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A STUDY ON STUDENTS PERCEPTION TOWARDS ETHICS IN ACCOUNTING EDUCATION IN BORIVALI

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## A STUDY ON STUDENTS PERCEPTION TOWARDS ETHICS IN ACCOUNTING EDUCATION IN BORIVALI

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#### Abstract

A good society can be develop by good behaviour, good cultural value and perfect moral activities among its citizens. Youngsters are set to be pillars of the society. Educations plays very vital role in holistic development of society. Ethics in accounting education is just a starting point of society. Ethics are the moral principles which helps in conducting activities. Education is the system in which we have utmost faith. Professionals are generated from this education system. In order to increase good practices in society it is a need to have ethics in every element, so also in education field specially accounts area. The objective of this research paper is to identify students perception towards ethics in accounting education and whether it will lead to ethical value in business and professional activities. This research paper will be based on primary data and secondary data. The sample was collected from undergraduates, graduates and professional students. Total 250 responses received from Borivali region, Chi Square test is applicable. After analysis of the data, we concluded that there is a significant relationship between ethics in accounting education, awareness in the field of ethics, impact of ethics on student behaviour etc.

Keywords: Ethics, Accounting, Education, Society, Student.

#### Introduction

The sapling of today will be a strong fruitful tree of tomorrow, so it is necessary to nurture this young sapling with utmost care.

Today's young generation, tomorrows countries assets. To develop a good approach mindsets among students, education needs to be structured accordingly. Hence there is need to understand the importance of ethics in accounting education. Understanding of ethics among Student lead to better impact on career in brings transparency and fairness in activity, and in financial statement as well. Hence it is important to have ethics in accounting education which create a good mindset for bright future of our student. In today's curriculum ethics are inculcated to understand various need of modern world and learner need to understand serious consequences because of unethical

Ethics in accounting education are more concerned with preparation of financial statements, its various disclosures, financial information etc. Many financial frauds, scams and scandal have been found of various company and entities, which shows the lack of ethics in professionals.

As a learner if one is able to understand the consequences of action of unethical practices, surely it will lead an individual to improve his/her behaviour and move in right path and will bring positivity in society.

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Financial reports having unethical information will surely mislead to the investor and other stakeholders, which may bring them short term gains but definitely as a holistic view it is not ethical as well as will not bring long term profit and goodwill. Many entities doing this practice for short term gain, it is called as "Myopic Management". And for doing this unethical activity they require accountants, professionals. So for changing this scenario, we have to start from ground work, zero that is from education. Hence it is essential that ETHICS must be part of our education system and in curriculum.

Few of the unethical practices followed in accounting are mentioned below:

#### 1. Treatment of Assets

It indicates use of company assets other than for the benefits of company. This is very common activity can be done accounting field.

### 2. Violations of disclosure

Important information that need to be disclose, and accountants and professionals fails to disclose information then investors decision can be different as they rely on such data. If significant information is ignore deliberately, then it may financial harm to investor.

## Reasons for Unethical behaviour among finance and accounts

## 1. More focus on short term profits

The main reason for ignoring ethics in finance and accounts. But this practice leads to downfall of many companies like Enron and world com.

## 2. Accounting Rules and Standards

In the world of globalisation and cross border of capital flow, accounting rules are changing rapidly. Cross border merger responsible leads to complexity in accounting. These principles and rules promotes unethical behaviour / malpractices in finance and accounts.

#### 3. Economics Cycle

In boom period, every company is having a good amount of profit. Less tampering will be there in accounts. But as the recession exist, each company try to record high profits and unethical activities increased multiple times.

So we can understand from above explanation that high level of ethics in accounting education lead to long term economic growth of society as well as it will help to develop ethical and dignified society. Ethics in accounting and its knowledge helps auditor and accountants to overcome ethical dilemmas, allowing for the right choice, and it will benefit to stakeholders who relies on auditors reporting.

