

## IFRS integration into accounting curriculum: Undergraduate accounting students' perceptions in Jakarta

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### Abstract

This study was to analyze the empirical evidence about the difference perceptions of IFRS into accounting curriculum integration between female students with male students, and students who are under or equal to 20 years with a student over the age of 20 years. Survey I conducted by distribution of a set questionnaires using purposive sampling method to accounting unfergraduate students of some university with A Accreditation Jakarta. Research Results state that there is a difference between the perception of female students with male students about the integration of IFRS into accounting curriculum, and there is no difference in perception between students aged below or equal to 20 years with a student over the age of 20 years.

Keywords: Perception, IFRS integration, accounting curriculum, gender.

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## 1. Introduction

The rise of globalization causes the loss of the geographical boundaries of inter-state economy. There are no longer boundaries and separation from aspects of international accounting for the operation. This situation requires a similar system of accounting and financial reporting and globally acceptance. Therefore, the form of standard was established as an effort to harmonize the accounting standards known as International Financial Reporting Standards, or that we are familiar with IFRS. The existence of an international standard will make comparability of financial statements being high.

Convergence of GAAP into IFRS would give some advantages for the investment climate in Indonesia. i.e investors easier compare financial information of the company in Indonesia with companies in other countries. An analysis is carried out by financial experts to the Indonesia corporate financial information could be more accurately. Thus eliminating any investors' doubts which will fallacy decision based on the professional analysed results.

IFRS Convergence given challenges and opportunities for the accounting profession and the audit profession over the world. Accountant play role in making financial reports in accordance with IFRS while the auditor has to understand IFRS in the audit process company. Accountant required to understand the full IFRS, including students who will face the world as an accountant. Students a prospective accountant who will plunge into the world employment according to their ability to make financial statements standard international (IFRS).

To prepare a reliable resource as well as professionals such as those mentioned above, then education has an important role in developing student competence as a professional candidate. Elements involved in developing education are: (1) the government that governs the world of education is based on the provisions of the regulations and laws, (2) institutional providers of education, (3) teacher / lecturer, and (4) students. The four elements are interrelated to one another so as to form an educational system (Persons,2013). Accounting Higher Education in particular has a strategic role in enhancing the ability and professionalism of accounting students so that they can produce qualified and competent accountant.

Based on these facts, this research paper has two problem questions, First: Are there differences perception about IFRS integration into accounting curriculum from students based on sex? and Are there differences perception about IFRS integration into accounting curriculum from students based on age?. Unit analyses of this study are undergraduate accounting students of some Universities in Jakarta area.

## 2. Integration IFRS Into Accounting Curriculum

Currently accounting students as prospective accountants and auditors are required to be able to understand IFRS, so the integration of IFRS in the curriculum need to produce graduates capable of preparing and audited the financial statements. Moreover, Indonesia is part of countries with developing economies. In the past few years, emerging economies becoming significant investment opportunities and the implementation of IFRS is a tool to fascination for the new investor Abu and Girbina (2012). Accounting academics who want to produce graduates that are beneficial to the business community should prepare IFRS. Space provided depends on the level of education, competence of graduates to be achieved, and the target market of graduates. Not only that, the academics have to criticize the applicable accounting standards so that students can not only take advantage of standard without principle.

The problem that arises with the IFRS convergence is limited lecturing materials (textbooks) owned by educational institutions, lecturing time, and abilities / skills of lecturers. The current edition of the text book IFRS can be obtained either for the Introduction of Accounting, Intermediate Financial Accounting, Advanced Financial Accounting and although the lecturers have to adapt in advance with the new book. In addition, online reading sources can be obtained from the websites of the International Public Accounting Firm (KAP) or sites International Accounting Standards Boards (IASB). To overcome the

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limited lecturing time, lecturers can use tutorial assistance and of course it also depends on the activeness of the students themselves. Educational institutions including the lecturers personally must have responsible for mastering of IFRS.

Academics in accounting should be able to teach IFRS as good as they teach about GAAP, but there are barriers because they are not trained on IFRS for school and their opinion considered IFRS no more than GAAP Coetze (2013). Even academics are not too sympathetic to the process of preparation of the IFRS. Academics have a big impact in the integration of IFRS in the curriculum, which will affect the quality of education at the university. However, IFRS is a new concept, which requires proper implementation.

