

## ACCOUNTING IN REALITY (AIR) AS A DETERRENT OF ACCOUNTING PRACTICES COMMONNESS

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### Abstract

Sub-Theme: (3)  
Rural Culture Values and Practices

Understanding accounting is not enough just to learn in class and practice case, it is necessary for students to know the process of accounting directly. This research focuses on the implementation of Accounting in Reality method in accounting comprehension. Departing from the interpretive paradigm, researchers try to explain and understand the phenomena that occur in the application of Accounting in Reality (AIR). Through interviews and direct observation of researchers, obtained the result that using the Accounting in Reality learning model in the preparatory stage of mature students in designing the object to be observed. In the implementation stage, students find many reality in accounting practice that they can make comparison with what has been obtained in the class and when presenting the observation result, students become confident because they master what they convey, where so far if the presentation only by using the source student reading books tend to read rather than explain. Therefore, Accounting in Reality can be interpreted as 1) the strengthening of soft skill, especially enhancing confidence through theoretical understanding and practice, in addition to improving the ability to communicate verbally; 2) as a way of looking at accounting from a different point of view, ie observing the process in real terms; and 3) accounting in reality as a method to test students' skills before they are ready to be deployed and blend in the community.

**Keywords:** Accounting in reality, accounting practices, transcendental phenomenology

***"Accounting: some think it is frustrating, not fun, and can give you a headache. But... it is important!"***

### 1. Introduction

Every accounting lecturer must have asked their students about their reasons for studying in accounting majors. Obviously the answers obtained vary. All of the answers given by students, the most interesting is because of the demands of parents and no other options. Then, when reviewing the basics of accounting in the course of financial accounting turned out most students forget the accounting equation, even the accounting cycle. This is a big question for lecturers and students are in the same time to answer "accounting is hard" or "It turns out that I am so confuse with accounting." Perhaps some lecturers there who do not experience something like this, some with fluent teaching in accounting classes and students can receive well. It became a phenomenon in accounting education today and became a self-reflection for lecturers, "What is going on? How students learn accounting or how lecturers lecture students?"

*Accounting is the art of recording, classifying and summarizing transactions and events of a financial nature in a certain way and in the form of units of money, interpreting the results, is said to be art then is the way to apply it (Pyle and White, 1969)*

How can students understand accounting as an art if only read it as a definition? Of course the understanding of the students will be only limited to theories and this is what causes the continuing confusion in studying accounting. Sudibyo (1986) states that generally accountants are unaware of accounting differences as a field of study and field of work. Imam Ghozali through the inaugural speech professor of accounting science Faculty of Economics Diponegoro University (2004) said that in accounting practice there are steps that are done not according to the logic flow clear and this step is taken on the basis of accountant judgement, and this element of judgment that is used as the basis the definition of accounting as an art. Accounting education is still experiencing substantial constraints, its size is accounting failure in understanding and adapting in an ever-changing environment (Mulawarman, 2008). The reform of accounting education requires a change from procedural learning and surface approach to a more conceptual, deep approach to learning, deeper learning approach (Byrne and Flood, 2004).

During this time the process of accounting learning is limited to exercise questions and discussion in the class through lecture method or group presentation. This process is intended by Bryne and Flood (2004) as procedural learning and surface approach. So it impressed the students run an accounting learning as a formality, just looking for value to improve the cumulative achievement index, not really understand the accounting concept and deeper.

Referring to the description, the researcher considers that Accounting in Reality is a social reality whose learning process there is interaction with various parties related to accounting itself. This research was conducted in the environment of the Faculty of Economics, Department of Accounting, Mahasaraswati Denpasar University conducted for one semester when the students took the course Introduction to Accounting. The reason researchers do research at the Faculty of Economics Mahasaraswati University of Denpasar because it has generated many graduates in accounting majors that have been absorbed in various fields of work and besides Unmas is one of the largest private universities in Bali.

This study aims to determine the impact of accounting learning methods with Accounting in Reality method in accounting students. The development of accounting learning method that leads to the substantial approach can help students understand accounting not only on the surface but also understand conceptually.

### **ACCOUNTING IN REALITY**

Accounting discipline is experiencing rapid development because it is influenced by the development of business and technology. The consequence of these conditions is that educators are required to constantly update both material and teaching methods that can answer the development of the times (Pujiningsih and Mustikawati, 2004). Accounting is not enough to be learned only through classroom theory, but students are encouraged to have practical skills, to apply what is learned in accounting and to be adaptive to the existing environment.

Lecturers are a major factor in studying accounting. Understanding whether or not students to what is studied in accounting is also inseparable from the role of lecturer. Law no. 14 of 2005 on Teachers and Lecturers mentioned in article 69 paragraph 2 that "Guidance and

profession development of lecturers include pedagogical competence, personality competence, social competence and professional competence." Accounting lecturer as professional educator is required to be able to provide learning methods that can provide value added for the students (Pertiwi and Munidewi, 2016). The role of accounting lecturers is not only teaching but also guiding students to be adaptive in the community environment in accordance with the scholarship. Professionalism in accounting lecturers becomes unique and interesting because on the one hand as a teacher whose main task is teaching, the suppressor is expected to increase the mastery and expansion of his knowledge, on the other hand as a professional candidate printing requires mastery and simultaneously the implementation of the skill (Widyastuti, 2003 ).

