

**FACTORS INFLUENCING THE DIPLOMA IN ACCOUNTING (DIA)
STUDENTS' DECISION TO PURSUE
PROFESSIONAL ACCOUNTING PROGRAMMES**

Thesis Submitted to the College of Business, Universiti Utara Malaysia, in Partial
Fulfillment of the Requirement for the
Degree of Master of Science (International Accounting)

By

NOORAIN OMAR

PERMISSION TO USE

In presenting this thesis in partial of the requirements 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 his absence, by the Dean of Research and Innovation. It is understood that due recognition shall be given to me and Universiti Utara Malaysia for any scholar use which may be made of any material from my thesis.

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

Dean of Research and Innovation

College of Business

Universiti Utara Malaysia

06010 UUM, Sintok

Kedah Darul Aman

ABSTRAK (BAHASA MELAYU)

Penyelidikan ini mengkaji pengaruh (1) Jantina; (2) Himpunan Purata Nilai Gred (HPNG); (3) Tahap Bahasa Inggeris (4) Latar belakang pendidikan ibubapa; (5) Kemudahan Geran Pengajian; (6) Ciri-ciri ketrampilan dan (7) Tanggapan pelajar-pelajar ke atas keputusan untuk meneruskan pengajian dalam program professional perakaunan. Berdasarkan kajian ke atas 66 orang pelajar yang bakal menamatkan pengajian yang terdiri daripada bahagian 6, 7 dan 8, hasil kajian mendapati Himpunan Purata Nilai Gred dan kemudahan geran pengajian adalah dua pembolehubah yang utama yang kuat mempengaruhi keputusan pelajar-pelajar Diploma Perakaunan untuk meneruskan pengajian dalam program professional perakaunan. Keputusan yang diperolehi amat berguna kepada Fakulti Perakaunan Universiti Teknologi MARA untuk merangka strategi yang sesuai bagi meningkatkan pencapaian Himpunan Purata Nilai Gred dan mengadakan polisi yang menitikberatkan batuan kewangan.

Kunci kata: Keputusan meneruskan pengajian, Diploma Perakaunan, Program Professional Perakaunan, Universiti Teknologi MARA (UiTM)

ABSTRACT (ENGLISH)

This study examines the influence of (1) Gender; (2) Cumulative Grade Point Average (CGPA); (3) Level of English; (4) Parent's educational background; (5) Availability of study grant; (6) Personal attributes and (7) Students' perception on the Diploma in Accounting (DIA) students' decision to pursue professional accounting programmes. Based on a survey of 66 graduating students of part 6, 7 & 8, the findings reveal that CGPA and the availability of study grant are the two main variables found to be significant in influencing the DIA students' decision to pursue professional accounting programmes. The results would be useful to the Faculty of Accountancy of UiTM to formulate the appropriate strategy to improve the CGPA achievement and to have a clear cut policy on financial supports.

Keywords: Decision to pursue, Diploma in Accounting, Professional Accounting Programmes, Universiti Teknologi MARA or Mara University of Technology (UiTM).

ACKNOWLEDGEMENTS

In the name of Allah, the Most Gracious, the Most Merciful

Praise be to Allah, Lord of the Universe, Who gives the blessings and strength to complete my Master Project. Peace and Prayers be upon His Final Prophet and Messenger Muhammad, the ideal role model for human beings.

I would like to take this opportunity to thank my supervisor, Dr. Mohd. 'Atef Bin Md. Yusof for his valuable guidance, input and advice throughout the completion of this Master Project. My appreciation of his contribution is very heartfelt indeed, and may Allah reward him for all his efforts.

My deepest appreciation goes to my mother, son, brother and sisters for their endless love, support and understanding. My thanks for their continuous encouragement and prayers go well beyond what can be expressed here.

My deepest appreciation also goes to my friends and lecturers of UUM, for sharing their knowledge and valuable thoughts and for their willingness to listen. Not forgetting, my sincere appreciation to my students at UiTM Kedah for their concern and support.

Lastly, I would also like to extend my warmest gratitude to UUM's library for valuable resources and information which have greatly assisted me towards completing this Master Project successfully.

This Master Project is dedicated to my family.

