

**THE AWARENESS AND UNDERSTANDING OF XBRL AMONG
ACCOUNTING AND FINANCE LECTURERS IN UNIVERSITI UTARA
MALAYSIA (UUM)**

KAKHOROV AZIZJON MUXTORJONOVICH

UNIVERSITI UTARA MALAYSIA

2010

**THE AWARENESS AND UNDERSTANDING OF XBRL AMONG
ACCOUNTING AND FINANCE LECTURERS IN UNIVERSITI UTARA
MALAYSIA**

A Thesis Submitted to the College of Business in Fulfillment of Requirement
for the Degree Master of Science (International Accounting)

Universiti Utara Malaysia

By

Kakhorov Azizjon Muxtorjonovich

Copyright © Kakhorov Azizjon Muxtorjonovich, 2010. All Rights Reserved

DECLARATION

I certify that the substance of this thesis has not been already been submitted to any degree and is not currently being submitted for any other degree qualification.

I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

Kakhorov Azizjon Muxtorjonovich

802516

College of Business

Universiti Utara Malaysia

06010 Sintok

Kedah

6 May 2010

PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirement for a postgraduate degree from Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor, or, in absence, by the Assistant Vice Chancellor of College of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain should not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request for the grant of permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Assistant Vice Chancellor of College of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

AKNOWLEDGEMENTS

In the Name of Allah, the Most Gracious and the Most Merciful. Above others, my praise to Allah S.W.T, whose blessing and guidance have helped me to get through the entire project. Peace be upon our Prophet Mohammed S.A.W. who has given light to mankind. My highest and most sincere appreciation goes to my beloved parents who have always encouraged and guided me to be independence and never try to limit my aspirations.

I am very grateful to my supervisor Professor Dr. Noor Azizi Ismail for his guidance, patience, understanding, insight, knowledge, attention, kindness and encouragement throughout my Master of International Accounting in Universiti Utara Malaysia. Words alone cannot express my greatest appreciation and gratitude to him. May Allah reward him abundantly.

My deepest appreciations also go to the lecturers who taught me well during my studies in Universiti Utara Malaysia, among others, Professor Dr Mahamad Tayib, Professor Zakaria Abas, Associate Professor Dr Kamil Md Idris, Dr Shamharir Abidin and Dr Shahmir Abdullah. Last but not least, a very special thanks to all my beloved family members who are very patient and supportive to me over my entire study journey. Finally, thank you so much, to all the MSc International Accounting lecturers, members of the Faculty and my friends. Thanks again to everyone including those who I have probably forgotten to mention here.

TABLE OF CONTENTS

Declaration	iii
Permission to Use	iv
Acknowledgement	v
Table of Contents	vi
List of Tables	viii
List of Figure	ix
List of Abbreviations	x
Abstract	xi
CHAPTER ONE – BACKGROUND OF STUDY	1
1. 1 Introduction	1
1.2 Problem Statement	6
1.3 Research Questions	7
1.4 Research Objectives	8
1.5 Significant of Study	8
CHAPTER TWO – LITERATURE REVIEW	10
2.1 Introduction	10
2.2 The awareness of XBRL	12
2.3 The perceptions of XBRL	14

CHAPTER THREE – RESEARCH METHOD	15
3.1 Introduction	15
3.2 Research Model	15
3.3 IT Knowledge and the Awareness of XBRL	16
3.4 Measurement of Variables	17
3.4.1 Dependent Variable	17
3.4.2 Independent Variable	17
3.4.2.1 IT Knowledge of Accounting and Finance Lecturers	17
3.5 Data Collection	17
3.5.1 Response Rate	18
CHAPTER FOUR – FINDINGS AND DISCUSSIONS	20
4.1 Demographics	20
4.2 Awareness of XBRL	24
4.3 IT Knowledge and XBRL Awareness	25
4.4 IT Knowledge and XBRL Understanding	28
4.5 XBRL in Education	29
CHAPTER FIVE – DISCUSSIONS, SUGGESTIONS AND CONCLUSIONS	32
References	35
Appendices	38

LIST OF TABLES

Table 1a: Qualification of Lecturers	22
Table 1b: Qualification of Lecturers	22
Table 1c: Industry Experience of Lecturers	22
Table 1d: Professional Qualification of Lecturers	23
Table 1e: Professional Qualification Type of Lecturers	23
Table 1f: Working Experience of Lecturers	23
Table 2a: Awareness of XBRL before the Survey	24
Table 2b: Will You Investigate XBRL in the Future Because of this Survey?	25
Table 3a: It Knowledge of Lecturers	26
Table 3b: The Relationship between IT Knowledge and Awareness of XBRL	28
Table 4a: The Relationship between IT Knowledge and Understanding of XBRL	29
Table 4b: One-Way ANOVA	29
Table 4c: The Relevance of XBRL to the Teaching Subjects	30
Table 4d: The Integration of XBRL to the Teaching Subjects	31

LIST OF FIGURES

Figure 1: Research Model	15
Figure 1a: Position of the Lecturers	21
Figure 1b: Teaching Area of the Lecturers	21

LIST OF ABREVIATIONS

ACCA	Association of Chartered Certified Accountants
AIS	Accounting Information Systems
CFA	Chartered Financial Analyst
CMA	Certified Management Accountant
CPA	Certified Public Accountant
GAAP	Generally Accepted Accounting Principles
HTML	Hypertext Markup Language
IT	Information Technology
MBA	Master of Business Administration
MIA	Malaysian Institute of Accountants
SSM	Suruhanjaya Syarikat Malaysia
UUM	Universiti Utara Malaysia
XBRL	Extensible Business Reporting Language
XML	Extensible Markup Language

Abstract

Extensible Business Reporting Language (XBRL) is an important new technology for the electronic communication of business and financial data. XBRL will be more important in the future because of the many advantages it offers. Academic and professional researchers are getting more interested to investigate issue relating to XBRL. However, research results from South Africa, Australia and the USA showed unacceptably low levels of awareness and understanding of XBRL among practitioners. This study examined the levels of awareness and understanding of XBRL among accounting and finance lecturers in Universiti Utara Malaysia (UUM). Findings from the study indicate a low level of XBRL awareness and understanding among accounting and finance lecturers in UUM. Results from the survey show that, while 75% of respondents said “they have heard” of XBRL, only 27% of them are fully aware of this technology. Despite that, a majority of the respondents acknowledged the fact that it was necessary for them to investigate issues relating to XBRL in the near future.

