
BRIDGING THE GAP BETWEEN ACCOUNTING THEORY AND PRACTICE: THE ROLE OF ACCOUNTING EDUCATION

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Abstract

This paper is about the things Accounting Education curriculum should emphasize in order to produce skilled Accountants who are ready for the job market. The contents of most accounting programmes taught in higher institutions do not empower the students with knowledge of the real life situation that they will face when they practice Accounting. The paper also highlights the necessary skills required of a professional accountant in practice. In view of the above issue, the paper recommended among other things that accounting training should be incorporated into the curricula of accounting programmes offered in tertiary institutions.

Key words: Accounting theory and practice, Accounting and Education.

Accounting researches and textbooks usually focused on sophisticated approaches for simplistic and economic based models that have very little relation to Accounting practice. Accounting Education curriculum is full of theories of which the students lack practical aspects. This is in line with Sunder (2007) where he observed that “Accounting Curriculum of most schools are full of theories that have less practical relevance. He further reiterates that “Standards induce a follow-the –rule-book attitude among Accountants at the expense of developing their professional judgment.”

Most of the professional Accountants often argue that the accounting students’ syllabus are outdated and this makes it difficult for accounting graduates from tertiary institutions to fit into the job market straight from the school. Again this is evidenced in today’s advertisements for jobs where candidates who are fresh from tertiary institutions are required to get practical experiences and computer knowledge. This situation is

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embarrassing because if students were well equipped in both theory and practical, they will not find it difficult to adjust in the labour market.

Following the fact that the fresh graduates do not find it easy into the labour market, it means that there is a gap between theory and practice. It is in line with the above issues that the paper intends to find out the role of the Accounting Education in bridging the gap between the Accounting theory and Accounting Practice.

Conceptual Framework

For the purpose of this paper the following concepts will be explained:

1. Concept of Accounting
2. concept of Education
3. Concept of Theory

Concept of Accounting

Business and other organizations today are mainly managed by persons who are divorced from their ownership; this necessitates the rendering of stewardship of the state of affairs of what is entrusted to one's care and keeping. Both small and big business organizations today depend to a large extent on adequate accounting information available to them to make proper decisions in their investment. From the above analysis, Accounting can be seen as the language of business. This is supported by Wood and Omuya (1985) where they see Accounts as language of business.

To Owen, Law and Hussey (2005) "accounting" is defined as the process of identifying, measuring, recording and communicating economic transactions". In contributing his quota Agbiogwu (2008) sees Accounting as a "discipline which is concerned with the recording, analysis and forecasting of income and wealth of business and other entities. It records in money terms the flow of economic entities". He further classified accounting into two (2) main categories viz: Micro and Macro Accounting. The former he describes as the aspect of accounting which covers business accounting (financial, management and cost Accounting, governmental accounting and household accounting). On the other hand; macro accounting covers the fields of national income input-output, balance of payments and money flow accounting. From the above definitions, it implies that the wide scope of accounting can be recognized when one considers the diversity of economic entity which cuts across sizes and boundaries. It may be sole trader, partnership, religious group, government or limited liability companies.

Accounting Theory

A 'theory' according to the Longman dictionary of contemporary English (2008) means "general principles" and ideas about, say a subject. The root of accounting theory stems from decision theory, measurement theory and information theory, (Glautier and Underdown 1978). Accounting theory has been and continues to be

influenced by developments in other fields such as economics, and the behavioural sciences.

They further stated that decision theory is partly descriptive and partly normative in nature. The former tries to explain how decisions are actually made while the latter attempts to throw light on how decisions ought to be made. On the other hand, measurement theory according to Glautier and Underdown (1978) holds the view that rational decision making depends on information or data, hence measurement to them implies assignment of rules specifying the property to be measured, the scale to be used and the dimension of the unit. The measurement theory is very important to the Accountant

Information Theory

Information in business generally is seen as the organizations resources and therefore is of paramount importance to the Accountant. Following the fact that information is a resource, information theory therefore emphasizes efficient utilization in relation to input and output.

Concept of Education

Having explained briefly the Accounting concept and theory, it is pertinent to explain what education is. The Longman dictionary of contemporary English (2008) defines education as “the process of teaching and learning usually at school, college or university”.

In the words of Agada (2004), “education is the inculcation of values, Knowledge, skills and attitudes by means of intuitions that have been created for this purpose.”