TABLE OF CONTENTS

TITLE PAGE	
CERTIFICATION OF PROJECT PAPER	
PERMISSION TO USE	ii
ABSTRAK (BAHASA MELAYU)	iii
ABSTRACT (ENGLISH)	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF FIGURES	viii
LIST OF APPENDIXES	viii
CHAPTER 1: BACKGROUND OF THE STUDY	
1.1 Introduction	1
1.2 Problem Statement	6
1.3 Research Objectives	6
1.4 Research Questions	7
1.5 Significance of Study	8
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	9
2.1.1 Gender	10
2.1.2 Cummulative Grade Point Average (CGPA)	12
2.1.3 Parents' educational background	13
2.1.4 Level of English	15
2.1.5 Study grant	15
2.1.6 Personal Attributes	17
2.1.7 Students' Perception	18
2.2 Theoretical Framework	23

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction	24
3.2 Research Instrument	24
3.3 Unit of Analysis	25
3.4 Data Collection Method	25
3.5 Method of Data Analysis	25
3.5.1 Descriptive Statistics	26
3.5.2 Factor Analysis	26
3.5.3 Logistic Regression Analysis	27

CHAPTER 4: RESULTS AND FINDINGS

4.1 Introduction	29
4.2 Descriptive Analysis	29
4.2.1 Part A: Demographic characteristics	29
4.2.2 Part B: Future plan after completing diploma	31
4.2.3 Part C: Level of English	32
4.2.4 Part D: Study grant	32
4.2.5 Part E: Perception	32
4.3 Factor Analysis	33
4.4 Logistic Regression Analysis	34

CHAPTER 5: CONCLUSION

5.1 Introduction	37
5.2 Conclusions, limitations and recommendations	37

REFERENCES	41
-------------------	-----------

APPENDIX I	46
APPENDIX II	51
APPENDIX III	52
APPENDIX IV	57

LIST OF FIGURES

	Page
Figure 1.1: Theoretical Framework	23
Figure 1.2: Percentage of respondents according to gender	30

LIST OF APPENDIXES

	Page
APPENDIX I : The Professional Programmes Course Structure	46
APPENDIX II : First Schedule of the Accountants Act, 1967 (Part I & II)	51
APPENDIX III : Questionnaire Paper	52
APPENDIX IV : List of Tables	57

CHAPTER 1: BACKGROUND OF THE STUDY

1.1 Introduction

Universiti Teknologi MARA or MARA University of Technology (UiTM) is one of the Public Institute of Higher Learning in Malaysia. It currently has twelve branches throughout Malaysia and produces the most Bumiputera graduates.

In respect of accounting programmes, UiTM is the only Public Institute of Higher Learning that offers professional accounting programmes which is conducted at its Shah Alam Campus. The first professional accounting qualification offered by the Faculty of Accountancy of UiTM is Chartered Institute of Management Accountant (CIMA) in 1961, followed by ACCA (the Association of Chartered Certified Accountants) in 1967, MICPA (The Malaysian Institute of Certified Public Accountants) in 1978 and Certified Practising Accountants (CPA) Australia in 2002. Recently, the faculty is proposing the introduction of the Institute of Chartered Accountant of England and Wales (ICAEW).

Of the above five, MICPA is the only local professional accounting qualification. Nevertheless, it has recently signed major accountancy agreement with ACCA. The Mutual Recognition Agreement (MRA) provides a route for members of both MICPA and ACCA to join the other body, and enjoy the benefits which both respected designations can offer. Both institutions of reputation and traditions have joined forces to work on strengthening the Malaysian accountancy profession.

The contents of
the thesis is for
internal user
only

REFERENCES

- Ahmed, K., Alam, K.F. and Alam, M. (1997). An empirical study of factors affecting accounting students' career choice in New Zealand. *Accounting Education*. 6 (4). -335.
- Albrecht, W.S. and Sack, R.J. (2000). Accounting education: Charting a course through a perilous future, accounting education series. *American Accounting Association*, 16.
- Aminah, A. (2009). Gender differences and trends in the participation of Malaysians education: Implications on employment outcomes. *The Journal of International Management Studies*. 4(2). 65-74.
- Arlinghaus, Barry P. (2001). Changing perceptions about public accounting careers. *Ohio CPA Journal*. Apr-Jun2001 60 (2). 22-28.
- Austin, A.W., Green, K.C., Korn, W.S. and Schalit, M. (1986). The American freshman: *National Norms For Fall*. Los Angeles. CA.
- Auyeung, P. and Sands, J. (1997). Factors influencing accounting students' career choice: A cross-cultural validation study. *Accounting Education*. 6(1).13-23.
- Badriyah, M., Arfah, S. and Hashanah, I. (1996). Factors affecting job selection criteria of accounting students. *National Accounting Seminar. Accounting Education in Malaysia at the Crossroads*. (Seminar proceedings). 21 August Mara University of Technology. Shah Alam.
- Baldwin, B.A., and Howe, K.R. (1982). Secondary Level Study of Accounting and Subsequent Performance in the First College Course. *The Accounting Review* 57, No.3, pp. 619-626.
- Barnhart, J. R. (1971). Employer firm selection among accounting majors: An expost study. *Journal of Accountancy*. April.87-90.
- Bundy, P. and Norris, D. (1992). What accounting students consider important in the job selection process. *Journal of Applied Business Research*. 8(2).1-8.
- Byrne, M. and Willis, P. (2005). Irish secondary students' perceptions of the work of an accountant and the accounting profession. *Accounting Education*, Vol.14, pp. 367-381.
- Carpenter, C.G. and Strawser, R.H. (1970). Job selection preferences of accounting students. *Journal of Accountancy*. 12992).84-86.