Previous research suggests that faculty member's beliefs can influence curriculum decisions. For example; Persons (2013). found that an instructor's opinion about diversity is associated with his or her decision to incorporate diversity-related materials into course content. In addition, students have indicated that instructors are often resistant to change because of concerns regarding whether the change will have a positive impact on student's education Abu and Girbina (2012). This resistance to change is still evident when improved teaching materials and revised incentives are provided by faculty member's attitudes towards the value of accounting internationalization are associated with the existing coverage of international issues in the undergraduate accounting curricula.

The uncertainty of whether a country intends to adopt the IFRS has also been found to affect the coverage of IFRS in an institution's curricula by Chiang (2013). As a result, views regarding both the timing and format of IFRS adoption are likely to be important factors in the decision to incorporate IFRS in accounting courses. We hypothesize that educators will be more likely to cover IFRS when they perceive that IFRS will be adopted in the near future.

### **3. Research Methodology**

Primary data are collected by distributing a set of questionnaires. The questionnaire in this study is divided into two parts, personal data and several statements about respondent perception of integration IFRS in accounting curriculum using a Likert scale which 1 means "Strongly Disagree" and 5 means "Strongly Agree".

Purposive sampling is used in this research and undergraduate accounting students is selected within respondent criterias : (1) Registered as an undergraduate accounting student; (2) Already or are taking Advanced Financial Accounting Subject, (3) senior level (min 6<sup>th</sup> semester). The samples in this research are reached about 115 students from some universities in Jakarta.

Some definitions of variables are used in this research:

1. IFRS integration into accounting curriculum, it is integrating IFRS on the teaching of curriculum at all grade financial accounting, financial management, and financial statement analysis. It's dimensions are understanding, intentional, needs, and competency.
2. Gender of respondents. In Hong Kong, the research conducted in the third year accounting student shows that gender significantly influence the performance of undergraduate accounting students (Ho, 2008). According to Stivers and Onifade (2011), women have the technical skills better than men in accounting field, so women have a higher probability to more easily adopt the new standard. Caudia (2009) conducted a study on the performance of students on the subject of management accounting. This study shows that female students more accurate so as female have better grades than male students, although male's IQ higher than female students.

The next variable which may have a correlation is the age of respondents. Research conducted Koh and Koh (1999) showed that age has a significant influence on the performance in the field of accounting. There is a negative coefficient indicates that a younger student has a better performance. But Kim (2011) proved that there is no difference in the level of knowledge of IFRS by age group. Of inconsistent results, it can be formulated in the second hypothesis of this study are:

Age: it is used to look at differences in perception about IFRS integration into accounting curriculum among the subject of this study were older and younger. For analysis purposes, respondents were divided into two age groups, respondents aged below or equal to 20 years ( $\leq 20$  years) and above 20 years ( $> 20$  years).

Sex: it is used to look at differences in perception about the integration of IFRS in the accounting curriculum between female and male students'.

Research hypothesis are as follow:

H1: There are differences perception about IFRS integration into accounting curriculum between male and female students .

Age: it is used to look at differences in perception about IFRS integration into accounting curriculum among the subject of this study were older and younger. For analysis purposes, respondents were divided into two age groups, respondents aged below or equal to 20 years ( $\leq 20$  years) and above 20 years ( $> 20$  years).

H2: There are differences perception about IFRS integration into accounting curriculum between younger and older students.

Sex: it is used to look at differences in perception about the integration of IFRS in the accounting curriculum between female and male students'.

The method of statistical tests used in this study is different test using t-test (independent samples t-test). On the basis of decision-making is If probability sig (2-tailed) $> 0.05$ , then  $H_0$  is accepted, and If the probability sig (2-tailed)  $< 0.05$ , then  $H_0$  is rejected.

