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H. Wijewardena

University of Wollongong, hemawij@uow.edu.au

S. Yapa

University of Wollongong

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**COLONIALISM OF ACCOUNTING EDUCATION IN
DEVELOPING COUNTRIES: THE EXPERIENCE OF
SINGAPORE AND SRI LANKA**

by

Hema Wijewardena and Senarath Yapa

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Colonialism of Accounting Education in Developing Countries: The Experiences of Singapore and Sri Lanka

**Hema Wijewardena
Senarath Yapa**

Abstract

This paper provides a comparative analysis of the nature of accounting education in Singapore and Sri Lanka. Both these countries were British colonies for nearly one hundred and fifty years and inherited their accounting education from the British. Consequently, even after nearly fifty years of independence, Sri Lanka is still following the colonial system for producing its accountants. Singapore, however, has successfully moved away from it within four years of independence. More importantly, the paper indicates that if a developing country continues to depend so heavily on foreign accounting bodies or produces accountants locally through education programmes based on the curricula of Western developed countries, the consequences can be disastrous.

Colonialism of Accounting Education in Developing Countries: The Experiences of Singapore and Sri Lanka

INTRODUCTION

Almost all developing countries which have been British colonies for a considerable length of time have inherited their accounting education from the British system (Briston, 1978, Hove, 1986). During the early years of the colonial period, most of the sizable businesses in these countries had been set up by British investors and, the managerial personnel, including accountants, for these enterprises were brought from the UK. Since a person at that time could obtain the status of professional accountant only by admission to one of the British professional accounting bodies, a small number of local people who could bear the cost of education and training abroad proceeded to England to obtain such professional status. Subsequently, some of the British accounting bodies set up their examination centres in a few major cities of some developing countries to allow local people to obtain British professional accounting qualifications while working in their own countries without going to England for that purpose (Johnson and Caygill, 1971). Accordingly, a considerable number of local accounting students who fulfilled the examination and practical training requirements of these professional bodies became British qualified accountants. They occupied dominant positions in the accounting profession in these countries, particularly after gaining independence. Some of them have been acting as consultants and advisers to their respective governments on accounting related matters.

The experiences of many of these countries after gaining independence show that in each country a small nucleus of British qualified accountants has created a monopolistic and elite professional body which is virtually a carbon copy of the Institute of Chartered Accountants of England and Wales which has similar examination and training structure and identical emphasis upon auditing (Briston, 1978: 108). Accordingly, despite the existence of a local professional accounting body and good quality universities and technical colleges, many of these developing countries, even after gaining independence, have continued to follow the same colonial system of

producing accountants through professional bodies (Perera, 1975; Gharney, 1978; Briston, 1978; Wallace, 1990). Moreover, the local professional body seems to exert control over the supply of accountants in order to maintain the "status" of members by limiting the membership only to those who complete its own examinations. According to Briston (1978: 108), the group of British qualified accountants who hold key positions in the local profession have a vested interest in perpetuating the accounting education system that they have followed, partly because of the high rewards it provides and partly because they are not prepared to admit that what they studied and practised under the colonial regime is now possibly irrelevant and inadequate. In contrast to this situation, however, several other countries, who were also under British rule have been able to move away from the colonial system of accounting education by making use of their universities and technical colleges to produce competent accountants in sufficient numbers for their organizations (Osieghu, 1987; Moores and MacGregor, 1992; Tan et al, 1994; Linn, 1996).

Singapore and Sri Lanka were British colonies for nearly one hundred and fifty years and both these countries inherited their accounting education and practice almost entirely from the British system. Consequently, at the initial stage of their development, the accounting education systems of Singapore and Sri Lanka were very similar. The current state of accounting education in these two countries, however, is significantly different. When compared with Sri Lanka, Singapore seems to have made a much greater progress in the field of education and training of accountants. More importantly, Singapore within four years after independence has been able to adopt a more effective system for producing its accountants (Fong, et al, 1992; Wee, 1994; Tan, et al, 1994). Sri Lanka even after nearly fifty years of independence is still following the old colonial system for this purpose. Moreover, Singapore which was economically inferior to Sri Lanka during the early years of post-independence achieved a remarkably higher economic development in recent decades and has emerged as a newly industrialised country (NIC). In 1995, Singapore recorded a per capita income as high as 22,500 US dollars being second only to Japan in the entire Asian region whereas it was only 640 US dollars in Sri Lanka (World Bank, 1996). It has also been reported that Singapore's accounting education and practice have contributed significantly to its miraculous economic success (Foo, et al, 1993; Tan, et al, 1994). Therefore, it is interesting to

compare the historical development of accounting education in these two countries with a view to finding out how one country is still following the colonial system while the other has been able to shift away from it. Such a comparison, while contributing to the literature, can provide useful insight to all developing countries in their efforts towards enhancing accounting education for making accounting practices more conducive to economic development. The remainder of our paper is an attempt in this direction.

