

# FACTORS AFFECTING STUDENTS' ACADEMIC PERFORMANCE IN FINANCIAL REPORTING COURSE USING FRAMEWORK-BASED TEACHING APPROACH

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## ABSTRACT

Students' performance (academic achievement) is fundamental in producing quality graduates. Many empirical studies are conducted to investigate factors affecting university students' performance. The focus of this study is to measure the relationship between students and lecturers' interaction, lecturers' characteristics and lecturers' knowledge and performance in financial reporting course using Framework-based Teaching Approach. The present study prefers a survey method. Questionnaires were used as instrument in this study and were distributed to students taking Advanced Financial Accounting and Reporting 1 (FAR610) during semester March-July 2017 at the Faculty of Accountancy, Universiti Teknologi MARA, Puncak Alam, Malaysia. Data were randomly selected dan analyzed using Statistical Package for Social Science (SPSS). Based on response from 91 students, the results show that only lecturers' knowledge was positive and significantly related to financial reporting performance. The interaction of students and lecturers, and lecturers' characteristics do not relate to the students' performance in financial reporting course. The result will facilitate lecturers to understand and find new ways to be applied at the beginning of the course to improve students' performance.

**KEYWORDS:** *Framework-based teaching, financial reporting performance, lecturers' characteristics, lecturers' knowledge, student and lecturer interaction*

## INTRODUCTION

Students are the core stakeholders of any learning institution. They are directly involved in the teaching and learning process. Students' performance (academic achievement) is essential in producing quality graduates who will become future leaders and who will contribute to the pool of manpower for the country. In a way, the social and economic development of a country is directly linked with students' academic performance (Ali, Jusoff, Ali, Mokhtar & Salamat, 2009).

The current study is emphasising on academic performance in financial reporting course that is taught using Framework-based Teaching (FBT) approach. A framework-based teaching approach of Malaysian Financial Reporting Standards (MFRS) was first implemented at Universiti Teknologi MARA (UiTM), Malaysia during the semester beginning September 2013. This approach is an innovation in teaching financial accounting and reporting. This teaching approach encourages students to improve their understanding of the economic substance of the underlying transactions and the framework concepts. Therefore, this approach is expected to help students in applying the requirements of a specific accounting standard to the concepts in the Conceptual Framework of Financial Reporting (Azis, Mahmud, Muda, Ismail, Bakar & Saad, 2017).

The framework-based teaching approach of MFRS is a principle-based approach rather than rule-based approach. The focus is on the principles of accounting related to the topic under discussion and why a particular accounting technique is used to process the related information prior to illustrating the mechanism involved in the process itself. This will enable students to cope with previously unseen situations.

The teaching process of framework-based approach can be divided in three stages of progression. The first stage will build students initial awareness of judgements, estimates and models on which financial statements are based. During the second stage, students will have a more comprehensive understanding of the judgements and estimates involved in the application of MFRS. In the third stage, the students will develop the necessary competence to make estimates and judgements in interpreting and applying the requirements of MFRS. Since the teaching process is in stages, it can better prepare the students studying MFRS to make estimates and judgments that are necessary. The framework-based approach also allows for similar topics to be taught more effectively and efficiently.

Previously, researchers that seek to examine factors affecting students' academic performance in accounting have recommended that factors such as gender, prior knowledge in accounting, scientific and mathematical intelligence, class environment, socio economic factor and family education background contribute differences in students' scores. The present research aims to identify and provide more evidences to the factors influencing students' academic performance on financial reporting courses in a developing country. This research conducted in UiTM Puncak Alam, Malaysia is expected to provide supporting evidence for previous results and it can be an additional contribution to previous research.

Students' achievement may depend on how the lecturers conducted the class. As each individual student interprets and responds to the subject matter differently, it is therefore crucial for lecturers to consistently review their teaching competences in respect of subject knowledge, lecturer attendance, teaching skills and lecturer attitude (Muzenda, 2013). Hence, the collaboration which encompasses interaction between students and lecturers, lecturers' characteristic and lecturers' knowledge are addressed in this study in order to effectively enhance transmission of knowledge and information from the lecturer to the students, thus enhancing the students' result in financial reporting courses.

The interaction of students and lecturers is considered important in creating a pleasant learning environment. It is beneficial for the students' development. According to Myers, Martin & Mottet (2002), lecturer's communication and interaction with students has significant influence on students' opinion of their motivation, satisfaction and learning achievement. In addition, interaction represents a medium affecting students' motivation and the achievement of learning outcome and academic performance. This is supported by Mushtaq & Khan, (2012) in their research that found communication, learning facilities and

proper guidance are the factors that affect the student performance. Ganyaupfu (2013) reported that interaction between the teacher and students during the teaching and learning process encourages the students to acquire knowledge rather than the lecturer takes complete control over the delivery process to transmit information to the students.

However, there exists a weak correlation between the commitments of the lecturers and the performance of the students. Generally, the quality of the students might be one of the factors that contribute to their academic achievement such as students' attitude and discipline Tengku Shahdan, Ghani & Elham (2012).

