

# Accounting Experiential Learning Firm (AELF): Learning Accounting in an Office Setting

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**Abstract** - Accounting subject is a dull and difficult subject to learn. Combining real source documents, practitioner's advices, lecturer supervisions, office setting and accounting software, Accounting Experiential Learning Firm (AELF) is set up to answer the call for more experiential learning which could help the accounting students to understand accounting subject better. Moving from classroom boredom to a more practical office setting, AELF aim to increase student understanding and also interest in accounting subject and the profession. This article describes details of the AELF project and reports the feedbacks from students.

**Keywords** - Experiential learning, Accounting, Malaysian university, Accounting software.

## 1. Introduction

Accounting students often complain about the difficulty in understanding the accounting subjects especially at the foundation level. Likewise, some educators sometimes found themselves struggling to explain basic fundamental concept to students in the most attractive and simple way. Time has come for accounting educators to shift from traditional classroom boredom to more attractive teaching methods which are both effective and attractive.

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For this purpose, a specific accounting experiential learning method known as Accounting Experiential Learning Firm (AELF) has been developed and implemented. The AELF is jointly developed by a group of accounting lecturers and a practitioner. The development involved several stages such as the “turn-over” of an empty room in campus into an accounting firm look-alike office with its related equipment (for example, office cabinets, computers and printers, office tables and chairs, stationeries and a small pantry section), the preparation of an appropriate module (including the design of the case company with its source documents), selection and installation of the suitable software, the “recruitment” of students-cum-accounting staff and arrangement of working timetable.

The objective of this paper is to describe the method and the issues faced during implementation. We also present the students' perception on the impact of AELF on their interest in accounting field or profession, their understanding of financial accounting subjects and the impact of the program on their soft-skills.

The paper is organized as follows. First, we review the literature providing definition and discuss methods applied in the past studies. Next, the research method for the current study is described. This is followed by findings and discussions. In the last section, we present the conclusion and recommendations.

## 2. Literature review

Experiential learning or learning by doing requires that students are actively involved in the learning process. The key element in experiential learning is an emphasis on the centrality of experience and reflection on experience to the learning process [1]. Extensive definition of experiential learning based on previous research can be found in Rust and Austin [2].

Experiential learning has been incorporated into undergraduate business and accounting education programmes in four major ways, case-based teaching and learning, business games and simulation, project work and accredited work placements [3]). Eljido – Ten and Kloot [4] examined a three-way partnership between the university, employers and students to describe the positive aspects of experiential learning opportunities in the form of work-integrated learning (WIL) provided by small-to-medium enterprises (SME). The authors provide a semi-structured interview question to WIL employer to understand their perception of WIL and their role in experiential learning. The employers were randomly chosen from the university's case-study database. The online survey questionnaires were mailed to WIL students to understand their perceptions of WIL program and the role played by employers in providing work-based experience.

Cornell, Johnson and Schwartz [5] posit that students' self-confidence on their abilities can maximize the benefits of experiential learning assignment. In this study, a total of 117 students administered the structured interview to individuals in charge of financial operations in a religious organization. Their result shows that the experience helped students to internalize concepts from their classroom learning and formulate recommendations for control and other improvements in the organization. To boost their confidence, the students were armored with structured interview while doing their experiential learning assignments.

Dellaportas and Hassall [6] conducted prison visits to former professional accountants convicted for financial misconduct. In this study, students appeared to learn a number of lessons including the nature of conflicts faced by professional accountants, factors contributing to fraudulent conduct, and strategies on how they might deal with such conflicts in their professional careers.

Laing [7] examined the use of an experiential learning outdoor simulation activity through role-play, based on a manufacturing production line process designed to improve student comprehension of management accounting concepts.

Young and Warren [8] use Challenge Problem Approach to develop a critical thinking skill fostered by active learning environment in the classroom and supported by an experiential learning pedagogy. Their rationale for the use of experiential learning in the circumstances described above is that merely describing experiences may create some understanding, but the development of "deep smarts" requires a situation to be re-created to deliver the depth of knowledge and for the knowledge to take hold.

### 3. Research method

This study is exploratory in nature. It involves the following phases:

1. Designing and developing AELF
2. Implementation of AELF
3. Collection of feedback on AELF

Data is collected using observations and interviews. Students' feedbacks were obtained from the interviews with 20 participants. A set of questions comprising structured and open-ended questions were prepared. Generally the questions are designed to assess students' perceptions on whether the program has given some impact on their interest in Accounting field, their understanding of financial accounting subject and whether it enhances their soft skills such as communication skills, time management and teamwork spirit. The following are the interview questions used;