ACCOUNTING EDUCATION IN SINGAPORE

Historically, except for the brief Japanese occupation in the 1940s, Singapore was a British colony for nearly one and a half centuries until its independence in 1959. Consequently, its general education from the primary to the university level was inherited from the British education system, and accounting education was no exception. The British system of accounting education was imposed on Singapore during the colonial period through several channels such as (1) the export of British accounting personnel, (2) the export of British accounting qualifications, (3) the establishment of examination centres in Singapore for British professional accounting bodies, (4) the involvement of British experts in the planning, directing, organising, teaching and providing assistance in one form or another in the development of academic institutions in Singapore, and (5) the British influence upon the business, education and administrative environments in the early days of Singapore (Foo, 1988).

Prior to 1956, Singapore did not have any program of studies leading to a local qualification in accounting. The only accounting education available was through the examinations conducted by professional accounting bodies overseas, such as the Association of Certified Corporate Accountants of the United Kingdom (ACCA), the Institute of Cost and Works Accountants of the United Kingdom (ICWA), and the Australian Society of Accountants (ASA). As such, a foreign professional accounting qualification was the only avenue through which a person could expect an accounting job particularly in the public sector. The first local accounting program leading to a Bachelor of Commerce with specialisation in accounting was launched by the Nanyang University in 1956. In the following year, the Department of Commerce at the Singapore Polytechnic was established to offer, among other courses, a full-time course leading to the College Diploma in Accounting (Fong and Foo, 1992). In 1958, the Department of

Commerce at the Singapore Polytechnic was replaced by the Department of Accountancy with the objective of offering both full-time and part-time courses leading to a Professional Diploma in Accounting (Tan et al,1994). Soon after gaining political independence, the authorities of Singapore realised the importance of producing accountants through their own higher educational institutions without depending on foreign accounting bodies and out-dated education systems. Consequently, the professional accounting diploma awarded by the Singapore Polytechnic was recognised in 1963 as an adequate qualification for admission to the provisional membership of the Singapore Society of Accountants (SSA), which was the local professional accounting body established by the government for the purposes of registering professional accountants and regulating the practice of the profession of accountancy in Singapore. During the 1965-66 academic year, the Department of Accountancy at the Singapore Polytechnic was renamed the School of Accountancy and the accountancy program was upgraded from a diploma to a university degree to signify the transformation of this polytechnic to a university college. As a result of negotiations between this college and the University of Singapore, the latter agreed to award its accounting degree to students of the Singapore Polytechnic. In 1969, the amalgamation of the School of Accountancy with the Department of Business Administration of the University of Singapore represented yet another milestone in the historical development of accounting education in Singapore (Sunday Times, 1968). With the merger, the School of Accountancy was also relocated at the University of Singapore.

As a further development, the Bachelor of Commerce (Accountancy) program offered by Nanyang University since 1956 also received its professional recognition, subject to practical training, from the Singapore Society of Accountants in 1971 (SSA, 1972). In 1978, joint courses in accounting were introduced by the Nanyang University and the University of Singapore. The two schools of accountancy merged in 1980 to form the School of Accountancy at the National University of Singapore. After the reorganization of the Singaporean university system through the formation of the National University of Singapore and the Nanyang Technological Institute, the country's accounting education system achieved its highest growth. The School of Accountancy of the National University of Singapore was physically relocated at the Nanyang Technological Institute in 1987 and the School of Accountancy was renamed the School