The importance of lecturers' characteristics in realizing educational goals and objectives in any educational system cannot be denied. Lecturers' characteristics are the instructional behaviours exhibited by the lecturer towards goal attainment. Mohidin (2009) in his study found out only lecturer characteristics variables and teaching centered approach have positive relationship with effective teaching. The results signal that lecturer characteristics also play an important role in determining the effective teaching especially in accounting subjects. Some of the observable characteristics available in the literature are lecturers' gender, age and teaching experience.

Majdi, Ghani and Bakar (2016) found that both lecturers' gender and experience influence students' performance. The results of this study show that lecturers would influence students of the opposite gender more than the same gender and the relationship is negative. That is, male lecturers would influence female students to perform better than male students and vice versa. In addition, students that have more experienced lecturers seem to perform better than students that have less experienced lecturers. Such results indicate that lecturers that have longer working experience in the academic line would influence their students' performance. From the perspective of experiential learning, the students with some experiences in the industry are able to reflect the learning process better with the guidance from the instructor i.e. experienced lecturers (Clark, Threton & Ewing, 2010). The findings was supported by Kosgei, Mise, Odera and Ayugi (2013) who tried to establish the relationship between teacher characteristics and students' academic achievement. Result revealed that teachers with 3 years and above of teaching experience recorded higher student academic achievement. In contrary, Slater, Davies and Burgess (2011) found that teachers' gender, age, educational attainment and teaching experience have no statistical significant association with teacher effectiveness that may indirectly affect students' academic performance.

One of the important factors which play a part in improving cognitive abilities is lecturer professional competencies. Lecturer should have a broad and deep knowledge regarding the courses they teach. According to Eggen and Kauchak (2006), subject knowledge can be seen from three dimensions namely, content knowledge, pedagogical knowledge of content and general knowledge. It is a statement of fact that when a lecturer does not possess these three dimensions, then the lecturer cannot teach what he or she does not know. Further, this has been confirmed by research that the ability of a lecturer to teach effectively depends on the depth of knowledge the lecturer possesses (Adediwura & Tayo, 2007).

Metzler and Woessmann (2012) have studied the relationship between lecturer competencies and students' outcome. They discovered quality teaching is directly related to the students' achievement and it is significant for lecturers to develop strong teaching competencies in order to deliver quality teaching. One of the lecturers' competencies they specifically mentioned in their study was lecturers' subject knowledge because without

having subject knowledge, the lecturer is unable to comprehend the students with relevant knowledge and skills required for that particular subject. Therefore, the subject knowledge is essentially important for lecturers so that students could meet the desired learning outcome and are satisfied with their learning.

Long, Ibrahim and Kowang (2014) also investigated on lecturer competencies such as knowledge on subject, clarity of presentation, interaction with students, teaching creativity, clarifying learning outcome, class activity and lecture notes and all items are significantly relating to student satisfaction positively. The findings also show that lecturer's knowledge of subject contributes most to students' satisfaction. Dissatisfied students may cause poor academic performance.

Although most studies found the positive relations, studies by Bonney, Amoah, Micah, Ahiamenyo and Lemaire (2015), Kosgei et al., (2013) and Prasetio, Azis, Fadhilah and Fauziah (2017) do not support the statement that professional competency (lecturer's knowledge) has a significant relation with students' academic performance.

Despite the fact that previous studies had addressed many aspects of teaching and learning in connection with students and lecturers interaction, lecturers' characteristic and lecturers' knowledge and academic performance, findings from these studies vary depending on whether the research is conducted within countries, regions, cities or rural areas. Conducting the studies at secondary schools or in tertiary institutions would also produce mixed results. Thus, this study was found still necessary for possible confirmations or refutations or even still to help put facts in the right perspectives on the lecturers' contribution in achieving better students' academic performance in financial reporting courses.

In the next part, methodology is briefly discussed, followed by results and discussion, conclusion, acknowledgement and references.

## **METHODS**

The sample of this study was selected from accounting students of Bachelor of Accountancy at Faculty of Accountancy, Universiti Teknologi MARA, Puncak Alam, Malaysia that studied the first advanced financial and reporting course. This batch of students was preferred since they had gone through the complete cycle of framework-based teaching approach. The questionnaire was distributed to this group of accounting students in September 2017 and 91 students had participated in this study.

Using previous literature, questionnaire survey was designed and used as the research instrument in this study. This approach is regarded to be an effective method in evaluating large samples and it allows participants to convey their opinion without being influenced by others. The questionnaire is designed to obtain all information needed to achieve the objective of this study. The questionnaire consists of 4 sections. While Section A is related to the respondents' demographic profile such as gender, entry requirement, English proficiency, grade in advanced financial accounting and reporting course; Section B relates to the interactions between students and lecturers. Section C is regarding the lecturers' characteristics and questionnaire related to lecturers' knowledge is included in Section D. This study used SPSS in analysing the data. A reliability coefficient of the instrument using Cronbach Alpha in this study is 0.892.