1. *Does the program help to increase your interest in accounting field and motivate you to become an accountant?*
  2. *Does the program help you to understand the Financial Accounting Subjects better?*
  3. *Do you understand accounting cycle better after joining the program?*
  4. *The program exposes you to the real source document (collected from an actual accounting office's). After dealing with these documents, do you understand the importance of source documents in accounting and know how to manage them?*
  5. *Does the program help you in improving your communication skills? Explain how.*
  6. *Does it help improving the team work spirit? Explain.*
  7. *Does it help improving your time management? Explain.*
  8. *Does the program help you in improving your communication skills? Explain how.*
  9. *Does it help improving the team work spirit? Explain.*
  10. *Does it help improving your time management? Explain.*
- Do you like the program generally?*  
*Does the program help you in your study or in your current job? (for those who are currently working in accounting office)*  
*Any other comments, please state.*

#### 4. Results and discussions

##### a. *The implementation of AELF*

AELF has been conducted in the case university, involving 48 participants including first year and final semester's students of Diploma of Accountancy program. Though the demand for this project was overwhelming, only 48 students were recruited due to limitation of space and time. Upon "recruitment", students were briefed about their "terms of employment" and the assigned jobs. Their working timetables were discussed by considering their normal class schedules. Students came to "work" at the AELF office during their free time or in between classes. Once their specific working time were agreed, the students were expected to clock in and clock out and follow employment rules as real accounting staff working in real audit firm. Students worked in a group of two or three and were given one month to complete their tasks. Every time students are in the office, at least one lecturer or practitioner is also stationed in the office to help the students should they require any assistance. As a junior staff/trainee in a real audit firm, students in the AELF have to do their works and solve the problems themselves, with minimal supervision. The location of the AELF office in one of the academic blocks has helped students because it saves time and no cost incurred for transportation. Students were given unsorted real-life source documents from various business transactions (such as sales, purchases, payment and receipts) of a company involved in printing business. The students have to analyse the source documents, record them using the Sage UBS Accounting software and at the end of the day, prepare the related reports (examples ageing reports, bank reconciliation and financial statements). Boulianne [9] examined the impact that software utilization made on students' knowledge acquisition of the accounting cycle. Their result indicate that the group of students who first completed the accounting case manually and then completed the same case using software experienced better knowledge acquisition.

##### b. *Issues faced*

Several issues and problems were observed during implementation stage. The first issue is concerning the location and condition of the "mock office". Ideally, the office has to appear exactly like a real accounting firm, well equipped with necessary documents and facilities. This environment is important as the students will feel like they are "working" in a real accounting firm despite its location in the university academic block.

Nevertheless, the provision of such an office is costly and permission is needed from the university's management. The best solution is to use the lecturer's office as AELF office. As the size of lecturer's room is quite small, it can only accommodate a maximum of two groups or six students per session.

Second issue is student selection. Given the limited space of the AELF office, selection of students who can join the AELF is another issue. There are two categories of students invited over faculty WhatsApp group to join AELF, the final year group and the first-year students. Contrary to the expectation, responses received were overwhelmed and beyond the targeted number of 30 participants. Despite the limited office space, 48 students were finally accepted for this project as all of them pleaded to join. As a result, many AELF sessions were arranged to accommodate this extra number of students.

The third issue observed is the students' commitment. Even though many students have registered to join the program, committing to the tight schedule in order to complete the assigned task is a different story. Based on observations, a few groups registered were unable to finish their task successfully as they failed to commit for the AELF sessions and gave priority to the tasks embedded in the syllabus (course work).

##### c. *Students' feedbacks*

The discussion on student's feedback is divided into the impact of the program to their interest in accounting field or profession, understanding of financial accounting subjects, the impact of the program on student's soft-skills and other comments including some recommendations.

##### *Interest in Accounting profession*

The main objective of AELF is to increase student's interest in the Accounting Profession by giving them real life experience working as a junior accounting staff with their own accounting team in an accounting office. Generally, this objective is achieved as all respondents interviewed (20 respondents) give a "Yes" answer to the following question.

*Q1. Does the program help to increase your interest in accounting field and motivate you to become an accountant?*

The following is additional comment given by one of the participants.

## **Participant 2**

*“AELF is one of the new alternatives initiated by the Faculty which I find useful for students from Faculty of Accountancy to participate in. These are the reasons why is this s: first, this alternative acts as a simulation or “mock training for accountants” while carrying on their ultimate duties. This definitely gives a bigger picture to them on how actually accountants work. To me, this is so interesting because students have the opportunity to do tasks such as accessing raw documents & sorting out the documents where these activities are usually learnt theoretically in class but never experienced practically after class. AELF increases my interest in this accounting field.”*

### **Understanding of Financial Accounting subjects**

Accounting process involves three main activities includes identifications, recording and communicating. Students were provided with real source documents (modified for confidentiality purposes) belonging to clients of our partner practitioner. The first task for the accounting team is to sort the documents and identify important information on them. After sorting, they are required to record the accounting data in an computerized accounting software (Sage UBS Accounting System) by applying their knowledge in basic accounting learnt in class. Later the system helped them to generate Financial Accounting report. Along the process, the lecturers are there to monitor and help if they are facing any difficulties in performing their duties.

