

Accounting Education for the Implementation of IFRS in Indonesia

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Abstract

The purpose of this paper¹ is to investigate the effect of accounting education on the implementation of International Financial Reporting Standards (IFRS) in undergraduate and graduate schools in Indonesia. First, we focus on how accounting curricula and textbooks for IFRS education have been prepared in universities in Indonesia. Secondly, we investigate the efforts of Indonesian faculty members to teach IFRS to their students. Further, we examine the plans for incorporating IFRS into accounting education.

Keywords: International Financial Reporting Standards, IFRS, Accounting Education, Curricula, Syllabi

1. Introduction

1.1. Background

International Financial Reporting Standards (IFRS) have had an important impact on accounting standards in many countries across the world, and have already been accepted in more than 120 countries.

The fast pace of globalization and the nature of international financial markets have stimulated the need for a common financial language. IFRS, led by the International Accounting Standards Board (IASB), has become this common language. The IASB originated from the International Accounting Standards Committee (IASC) which was established in 1973 (Kennedy 2010). Around 120 countries have completely or partially adopted IFRS. The European Union (EU) has now made it mandatory for publicly traded companies to use IFRS to prepare their consolidated financial statements (Brackney and Witmer 2005), and Indonesia recently announced its plan to adopt IFRS by 2012.

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Until recently, IFRS has not been well-recognized in Japan. However, a joint project by the Accounting Standards Board of Japan (ASBJ) and IASB, known as the Tokyo Agreement, sought to improve convergence between IFRS and Japanese GAAP. Furthermore, in 2009, *the Interim Report*² of the Business Accounting Council (BAC) was published and stated that mandatory IFRS may be introduced in 2015-2016, as long as the judgment is made in 2012³. However, in June 2011, BAC changed its attitude and decided to postpone the judgement. Regardless of this fact, improving the education and understanding of IFRS amongst Japanese stakeholders, companies, and academics is essential in order to ensure successful adoption.

Indonesia was one of the first countries in Asia to promote convergence toward IFRS, and it has committed to begin IFRS implementation from 2012. However, we believe that problems in IFRS education exist in Indonesia and that these may vary across different faculties and universities. Specifically, we think that the English language may cause difficulties for the teaching staff in Indonesia and Japan.

Our study has two objectives: (1) to investigate the current status of IFRS implementation in higher education in Indonesia, especially the coverage of IFRS in undergraduate and professional accounting programs; and (2) to examine the factors which influence whether accounting courses incorporate IFRS-related materials into the curriculum.

To date, we have distributed a survey to several Indonesian universities to establish how their curricula and syllabi have been changed to include IFRS. We have also conducted interviews with Indonesian faculty members.

2. Literature Review

2.1. Internationalizing the Accounting Curriculum

In 1973, the IASC was established to develop a single set of global accounting standards (Bae et al., 2008; Barth, 2008), and IFRS was subsequently established by the IASB. A number of research studies have examined the views of accounting academics and practitioners regarding the importance of the approaches to internationalize the accounting curriculum (Burns, 1979; Mintz, 1980; Agami, 1983; Gray and Roberts, 1984; Al Najjar and Gray, 1992; Huang and Mintz, 1992; Conover et al., 1994; Cobbin and Lee, 2002; Ashcroft et al., 2008). One option is to offer a distinct international accounting course at the senior

² The Interim report made two key points: (1) It is appropriate that the use of IFRS is allowed from the fiscal year ending in March 2010, for the consolidated financial statements of certain listed company. (2) The decision regarding the mandatory use of IFRS is to be made around 2012, though the timing may be moved back or forward depending on various factors. It is important to ensure a sufficient preparation period of at least three years before the mandatory use starts.

³ This depends on the agreement, "Application of International Financial Reporting Standards (IFRS) in Japan (Interim Report)," by the Planning and Coordination Committee of committees in the Business Accounting Council (BAC) on June 11, 2009.

undergraduate or graduate level. Alternatively, another option is to integrate international aspects into an existing accounting course (Tonskar et al., 1998; Adhikari et al., 1999).

