

## CORRELATING TEACHING METHODS TO ACCOUNTING PRACTICES

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### *Abstract:*

*In a world that is in a continuous change we need to keep building up our profession and science – accounting. In order to become a good practitioner, a student will be influenced by many factors while focusing to become a good practitioner. In this work, we will focus on the teaching methods used during the years of university education. Because the accounting practices and tools are in a continuous development, the methods that can be use need to be adapted both to the content being taught and to the accounting practices and tools. We have to pay attention to the latter, because they are in a continuous development. We briefly present how informatics technologies influence accounting practices and demonstrate the paradigm shift that needs to take place in the minds of the students so that they learn to make the transition from only acquire theoretical knowledge to that of practical skills. During this process, we emphasize when and how some modern teaching methods can be implemented so that practical knowledge in accounting would be easily accessible for the students. In a highly technologized world, using appropriate teaching methods to the content intended to be taught can have a lot of benefits for students, such as increasing their interest and motivation, helping them to better understand the content, being more relevant to them and support them with visual aids in the process of learning.*

### *Key words:*

*teaching methods, accounting practices, accounting knowledge, accounting development*

*JEL Classification: M41*

## **1. Introduction**

Our society is in a continuous change. Specifically, changes in some area demand transformations in other related domains. In our case, accounting education is strongly connected to the accounting profession therefore changes are not easily to be taken. Authors such as Sava R., consider that “the economic environment found in a continuous change demands reconsidering the role of training the students in the accounting domain. Activation of teaching - learning of the accounting domain involves the use of some methods, techniques and procedures that involve the student in the learning process, aiming to develop critical thinking, stimulate creativity, develop an interest in learning, in the sense of forming him as an active participant in the training process. The option for one method or another is also in a close relationship with the teacher's personality and level of preparation, predisposition and the student group learning styles with which it is worked. Using interactive teaching methods in the classroom, the hope is to have a self-confident, critical-thinking student who fully understands the terminology and fundamentals of accounting.” [6]

“Many authors consider very important that the students will develop a critical-thinking as a skill for their future career. It has been widely accepted since at least the 1980s that critical thinking is a key requirement for success in most practical and professional spheres, not just accounting.” [8]

It is widely known that every student or graduate has some difficulty adapting to the practical realities of accounting as they begin to practice it as a job. We consider this difficulty can more or less be reduced, by using the appropriate teaching methods (for teaching accounting practice).

Our hypothesis is that the teaching methods should be adapted to the actual work in the field because accounting and its practices are in a continuous development. Traditional methods of teaching are indeed important, but the changes in economic realities should also not be neglected, because many times, they determine changes in the educational field and in other fields. Therefore the present paperwork is aiming to correlate the teaching methods to the accounting practices.

In order to test our hypothesis, we have studied the literature and the practical reality of the field. Practically, we studied the evolutions of the accounting practices and the modern teaching methods trying to identify which can be applied to accounting in order to successfully teach its practical aspects.

The research methods include general and specific approaches regarding the changes in accounting practices and the changes brought by the evolution of informatics on the financial information system. Consequently, we have used participative observation, information ordering and systematization, classification, comparative analysis and interpretation of the data regarding teaching methods in accounting in order to underline which are the most desirable methods in this field.

## **2. The impact of technology on accounting development**

Our purpose is not to go through the history of accounting, but to briefly underline the key aspects that generated major changes regarding the tools used in daily practice.