of Accountancy and Business in 1990. In 1991, the Nanyang Technological Institute became a full-fledged university and is now named the Nanyang Technological University (NTU). The School of Accountancy and Business of this university has gained a reputation today as the leading centre for undergraduate and postgraduate accounting education in Southeast Asia. The Bachelor of Accounting degree awarded by the Nanyang Technological University is based on a 3-year full-time program of study. All students of this program are required to undergo a structured 10-week industrial attachment program at the end of their second year of studies. Under this scheme, students are attached to public accounting firms or other business organizations for practical training. The main purpose of this period of practical training is to instil in students a sense of professionalism and the right work attitudes so that they become effective and productive in their respective organizations after graduation. In addition to its Bachelor of Accountancy degree program, it also offers a professional postgraduate program leading to a Master of Business Administration in Accounting. Both these accounting degrees are recognised by the Institute of Certified Public Accountants of Singapore (ICPAS) for admission to its membership, subject to approved practical experience. The Bachelor of Accountancy program of NTU at various stages as mentioned above has produced nearly 10, 000 accounting graduates. By the end of 1992, 7442 of these graduates had become professional accountants by obtaining the ICPAS membership. In addition to the undergraduate degree, the School of Accountancy and Business at NTU also offers two postgraduate research degrees leading to the Master of Accountancy (M.Acc) and the Doctor of Philosophy (PhD) in Accounting (Wee, 1994).

Since the inception of the professional accounting body, initially as the Singapore Society of Accountants (SSA) in 1963 and later as the Institute of Certified Public Accountants of Singapore (ICPAS) in 1987, it has been maintaining a close relationship with the university's School of Accountancy. This liaison is evidenced by the fact that the Institute (or Society prior to 1987) was consulted through each stage of the transition of the School from the Singapore Polytechnic to the National University of Singapore, and subsequently to the Nanyang Technological Institute in 1987 and the present Nanyang Technological University. A representative of the School of Accountancy and Business is appointed by the Minister of Finance as a statutory member of the Council of the ICPAS. Through various committees, the School of

Accountancy and Business also maintains close rapport with the professional accounting body as well as the business community and professional organizations to ensure the continuing relevance of its degree programs (Tan, et al, 1994)..

ACCOUNTING EDUCATION IN SRI LANKA

During the colonial period, the whole gamut of business activity in Sri Lanka was directed towards the plantation sector which was introduced to the economy by the British (Ramanathan, 1952). In order to facilitate the investment of British capital, the management of plantations through joint stock companies was introduced in the middle of the nineteenth century. Initially, all these companies were owned by British investors and the required personnel for their management, including accountants, came from the U.K. Even though these firms were actually located in Sri Lanka, they were managed as if they were in Britain, and no attempt was made to develop an accounting system suitable for local conditions (Perera, 1975). Local people were also trained by British accountants along the same lines so that they could be employed in operating the British accounting system more economically in these firms. Up to about 1925 there were no professionally qualified accountants in the government service, except in the Government Railway where a few professionally qualified accountants had been recruited from England, apparently for the purpose of training accounting personnel for the Railway (Report of the Special Committee Appointed to Investigate into the Structure of the Accounting Service, 1949).

From about 1890 a few private educational institutions conducted classes in commercial subjects, including accounting, mainly for students preparing for the British external examinations held in Sri Lanka. The most popular of these were the examinations leading to the London Chamber of Commerce certificates and the Cambridge certificates. The holding of these British examinations in Sri Lanka dates back to 1891 (De Silva, 1969). However, no program of studies leading to a local qualification in accounting was conducted by any organization until 1943. Even though the Ceylon¹¹ Technical College at Maradana was set up by the colonial government in 1893, accounting education was not given a place in its programs of studies for nearly fifty years from its inception. It was only after 1942 that the Ceylon Technical College

¹ The country was known as 'Ceylon' until the name was changed to 'Sri Lanka' in 1992.

took steps to organise and offer certificate and diploma courses in accounting. Accordingly, a commercial certificate course for bookkeepers and a diploma course for prospective accountants were launched by the Technical College in 1943 and 1946 respectively. These courses were modelled on similar programs of studies offered in the U.K. Since the Diploma in Accountancy was a four-year evening course offered at the professional level the admission to the course was restricted to those who were engaged in accounting related activities. The curriculum of this course was quite similar to those of the leading professional accounting bodies in the U.K.