2.2. IFRS Benefits and Challenges

Adopting IFRS can be beneficial as well as challenging. One of the advantages of having a common set of financial standards is the ability to validly compare the financial reporting of different global companies (Smith, 2008). In addition, using IFRS can enable cross-border investment and facilitate the flow and access to global capital markets (Anderson, 1993). Further benefits include minimizing diversity, complexity, and the possibility of mistakes in the financial reporting process.

In contrast, there can be a range of cultural, political, and legal challenges (Rezaee et al., 2010). A major challenge of adopting IFRS is the costs associated with its adoption. These costs include expense for staff training/education and the implementation of information technology systems. The Securities Exchange Committee (SEC) in the United States estimates that the transition to IFRS in the first year of filing will cost firms between 0.125% and 0.13% of their revenue. Moreover, early adoption will cost a firm \$32m in 2010 (Johnson and Leone, 2008). Another key challenge is to overcome the resistance to change by both academics and practitioners (Rezaee et al., 2010).

2.3. IFRS in Accounting Subjects

Accounting instructors might consider several factors when deciding whether or not to extensively cover IFRS in their courses. For example, one important component of the SEC work plan involves assessing the readiness of all parties involved in the financial reporting process for a conversion to IFRS. This assessment may require changes to the university accounting curricula. In other words, given that principles-level accounting courses often represent the non-accounting business majors' only contact with accounting (McClure, 1988), instructors should consider the role that education directed at users will play in SEC's assessment and how the curriculum can prepare students for global financial reporting (Barth, 2008).

Possibly, accounting instructors believe that comparing IFRS with United States GAAP improves students' understanding of fundamental accounting concepts. Comparing alternative accounting treatments across different countries can highlight the interdependence of accounting practice and its regulatory environment, providing students with a rich illustration of accounting issues and responses under various conditions (Adams and Roberts, 1994; Laidler and Pallett, 1998). Moreover, Sunder (2010) highlights that discourse concerning the consequences of alternative accounting treatments of economic events can lead students to understand the importance of judgment, while developing critical thinking skills.

The SEC originally planned to decide in 2011 whether the IFRS should be adopted for the consolidated financial statements of domestic listed companies, while Japan planned to make the judgment a year later. The decisions of Japan and the United States will garner interest worldwide because of their likely impact on accelerating IFRS adoption. Both the SEC and Japan recently decided to postpone the judgments. However, there is still strong interest in IFRS in both countries. This increased interest in IFRS will, however, likely expose the problems in accounting education in Japan. Hiramatsu (2011) warned that the accounting power of Japan might be determined by how many companies use IFRS. An urgent consideration in accounting education is how we ensure that accounting professions have the necessary technical knowledge and initiative power in English (Yanaga, 2011).

Fujinaga (2010), in line with other authors (e.g., Hatta, 2010; Hashimoto, 2010; and Shiba, 2010) insists that in our modern society, a scientific study of accounting is essential and that educational institutions recognize the multifaceted nature of global accounting in this new era. Since IFRS depends on a conceptual framework, it is important that educators not only understand the principles and theory of IFRS but also appreciate its ability to be adjustable for financial transactions, as illustrated by several case studies (e.g., Hashimoto, 2010).

2.4. Perceptions of IFRS

Previous research suggests that faculty member's beliefs can influence curriculum decisions. For example, Mayhew and Grunwald (2006) found that an instructor's opinion about diversity is associated with his or her decision to incorporate diversity-related materials into course content. In addition, students have indicated that instructors are often resistant to change because of concerns regarding whether the change will have a positive impact on student's education (Langenderfer and Rockness, 1989). This resistance to change is still evident when improved teaching materials and revised incentives are provided (Libby, 1991). Cohen et al. (1991) found that faculty member's attitudes towards the value of accounting internationalization are associated with the existing coverage of international issues in the undergraduate accounting curricula.

The uncertainty of whether a country intends to adopt the IFRS has also been found to affect the coverage of IFRS in an institution's curricula (Zhu et al., 2010). As a result, views regarding both the timing and format of IFRS adoption are likely to be important factors in the decision to incorporate IFRS in accounting courses. We hypothesize that educators will be more likely to cover IFRS when they perceive that IFRS will be adopted in the near future.