From the forgoing analysis, it is clear that education is the bed rock of any economy whether at the nursery, primary, secondary or tertiary levels. This is in line with Abidoeye, Adelokan and Aderele (2012) who saw education as the “process of making it possible for a country like Nigeria to have a steady supply of highly creative citizens who will help to keep improving the process of teaching and learning. They further stated that it is any act or experience that has a physical ability of an individual. Chikwendu (2013) is not left out in this regard, hence he saw education as “the total process of human learning by which knowledge is imparted, facilities trained and skills developed.”

From the above concept of education, it can be inferred that education is a means to an end and not the end itself. It is a process that assists the individual acquires the necessary skills which will in turn help them in adapting to their environment.

The Role of Accounting Education

Having discussed the concept of Accounting and Education separately, it is imperative to highlight the roles Accounting Education should play towards bridging the gap between accounting theory and practice.

Accounting education is a programme of study in the tertiary institutions-polytechnics, colleges of Education and universities. The programme according to the handbook of department of Accounting, Imo State University, Owerri. (2012). is designed to produce graduates who will fill into the labour market as accounting teachers/lecturers, accountants, cashiers, financial controllers, Auditors, tax consultants and related services.

Unfortunately, accounting education has not kept pace with the changes in technology and practical accounting (Albrecht and sack 2000). They further reiterated that accounting educators have failed to restructure their syllabus to reflect changes in the job market for accountants. This is also in line with Berliner & Brimson (1988) where they observed that accounting education emphasizes more on quantitative and decision making techniques and less on newer techniques.

Behimani (1994) suggested ways out of this problem hence he suggested that there should be closer cooperation between accounting academicians and accounting practitioners. This will narrow the gap between accounting theory and practice. Constant review of the accounting education program is required to meet the current challenges in our country and the global market.

Ayebofo (2012) is not left out in this regard; he suggested that since most companies are using computerized accounting systems to manage their accounts, it is important that accounting education programme incorporate computerized accounting training. By so doing it will prepare students for the job market.

Accounting Skills Necessary for Practicing Accountants

Accounting offers super career opportunities in many different contexts. The field is normally divided into three broad areas, viz: auditing, financial/tax and management accounting. The skills required in these areas are stated below (Agbiogwu, 2010):

Table 1 Showing Skills Required of an Accountant

Skill	Audit	Tax & financial	Management Account
People skills	Medium	Medium	Medium
Communication skills	Medium	Medium	High
Analytical skills	High	Very high	High
Ability to synthesize	Medium	Low	High
Creative ability	Low	Medium	Medium
Initiative	Medium	Medium	Medium
Computer skills	High	High	Very high
Work hours	40-70/week	40-70/week	40-50/week

The above skills are required for a practicing Accountant and also for a would-be Accountant. This accounts for the reason why it takes a long time before one becomes a chartered accountant. The skills and experiences are what makes the difference in the labour market unlike a fresh graduate who has been loaded with all the accounting theories (decision theory, measurement and informative theory). In his university, polytechnic or college.

Conclusion

Modern businesses rely more on technology in processing accounting information. The modern accounting softwares have helped in the easy preparation of financial reports. It is regrettable that accounting education has not kept pace with the changes in technology and practical accounting. Most of the institutions curricula have not reflected the changes in the job market for accountants. This attitude continues to create a gap between accounting theory and practice (Ayebofo, 2012). There is therefore the need to call on institutions to restructure their accounting education programmes to ensure that they provide their graduates with relevant skills as stated in table 1 above. This will go a long way in closing the gap between accounting theory and practice.

Recommendations

In a bid to ensure that the gap between Accounting theory and practice is closed, the following recommendations have been put forward:

In the first place, stakeholders of accounting education should come together to make accounting education more relevant to the industry.

Secondly, institutions offering Accounting education programme should liaise with practicing accountants when designing curriculum. This is because the Accounting practitioners can bring their experiences in shaping what is taught at schools

Thirdly, institutions should make use of accounting practitioners who are knowledgeable in the key aspects of information technology and who can effectively and efficiently satisfy the increasing financial reporting requirements of modern organisations using the power of information technology.

Finally, there should be a collaborative research in researchers trained in Accounting, economics, behavioural science and organization theory which would help to break away from the preoccupation on technical issues.

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