During 1941-1959, the only authoritative body of accountancy existed in Sri Lanka was the Accountancy Board which was established by the government to prescribe regulations and conduct examinations for selecting suitable candidates for the accountancy service (Report of the Commission of Inquiry on Technical Education, 1963). Those who were selected by the Accountancy Board through its examinations were called Ceylon Registered Accountants. The examinations conducted by this body had been based on similar examinations of the British professional accounting bodies. The Accountancy Board also organised some classes for prospective accountants in collaboration with a few private academies. A number of private academies also conducted classes for accounting students who independently prepared for the external examinations of British professional accounting bodies. Such an external examination was conducted for the first time in Colombo in 1920 (Johnson and Caygill, 1971). Since there was no local professional body of accountants even by the late 1950s prospective accountants in Sri Lanka had to depend on the professional bodies in the U.K. to obtain their professional qualifications. The most prominent of these professional bodies were the Institute of Chartered Accountants in England and Wales, the Institute of Incorporated Accountants, the Association of Certified Corporate Accountants, and the Institute of Cost and Works Accountants. Among them, the first two required the candidates to be articled under practising accountants, whereas the last two did not have such a requirement. All prospective chartered accountants were required to go to the U.K. to be articled for five years, whereas it was possible for the Incorporated Accountants to be articled in Sri Lanka in four years and two months before going to England to take examinations. The membership of the other two professional bodies was open to those engaged in accounting activities and it was

obtainable locally by completing the examinations and satisfying the conditions as to the candidate's experience and character. Mainly with the knowledge acquired through the Diploma in Accountancy course conducted at the Ceylon Technical College, a considerable number of accounting students completed the examinations of the above professional bodies and became British qualified professional accountants. Over the past three decades, in addition to the accounting courses offered by the premier technical college at Maradana, similar courses were conducted in most of the regional technical colleges. The most important of them was the four-year course leading to the Higher National Diploma in Accountancy which was previously known as the Diploma in Accountancy.

The Institute of Chartered Accountants of Sri Lanka (ICASL), which replaced the Accountancy Board, was established in December 1959 under the provisions of the Act of Parliament No. 23 of 1959. Since then it has been functioning as the only local professional body of accountants in Sri Lanka. From its inception, the ICASL has also been the main centre of accounting education and training in the country. It provided the opportunity for prospective accountants to become qualified as Chartered Accountants within the country. However, apart from the fact that chartered accountants could be produced locally, the method of education and training used for producing such accountants continued to be the same as that of the Institute of Chartered Accountants of England and Wales. Following the British model, the ICASL also introduced its own examinations and only those who passed those examinations and successfully completed a five-year period of practical training as articled clerks under the supervision of chartered accountants (called principals) were admitted to the membership of the Institute as 'Chartered Accountants'.

The ICASL has also been engaged in providing a study program to its registered students for enabling them to prepare for the intermediate (Licentiate) and final (Professional) examinations. This program included an introductory course of lectures at the commencement of articles, a revision course of lectures and tutorials shortly before each examination, and in between, an approved correspondence course supplemented by seminars, workshops and handouts. Both formal education and on-the-job training adopted by the ICASL stressed conformance with the requirements of the Companies Ordinance which was modelled on the British Companies Act of 1929. Consequently, a

heavy emphasis has been placed on the legal and auditing aspects of accounting. Furthermore, the approach to accounting education has been one that emphasises the technical or mechanical aspects of accounting (Perera, 1975). Referring to this situation in Sri Lanka, Perera further commented that,

Practically trained accountants tend to eliminate from serious consideration all abstract and abstruse concepts of accounting, possibly because such complexities are not well received or understood by them. They are inclined to view accounting education with a more narrow perspective, and those who are trained under them will have the same attitude (1975: 94).

Until recently, the system of 'articles' played a major role in the whole program of education and training provided by the ICASL. Under the terms of this training scheme, the principal was expected to allow study-time and provide on-the-job training for the trainee called 'articled clerk'. Since this system was adopted from the U.K. it was assumed, generally, that training under articles was adequate for local requirements, without any proper evaluation being done of the type of training received by an articled clerk. However, it was seen that these articled clerks were often used for mechanical or routine work which could be handled by bookkeepers or others of more limited capacity, and seldom were they given challenging work or real responsibility (Perera, 1975). Furthermore, in 1973, the Report of the Committee on the Future Training of Accountants in Sri Lanka pointed out that the system of accounting education and training based almost exactly upon that of the British chartered accountant was inadequate for the country's needs and proposed instead a much more flexible and relevant system (Accountant, 1973; Manoharan, 1974). Subsequently, as a response to the recommendations of this committee, the ICASL changed the name of its training scheme from 'articles' to 'practical training' and reduced the duration of training from 5 to 3 years for university graduates and 4 years for non-graduates. It is interesting to note that this reduction in the duration of practical training was nothing more than directly following the same change that had been introduced by the Institute of Chartered Accountants of England and Wales (ICAEW, 1997). As a response to the comments made by the above committee, the ICASL also introduced a new examination structure for its student members. However, according to Briston (1978), this new structure was "a rehash of traditional accounting subjects rather than a fundamental reassessment of

the subjects in which a qualified accountant should be skilled". Referring to these changes, Briston further noted that,

The disappointing remedy prescribed in Sri Lanka following such a foresighted analysis of the disease is largely attributable to deep-seated British influence exercised directly through underlying commercial attitudes and through the cadre of U.K. qualified professional accountants in that country (1978: 115).