#### 4. Results and Discussion

Testing the validity of the data regarding the integration of IFRS into accounting curriculum in this research use Pearson correlation approach, and all statements are valid within the R coefficient almost  $> 0,67$ . Finally, reliability test got Cronbach's Alpha coefficients is 0.647. So the all instruments testing are valid and reliable, Normality test in this study using Shapiro-Wilk test, it's integration of IFRS into accounting curriculum based on the sex of the results obtained significance of 0.123 for male and 0.704 for female ( $p \geq 0.05$ ). This suggests that the distribution of perception scores on the integration of IFRS into accounting curriculum from male and female students is normal. Normality test of the integration of IFRS in the accounting curriculum to students based on age in the Shapiro-Wilk obtained results of significance for 0576 ( $p \geq 0.05$ ). This suggests that the distribution of perception scores on the integration of IFRS in the accounting curriculum to students of the same or less than 20 years with students older than 21 years is normal.

The first hypothesis in this research is the students' perceptions of male and female students about the integration IFRS into accounting curriculum. The descriptive statistics into the average response of the statements in the questionnaire. In the table shows that the respondents are male had a higher mean than the female respondents, 52 respondents of male student had an average of 44.46, while the mean female student respondents were 63 respondents is 42.70.

Based on t-test, in accordance with the criteria for acceptance and rejection of the hypothesis. then  $H_0$  is rejected, and means that the first hypothesis in this research is received. It is seen that t-test with equal variance assumed amounted to 2.005 with significance of 0.047. Because of the significance  $\leq 0.05$  ( $0.05 \leq 0.047$ ). Thus the first hypothesis testing, it can be concluded that with a confidence level of 95%. There is evidence for differences students' perceptions of male and female towards the integration of IFRS into accounting curriculum.

This proves that the characteristics of the individual in this case sex has a significant role to influence the perception of the integration of IFRS into accounting curriculum. The differences perception because female have the technical skill and more careful in the accounting field, so there is a higher possibility to more easily understanding IFRS as a new standards in higher education. These results are opposite with

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Rohini (2011). which found that there was no differences perception between male and female students about IFRS. But, this research are consistent with the results of research conducted by Putra (2014) which states that there is a difference of perception for the understanding of IFRS in the accounting curriculum based on sex.

There is a difference of perception based on sex about IFRS in college, it's where when viewed from the mean that male have a higher perception about IFRS than female students. This is shows that individual characteristics which describe with sex influence the perception of IFRS integration into accounting curriculum. This is contrast with Deviarti, Kurniawati, and Sukendar (2012) that was found there was no difference of perception about IFRS in Accounting curriculum between male and female students'. The difference result with that research, because sample of that research are undergraduate and graduate students and that research use random sampling for all accounting students from each program, that could be made female and male students have same perception about IFRS because the different condition, factor and time.

The differences perception about IFRS between male and female students indicates that the quality of the integration of IFRS in the accounting curriculum based on sex have still not good, there is still a gap between male and female students. This difference in perception gives a signal to the university to provide a good facilities and the comprehensive learning about IFRS to their students to make all of students even male or female is equal the level of perception about IFRS in the accounting curriculum. In the other solution, university must have special treatment on learning about IFRS in the accounting curriculum based on sex to make the balancing condition of male and female students' perception.

The descriptive statistics the mean of response to the statement of the questionnaire in two age groups. In the table shows that respondents aged less than or equal to 20 years had a lower mean than respondents aged above 20 years. Respondents in the age group under or equal to 20 years as many as 61 respondents had mean of 43.28, while the respondents were in the age group above 20 years as many as 54 respondents had mean of 43.74. For difference test between respondents based on age use t-test method was used.

Based on t-test result that variance assumed by 0.518 with a significance of 0.605. Because of the significance  $> 0.05$  ( $0.605 > 0.05$ ). Thus it concluded that with a confidence level of 95%. There are no differences in the perception of students aged under than or equal to 20 years and students aged over 20 years to the integration of IFRS into accounting curriculum. This research inlined with Rohini (2011). which found that there was no differences perception from students about IFRS based on age category.

There were no differences based on age perception about IFRS in the accounting curriculum, Due to range of age is not significant and almost have high determination and intentional to learn something important in their career if viewed from age category and they at the same class and they also must take the course related with IFRS. This research in line with a research conducted by Pulungan (2013). This indicates that the quality of the integration of IFRS in the accounting curriculum is good, for every student who is under the same or even a student older than 20 years have the same perception about IFRS in the accounting curriculum. This good condition must be maintained by the university to transferring knowledge of IFRS through the integration of IFRS in the accounting curriculum to students are still good.