“Technology has changed the way we look at accounting today. We no longer need to agonize over keeping detailed records of cash or commodity transactions by hand. Since the first records were kept in America, bookkeepers have used a number of different tools to help in their profession. The adding machine in 1890 helped early accountants calculate receipts faster, and they were able to quickly reconcile their books. When IBM released the first computer in 1952, accountants were among the first to use them. And recent advents in technology have taken accounting into the realm of computer software like Quick-books. These new advancements are much more intuitive, helping accountants do their job quicker and with more ease.” [11]

From the perspective of the departments in the organization, the information system is composed of several subsystems, permanently connected to the external environment. The core of the information system is represented by the financial subsystem, for the very reason of the high volume of financial information (the specialists of this domain affirm that this information represents over 40% of all the economic information). By means of this financial subsystem, the economic events that take place are recorded and information-carrying financial reports are drafted. [4]

The main function of the financial information system is to fulfill the need of the decision-makers from the organization, namely the need for information. The accounts represent the source of data to be processed in the system, the financial information being born following this process. This financial information represents a source of knowledge for the leadership and not just for them. We can state that the role of the financial system is to provide information allowing the substantiation of future decisions. [3]

Even though an informational system is used, basically the objective function and the basis of accounting have not changed. However, alongside technological change, accounting is transformed into something more than simple recording, summarizing and reporting of transactions exceeding these routines and practical functions and extending throughout the organization including delegated functions, processing methodologies, controls and outputs expected, all of which are considered as "the system". The system is in fact the "anatomy" of accounting. It includes all dimensions of business operations, including the flow of financial data across the organization and beyond. [9]

We can state that the role of the financial system is to provide information allowing the substantiation of future decisions. Consequently, the financial system also accomplishes other functions, such as:

- Forecast: deducing information necessary in a given situation;
- Interpretation: the condition of the system is established based on the analysis of the information generated;
- Training: non-specialists in financial information can be familiarized with it using dialogues under the form of tiered menus;
- Design: determining technical objectives;

- Control: by own subsystems and monitoring interfaces;
- Diagnosis: becoming aware of defects of the system. [2]

Nowadays the data is produced quicker than in the times when only ledgers were used and this technological aspect has great impact in accounting. We can notice a paradigm shift from the traditional accounting where the recording and data systematization was done successively to using accounting software where all the processes of producing the financial information take place simultaneously, as shown in the figure below.

