

## Accounting proficiency of graduates from the Faculty of Finance and Accounting, Prague University of Economics and Business

Marcela Zárybnická Žárová<sup>1</sup>

<sup>1</sup> Prague University of Economics and Business  
Faculty of Finance and Accounting, Department of Financial Accounting and Auditing  
Nám. W. Churchilla 4, 130 67 Praha 3, Czech Republic  
E-mail: [zarova@vse.cz](mailto:zarova@vse.cz)

**Abstract:** *This paper polemics over the issue of accounting proficiency of graduate from the Faculty of Finance and Accounting. Based on questionnaire, this paper brings proof that graduates receive sufficient professional training during their studies and therefore receive proficiency in accounting. This is supported by the major fact: majority of students has been working during their studies and therefore they receive from the employers very clear answer whether accounting graduates' skills meet the expectations of employers.*

**Keywords:** *accounting profession, IES, IFAC, accounting proficiency, accounting education*

*JEL codes: A22, A23, I21, I23*

### 1 Introduction

It is a common requirement of the accounting profession that it asks for evidence that graduates from higher education institutions are sufficiently trained and have received sufficient education in their field. This paper concerns the question of accounting proficiency of graduates from the Faculty of Finance and Accounting, namely graduates with the „Accounting and financial management “specialization.

The formalised competence requirements for the accounting profession are contained in the International Education Standards (IES), namely IES 2, 3, and 4, issued by the International Accounting Education Standards Board (IAESB) under IFAC. Its mission is to serve the public interest and strengthen the accountancy profession among others also by: Supporting the development of high quality international standards (IFAC). IES 3 as the basis, together with the learning outcomes, provide information to design professional accounting education programs. It provides descriptions of three levels of proficiency: foundation level, intermediate and advanced ones. Learning outcomes at the foundation level relate to work environments that are characterized by low levels of ambiguity, complexity, and uncertainty. Learning outcomes at the intermediate level relate to work environments that are characterized by moderate levels of ambiguity, complexity, and uncertainty and learning outcomes at the advanced level relate to work environments that are characterized by high levels of ambiguity, complexity, and uncertainty (Handbook IES, 2019).

Research literature on accounting education or quality of higher education in accounting has different sections and periodicity. Over last five years, research and articles on decline in quantity and quality of students at university graduation in accounting matter and further entering the accounting profession in specific parts of Europe, USA and Australia can be found in Madsen (2015), Tan and Laswad (2006). Studies on recruiting issues within the accounting profession refer to work of e.g. McKnight and Wright (2011), Johnson (2014) and Pincus at al. (2017).

Research on employability skills of international accounting graduates from the perspective of internship providers is analysed in Jackling and Natoli (2015). Study concerning professional adequacy of graduates which were compared with the perceived needs of a sample of employers was performed in Australia (Jackling and De Lange 2009). Answers from 174 graduates from an Australian university were received, then compared with the perceived needs of a sample of employers. By this research, very urgent question was

introduced, question on whether accounting graduates' skills meet the expectations of employers. This research question was later repeated under the slightly different conditions as what employers really expect by Paguio and Jackling (2015). Paper (Coady, Byrne and Casey, 2018) presents evidence of employer and graduate attitudes on the skill set requirements for professional accountants. The analysis in the paper suggests that university accounting programs could consider increasing the emphasis placed on particular emotional intelligence and non-emotional intelligence skills while other skills could be de-emphasised.

Some research on accounting graduates from the Faculty of Finance has already been conducted by (Pospíšil and Polák, 2014). Research on question whether graduates and alumni are ready to face the challenges of their profession in every-day tasks was conducted on graduates and alumni of University of Economics in Prague. Researchers carried out a survey among graduates and alumni. They found out that "there is much to improve as some of the basic concepts of financial reporting and auditing fails to be understood by the respondents." Pospíšil (2014) also shows the findings of the research done in the Czech Republic to verify whether the education at Czech universities is carried out in accordance with opinion that critical way of thinking developed by teaching of financial audit and knowledge of accounting and taxation should be necessary for any graduate in economics. This idea is developed in more detail and supported by the opinion that teaching of ethics is the essential prerequisite for increasing the resistance of the expert to embezzlement (Pospíšil, 2015).

Prior to this paper, the author provided research that addressed the importance of professional accreditation from abroad. Accreditation by professional institutions - ACCA and ICAEW has important influence on quality of educational process at Faculty of Finance and Accounting and brings advantages to graduates and on the other hand to their employers too. Professional accountancy institutions accreditation is guarantee of quality, save time and money not only to graduates but to employers too (Zárybnická Žárová, 2019).

## 2 Methodology and Data

The aim of this paper is evidence that Faculty of Finance and Accounting graduates with specialization in "Accounting and financial management" are sufficiently trained and have received sufficient education in their field.

