

## **ACCOUNTING EDUCATION IN INDIA: EVOLUTION AND EMERGING NEEDS**

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### **ABSTRACT**

The Accounting Education in India had touched the new heights in recent years. Many students opt this course to make their career in corporate and Government sector. The accounting profession is an important profession in modern business society. In the era of Globalization, Accounting education has totally changed and faced new challenges in this regard. The world Trade Organization reforms call for restructuring of the service sector including accounting service. Accounting education is given more attention in this emerging scenario. The Information Technology and the Globalization of Markets are the two other major governing factors impacting various changes in accounting education. Accounting as a main subject imparted to the students in Graduation and Post-Graduation level of different Universities/Colleges of the Country. But many students are not able to make the application of accounting education in their practical working. The emerging scenario of accounting education should not be restricted to the traditional accounting rather it should incorporate E-Commerce and software based accounting curriculum. This advance and technical accounting knowledge and skills enable the students to be more professional in career. This paper presents the needs, trends and career opportunities for accounting professionals in accounting education. The current work is based on the secondary data collected from journals, research papers. The conclusion based on evidences shows that accounting education, as a whole is still in need to reform so that it proved to be more effective in reducing unemployment and to face the present challenges of global economy in the field of business and industry.

**KEYWORDS-** Accounting Education, Corporate and Government sector.

### **INTRODUCTION**

Accounting education is about accounting and education but both are global phenomenon. If there is to be one global accounting education model it need to ensure that it will meet the needs of business and society in all jurisdiction. In the era of globalization and liberalization the business and industry has to face many challenges like up-gradation of the technology, quality improvement, satisfaction of the customer, and outsourcing technique. The Government of Mumbai was the first to introduce accounting education by the conducting of the courses of study. By passing the examination of the Government Diploma in Accountancy (G. D. A.) conducted by the Mumbai Government, the qualification of being an auditor was obtained.

Since then almost all the educational institutions are imparting accounting education in their graduation and post graduate level. In the year 1999, the professional bodies like ICWA, ICAI AND ICSI considered accounting education as an important source in order to develop professionals in India in the field of business and industry. These professionals' bodies established their own educational institutions to provide accounting education in India.

Nowadays significant challenges are faced in teaching accounting. Reason is that it aims at educating youngster who is going to work in corporate sector which use advanced Information Technologies and endeavor promoting continuous organizational change. There are 1269 Accounting colleges in India imparting accounting education. Some of the top colleges are Christ University, Bangalore, Madras Christian college, Geeta University, Panipat, Jain deemed University, St. Josephs college of Commerce, St. Xavier's college, Ramanujan college etc which provides accounting education. Some of the professional colleges like ICAI, ICWA and ICSI etc, which enables the students to become a perfect accounting professional. It requires not only receiving the necessary knowledge but also the abilities to adept himself for succeeding. Accounting education in certain developed countries has undergone a paradigm shift in tune with the changing global economic environment. The environment of accounting in the various developing economies has also changed and certain new challenges have emerged. It requires not only receiving the necessary knowledge but also the abilities to adept himself for succeeding. Hence the accounting education and profession should not be neglected in this scenario. The Information technology and the Globalization of Markets are the primary factors requiring various changes in the accounting education and research.

## **REVIEW OF LITRATURE**

Deppeet AL (1991) in their study explained that accounting education must change to meet the requirement of the changing profession of various business organizations and also suggest that accounting student must develop competencies in seven areas; communication skill, information development and distribution skill, decision making skill, knowledge of accounting, auditing, tax, knowledge of business environment, professionalism and leadership development.

(Das, 2017). Akhidime and Eriabie (2013) They argue that the contents of the academic and professional accounting curriculum must be increased and replaced the four-year accounting programme. Mishra (2014) examined the objectives of accounting education to be effective in order to face future challenges of global economy in the field of business and industry.

## **OBJECTIVES**

The present study is based on the following objectives.

1. To highlight the need of Accounting in India.
2. To know about the accounting history and trends.
3. To know about the career opportunities for accounting professional.

## **METHODOLOGY**

This study is based on the secondary data collected from various research paper, Journal, books, published material.

## **NEED FOR ACCOUNTING EDUCATION**

Accounting is an important part in business or an organization. It is like blood in human beings. without blood human do not survive. Without accounting business cannot exist. The success of business depends on efficient accountant personals provided by accounting education. Accounting plays an important role in obtaining a higher standard of living because it helps to identify efficient and inefficient users of resources. The training and education acquired by an accountant is not sufficient to discharge his duties in a proper manner and make him display such rare attributes as the maintenance of a strict standard of

professional skill, expertise and ethics. The role of accounting goes far beyond mere record-keeping. It provides a clear picture of a business's financial health, enabling informed decision-making, attracting investors, and fostering trust. Accurate and transparent financial reporting is vital for economic growth, as it strengthens investor confidence and promotes a stable business environment.

## **HISTORY OF ACCOUNTING**

### **The Early Days (1500 BCE - 3rd Century BCE)**

The history of Indian accounting begins from the Vedic Age (1500 BCE – 500 BCE). This era witnessed the rapid development of the Indus Valley Civilization, known for its well-developed trade networks. Terms like "Kraya" (sale), "Vanij" (merchant), and "Sulka" (price) was found in Rigveda text. These references suggest a need for some form of record-keeping to track transactions and manage finances. People experienced the Arthashastra, a text written by the legendary Chanakya (also known as Kautilya) during the Mauryan Empire (3rd century BCE). It was considered as a foundational work on statecraft, economics, and military strategy. The Arthashastra specifies the appointment of officials responsible for maintaining accounts and conducting regular audits. The Arthashastra explored surprisingly deep into the area of accounting for a sovereign state by providing a fascinating glimpse into the early development of accounting practices in India. While it doesn't explore into the specifics of double-entry bookkeeping, it establishes the need for systematic record-keeping to manage the financial affairs of a kingdom.