To asses whether this program had actually helped the students to understand the accounting process and the accounting cycle better, the following three questions were designed.

*Q1. Does the program help you to understand the Financial Accounting subjects better?*

*Q2. Do you understand accounting cycle better after joining the program?*

*Q3. The program exposes you to the real source document (collected from an actual accounting office’s). After dealing with these documents, do you understand the importance of source documents in accounting and know how to manage them?*

Positive responses were received as all respondents gave “YES” answer to these three (3) questions. The result is consistent with Phillips and Graeff [10] who found that the students’ understanding on accounting concept increase significantly with the use of an in class simulation

which incorporates the real business and accounting transaction.

The following is additional comment received.

## **Participant 2**

*“This module somehow makes it easier for us to understand the accounting cycle better as we can imagine the flow of the accounting evidences/documentations in a clear view. Furthermore, we see the importance of accounting documents in order to prepare the complete financial statements which provide information that can be trusted and reliable.”*

### **Soft-skills**

Besides technical accounting skills, the other objective of AELF is to enhance soft-skills among participating accounting students. The program module is designed so that students have to communicate to each other in their team and consult the lecturer to complete the task assigned to them. Time management is also crucial as they have to book suitable slots in accounting office in between their classes.

To assess the impact of this program on these skills, the following three questions were posed to the students.

*Q1. Does the program help you in improving your communication skills? Explain how.*

*Q2. Does it help improving the team work spirit? Explain.*

*Q3. Does it help improving your time management? Explain.*

Generally, all participants agreed that this program helped them in improving their soft-skills. This is evidenced by 100% YES answers received from the respondents for all three questions asked. Additional comments were received from the following respondents:

## **Participant 2**

*“This module is really comprehensive in developing and preparing students to be an accountant. This is because it includes students to be in a group of two or three, where this could improve our communication and human skills. In the terms of communication skills, we need to interact with the colleagues and advisors in order to complete the task given. From the view of human skills, somehow it sharpens our skills to manage our time according to the period given and at the same time, enhances our teamwork to ensure we could run the errands smoothly”.*

### **Participant 3**

*“AELF improved my time management because we must finish the work before time's up! We were given a period of time to solve a task and we have to manage the time properly. Commitment I received from my team members in order to finish any given task helped us improve our teamwork spirit. This program helped me understand that every minute is precious”*

### **Participant 4**

*“My first impression was that the task given is really difficult and impossible... However, with good team work, we managed to finish it on time and I enjoyed doing it together with my team-mates”*

These responses show that experiential learning helped students improve their soft skills. Lightweis [11] suggested that students are able to connect the concept learned with the situations found in the accounting profession and the simulation built confidence and motivated the students to learn more about enhancing the skills necessary for the accounting profession.

### **General comments and recommendations**

To obtain response on the program as a whole and to collect general comments and recommendations, students were posed with the following questions:

*Do you like the program in general?*

*Does the program help you in your study or in your current job ( for those who are currently working in accounting office)*

*Any other comments, please state.*

The following are a few positive responses received from the participants.

### **Participants 1**

*“While doing this programme, we did the work in groups. So, we helped each other in the group and improve our teamwork. Besides, in doing the work, we have to communicate to each other because it was linked to each other's work. For me, who am working as an account officer, my job is exactly the same as the task in the programme. I have to meet the customers, suppliers and communicate with a more experienced accountant while doing my job. These things need good communication skills to avoid misunderstanding. So I have applied my experience when joining the*

*programme into my work. It really helped me so much as it was exactly the same situation. The program also helped me manage my time wisely, when to meet clients and when to pay invoices. Lastly, I really appreciated what I have learned in the programme which helped me doing my current job”*

### **Participant 2**

*I personally think that this module should be widen up by increasing its participants' capacity so that more students may experience the vibes and excitement of this "mock training for accountants". This is also to prepare graduates to face the next working life in the future as Diploma in Accountancy of UiTM did not provide Practical Training for its students. Somehow, this is the best method to give them exposure on the real situation of working life in order to produce more competitive graduates in the industry”*

Most of the participants interviewed suggested that the AELF program should be continued in the future so that more students will get the benefit of the experiential learning experience that it offers.

## **5. Conclusions**

In conclusion, the findings show that the AELF is an appropriate experiential learning method that exposes students to the real pictures of the accounting world and helped improving students' basic technical and non-technical skills. In order to be effective, it must be embedded in the curriculum and this requires acceptance of all academics related players and also win-win collaboration with practitioners. This research opens up thinking and provides a base for future research on bringing the practical aspects of accounting into campus with an objective of improving students' academics as well as their employability.

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