Gupta (2012) found that students' intentional about IFRS in India. with increased familiarity and exposure, there is generally support of change. On the question of whether students in India intentionalized to take training on IFRS. Further in-depth studies of the responses established that students who are at present studying accounting/finance are ready to take training more than others. Students still have a high intentional about IFRS because students assumed that IFRS as a new standard that will give them some benefits for their future job.

Students also have a high need for the integration of IFRS into accounting curriculum. Its need indicated about 53%. The high demand of students about the integration of IFRS in the accounting curriculum, as students assume that more competitive and small opportunities to seek a job, one must have more knowledge and competency. Students believe by studying the financial standards based-IFRS in Higher Education will be more challenges to be accepted in the big company or multinational

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Company. This is consistent with Coetze. (2013). That students still have a high need about IFRS because students realized that competencies about IFRS needed for their future work (Weiss, 2011) found that, there will be a high demand for faculty with knowledge of IFRS and experience of integrating IFRS into the curriculum in the coming years.

The research only focused on students' perceptions of the integration of IFRS into college, this is different to the research conducted (Chiang, 2013) is viewed in three perspectives, i.e.: Educator, Regulator, and Students to get feedback as the transition from US GAAP to IFRS in United States of America. The final results of this study also mentions that the integration of IFRS in the accounting curriculum is also an easy task, because many things have to be prepared and repaired.

Berrios (2012) found that there are many universities in Latinia, both public and private that have not applied IFRS in the curriculum of accounting. IFRS that have been integrated into the accounting curriculum has not been quite instrumental in providing an understanding of students to IFRS. While in this research gained the perception of students at universities that already integrate IFRS into the curriculum, and also came to the conclusion that the university has applied IFRS has not been much help students to understand IFRS, it is proved by there are differences in students' perceptions of female and male in IFRS as well as the lack of understanding and competence of students to IFRS in the accounting curriculum.

Research conducted in India (Gupta, 2012) found that many students in India who have not been concerned with knowledge of IFRS, so that colleges in India are still difficulties in applying IFRS in the curriculum of accounting, this led to the still low level of knowledge of students in the understanding of IFRS. This is in contrast with the results of this research indicate that students are concerned with knowledge of IFRS, evidenced by the high need and intentional of students to IFRS, only because the study of IFRS is not easy, the students do not have a good understanding of IFRS.

Nassar, Tochukw, Uwalomwa, and Uwuigbe (2014) showed that although Nigeria has adopted IFRS in their financial reporting standards, but education in Nigeria is not ready to adopt IFRS in its curriculum due to incomplete education facilities and other factors. While in this research mention the condition that occurs when the IFRS in the accounting curriculum is seen from the students by sex and age at one of the universities in Jakarta, as one of the conditions in higher education accounting adopt IFRS in the accounting curriculum. The results of this research indicate that education still has challenges in improving the competence of the students about International Financial Reporting Standard. Although students consider that IFRS critical competencies those needed for their work and they aware that IFRS that have been integrated into financial accounting courses, students are still of the view that they do not have a good competence in understanding and applying IFRS.

## **5. Conclusion**

There is difference perception about IFRS integration into accounting curriculum from students based on sex. But there is no difference perception about IFRS integration into accounting curriculum from students based on age. Students actually have high IFRS learning intentional, and also have a high demand of IFRS learning. However, understanding IFRS is not so easy and this impacted on students' IFRS competence.

Several limitations come out of this research, i.e sample size selected from some university in Jakarta within non probability-purposive method, so the results cannot be generalized to the entire accounting higher education in Jakarta whether Indonesia. This study used only gender as control variables in measuring differences in perception, that are sex and age.

Further research is suggested through more big sample size and using probability sampling method for Indonesia Higher Education in Accounting major, and also adding other variables such as education strategy, education quality standards and other unit of analyses such as the lecturers to determine the perception about the integration of IFRS into accounting curriculum.

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