In order to prove the proficiency of the graduates, information from questionnaires filled in by the graduates at the time of graduation is used. The questionnaire is uniformly used by all faculties at the Prague University of Economics and Business. This uniformed questionnaire is structured according to Faculties and study specializations. Therefore, there is possibility to find out information within the faculty in more specific details. Among the questions that can be used from the questionnaire as evidence of proficiency are the following:

- Do you know where you will be employed?
- Students who worked during their studies in connection with the question whether they knew where they would be employed.
- Graduates' opinion on the use of knowledge from the study programme in practice.

The questionnaire is constructed as closed-ended questions. The alumni questionnaire has been compiled since 2017. For the reason of this paper, only information concerning graduates with specialization in accounting and financial management is selected, then the descriptive analyses of the information contained in the questionnaire is used in this paper.

In addition, the accounting proficiency of graduates is also demonstrated by the award of professional accreditation and professional institutions ACCA and ICAEW, the article only refers to this information (Zárybnická Žárová, 2019).

### 3 Results and Discussion

I believe that the accounting proficiency of graduates can be proven by the following facts, which are confirmed both by information from the evidence base and by accreditation by professional institutions from abroad:

- Graduates know where they will be employed in advance.
- Students work during their studies.
- Graduates' opinion on the use of knowledge from the study programme in practice.
- Core courses in accounting specialization are accredited by accounting professional bodies – ACCA and ICAEW.

The analysis in this chapter is based on information from a questionnaire with closed-ended questions. The first analysed question is in Table 1 "Do you know where you will be employed?" The offered answers are as follows: 1. Yes, I know; 2. I was looking for a job, but so far unsuccessfully 3. I was not looking for a job.

**Table 1** "Do you know where you will be employed?"

	<b>Total number of respondents</b>	<b>1. Yes, I know (in %)</b>	<b>2. Unsuccessfully (in %)</b>	<b>3. No (in %)</b>
<b>2017</b>	54	94	2	4
<b>2018</b>	91	96	0	4
<b>2019</b>	96	97	2	1
<b>2020</b>	66	95	3	2
	307	x	x	x

Source: Own elaboration based on internal information at FFA

The information in Table 1 shows that the results over the examined period are approximately the same, averaging 95% of graduates know where they will be employed. I consider this answer to be sufficient evidence that there is interest in accounting graduates in practice even during their studies.

The questionnaire provides us also with information on students who studied abroad for at least one semester and whether they knew where they would be employed. An overview of students who studied abroad provides Table 2. Information is combined with the information whether they knew where they would be employed.

**Table 2** Study abroad/ whether they knew where they would be employed.

	<b>Total number of respondents in period 2017-2020</b>	<b>1. Yes, I know (in absolute numbers)</b>	<b>2. Unsuccessfully (in absolute numbers)</b>	<b>3. No. (in absolute numbers)</b>
<b>YES (I studied abroad)</b>	67	64	1	2
<b>NO (I did not study abroad)</b>	232	222	4	6
	299	x	x	x

Source: Own elaboration based on internal information at FFA

Information provided by Table 2 shows us that from the total number of respondents of 67 who studied at least on semester abroad, 96% e.g. 64 respondents knows where they will be employed. From the total number of 232 respondents, who weren't abroad 222 respondents that represents 95% also knows where they will be employed. A correlation between the number of respondents who have studied abroad and the number of respondents who know where they will be employed has not been demonstrated.

In addition, the questionnaire also provides us with information concerning number of students who are employed during their studies and in relations to information whether they knew where they would be employed. Information is elaborated in the Table 3.

**Table 3** Students who worked during their studies/ whether they knew where they would be employed.

	<b>Total number of respondents in period 2017-2020</b>	<b>1. Yes, I know (in absolute numbers)</b>	<b>2. Unsuccessfully (in absolute numbers)</b>	<b>3. No. (in absolute numbers)</b>
<b>YES (I have been working during my studies)</b>	281	275	2	3
<b>NO (I have not been working during my studies)</b>	25	18	3	4
		X	X	X

Source: Own elaboration based on internal information at FFA

Information provided by Table 3 shows us that 91% from the total number of respondents has been working during their studies. Answers are combined with information whether they knew where they would be employed. In addition, this interconnection implies that 97% from the total 281 students know where they will be employed.

The last applicable information from the questionnaire is the use of knowledge from the study programme in practice immediately after graduation. Closed-ended questions are measured by scale 1-5, where 1 represent the best and 5 represents the worst.