2.5. Institutional Factors

Existing studies have highlighted several institutional factors that can influence what is included in the accounting curriculum. Institutional size has been linked to the provision of

advanced auditing courses (Groomer and Heintz, 1994) or teaching cases (Libby, 1991). Groomer and Murthy (1996) identified several institutional factors that affect the course content of Accounting Information System (AIS), including the size of university, type of university (e.g., public or private), number of AIS faculty members in the department, and whether the institution is a doctoral granting school.

Research evidence also documents how administrative pressures and influences from departmental colleagues impact the classroom. Dow and Feldman (1997) identify the size of the accounting department as an influencing factor, while Alvarez et al. (2009) highlight that time constraints heavily impact the decision to voluntarily add extra content to the curriculum. Furthermore, Neumann (1992) suggests that research interests at the departmental level provide direction for the framework of the courses offered. This is supported by Mayhew and Grunwald (2006) who found that faculty members are more likely to cover diversity in their classes when they perceive that their department is committed to diversity.

We suggest that the demand for IFRS coverage in accounting courses is associated with a diverse student population or an environment where colleagues and administrators are committed to IFRS. In other words, if the accounting course curriculum responds to student demands, the level of perceived student interest in international accounting topics should be related to the intensity of IFRS coverage. Besides this, if the department plays a significant role in curriculum development by establishing course objectives and assessments and determining paths to graduation, this may also influence the discretionary class time available to instructors in an already overcrowded curriculum (Tondkar et al., 1998; Adhikari et al., 1999). Furthermore, faculty member's exposure to international accounting issues could influence the coverage IFRS receives in accounting courses, especially if curriculum decisions are made in a group setting. One primary source of such exposure is from colleagues who may cover IFRS extensively in their courses or conduct research on international accounting topics. The influence of these factors on the curriculum choices made by accounting instructors may result in variation in the extent to which IFRS is covered in the accounting principle course.

2.6. Characteristics of Faculty Members

Characteristics of faculty members, such as their background, have been shown to play a significant role in the development of course content (Strak and Lattuca, 1997). Watson et al. (2007) suggest that professional experience has a direct impact on course delivery methods and ultimately impact the skills and knowledge of the students. Dow and Feldman (1997) also show that faculty members who have a doctorate and high research expectations are more likely to use cases in the intermediate accounting course. Mounce et al. (2004) found that the student perceptions of instructor quality are related to the instructor's industry experience.

Finally, Groomer and Murthy (1996) identified several factors that impact the content of AIS courses, including teaching experience, research interest, and training.

3. Method

3.1. Data and Sample Selection

Primary data was collected for this research through questionnaires and interviews. Participants are faculty members teaching students in undergraduate, postgraduate, and professional accounting programs. Due to time constraints, we used convenience sampling to identify participants. The universities were selected on the basis of region and the relationship between the researcher and the faculty member. Appendix 1 contains a copy of the questionnaire issued. Questionnaires were analysed using descriptive statistics.

3.2. The Higher Education Environment in Indonesia

Indonesia has approximately 3,070 universities consisting of both private and public institutions. Table 1 illustrates the frequency of public and private universities, and Table 2 describes the different types of higher education institutions.

Table 1. The Frequency of Different Types of Higher Education in Indonesia

Type of University	Frequency
Public University	83
Private University	2,987

Source: Directorate of Higher Education (2010)

Table 2. Types of Public and Private Higher Education in Indonesia

Types of Higher Education	Frequency
A. Public	
(1) University	48
(2) Institute	6
(3) School of Higher Learning	2
(4) Polytechnic	27

B. Private	
(1) University	425
(2) Institute	46
(3) Polytechnic	141
(4) School of Higher Learning	1,338
(5) Diploma	1,037

For private universities, the Indonesia government has appointed a coordinator to manage them, and each coordinator has the responsibility for handling a certain region (shown in Table 3, below).