As such, the type of education and training received by prospective accountants in Sri Lanka has remained practically the same from the inception of the ICASL. The total number of chartered accountants produced by the ICASL during the 36-year period from 1959 to 1995 amounted to only 1,680 (The Chartered Accountant, 1995). The rate of failure at the examinations of the ICASL has been extremely high. Consequently, many school leavers have depended on foreign professional bodies such as CIMA and CACA for becoming professionally qualified accountants. Even today they enrol in large numbers for locally conducted professional examinations of the above British professional bodies. In order to prepare for these foreign examinations, they depend mostly on classes conducted by private academies.

Although the Sri Lankan university system was established in 1942, it did not include commerce as a separate discipline in its programs of studies until the beginning of 1960. The Vidyodaya University pioneered in this area by launching two bachelor's degree programs in Business Administration and Public Administration at general and honours levels. Both these programs included a considerable number of accounting subjects. The Bachelor of Arts (Economics) program of this university also provided a specialisation in accountancy. In 1961, the University of Ceylon (Peradeniya) introduced a program of studies leading to the Bachelor of Commerce degree. This program also included a number of accounting subjects. When the universities in Sri Lanka were reorganised in 1972, all the universities came under one central administration and consequently each university became a campus of the University of Sri Lanka. One of the significant developments of this reorganization was the rapid expansion of commerce education in the university system. For example, in addition to the Business and Public Administration degree programs, a new Bachelor of Commerce degree program with an emphasis on accounting subjects was introduced at the Vidyodaya Campus in 1973. Subsequently, similar programs were started in other

university campuses in Kelaniya, Colombo, Ruhuna and Jaffna. These campuses were renamed as separate independent universities in 1977. Although the accounting subjects were offered as a major component of undergraduate degree programs in commerce and management in all the above universities, a comprehensive accounting degree program was not offered by a single university in Sri Lanka until 1992.

For the first time in the history of university education in Sri Lanka, a separate academic department for accounting was set up and a comprehensive bachelor's degree program in accounting was started at the University of Sri Jayewardenepura in 1992. This four-year program of studies has been designed to cover the theoretical and practical aspects of accounting required for a high-quality academic and professional degree in accounting. Another important feature of this program is its practical training scheme. Under this scheme, every undergraduate student is required to complete a 60-week program of practical training in a selected organization as a compulsory requirement in the third and fourth years of the total study program. However, this accounting degree is still not recognised by the ICASL as a sufficient qualification for meeting the examination requirement of its membership.

COMPARISON OF ACCOUNTING EDUCATION IN SINGAPORE AND SRI LANKA

Our discussion in the preceding two sections reveals that, despite the similar colonial influence on the two countries, there exist a number of differences between Singapore and Sri Lanka today in terms of their accounting education systems. The most striking difference is that while Singapore, within only four years after independence, has successfully moved away from the colonial system of producing accountants through professional accounting bodies, Sri Lanka, even after forty nine years of independence, is still following the same old system. Not only Singapore, but also several other countries such as New Zealand, Australia, Canada and the United States, which followed the same traditional method at the initial stage of their educational development, changed it many years ago by entrusting the responsibility of accounting education to their universities. Thus, like engineers, doctors and lawyers, accountants are also produced primarily by universities in these countries. Only the practical training for prospective accountants and the continuing professional development activities are handled by the professional accounting bodies. The modern accountant should be a

dynamic person who is competent not only professionally but also academically and intellectually. It is evident from the experiences of these countries that the university is the most appropriate institution to organise and offer a comprehensive program of studies covering various aspects of education required for producing such a competent accountant. By getting the university system to provide accounting education required for meeting the academic and professional needs of the country, Singapore has been able to produce high-quality accountants locally in sufficient numbers (Tan, et al, 1994). Through a close liaison with the business community and the professional accounting body, the Singaporean university system has developed an accounting degree program which is relevant and appropriate for meeting the cultural and economic needs of the country (Teo and Low, 1993; Fong and Foo, 1992; Wee, 1994). The three-year Bachelor of Accounting degree awarded by the university has been accepted by the professional accounting body in Singapore from 1963 as an adequate qualification for professional recognition without further examination, subject only to the practical experience. As such, the university accounting education has enabled the Singaporean professional accounting body (ICAPS) to increase its membership from 344 in 1964 to 7,444 in 1992 and concentrate more effectively on the professional development of accountants in the country (Tan, et al, 1994).