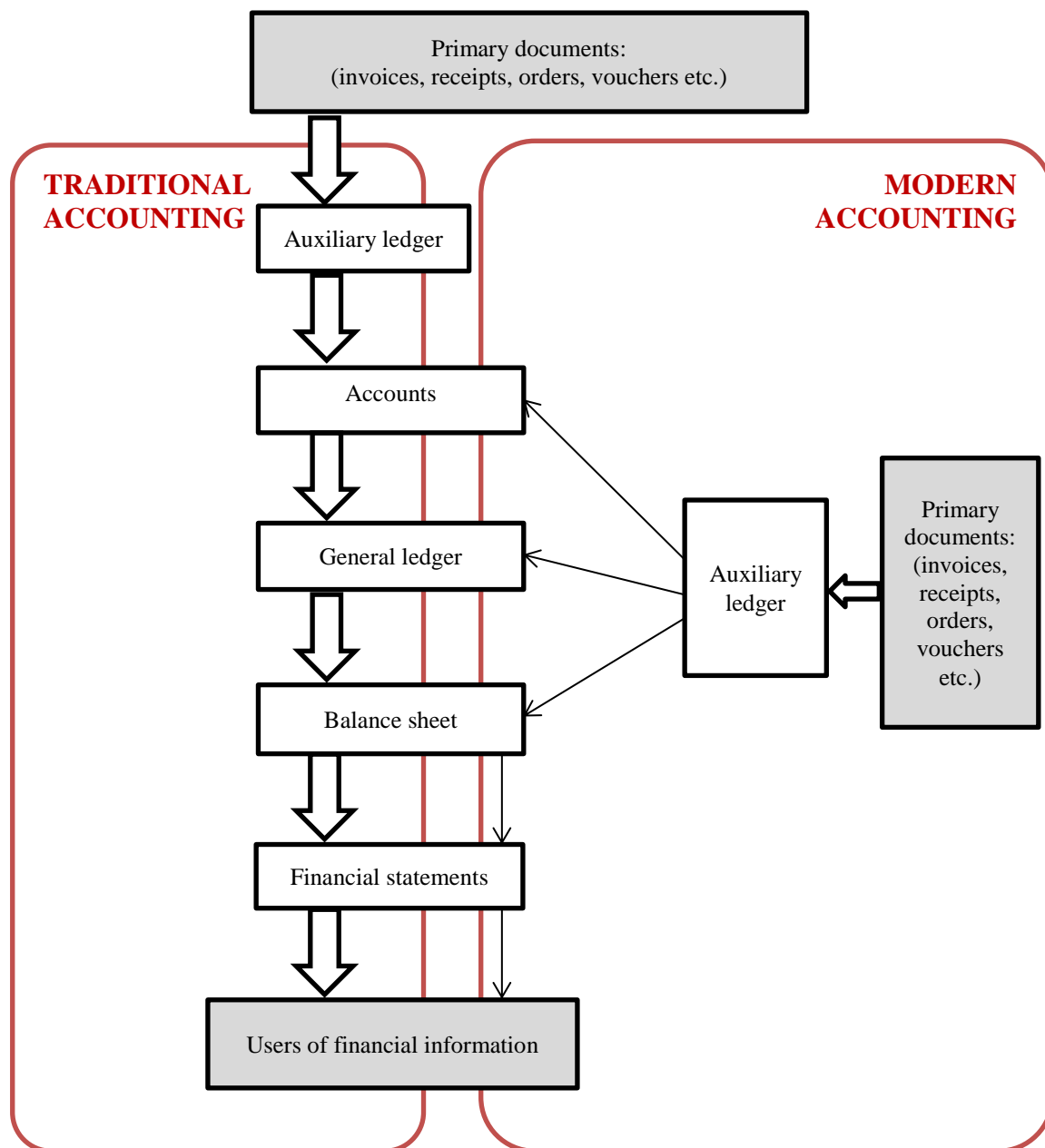


Figure No. 1 – The process of information

Source: Compiled after D. C. Mihălțan, *Bridging the gap between theory and practice in accounting*, SEA - Practical Application of Science, Romanian Foundation for Business Intelligence, Editorial Department, issue 20, 2019, p.91.

### 3. Steps in acquiring accounting knowledge

“Rapid technological developments have impacted delivery of education at all levels. Technology-enabled teaching methods are also now widespread. Students in accounting are thrilled with technology-based teaching.”

“Technology can provide a virtual classroom facility for the students and teachers alike. Access to information has become as quick as a click. Never before has such a volume of

information been so rapidly made available publicly. For education, such information saves time and efforts of students and teachers, and facilitates their learning.”

“It ultimately becomes the responsibility of the teachers, tutors and lecturers to create a teaching environment that enables the students to attain quality understanding suiting their needs.” [7]

In order to identify such appropriate teaching methods, we will observe the learning process in accordance with accounting knowledge which has to be acquired by the students. Observing the reality of the accounting field, we identified three levels of learning in practice, as shown in the following figure:

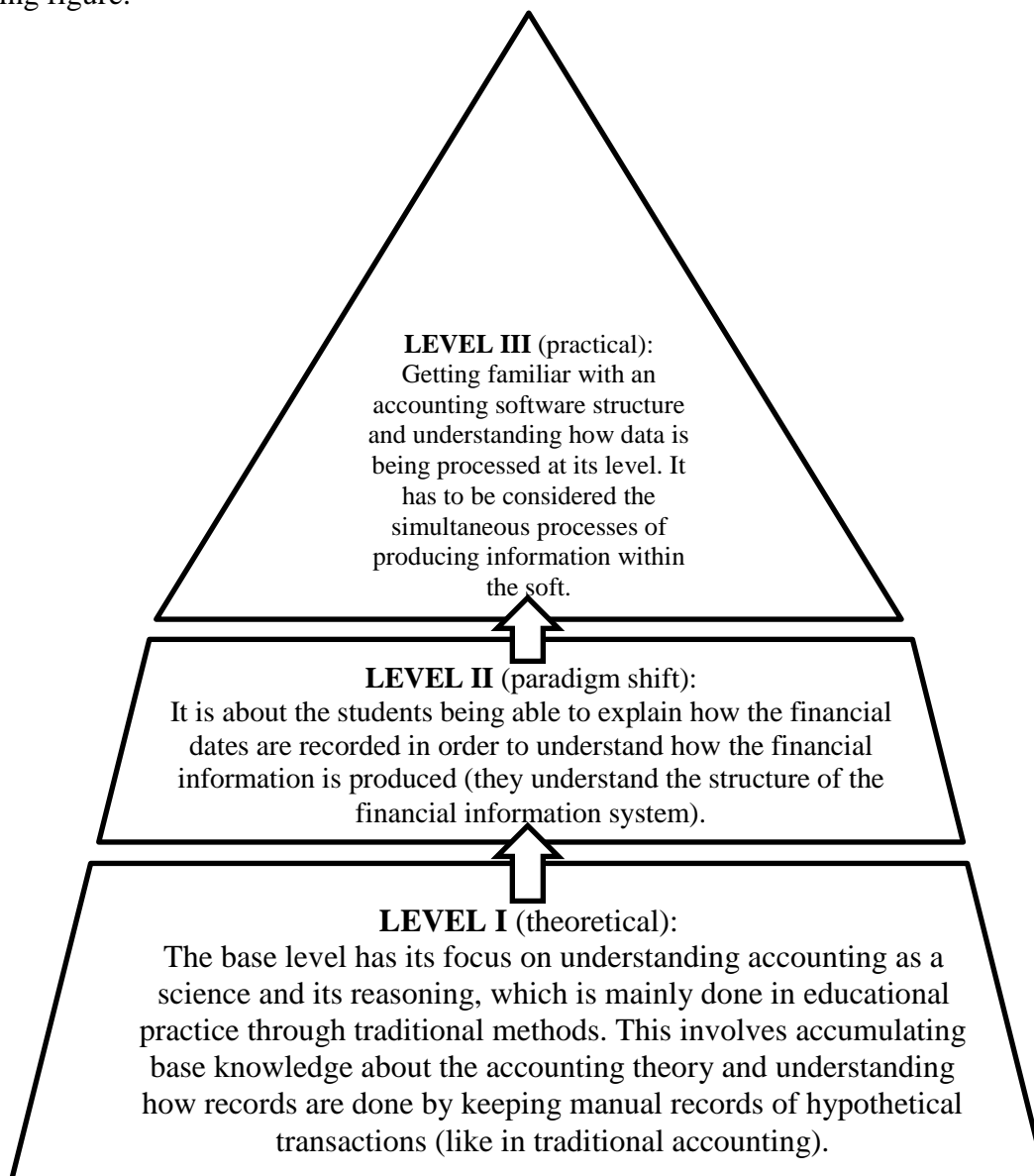
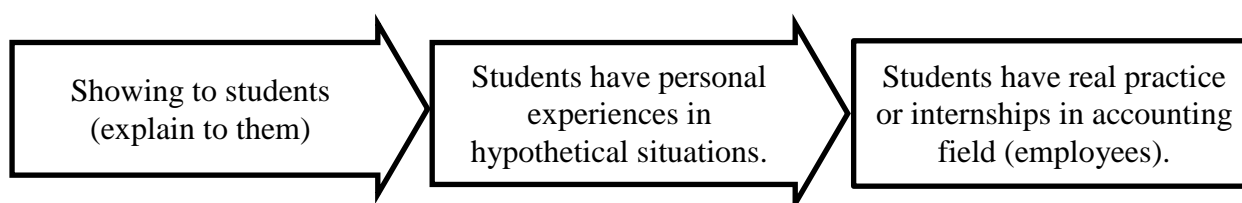


Figure No. 2 – Levels of learning

Source: own projection

From an empirical point of view, all the used methods (for the last step) must have the same focus: to get the students to a point where they understand how an accounting program works and make them able to use it. In consequence, there is a principle that has to be followed as a path of applying the teaching methods at the 3rd level, as shown in the figure below:



Modern teaching methods must be carefully chosen and adapted at each step, so that accounting practices can be understood and assimilated by the students.