Every country need to have amounting laws. In Germany accounting legislation is controlled by "tax laws"

In Sweden, by "accounting law" and in the United Kingdom is governed by "Company Law". Still few countries also has their own accounting standards to control ethics in accounts like in Sweden has BFN – Accounting Standard Board, in Spain it is regulate by the Institute de Comtabilidad Auditoria de Cuentas.

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And in United States ethics in accounts governed by Financial Accounting Standards Board (FASB)

## Review of literature

Güney and Çınar (2012), analysed that accountants, professionals perception is that they require more ethical support system and they aware about the ethical principles found, and as per study they do not approve the contrary behavior. Study further says that income and adherence to ethical rules and the education system have a direct relationship.

(Ryan and Bisson, 2011) Fraud is done by people, who was as a student once upon a time. Focus on ethics in accounting education is generated from many area of society and each time if there is any financial fraud disclose in from of community, then it was a time for revising the bars of ethics in accounting education. Hence students learning stage is a cycle where we can address the ethics problems.

Delaney and Coe (2008), study found that ethics in education have effective effect with increasing rate on moral ability of junior and senior accounting students.

(Dellaportas, 2006) Ethics in education system have a positive impact on the learner as they are future accountant and accounting ethics leads to ethical development among themselves.

(Earley and Kelly, 2004) they studied, we assume that if accountants are well educated in terms of ethics, there may be less frauds in accounts and finance. It may true in some extent, but we can not ignore still financial fraud is discovered around us.

Kracher, et al. (2002) found that in United States and India, gender is related to development of moral value in business professionals and graduate students.

Somers (2001) ethics are deciding factor for deciding unethical behaviour among auditors. As Implementation of ethical norms, leads to transparency and impartiality among auditors and accountants

## Research objectives:

## The research objectives are:

- 1. To study the relationship between inclusion of ethics in accounting education and the level of awareness among students
- 2. To find out whether adding ethics in accounting education has positive impact on students behaviour.
- 3. To understand students perception related to ethics in accounting and its impact in accounting
- 4. The identify the relationship between ethics in accounting education and honesty in book keeping etc

## Research hypothesis:

There is no significant relationship between awareness of ethics in accounting education and inclusion of ethics in accounting.

- 2. There is no significant relationship between ethics in accounting education and its positive
- 3. There is no significant relationship between ethics in accounting education and truthfulness and
- 4. There is no significant relationship between inclusion of ethics in accounting education and honesty in book keeping. truthfulness and honesty among book keepers and stewards.

## Limitation of study:

- This study is based on only ethics in accounting education, there are other subjects also in the curriculum, that we need to focus.
- The ethics only as a subject teaching may be a narrow perspective, as ethics has vast coverage and needs to be inculcated from family, society etc
- The study restricted to Borivali Region.
- · Time limit is limited

## Research methods

Questionnaire have been prepared and data gathered from Borivali region.

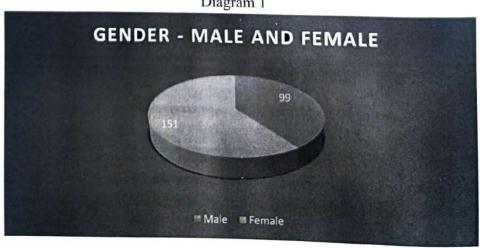
Total 250 responses collected, Based on this Primary data, following findings can be concluded. Chi – square test is applied.

## Findings and interpretation

Table 1

Gender	
Male	99
Female	151
Total	250

Sources: Primary Data Diagram 1



## Interpretation

As the total responses are received from Borivali region is 250. Above table and diagram shows that out of 250, 99 male students replied for questionnaire and 151 female students replied.

## 2. Qualification

Table 2

## QUALIFICATION

Undergraduates	126
Graduates	75
Post Graduates	46
Professional	3
TOTAL	250

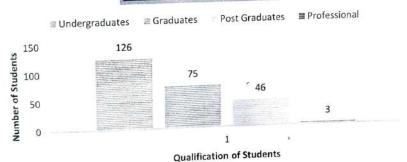
Sources: Primary Data

Interpretation

Out of 250, Undergraduates are 126, Graduates - 75 students and Post Graduates are 46 and 3 Students are Professional.