- CIMA. (2001). Graduates dismiss accountancy as future career option. *Financial Management*. April. 41.
- Cohen, J. and Hanno, D.M. (1993). An analysis of underlying constructs affecting the choice of accounting as a major, *Issues in Accounting Education*, 8(2), pp.219-238.
- Erlene, K.G., Jamaliah, S., Noraini, M.N. & Afizah, H. (2005). Education Amongst Adult Learners In The Klang Valley, *ICDE International Conference*, New Delhi.
- Faridah, A. H., Yap, B. W. & Mohd Alias, L. (2004). A Study On Degree Students' Aspiration To Pursue A Master Degree, *Project No: 20418*, UiTM Shah Alam.
- Felton, S. and Buhr, N. (1994). Factors influencing the business student's choice of a career in chartered accountancy. *Issues in Accounting Education*. Spring. 9(1). 131-142.
- Gammie, E., Paver, B., Gammie, B. and Duncan, F. (2003). Gender difference in accounting education: An undergraduate Exploration, *Accounting Education*, 12(2), 177-196.
- Geiger, M.A. and Ogilby, S.M. (2000). The first course in accounting: students' perceptions and their effect on the decision to major in accounting, *Journal of Accounting Education*, 18(2), pp. 63-78.
- Ginzberg, E. (1951). *Occupational Choice*. New York. Columbia University Press.
- Goh, P.S.C. (2005). Perceptions of Learning Environments, Learning Approaches, and Learning Outcomes: A Study Of Private Higher Education Students in Malaysia from Twinning Programmes, *University of Adelaide*.
- Goon, A. C. (1975). Career aspirations among the Secondary Urban School students. Unpublished dissertation.
- Graf, V. (2005). Study habits, co-curricular involvement in college varies by gender. *The DailyEvergreen*.
from:http://www.dailyevergreen.com/disp_story.php?storyId=14094
- Gul, F.A.(1986). Adaption – innovation as a factor in Australian accounting undergraduates' subject interests and career preferences, *Journal of Accounting Education*, 4(1), pp. 203-209.
- Gul, F.A., B.H. Andrew, S.C. Leong & Z. Ismail, Z. (1989). Factors influencing choice of discipline of study accountancy, engineering, law and medicine. *Accounting and Finance*, 93-101.