To be able to print accounting graduates who master accounting conceptually and have a deep understanding, the method of learning applied by lecturers to students becomes the key to achieve qualified accounting graduates. Although the method of learning has been outlined in the course syllabus, innovation and skills of the accounting professors are still needed in concocting the topic of discussion to be more interesting and appealing to the students.

This method of Accounting in Reality (AIR) is a form of observational learning method. Arikunto (2006: 124) states that observing is the process of collecting data or information that must be executed by making efforts of observation directly to the place investigated. In this method, students perform systematic observations through viewing and incorporating specific analyzes and interpretations. The contextual approach is a learning concept where the lecturers present real-world situations into the classroom and encourage students to make connections between their knowledge and application in their lives as family members and society.

Accounting in Reality (AIR) is an accounting learning method by looking directly at the process of implementing accounting cycle in an entity. Students have been equipped with theories obtained in the class and working on a case related to the preparation of financial statements. These things are enough to become a stock of students to jump into the field to see the real situation. The AIR method is divided into 2 (two) phases which consists of preparation phase and implementation phase. The Accounting in Reality (AIR) design model can be done like this:

**Table 1. Accounting in Reality design model**

<b>Preparation phase</b>
a. Setting specific learning goals
b. Setting the object to be observed
c. Determine tools to obtain data in conducting observations
<b>Implementation phase</b>
a. Observation, where students directly to object being observed
b. Students collect data from observations of observed objects
c. Analyse and evaluate the data, i.e. students hold records of events, events or symptoms that occur
d. Discussing the result of the observations with the group then draws conclusions
e. Presenting in front of class and discussion.

## 2. METHOD

This research uses qualitative methods that focus on facts in the field, namely the understanding of accounting students after learning by using Accounting in Reality (AIR) method. The reason for using qualitative methods is based on the research objective of knowing the impact of the application of Accounting in Reality (AIR) to the students understanding of accounting, so that deep understanding will be obtained through qualitative approach. In this study the researcher uses interpretive paradigms to understand and explain the phenomena that occur in the application of Accounting in Reality (AIR) method in accounting learning. Burrell and Morgan (1979) argue that the interpretive paradigm focuses on the individual self and the perception of human beings on reality, independent of them. For the interpretive paradigm, science is not used to explain and predict but to understand.

Researchers intend to understand the impact of applied Accounting in Reality method in the understanding of accounting. Phenomenology aims to interpret social action as something meaningful or meaningful and reconstruct the meaning that will be used subsequent to meaningful action on individual intersubjective communication in social life. Phenomenology is done in a natural situation and there is no limit to understand the phenomena studied so that researchers are free to analyze the data obtained from the observation and interview. The phenomenology used in this study is transcendental phenomenology. With the transcendental phenomenology approach the researcher conducts data analysis by reducing information in meaningful questions and combining questions into a theme (Creswell, 1998). Researchers use transcendental phenomena to put aside the experience of researchers to find the first perspective of the observed phenomenon.

Sources of data in this study are words and actions derived from informants. In this research, the informant is a student who is directly involved in the learning process in Accounting Department of Economics Faculty Mahasaraswati Denpasar University. Informants selected as many as 6 people who have taken courses Introduction to Accounting and has given the project Accounting in Reality. Other data sources used to support the primary source are the documentation gained during the research.

This study uses the actual situation in the field. Therefore, data collection using direct observation techniques, unstructured interviews and direct documentation in the field. The researcher is an accounting lecturer at the Economics Faculty of Mahasaraswati University Denpasar who is directly involved in accounting learning and using Accounting in Reality method for deep understanding of accounting. Interviews are a way for researchers to interact directly with informants. The researchers used unstructured interviews which were done casually adjusting the time of the informant and the researcher gave the informant the freedom to reveal what was known with regard to the topic of the interview. Researchers still provide limits on interview questions in order not to deviate from the purpose of the interview.

Observations and interviews conducted should be supported by documentation. This study uses the recording of interviews with informants as well as images of student learning process using Accounting in Reality method in Accounting Department Faculty of Economics, Mahasaraswati University Denpasar.

### **3. Result and Discussion**

#### **Preparing Accounting in Reality**

In this phase, lecturer ordered students to prepare what they should do before going to the object of research. Students determine the object they will visit, which has been determined by the lecturer that the student can choose what type of company will be visited. The lecturer asks the students to inquire about the company's willingness to visit. Upon

approval the company eats students requesting permission from the faculty to be given to the visiting object.

During the implementation phase, students visit the company and conduct interviews with the accounting department and record the things that are considered important to be described and discussed during the presentation in the classroom. The last stage is to make a presentation in front of the class in turn. Lecturers try not to appoint students and let students volunteer to appear in front of the class. As a result, students volunteered to appear to present their results to the field. Enthusiastically, Mona reveals if she feels more confident when describing things that she understands.