Key words

Extensible Business Reporting Language (XBRL), lecturers, financial reporting, information technology

CHAPTER ONE

BACKGROUND OF STUDY

1.1 Introduction

The Internet and Information Technology (IT) are playing important role in our business life. Implementing new technologies, using new software, bringing, adopting new innovations to the business is helping companies to make effective business decisions. Using Internet as a tool for communicating corporate information is becoming increasingly popular in companies. These companies are reporting their financial statement through the Internet as information to the various groups of external users and sharing information with them. Nowadays one of the new tools for reporting financial statement through the Internet is Extensible Business Reporting Language (XBRL).

XBRL is an electronic communication of business and financial data language developed to present financial statement on the Internet. The key advantage of this new "language" is that an identifying tag is applied for each individual item of data instead of treating them as a block of text.

Since the financial data is now tagged, it thus can be recognized by the recipient party's computer. Accountants, auditors, regulators and financial analysts use XBRL technology to present financial information in variety of ways in a fraction of a second. This technology eliminates the possibilities of human error during the rekeying of financial data. XBRL also allows flexibility while enhancing transparency and timely dissemination of relevant financial information.

The contents of
the thesis is for
internal user
only

REFERENCES

Deshmukh, A. Karim, K. Romine, J. and Rutledge, R.W. (2006), XBRL In The Accounting Curriculum: A Survey of AIS Faculty, *Review of Business Information Systems*, 10(2).

Bagranoff, N.A., Simkin, M.G. and Norman, C.S. (2008), Core concepts of accounting information systems, 10th edition, Hoboken, NJ: Wiley

Burnett, R.D., Friedman, M. and Murthy, U. (2006), Financial reports: Why you need XBRL. *The Journal of Corporate Accounting and Finance*, 17(5),33-40

CFA Institute. 2007a, Response overview,
<http://www.cfainstitute.org/centre/reporting/xbrl/questions.html>, Accessed: 6 November 2007

CFA Institute. 2007b, XBRL survey June 2007,
http://www.cfainstitute.org/centre/reporting/pdf/xbrl_results.pdf, Accessed: 6 November 2007

Dykes, L. and Tittel, E. (2005), XML for dummies, 4th edition, Hoboken, NJ: Wiley

Flowerday, S., Blundell, A.W. & Von Solms, R. 2006. Continuous auditing technologies and models: A discussion. *Computers and Security*, 25(5), 325-331

Grgeta, K. (2006), National survey finds nearly one-half of senior finance executives not aware of XBRL,
<http://www.grantthornton.com/portal/site/gtcom/menuitem>, Accessed: 14 September 2007

Higgins, L.N. and Harrell, H.W. (2003), “XBRL: don’t lag behind the digital information revolution”, Journal of Corporate Accounting & Finance, Vol. 14 No. 5, pp. 13-21

Ken Low (2009), XBRL - An Introduction - For Malaysia and Singapore,
http://ezinearticles.com/?expert=Ken_Low

McFarland, K. (2007), Only 59% of CFO’s aware of XBRL; but half believe it will be mandatory SEC filing format,
<http://www.grantthornton.com/portal/site/gtcom/menuitem>, Accessed: 14 September 2007

Nel G.F. and Steenkamp L.P. (2008), An exploratory study of chartered accountants’ awareness and understanding of XBRL, Meditari Accountancy Research Vol. 16 No. 1

Pinsker, R. (2003), “XBRL awareness in auditing: a sleeping giant?”, Managerial Auditing Journal, Vol. 18 No. 9, pp. 732-6.

Pinsker, R. and Wheeler, P. (2007), Nonprofessional investors' perceptions of the efficiency and effectiveness of XBRL-enabled financial statement analysis and of firms providing XBRL-formatted information, Manuscript submitted for publication

Troshani, I. and Doolin, B. (2005), "Drivers and inhibitors impacting technology adoption: a qualitative investigation into the Australian experience with XBRL", in Vogel, D.R., Walden, P., Gricar, J. and Lenart, G. (Eds), 18th Bled eCommerce Conference: eIntegration in Action, Moderna Organizacija, Bled, Slovenia, June 6-8.

Troshani, I. and Doolin, B. (2007), Innovation diffusion: A stakeholder and social network view. European Journal of Innovation Management, 10(2), 176-200

Vincent Ng, Chan Ka Man , Chan Lai Kwan, Lee Wing Yin, Li Kin Ling & Lui Shan Ling, (2008), Implementation and Acceptance of XBRL in Hong Kong and Mainland China, The Hong Kong Polytechnic University, 1-16

XBRL International 2007a, Financial reporting taxonomies,
<http://www.xbrl.org/FRTaxonomies/>, Accessed: 6 November 2007

XBRL International 2007b, How XBRL works,
<http://www.xbrl.org/HowXBRLWorks/>. Accessed: 11 October 2007