Diagram 2

## QUALIFICATION



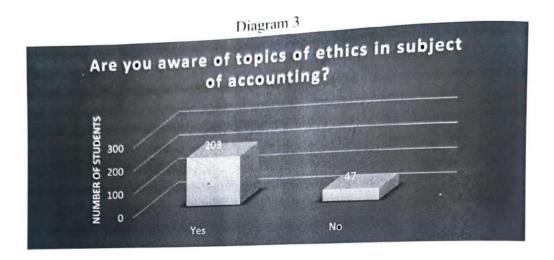
## 3. Are you aware of topics of ethics in subject of accounting?

Table 03

Yes	203
No	47
TOTAL	250

Sources: Primary Data

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#### Interpretation

Are you aware of topics of ethics in subject of accounting? Insertion of this question is only for getting a clear idea about the student, whether they aware abouts ethics in accounting. Overall 81.20% learner have aware about there is ethics in accounting subject and remaining 18.80% learner don't have any knowledge about the same.

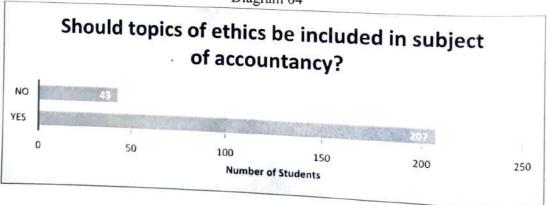
## 4. Should topics of ethics be included in subject of accountancy?

Table 04

Yes	207
No	43
<b>TOTAL</b>	250

Sources: Primary Data

Diagram 04



## Interpretation

Above data shows that, 207 out of 250 students (82.80%) agreed that ethics must be part of accountancy and remaining only 43 learners (17.20%) not agreed with this concept. As majority is having a positive sign for ethics in accountancy, which shows moral value and transparency among leaners wants to be inculcate in curriculum.

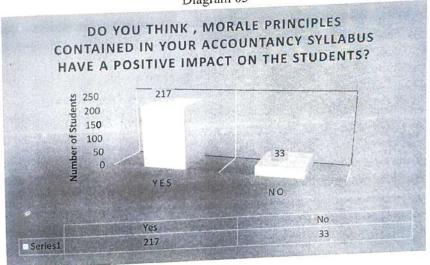
## 5. Do you think, morale principles contained in your accountancy syllabus have a positive impact on the students?

Table 05

Yes	217
No	33
Total	250

Source: Primary Data

Diagram 05



Above data analysed and interpreted, 217 leaner have agreed that ethics and moral principles in accountancy syllabus leads to positive impact on learner whereas only 33 students disagree with this thought. As per above data shows that , 86.80% students agreed that accounting ethics leads to positive impact on learner and will help in improving value culture with a great extent.

6. Do you think, ethics in accounting education will lead to accounting ethics among students?

Table 06 217 Yes 33 No 250 Total

Sources :- Primary Data

Do you think, ethics in accounting education will lead to accounting ethics among students? 33. 13% ■ Yes No 217, 87%

Diagram 06

### Interpretation

This question indicates , whether the learner will implement ethics in accounting activity. With 250 responses gathered 217 students agreed which 87% of total responses and 13% that is 33 learner is says NO. Still positivity among students for implementing accounting ethics much more

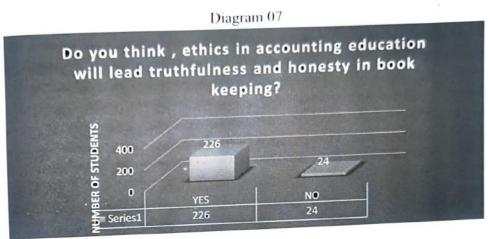
7. Do you think, ethics in accounting education will lead truthfulness and honesty in book

