57 and non-accounting experience students is 1.84. From the results the experience students shows better and perceived more clear explanation about of accounting rather than non-experience students. This suggests that most experience students have the understanding of the importance of accounting compared to non-experience students. There is also significant differences students is 2.32 ($p = .003$) at .05 level of significant for interest level before took the course. The mean score for interest before took the course with that experience students is 2.32 and non-experience students is 2.66. This findings indicates that experience students more interested to accounting compare to non-experience because they have a view of accounting before taken this subject.

Table 4: Descriptive and Statistical Analysis of the Importance and Interest of the PA course
Panel A: Descriptive Statistics of Students' Course Importance Interest Perceptions

Clear explanation about importance of accounting

Accounting Experience	Mean	N	Std. Deviation
Yes	1.57	142	.829
No	1.84	164	.853
Total	1.71	306	.851

Interest before took the course (pre)

Accounting Experience	Mean	N	Std. Deviation
Yes	2.32	142	.880
No	2.66	164	1.024
Total	2.50	306	.973

Panel B: ANOVA for Students' Course Importance and Interest Perceptions by Accounting Experience

		Sum of Squares	df	Mean Square	F	Sig.
Clear Explanation about importance of accounting	Between Groups	5.342	1	5.342	7.541	** .006
	Within Groups	215.351	304	.708		
	Total	220.693	305			
Interest level before took the course (pre)	Between Groups	8.520	1	8.520	9.251	** .003
	Within Groups	279.977	304	.921		
	Total	288.497				

** Significant at 0.05 level

This study test the importance and interest among gender. Table 5 presents a one way analysis of variance (ANOVA) which is used to test the significant perceived level of importance of the PA by gender. The mean and ANOVA results are shown in panels A and B of the Table 5, respectively. The results show significant statistical difference, given the mean score for male respondents (1.90) and female respondents (1.61) and $p=0.02$. this suggest that male percieved the PA course more important than female students. However,

maale and female students perceived identical for Interest level changed sfter taking the course, received a clear explanation about the importance of course and the interested level before took the course. This insignificant difference by gender has been proved previously by Malgwi(2006).

Table 5: Descriptive and Statistical Analysis of the Importance and Interest of the PA
Panel A: Descriptive Statistics of Students' Course Importance Perceptions by Gender

Important level in the course

Gender	Mean	N	Std. Deviation
Male	1.90	93	.835
Female	1.61	213	.723
Total	1.70	306	.770

Panel B: ANOVA for Students' Course Importance and Interest Perceptions by Gender

		Sum of squares	df	Mean Square	F	Sig.
Important level in the course	Between Groups	5.733	1	5.733	9.959	** .002
	Within Groups	175.002	304	.576		
	Total	180.735	305			

** Significant at 0.05 level

In addition, Table 6 below demonstrates ANOVA table which shows level of difficulty and confidence by Major Programmes. The mean and ANOVA results are shown in panels A and B of Table ^, respectively, the result shows significant differences ($p=0.00$) of course registered that distinguish the difficulty level among students from various programmes. The highest mean for courses registered is 4.19 by international marketing. This indicates that if the number of registered courses high, it will increases the difficulty level and in turn, will decrease the confidence level of the students in taking the course. However, students in every programmes expressed their similarity in terms of perceived level accountimh course workload, number of hours in studyng all courses, number of hours in studying accounting course, and the level of confidence. Malgwi (2006) the results don not show any significant differences between accounting and non-accounting majors relating to the workload, and the number of courses regustered.

Table 6: Descriptive and Statistical Analysis of the difficulty and confidence level for the PA
Panel A: Descriptive Statistics of Students' Course Difficulty level

Courses registered

Major programme	Mean	N	Std. Deviation
International Finance	4.00	13	.913
International Finance and offshore banking	3.52	82	.724
International marketing	4.19	68	.580
International Finance and economics	3.79	133	.729
Islamic finance	3.80	10	1.135
Total	3.82	306	.755

Panel B: ANOVA for Level of difficulty and Confidence by Major Programmes

		Sum of squares	df	Mean Square	F	Sig.
Courses registered	Between Groups	17.080	4	4.270	8.204	***.000
	Within Groups	156.671	301	.521		
	Total	173.752	305			

*** Significant at 0.05 level

Furthermore, Table 7 below demonstrates ANOVA table which shows level of difficulty and confidence accounting experience. The mean and ANOVA results are shown in panels A and B of Table 7 respectively. The results shows significant differences (p-0.001) of level of confidence between students who have an accounting experience with non-accounting experience students. The mean score for non-experience students (2.73) is higher than experience students (2,39). This indicates that the experience students perceived more confidence in taking the course compared to non-accounting experience students. However, no significant difference i terms of accounting course workload, number of courses registered, number of hours in studying all courses as well as number of hours in studying accounting course.