**Table 4** Graduates' opinion on the use of knowledge from the study programme in practice.

	<b>Use of knowledge from the study programme in practice immediately after graduation. Measured by scale 1-5</b>	<b>Use of knowledge from the study programme in practice in 2 years after graduation. Measured by scale 1-5</b>
<b>2017</b>	1,77	X
<b>2018</b>	1,72	X
<b>2019</b>	1,65	1,56
<b>2020</b>	1,81	1,61

Source: Own elaboration based on internal information at FFA

Table 4 shows us that during the examined period, students evaluate the knowledge received from the study programme applicable in practice in a scale from 1 to 5 at the level of 1,73. Two years later their opinion is even better. I consider this information to be crucial in assessing whether graduates have sufficient professional training during their studies and receive proficiency in accounting.

## Conclusions

The question of graduates' proficiency in accounting was considered in the paper based on information from the graduates' questionnaire.

Information on use of knowledge from the study programme in practice immediately after graduation I consider as crucial one and on the other hand as fundamental proof that graduates receive sufficient professional training during their studies and therefore receive

proficiency in accounting. This proof is supported by other one and that is the fact that 91% from the total number of respondents has been working during their studies and 97% from those students who has been working during studies also where they will be employed. Moreover, Faculty of Finance and Accounting ensures the professional adequacy of graduates by process of accreditation of courses provided by Faculty for students in Bachelor degree study and Master degree study by foreign professional accountancy institutions – ACCA and ICAEW (Zárybnická Žárová, 2019).

## Acknowledgments

This paper was prepared as a part of research project of the: Institutional Support of Research Activities IP100040

## References

- Coady, P., Byrne, S., & Casey, J. (2018). Positioning of emotional intelligence skills within the overall skillset of practice-based accountants: employer and graduate requirements. *Accounting Education*, 27:1, pp.94-120.
- Madsen, P. E. (2015). Has the Quality of Accounting Education Declined? *The Accounting Review*, 2015, Vol. 90(3), pp. 1115-1147.
- IES 3 (2019). Retrieved from: <https://www.iaesb.org/publications/2019-handbook-international-education-standards>.
- Jackling, B. & De Lange, P. (2009). Do Accounting Graduates' skills Meet the Expectations of Employers? *Accounting Education*, Vol. 18(4-5), pp. 369-385.
- Jackling, B., & Natoli, R. (2015). Employability skills of international accounting graduates: Internship providers' perspectives. *Education + Trainin*. Vol. 57(7). pp. 757-773.
- Johnson, R. (2014). Accounting Practitioners Reflect on Faculty Impact: Bridging The Gap Between Theory and Practice. *American Journal of Business Education*. Vol. 7(2), pp. 109-114.
- Handbook IES (2019). Retrieved from: <https://www.iaesb.org/publications/2019-handbook-international-education-standards>.
- McKnight, C. A., & Wright, W. F. (2011). Characteristics of Relatively High-Performance Auditors. *Auditing: A Journal of Practice and Theory*. Vol. 30(1), pp. 191-206.
- Paguio, R., & Jackling, B. (2015). Teamwork from accounting graduates: what do employers really expect? *Accounting Research Journal*. Vol. 29(3), pp. 348-366.
- Pincus, K. V., Stout, D. E., Sorensen, J. E., Stocks, K. D., Lawson, R. A. (2017). Forces for change in higher education and implications for the accounting academy. *Journal of Accounting Education*. Vol. 40, pp. 1-18.
- Pospíšil, J. (2014). "Výuka pokročilého účetnictví a finančního auditu na českých vysokých školách." In: PROCHÁZKA, David (ed.). The 15th Annual Doctoral Conference FFA [CD ROM]. Praha, 06.06.2014. Praha: *Nakladatelství Oeconomica*, 15 s.
- Pospíšil, J., Polák, M. (2014). „Průzkum výsledků výuky účetnictví na VŠE v Praze.“ In: MMK 2014 – Mezinárodní Masarykova konference pro doktorady a mladé vědecké pracovníky [CD ROM]. Hradec Králové, 15.12.2014 – 19.12.2014. Hradec Králové : *Magnanimitas*. s. 1439–1447.
- Pospíšil, J. (2015). „Připravenost absolventů ekonomických oborů odhalovat hospodářskou kriminalitu.“ *Andragogická revue*. roč. 7, č. 2, s. 70–81.
- Tan, L. M. & Laswad, F. (2006). Students' Beliefs, Attitudes and Intentions to Major in Accounting. *Accounting Education*, 2006, Vol. 15(2), pp. 167-187.
- Zárybnická Žárová, M. (2019). Have graduates from the Faculty of Finance and Accounting professional adequacy in accountancy? In: Digitalization in Finance and Accounting – 20th Annual Conference on Finance and Accounting (ACFA 2019) Prague, Czech Republic [online]. Praha, 24.05.2019. Switzerland : Springer International Publishing, 2021, s. 351–360. Springer Proceedings in Business and Economics.