Table 07 YES 226 NO 24 TOTAL 250

Sources :- Primary Data

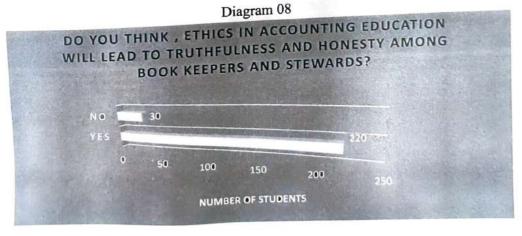
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Interpretation This table shows that ethics in accountancy surely improve truthfulness and honesty in book keeping, as the accounts students are the responsible elements for such activity. Book keeping records are the mirror of entities financial statements on which investors decision are rely. Out of 250 responses, major student 226, agree that ethics in accounting education definitely lead to truthfulness and honesty in book keeping.



8. Do you think, ethics in accounting education will lead to truthfulness and honesty among book keepers and stewards?

Table 08 220 YES 30 NO 250 TOTAL Sources :- Primary Data



Interpretation

Book Keepers and Stewards are the real components of society, they are responsible for more Book Keepers and Stewards are the real components transparent accounting. Above data shows that out of total 250 responses, 220 agree with this statement, which is positive sign for good society.

## 8. HYPOTHESIS TESTING

There is no significant relationship between awareness of ethics in accounting education and inclusion of ethics in accounting.

Chi Square	Contingent	y Tub.	TOTAL	
	YES	NO		
	181	26	207	
YES	22	21	43	
NO	10000		250	
TOTAL	203	47		

30.69	Chi Square
1	df
3.02E-08	P-Value
3.84145882	Table Value

The above calculated chi- square is 30.69, the critical table value is 3.84145882, degree of freedom is 1, the level of significance is 5% and the corresponding P value is 3.02E-08.

As P value is less than 0.05, the null hypothesis is rejected. Rather, it can be concluded that there is significant relationship between awareness of ethics in accounting and inclusion of ethics in accounting.

## Hypothesis 2

There is no significant relationship between ethics in accounting education and its positive impact on students.

Chi Square Contingency Table Test for Independence

	YES	NO	TOTAL
YES	184	19	203
NO	33	14	47
TOTAL	217	33	250

13.9	Chi Square
1	df
0.0002	P-Value
3.84145882	Table Value

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## Decision and Conclusion

The above calculated chi- square is 13.9, the critical table value is 3.84145882, degree of freedom is 1, the level of significance is 5% and the corresponding P value is 0.0002. As P value is less than 0.05, the null hypothesis is rejected. Rather, it can be concluded that there is significant relationship between ethics in accounting education and its positive impact on student.

### Hypothesis 3

There is no significant relationship between ethics in accounting education and truthfulness and honesty in book keeping.

Chi Square Contingency Table Test for Independence

	YES	NO	TOTAL	
YES	189	14	203	
NO	37	10	47	
TOTAL	226	24	250	

9.09	Chi Square
1	df
0.0026	P-Value
3.84145882	Table Value

#### **Decision and Conclusion**

The above calculated chi- square is 9.09, the critical table value is 3.84145882, degree of freedom is 1, the level of significance is 5% and the corresponding P value is 0.0026.

As P value is less than 0.05, the null hypothesis is rejected. Rather, it can be concluded that there is significant relationship between ethics in accounting education and truthfulness and honesty in book keeping.

### Hypothesis 4

There is no significant relationship between inclusion of ethics in accounting education and truthfulness and honesty among book keepers and stewards.

Chi Square Contingency Table Test for Independence

	YES	NO	TOTAL
YES	190	13	203
NO	30	17	47
TOTAL	220	30	250

32.02	Chi Square
1	df
1.52E-08	P-Value
3.84145882	Table Value

#### **Decision and Conclusion**

The above calculated chi- square is 32.02, the critical table value is 3.84145882, degree of freedom is 1, the level of significance is 5% and the corresponding P value is 1.52E-08As P value is less than 0.05, the null hypothesis is rejected. Rather, it can be concluded that there is significant relationship between ethics in accounting education and truthfulness and honesty among book keepers and stewards.

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