### **Temples and the Rise of Record-Keeping (3rd Century BCE - Onwards)**

Temple authorities needed to carefully track income from land yields, offerings from devotees, and business ventures. Expenses related to construction, maintenance, rituals, and staff salaries had to be recorded and monitored. Inventory management was equally crucial, as temples might hold precious metals, jewels, artworks, and vast stores of food and supplies. Luca Pacioli's work in 1494 Europe is often credited, the existence of Bahi-khata suggests a parallel development in India. Whether a direct connection exists remains a topic of ongoing research. Regardless, the carefully record-keeping practices employed by temple administrators undeniably contributed to the evolution of accounting in India.

### **The Debate: The Double-Entry System (Uncertain Origins)**

Double-entry bookkeeping, considered a cornerstone of modern accounting, is a system where every financial transaction is recorded twice – once in a debit account and once in a credit account. This ensures that the total value of debits always equals the total value of credits, creating a self-balancing system and fostering accuracy.

Imagine a giant financial seesaw – debits go on one side, credits on the other, and for the seesaw to remain balanced, the weights must be equal. This system allows for easier detection of errors and provides a clear picture of a business's financial health. Pacioli's work undoubtedly played an important role in popularizing double-entry bookkeeping across Europe. They point towards evidence suggesting the existence of a similar system in India, known as "Bahi-khata," potentially predating Pacioli's work.

What's important to acknowledge is that regardless of its exact origin, the presence of Bahi-khata highlights the sophistication of accounting practices in India centuries before Pacioli's work.

### **Colonial Era and Modernization (18th Century Onwards)**

With the arrival of the British East India Company in the 18th century, the landscape of Indian accounting began to shift. British colonial rule introduced Western accounting practices, emphasizing standardization and regulation. While traditional methods like Bahi-khata continued to be used in some sectors, a gradual shift towards a more formal system took place.

The establishment of regulatory bodies like the Institute of Chartered Accountants of India (ICAI) in the 1940s further solidified this trend. The ICAI played a crucial role in professionalizing the accounting field, setting standards for qualifications and ethical conduct. Indian accountants began incorporating internationally recognized accounting principles into their practices, ensuring greater transparency and facilitating global trade.

This period witnessed a move away from manual record-keeping towards more sophisticated methods. The adoption of typewriters, calculators, and eventually computers, streamlined accounting processes and improved efficiency. Accounting education also underwent significant changes, with universities introducing specialized accounting programs to meet the demands of the modern business world.

However, the influence of British rule wasn't without its challenges. Some argue that the imposition of Western accounting standards overshadowed and potentially undervalued the rich heritage of indigenous practices like Bahi-khata. Today, India strives to find a balance, leveraging international best practices while acknowledging the strengths of its unique accounting traditions.

### **Present Day and Finding:**

Today, India boasts a robust accounting system that reflects its unique history and global aspirations. Accounting practices adhere to a blend of International Financial Reporting Standards (IFRS) – a globally accepted set of accounting principles – and domestic regulations tailored to the Indian economy. This ensures transparency and facilitates seamless integration with international financial markets.

The role of accounting goes far beyond mere record-keeping. It provides a clear picture of a business's financial health, enabling informed decision-making, attracting investors, and fostering trust. Accurate and transparent financial reporting is necessary for economic growth, as it strengthens investor confidence and promotes a stable business environment.

### **A Glimpse into the Future**

#### **ACCOUNTING TRENDS:**

1. **Automated Accounting Processes-** Automation process includes automating of significant tasks related to finance and accounting by using software like accounts reconciliation, updating financial records etc. 70% of companies have reported substantial ROI (Return on Investment) after using automation processes.
2. **Cloud -based Accounting-** In cloud based Accounting business books are maintain through online mode. Current financial records can be viewed from anywhere.
3. **Data Analytics and Forecasting Tools-** Businesses and accounting firms use these tools for budgeting, tax consulting, risk management, and auditing.
4. **Role of Artificial Intelligence-** optimize administrative task, work flows and accounting processes that results in structural changes for business.

5. Forensic Accountancy- Forensic accountants have the skills and knowledge in accounting, criminal and civil law, and IT.
6. Blockchain provides secure record-keeping and reduced fraud.

Career Opportunities for accounting professionals-

1. Auditor.
2. Information and Technology Accountant.
3. Senior Financial Analyst. 4. Forensic Accountant and Managerial Accountant.
5. Controller
6. Chief Financial Officer.
7. Managerial Accountant.
8. Company Secretary and Chartered Management Accountant etc.

### **FINDINGS OF THE STUDY**

1. The accounting education imparted by different universities and professional institutions are not substantial to meet the challenges of present scenario.
2. Accounting education will make a revolutionary change in national and international business and industry by making Technological development.
3. Accounting plays the vital role in ensuring financial health, transparency, and economic growth

### **CONCLUSION**

Accounting education is the core stream in business and industry. In the Era of Globalization, accounting education has totally changed and certain new challenges are in front of accounting education, need to provide new skills knowledge to accounting graduate who enter the profession, so that more employability can be created for the students of accounting education .Accounting Education need traditional subject replace with E-commerce and software based accounting curriculum and to improve the content level of accounting and taxation, computer subjects, business report writing, communication skills, problem solving and analytical. Skills so as to meet the challenges of change in the business and industry.

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