In Sri Lanka, even the four-year accounting degree with 60-week practical experience is not accepted by the ICASL as an adequate qualification for granting exemptions from its professional examinations. From its inception, the ICASL has restricted the professional qualification only to those who pass its own examinations in addition to completing the required period of apprenticeship training. However, as shown in Table 1, the rate of failure at these examinations is enormously high. The average rate of failure is over 75 per cent. Several reasons seem to have contributed to these poor results of the ICASL examinations. One principal reason points to the inadequate teaching time devoted to each subject and the inadequate coverage of subject matter in the study program available to candidates. The professional accounting body is not a full-time educational institution. Therefore, the amount of time devoted to lectures, tutorials and assignments and the subject matter covered through these modes in each subject of a full-time university degree program is obviously much greater than those of a study program provided by the professional body. On the other hand, a professional

accounting body like the ICASL does not have a full-time teaching staff who can devote individual attention to the different needs of students.

Table 1
Results of Examinations conducted by the Institute of Chartered Accountants of Sri Lanka (ICASL) - 1994

Title of Examination	Number of Candidates	Number of Passes	Percentage of Passes	Percentage of Failure
Licentiate Part I	5,074	1,045	21	79
Licentiate Part II	2,008	749	37	63
Professional Part I	1,260	290	23	77
Professional Part II	498	111	22	78
Professional Part III	275	63	23	77
Professional Unit I	21	4	19	81
Professional Unit II	46	2	4	96

Source: *Annual Report of ICASL-1994*

It is apparent from the figures in Table 1 that the ICASL has not been able to produce enough accountants for the country. In 36 years, it has produced only 1,680 professional accountants with an annual supply as low as 47. Since 617 of these accountants have left the country for employment abroad, the actual number of locally qualified professional accountants working in Sri Lanka amounted to only 1,063 in 1995 (ICASL, 1995). Even when the accountants with British qualifications such as ACMA, ACCA and ACA are added to this figure, the total number of professionally qualified accountants working in Sri Lanka seems to be only around 2,000. For a country with 17.9 million people, this is grossly inadequate. By contrast, Singapore with only 2.9 million people has over 8,000 professional accountants today.

Although the establishment of a local accounting body in Sri Lanka (ICASL) in 1959 was undoubtedly a very important step taken toward the development of accounting education and practice in the country, unfortunately, its accounting curriculum had not been designed from its inception to suit the local needs. Instead, it has been almost a replica of the accounting curriculum of the Institute of Chartered Accountants of England and Wales (ICAEW) throughout the existence of the ICASL. Even though the ICASL revised its curriculum several times after 1976, the revised curricula have also been almost identical with the revised curricula of the ICAEW. This

is evident from the examination subjects of the ICASL and the ICAEW presented in Table 2.

Table 2
Subjects for the Examinations of ICASL and ICAEW

Institute of Chartered Accountants of England and Wales (ICAEW)	Institute of Chartered Accountants of Sri Lanka (ICASL)
1959	1960
<p>Intermediate: Bookkeeping & Accounts (incl. Companies) Bookkeeping & Accounts (incl. Partnerships) Bookkeeping & Accounts (incl. Executorship) Auditing General Commercial Knowledge Taxation and Cost Accounting</p> <p>Final: Advanced Accounting - Part 1 Advanced Accounting - Part 2 Auditing (incl. Investigations) Taxation General Commercial Knowledge, Cost and Management Accounting English Law - Part 1 English Law - Part 2</p>	<p>Intermediate: Bookkeeping & Accounts 1 Bookkeeping & Accounts 2 Auditing General Commercial Knowledge</p> <p>Final - Part 1: Advanced Accountancy 1 Advanced Accountancy 2 Partnership and Company Law Mercantile Law</p> <p>Final - Part 2: Management Accountancy Auditing Taxation General Commercial Knowledge</p>
1996	1996
<p>Foundation Education: Financial Accounting and Auditing Business Law Economics Introduction to Financial Decisions Company Law Management and Marketing</p> <p>Intermediate: Auditing and Professional Issues Financial Reporting Taxation Business Planning and Finance Management Information and Control</p> <p>Final: Advanced Auditing and Financial Reporting Advanced Taxation Advanced Business and Financial Management Multidisciplinary Case Study</p>	<p>Licentiate I: Financial Accounting Business Math., Statistics & Data Processing Business Communication (English) Paper 1</p> <p>Licentiate II: Cost and Management Accounting Auditing Business Environment (Economics, Law, Taxation & Management)</p> <p>Professional I: Accounting Theory Auditing (Principles, Techniques & Procedures) Economics, Finance and Commerce Commercial and Industrial Law Business Communication (English) - Paper 2</p> <p>Professional II: Advanced Financial Accounting Taxation Corporate Law Information Technology</p> <p>Professional III: Management Accounting & Operations Research Techniques Financial Management Auditing (Practice) Management</p>