An empirical study reveals that there is a significant correlation between certain modern teaching methods (namely problem-solving based learning, cooperative learning and brainstorming) and accounting knowledge, accounting cognitive skills, interpersonal skills, and responsibility and information technology necessary for the accounting profession. [1]

The following list summarise examples of teaching methods that may be used to teach technical content in accounting courses, based on empirical realities and literature.

Table no. 1 Teaching methods correlate to the levels of learning in accounting

Teaching method	Brief Description	Recommended to use for:
Enhanced (Modified) Lecture	Traditional lecture modified to include active elements (e.g. pausing for discussion, immediate mastery tests/quizzes, using demonstrations, responding to pre-submitted student-generated questions)	Level I
Questioning and Discussion	Includes different types of questions: knowledge questions, comprehension questions, analysis questions, synthesis questions, evaluation questions in order to help them to evaluate their own thought processes by probing the thinking behind their statements and questions.	Level I and II
Writing in Class	Includes journals, one-minute papers and responses to problems or cases.	Level I and II
Problem-Based Learning - Cases	Students use knowledge, concepts, and skills relevant to a course to solve realistic business problems.	Level I and II
Problem-Based Learning- Guided Design	A student team attacks a problem by dividing it into a series of prescribed steps (e.g. identify the problem, state the goal, list constraints etc.) to be resolved in order; after each step, instructor provides written "expert" analysis elaborating on the various alternatives the students had available during the previous step.	Level II and III
Group Learning - Teamwork	Students work together in teams, collaborating to complete a problem or project.	Level II and III
Computer - Based Instruction	Tutorials to explain how accounting software is built and works.	Step 1 of 3 <sup>rd</sup> level
Simulation and role Playing	Using real accounting software, students have to process hypothetical transactions.	Level III
Fieldwork - Accounting Internships	Students get academic credit and real-world experience working in industry, government or public accounting.	Level III
Mentoring	The mentor offers insight and advice about accounting practice, bringing an objective perspective which enhances a student / graduate skill in the field.	Level III

Source: own projection based on literature [5] & [10]

#### 4. Conclusions

In a highly technologized world, education itself has to use these advantages in order to be more attractive and make its contents easily available, in any type of knowledge, including accounting. Based on our research, we can draw some conclusions regarding the main followed purpose, namely correlating teaching methods to the accounting practices.

In the course of time, accounting itself developed and its teaching methods also have to adjust to the new practices and tools used by practitioners, so that the used teaching methods will enhance the content intended to be taught.

Knowing that good results in accounting education require efforts from both teachers and students, teachers must be connected to the actual changes in the field and choose wisely the adequate methods so that the chances of a student to acquire knowledge would be increased.

In order to underline how to correlate teaching methods to the content intended to be taught, we rank the components of the learning process in three levels, based on the fact that a paradigm shift is needed (in the minds of the students) from successive recording to simultaneous data processing, as the software does. Traditional teaching methods are of important used for students to acquire theoretical accounting knowledge, because the fundamentals of accounting as a science are unchanged (from the moment accounting was recognized as a science).

In order to acquire practical skills, it is obvious that the students need practice. For that goal, all the proposed teaching methods should be connected to practical cases whether hypothetical or from the real world. The modern used methods at 2<sup>nd</sup> and 3<sup>rd</sup> level always involve the active participation of the student. Our list of recommended teaching methods presented in this paperwork is not limitative and it can be improved by the creativity of each teacher.

In order to propel our profession to a higher level, let's teach and be teachable!

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