"To be honest, I feel more confident when I tell the accounting process in the company I visit because I saw it directly and interact with people who are directly involved in it. I do not know very different when I read and then I explain it back in front of the class, I feel not sure. However, with me studying the theory and then looking at the practice I am confident with what I describe in front of the class. "

Preparation stage is needed before the students go directly to the field. At this stage, students prepare questions before coming to the company and have time to re-read the accounting and understanding process of the business they will be visiting. So come to the field not with empty knowledge.

"When I came to the company they asked me how to treat fixed assets that are already of economic age but still usable in the company. Incidentally it has been discussed by my lecturer that if there are fixed assets that have expired economic life and the assets are still there, in the list of assets can be given a value of 1. They then consider the advice I give. I was not confident as well, but I try to explain from my point of view as a student. But I feel there is something useful I can do. "

The experience of Tito reminds us that the task of the students is not only to study, to make a final assignment, to graduate and then to find work. Students have a role in society to practice their knowledge and straighten out the things that are necessary, so that the public also understand the importance of accounting for their lives. Tito felt he contributed to the company he and his friends visited.

#### **Understanding accounting practice through Accounting in Reality (AIR)**

Understanding accounting is like composing a series of puzzles. If there is one piece of puzzle that is not installed, it will not be a perfect picture. A comprehensive accounting understanding can lead us to the point where such accounting can be used in various sectors. Accounting was not simply about good administration, it was also a tool of power and repression (Soll, 2014: 92). This happened when Jean-Baptiste Colbert (theory of mercantilism) was taking the office Controller General of Finance, he started raising revenues and auditing the king's perceived political foes. Even the understanding of accounting has existed in the time of the kingdom in a way that is still simple. But it does not rule out healthy accounting practices, such as recording and disclosure of transactions. Accounting in Reality can assist students in understanding actual accounting practices.

As revealed by Asta, one of the students who have followed this accounting in reality project. "I better understand the accounting in real terms used in developing companies. So the students not only know the accounting in theory only. Besides, the method can train students to convey the development of corporate accounting data. " In line with what is said by Asta, Candra who also participated in accounting in reality project has a similar opinion. "I

better understand and understand how the application of accounting systems in the world of work or certain entities and with such learning methods is easier to remember because we have memories of the visit to the company. There is something interesting about what is revealed by Candra. He has memories when visiting the company. Memory that he means is to see firsthand how the accounting process run in a company, so with the memories it is so easy to remember the implementation of a company's accounting. In addition he was welcomed by personnel in the company so that the short learning atmosphere becomes very fun.

Another case with Nana who shared his interesting experience while visiting a retail company.

"When I visited the company I observed a very different accounting process with what I got in class. Learning introductory accounting begins when the introduction of debits and credits then the accounting cycle, then when viewing them directly in the company already using the computer system in its recording. I no longer see a ledger in the form of a T account or a ledger in the true sense. Accounting is already following the development of technology. "

Nana expressed her enthusiasm in studying accounting in real terms in a company. Through this experience he felt the need to learn more about accounting, which he could not understand only once or twice.

Accounting is a field of science that can follow the development of technology. The basics of accounting can be talked about with the system and by this the decision makers can easily see the information generated from the accounting process. For example, most organizations now require that financial capital appraisal (Morgan, 1988).

Looking at the interesting things experienced by students involved in project accounting in reality, accounting learning methods can be made more interesting to help students in understanding accounting substantially, not just on the surface. As Candra points out, "The more ideal and easier to understand method is that theoretical understanding is then applied with written or oral practice and is associated with the work world so it is easier to remember." It is undeniable that graduate accounting students will be more looking for work compared to opening jobs. Accounting comprehension needs to be given by combining theory and practice considering the demand for accounting graduates in quality and quantity will increase.

#### **4. CONCLUSIONS**

Accounting learning method through Accounting in Reality can be interpreted as 1) the strengthening of soft skill, especially enhancing confidence through theoretical understanding and practice, in addition to improving the ability to communicate verbally; 2) as a way of looking at accounting from a different point of view, ie observing the process in real terms; and 3) accounting in reality as a method to test students' skills before they are ready to be deployed and blend in the community.

Strengthening understanding of accounting starts from the classroom, where lecturers teach basic things that are often forgotten during practice, such as accounting cycles or accounting equations. If the student can understand well the basics of accounting then the student will no longer difficulties in carrying out each stage of the accounting process ranging from gathering evidence, journaling, posting to the ledger to construct the financial statements. Then the students are invited to see the real implementation of the accounting process. Through this method of learning, students not only understand accounting as a debit and credit as the basis for preparing financial statements. Through this process, students can

interpret accounting as a form of self introspection in terms of income in line with expenditure. This is then interpreted by researchers as a self attitude in the financial management that is transparent and accountable. Researchers can conclude that through this method of learning, students can start from themselves to discipline themselves related to financial management, so that when these habits continue to be done, will carry over while working in a company and impact the realization of healthy accounting practices and in accordance with the principle accepting general accounting.

### **SUGGESTION**

This research is based on one observation, for further research can be done several times observation. The duration of the student for the company visit in this study is done only once, so that the student can understand more things related to the accounting process in real terms, it can be done with several times visit.

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