Sources: Arthur N. Lorig. 1960. "Training Accountants in Great Britain", *The Accounting Review*, July, pp. 457-58; ICASL, *Annual Report-1994*; ICAEW, *Training to Become a Chartered Accountant*, July 1996.

Another feature of the deep-rooted colonial influence on accounting education at the professional level in Sri Lanka is the heavy emphasis placed on the legal and auditing aspects of accounting with inadequate attention being devoted to managerial accounting. Coupled with this emphasis is the heavy concentration of accounting education courses upon the technical or mechanical aspects of accounting. In this regard, what Enthoven observed in most developing countries three decades ago seems to be still applicable to Sri Lanka:

Unfortunately, in most developing economies accounting is still not viewed as a tool for such management purposes as realistic comparison, evaluation, and decision making. Its primary objective is still the accumulation of (historical) data for financial statement and auditing purposes. Although this is a necessary and valuable function, it is not wholly satisfactory for the essential "development programming" in these economies. That the accounting requisites of a mature economy are different from those in a country at or near the "take off" point should be stressed (Enthoven, 1967: 109).

The above situation is apparent from the accounting education programs conducted in Sri Lanka. For example, the number of cost and management accounting courses in the curriculum of the ICASL is only 10.5 per cent (Table 2). Clearly, a large proportion of what remains is devoted to the basic objectives and procedures of accounting and how to comply with requirements for corporate accountability, legal constraints and audit. All of these are probably agreed to be essential elements in accounting, though they are more of a preventive and detective character than directly supporting the development of entrepreneurial skills (Standish, 1983: 5). Nevertheless, the development of entrepreneurial skills is extremely important for the developing economy in Sri Lanka.

In Singapore, students who obtain high marks at the GCE advanced level examination² and aspire to pursue an accounting career enter the accounting profession through a university degree program. Thus, the high quality of students entering the degree program has enabled the professional accounting body in Singapore to admit academically superior and competent accountants to the profession. By contrast, in Sri Lanka students who have not been able to obtain the high marks required for admission to university degree programs are the ones who normally register for examinations of the ICASL and British professional accounting bodies such as the Chartered Institute of

² In Singapore and Sri Lanka, students are admitted to universities on the basis of the results obtained at the General Certificate of Education (Advanced Level) Examination.

Management Accountants (CIMA) and the Chartered Association of Certified Accountants (CACA). Most of these students depend on private tutoring to study and prepare for examinations of these professional bodies. Nevertheless, the rate of failure at these examinations has been extremely high due to various reasons such as the low academic level of students and the poor quality of education available to them. Thus, of the large number of students who enrol for these examinations each year, only a few eventually qualify as professional accountants. What is obvious from this situation is that it is the 'second grade' students who have been mostly attracted to the accounting profession in Sri Lanka. In this regard, it is surprising to see, however, that although students who obtain the highest aggregate marks in the commerce stream at the GCE Advanced Level examination in Sri Lanka are admitted to the accounting degree program at the University of Sri Jayewardenepura, the graduates of this program are not exempted from the examination requirement of the ICASL. Consequently, some of them may get diverted to non-accounting careers. It is a pity that the 'best brains' in the area of accounting education in the country are not sufficiently encouraged to enter the accounting profession. This situation in Sri Lanka provides a classic example of a developing country where the colonial influence on accounting education is so powerful that even the political authorities do not dare to break it. However, if the quality of students aspiring to become professional accountants is low, the adverse effect on the quality of the accounting profession in the country is inevitable.