The regression model that has been used to investigate the influence of the interaction of students and lecturers, lecturers' knowledge and lecturers' characteristics on students' performance in financial reporting is as follows:

$$\text{Performance} = \alpha + \beta_1\text{SLI} + \beta_2\text{LK} + \beta_3\text{LC} + \xi$$

Where:

SLI is students and lecturers' interaction

LK is lecturers' knowledge

LC is lecturers' characteristics

$\xi$  is the residual error

## RESULTS AND DISCUSSION

### Demographic Profile

The summary of descriptive statistics of the demographic profile of the respondents in this study is summarized in Table 1 below.

**Table 1: Demographic Statistics**

	No.	%
Gender:		
Male	17	18.7
Female	74	81.3
Entry requirement:		
Matriculations	1	1.1
Diploma	78	85.7
Others	12	13.2
English Proficiency:		
Limited user	1	1.1
Modest user	35	38.5
Good user	49	53.8
Very good user	6	6.6
Cumulative grade:		
Average (2.00 – 2.99)	1	1.1
Good (3.00 – 3.49)	21	23.1
Excellent (> 3.50)	69	75.8
Grade in financial reporting:		
Below average (2.00)	1	1.1
Average (2.33 – 2.67)	14	15.4
Good (3.00 - 3.33)	34	37.4
Excellent (3.67 – 4.00)	42	46.2

Out of 91 respondents, 74 of them were female whilst the remaining 17 respondents were male. Most of the respondents had taken diploma in accounting programme representing

85.7%. This finding is expected since the main feeder of degree in accounting programme comes from graduates in diploma in accounting programme. In terms of English proficiency, around 60% of respondents are either good user or very good user. It suggests that they are able to link and apply the accounting concepts learnt satisfactorily. Results in Table 1 shows that 76% of the respondents have excellently performed as their cumulative grade is above 3.50. In relation to performance in financial reporting, 46.2% and 37.4% of the respondents obtain grade of 3.67 to 4.00 and 3.00 to 3.33 respectively. It indicates that more than 80% of the respondents are able to perform in the financial reporting course.

This finding supports the suggestion that the use of framework-based teaching approach in teaching Malaysian Financial Reporting Standard (MFRS) will improve the students' understanding and application of a specific accounting standard to the concepts in the Conceptual Framework of Financial Reporting.

## Multiple Regression Analysis

After performing the necessary tests on normality and other assumptions related to multiple regression, Table 2 shows the results from multiple regression analysis.

**Table 2: Multiple Regression Analysis**

Variables	$\beta$	t	Sig
Constant	0.896	1.311	0.193
Students and Lecturers Interaction	0.007	0.312	0.756
Lecturers' characteristics	0.005	0.181	0.857
Lecturers' Knowledge	0.056	2.051	<b>0.043**</b>
Adjusted R <sup>2</sup>	0.120		
F value	5.107***		

Results in Table 2 suggest that lecturers' knowledge has a positive and significant influence on students' performance in financial reporting course. Consistent with Adediwura and Tayo, (2007), Muzenda (2013) and Long et al., (2014), effective teaching depends on the lecturers' knowledge which will assist students in the learning process. Knowledgeable lecturers will be able to summarise and link not only the concepts emphasized in the Malaysian Accounting Standard Board's Conceptual Framework but also the application of related accounting standards.

On the other hand, the interaction of students and lecturers as well as lecturers' characteristics have no influence on students' performance. Unlike Long et al., (2014), Mushtaq and Khan (2012) and Ganyaupfu (2013), this study suggests that lecturers' interaction with students does not influence students' motivation and attitudes towards performance in financial reporting course. In contrast with Altunisik (2013) and Muzenda (2013), this study finds that the characteristics of lecturers have no influence on the students' performance. This study suggests that lecturer related factors are not major influence in determining accounting students' performance in financial reporting course. It could be due to the possibility that the respondents are regarded as high achievers which normally have good attitudes and they are able to learn independently.

Other factors such as personal characteristics of the students should be considered in future research as they may contribute more to their performance (Tengku Shahdan et al., 2012) since students have more responsibilities toward effective learning.

## CONCLUSION

The purpose of this study is to determine the factors affecting students' performance in financial reporting course using the Framework-based Teaching approach. The questionnaire survey method was used for data collection and the data were analysed using SPSS. The finding indicates that lecturers' knowledge has a positive and significant influence on students' performance in financial reporting course since knowledgeable lecturer will be able to apply, summarised and link the related accounting standards with the concept highlighted in the Conceptual Framework. However, the interaction of students and lecturers, and lecturers' characteristic do not influence students' performance. This could be due to the possibility that the students already have good attitude and able to learn independently. In order to improve students' performance, the lecturers should enhance their knowledge and find new creative ways to assist students in the learning process. Their knowledge and positive behaviour will certainly add new insights and experience for the students, thus contributing in preparing the students for life after graduation.

This study is conducted on students taking FAR610 Advanced Financial Accounting and Reporting 1, who already have a good understanding of framework-based teaching approach and in Puncak Alam campus only. The findings cannot be generalised for all FAR610 students in all campuses as other campuses may have different results. The current research is more focused on lecturers' standpoint that will affect students' performance. Other factors should also be considered such as students personal characteristics for future research.

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