Table 7: Descriptive and Statistical Analysis of the difficulty and confidence level for the PA
Panel A: Descriptive Statistics of Students' Course Confidence level

Level of confidence

Accounting Experience	Mean	N	Std. Deviation
Yes	2.39	142	.849
No	2.73	164	.909
Total	2.57	306	.896

Panel B: ANOVA for Level of Difficulty and Confidence by Accounting Experience

Item		Sum of squares	df	Mean Square	F	Sig.
Level of confidence in taking PA examination	Between Groups	17.080	4	4.270	8.204	***.000
	Within Groups	156.671	301	.521		
	Total	173.752	305			

*** Significant at 0.05 level

The last analysis tests the level; of difficulty and confidence among gender. However, the results do not provide any significant difference for level of difficulty and confidence between male and female students. This indicates that male and female students seem equal in terms, of perceived level of accounting course workload, number of courses registered, number of hours in studying all courses, number of hours in studying accounting course as well as confidence level.

Discussion

The main objective of this study is to examine the different perception among three demographic factors. It refers to the search question 1, 2 and 3. For research question 1(RQ1), only courses registered affected the overall perception of PA course among major programmes. It seems students perceived that the workload of course registration would affect their PA because they need to manage their time fairly according to the subject. However, students courses are different according to their major programmes and the combination of courses will affect their perception towards PA course. Some of the students

prefer to combine the technical course with theory course. There is also combination of course for advance course with basic course such as Financial Statement Analysis and Principle of Accounting. Thus, it would directly affect their perception in their courses according to course priority.

Followed by research question 2 (RQ2), clear explanation about importance of accounting, interest level prior to taking the course and confidence level intaking

Accounting course examination will effect the overall perception of principle accounting courses among accounting and non-accounting experience. There is different between accounting experience and non-accounting experience because most of accounting experience has gathered PA view before they enter the university. During the PA course, they will try to enhance their knowledge and relate it with real situation such as using annual report, accounting software and case study. The overall perception for gender will only be affected by important level in the course (RQ3). It seems that gender factor is affected by the domination of female (N=213) compared with male (N=93) students and relate with accounting experience. The number of female with accounting experience (N=96) more than male with accounting experience (N=46). Possibly, the gender factor will perceive differently regarding the important level in the course.

Research question 4 (RQ4) asks respondents to indicate how important they perceived accounting as a part of the business core among three demographic factors. It refers to important level in the course and the clear explanation about importance of accounting. The students perceived equally the important level of accounting about important of accounting, besides that, the clear explanation about importance of accounting is differently perceived by accounting and non-accounting experience. In addition, research question 5 (RQ5) and (RQ6) asks respondents interest prior and after taking the PA course among three demographic factors. The students interest level prior to taking the principle of accounting is different only for accounting experience and non-accounting experience students. There is similar interest level prior or taking the course among major programmes and gender. It seems no changed with the interest level taking the course among three demographic factors.

Research question (RQ7) asks respondents regarding the workload of the course, course registered in one semester, study hours allocation for all courses, and study hours allocation for principle accounting course. Courses registered by major programmes only will effect students in taking accounting and non-accounting experience students show different level of confidence when taking accounting examination

Conclusion

Since there are limited number of researches examined the accounting perception of business students, this study examines the differences perception of interest and importance as well as difficulty and confidence level of the students according to major programmes, according experience and non-experience and also gender. The results shows significant differences among gender and accounting experience relating to level of important and interest. In terms of the level of difficulty and confidence, major programmes shows a significant differences relating to the course.

Registered. Besides, accounting experience students perceived more confidence in taking the course compared to non-accounting experience students.

The implication of this study suggest that non-experience students must be provided with clear explanation and encouragement to increase their perceived level of important, interest and confidence in taking this ourse. Further, intergrating accounting concepts to career applications can be used successfully in an introductory accounting class. The more, that students realize accounting concepts can be applied in their careers, the greater their interest among motivation will be in the class, as well as in the accounting profession and business in general.

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