Even after the establishment of the ICASL, Sri Lankans in large numbers in each year have depended on a number of British professional accounting bodies for obtaining professional qualifications by taking their examinations as external candidates. While a considerable number of these candidates have become fully qualified professional accountants, many others who completed only some parts of the examinations have been employed in junior accounting positions in numerous organizations in the country. It is common knowledge that all these foreign professional examinations are based on the subject matter applicable to the British economy. Since the Sri Lankan economy is very much different from the British in many ways, a considerable amount of the subject matter covered in the above examinations is not useful and relevant to a Sri Lankan accountant. For example, some of the subjects like British Taxation and British Company Law are almost totally irrelevant. One should not assume that what might be

good accounting for a developed country will automatically be relevant and good for an developing nation and its development process (Enthoven, 1973). For accounting to be an effective contributor to the country's economic development, what prospective accountants study must be relevant to the social, political, legal, and economic conditions within which they operate (Briston, 1978; Hove, 1986). As such, the accountants produced through studies and examinations based on a developed Western country are unlikely to be able to adapt themselves fully to contribute effectively towards meeting the needs of the developing economy in Sri Lanka. On the other hand, a large amount of valuable foreign exchange has been flowing out of the country every year for the payment of registration, examination and course fees of British professional accounting bodies and correspondence colleges. In addition, students have to pay exorbitant tuition fees to local private academies and British correspondence colleges in preparing for these foreign examinations. Nevertheless, most of the private academies which conduct classes for these students do not have the necessary educational facilities and depend almost entirely on part-time teachers. As such, it is unfortunate that the Sri Lankan accounting profession is still depending so heavily on foreign accounting qualifications even after forty nine years of independence. The number of students looking for foreign accounting qualifications could have been reduced significantly if the ICASL took steps to provide more flexible and attractive opportunities to accounting students in local technical colleges and universities for obtaining professional accounting qualifications through their studies.

As mentioned previously, accounting education at both undergraduate and postgraduate levels has developed rapidly in Singapore mainly as a result of its prompt recognition and encouragement by the professional accounting body. For the 1996-97 academic year, the School of Accountancy at the Nanyang Technological University has enrolled 750 students for its Bachelor of Accounting degree program. Its postgraduate programs include master and doctoral degrees in accounting. The current teaching staff of the School consists of 223 highly qualified academics who have produced many local case studies, books and other teaching material for their students. They have also been actively engaged in research on accounting and related issues and have published numerous articles in reputed international journals. By contrast, the Department of Accounting and Finance of the University of Sri Jayewardenepura in Sri Lanka, which

was established only five years ago, currently has 11 full-time academics in addition to about 16 visiting lecturers. Of the eleven full-time academics, four are chartered accountants with two having doctoral degrees. Seven members of the staff have master's degree qualifications. It is evident from the achievements of the University of Sri Jayewardenepura within a short period of time that the accounting education system in Sri Lanka would have made a much greater progress by now, if the university system took steps much earlier to establish accounting departments and accounting degree programs not only in the above university but also in a few other universities. The major reason for this delay and reluctance of the university authorities to set up accounting departments and degree programs in Sri Lanka was the non-acceptance of a university accounting degree by the ICASL for professional recognition. It is important to note that in most developed and fast developing nations, universities play the major role in producing accountants who can contribute effectively to the nation's development process. For example, Korea established its first university department for accounting in 1978. By the end of 1989, it had established similar departments and accounting degree programs in 50 universities with a total enrolment of nearly 15,000 accounting students (Min, Song and Kim, 1993). Similarly, in China many universities have accounting departments offering accounting degree programs at both undergraduate and postgraduate levels (Lin, and Deng, 1992). In contrast, the Sri Lankan university system still has only one accounting department with less than 400 students for the whole country.

CONCLUSION

The comparative analysis of accounting education in Singapore and Sri Lanka presented in this paper provides some evidence to confirm the generally held view that some developing countries which were British colonies in the past are still following the same colonial system of accounting education, which is irrelevant and inadequate for producing accountants suitable for their economies. It also shows that Singapore which adopted the same traditional system for producing accountants during the colonial days has been able to move away from it within a few years of independence. More importantly, the analysis signals that if a developing country continues to depend so heavily on foreign accounting bodies for producing its accountants or adopts accounting curricula of developed Western countries for local accounting examinations without

designing a curriculum to suit its own economic and cultural environment, the consequences can be disastrous. Therefore, it seems necessary for both political and educational authorities of such countries to pay a greater attention to accounting education and take steps to make it relevant and appropriate for their needs so that it will be able to produce accountants who can contribute their share more effectively in solving the problems of economic development.

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