- Haswell, S. and Holmes, S. (1988). Accounting graduates employment choice. *Chartered Accountant in Australia*. August. 63-68.
- Hermanson, D.R. and Hermanson, R.H. (1995). Are America's top businesses students steering clear of accounting?, *Ohio CPA Journal*, 54(2), pp. 26-30.
- Horowitz, K. and Riley, T. (1990). How do accounting students see US, *Accountancy* September, 75-7.
- IFAC, (2008). *IFAC Global Leadership Survey and the Accountancy Profession Summary Results*, December 2.
- Inman, B.C. et al. (1989). Square pegs in round holes: are accounting students well-suited to today's accounting profession?, *Issues in Accounting Education*, 4(1), pp. 29-47.
- Lin, M.T. and Fawzi, L. (2006). Students' Beliefs, Attitudes and Intentions to Major in Accounting. *Accounting Education*, 15(2). 167-187.
- Lowe, D.R. and Simons, K. (1997). Factors influencing choice of business majors – some additional evidence: a research note, *Accounting Education: an international journal*, 6(1), pp.39-45.
- Maisarah, A.R. (2007). Internal Governance Structure And External Audit Fee: Malaysia Evidence. *University Utara Malaysia*.
- Malhotra, N.K. (2004). *Marketing Research: An Applied Orientation*, 4th Edition, Edition, Pearson/Prentice Hall.
- Mauldin, S. et al. (2000). The accounting principles instructor's influence on students' decision to major in accounting, *Journal of Education for Business*, pp. 142-148.
- Mohammad, A. Helms, M.M. and Nodoushani, P. (1995). A factor-analytic approach profiling job selection differences of male and female accountants. *Managerial Auditing Journal*. 10(7). 17-24.
- Mohd. Raime, R., Rokiah, I. and Mohd 'Atef, M.Y. (2005), Factors Influencing Career Choice. *School of Accountancy Working Paper*.
- Norrusis, M.J. (1990). *SPSS Base Systems User Guide*. Chicago. SPSS Inc.
- Novin, A. (1997). Education for careers in management accounting, auditing, and tax: A comparison. *Journal of Education for Business*. Sep/Oct. 73 (1). 29-35.
- Pallant, J. (2005). *SPSS Survival Manual*, Version 12, 2nd Edition, Open University Press.

- Paolillo, J.G.P. and Estes', R.W. (1982). An empirical analysis of career choice among accountants, attorneys, engineers and physician. *The Accounting Review*. 57. 785-793.
- Reha, R.K. and Lu, D. (1985). What does it take to be successful in accounting? *Business Education Forum*, 24-28.
- Rokiah, I., Mohd. Raime, R. and Basariah, S. (2001). Job attributes preferences: A case of UUM's accounting students. *School of Accountancy Working Paper*. Universiti Utara Malaysia.
- Saemann, G.P. and Crooker, K.J.(1999). Student perceptions of the profession and its effect on decisions to major in accounting, *Journal of Accounting Education*, 17(1), pp. 1-22.
- Said, J., E.K. Ghani, A. Hashim and N. Mohd Nasir. (2004). Perceptions towards accounting career among Malaysian undergraduates. *National Accounting Research Journal*, 2(1), 31-42.
- Salta, K. and Tzougraki, C. (2004). Attitudes towards chemistry among 11th grade students in high schools in Greece. *Science Education*. 88, 535-547.
- Samidi, J. and Y.H.Tew. (1995). The study on the awareness of secondary school students towards accounting as a profession. *Accounting Seminar: Past, Present and Future*, University Technology MARA.
- Shivaswamy, M. R., and Hanks, G. F. (1985). What do accounting students look for in a job?. *Management Accounting*. June. 6041.
- Soon, K.C. (2000). Young Accountants Convention: Wellcoming speech. organized by Malaysian Institute of Accountants. www.mia.org.my
- Stice, J.D. and Swain, M.R. (1997). The effect of performance on the decision to major in accounting. *Journal of Education for Business*, 73(91), pp. 54-69.
- Tabachnick, B.G. and Fidell, L.S. (1996). *Using Multivariate statistics* (New York: HarperCollins).
- Takiah, M.I., Syed Mohd Ghazali Wafa, S.A.W. & S. Khundari. (2002). To be ahead and to stay ahead. *Accountant National*, 15(8), 15-18.
- Trump G. W., and Hendrickson, H. S. (1970). Job Selection preferences of accounting students. *The Journal of Accountancy* .June. 1970. 84-86.
- Turner, S.E. and Bowen, W.G. (1990). The flight from the arts and sciences: trends in degrees conferred. *Science*, 250(4980), pp. 517-521.

- Vernon, M.D. (1969). *Human Motivation* : Cambridge University Press.
- Wallace, H. (1987). The supply and demand for accounting graduates in Australia-some emerging issues and trends. *Australian Accountant*. 57(5). June. 46-53.
- Wells, P. and Fieger, P. (2006). High school teachers' perceptions pf accounting: an international study. *Australian Journal of accounting Education*, Vol.12 No.1, pp.29-51.
- Wolk, C.M. and Cates, T.A. (1994). Problem-solving styles of accounting students: are expectations of innovation reasonable?, *Journal of Accounting Education*, 12(4), pp.269-281.
- Zikmund, W.G. (2003). *Business Research Methods*, 7th Edition, Thomson South-Western.
- Zikmund, W. G., Catalanello, R. F., and Wegener, S. M.(1977).The Accounting student's job-rating criteria: An experiment. *The Accounting Review*. 52(3) July.729-735.