Table 3. Coordinator for Private Higher Education in Indonesia

Coordinators	Based on	Region	Number of Higher Education
Region 1	Medan	North Sumatra and Aceh	337
Region 2	Palembang	South Sumatra, Lampung and Bengkulu	206
Region 3	Jakarta	Jakarta	323
Region 4	Bandung	West Java and Banten	467
Region 5	Yogyakarta	Yogyakarta	119
Region 6	Semarang	Central Java	245
Region 7	Surabaya	East Java	320
Region 8	Denpasar	Bali and South East Nusa	134
Region 9	Ujung Pandang (Makassar)	South Sulawesi, South East Sulawesi, Central Sulawesi and North Sulawesi	343
Region 10	Padang	West Sumatra, Riau and Jambi	239
Region 11	Banjarmasin	South Kalimantan, West Kalimantan, East Kalimantan and Central Kalimantan	163
Region 12	Ambon	Maluku and Papua	91

The accounting education program in Indonesia is divided into four categories as follows:

- (1) diploma program;
- (2) undergraduate program;
- (3) postgraduate program; and
- (4) professional accounting program.

Students in professional accounting programs should fulfill certain requirements, which include:

- (1) graduation from an undergraduate accounting program from an accredited university; and
- (2) passing the entrance examination of the Indonesia Accounting Association (IAI)

In addition, completing a professional accounting program is mandatory for every candidate of CPA.

3.3. Final Sample

Both public and private universities participated in this research. Public universities were as follows:

- (1) Gadjah Mada University, Yogyakarta
- (2) Indonesia University, Jakarta
- (3) Airlangga University, Surabaya
- (4) Brawijaya University, Malang
- (5) Udayana University, Bali
- (6) Mataram University, Lombok

Private universities were as follows:

- (1) Trisakti University, Jakarta
- (2) Merdeka University, Malang
- (3) UPN, Yogyakarta
- (4) STIESIA, Surabaya
- (5) STIE Perbanas, Surabaya
- (6) Warmadewa University, Bali

Tables 4 and 5 describe the number of students and lecturers who participated in the research, by university.

Table 4. Students and Lectures for Undergraduate Program

No.	Name	Number of Undergraduate Accounting Students	Number of Lectures
1.	Gadjah Mada	911	13
2.	Indonesia	1,470	57
3.	Airlangga	1,616	19
4.	Brawijaya	1,554	34
5.	Udayana	1,384	30
6.	Mataram	573	26
7.	Trisakti	2,680	82
8.	UPN Yogyakarta	1,189	24
9.	Merdeka	321	16
10.	STIESIA	1,479	36
11.	STIE Perbanas	784	18
12.	Warmadewa	309	16

Source: Education Ministry (2008/2009)

Table 5. Students and Lectures for Postgraduate and Professional Programs

No.	Name	Number of Postgraduate and Professional Accounting Students			Number of Lectures		
		PhD	Master	Professional	PhD	Master	Professional
1.	Gadjah Mada	53	399	135	7	12	6
2.	Indonesia	17	296	201	8	10	8
3.	Airlangga	–	56	54	–	9	6
4.	Brawijaya	30	133	74	6	7	6
5.	Udayana	–	76	80	–	6	8
6.	Mataram	–	–	–	–	–	–
7.	Trisakti	–	204	268	–	10	4
8.	UPN Yogyakarta	–	–	–	–	–	–
9.	Merdeka	–	–	–	–	–	–
10.	STIESIA	–	69	20	–	6	1
11.	STIE PERBANAS	–	–	–	–	–	–
12.	Warmadewa	–	–	–	–	–	–

Source: Education Ministry (2008/2009)

4. Results

4.1. Results from the Interviews

Indonesian accounting standards (I-GAAP) were based on United States GAAP, but in recent years, they have been further developed by the Indonesian Institute for Certified Public Accountants on the basis of IFRS. The convergence of I-GAAP and IFRS is due to finish by 2012, following the implementation of 20 I-GAAP standards in 2008 and an additional 18 in 2010.

In Indonesia, there are three kinds of accounting standards: (1) Government Accounting Standard (I-GAAP) (which cover approximately 500 listed companies that will converge on IFRS), (2) Small and Medium-sized Enterprise Accounting Standards (SME's) for about 100,000 medium and small-sized businesses, and (3) Syariah Accounting Standards for Islam banking. Therefore, we have to distinguish between these accounting standards in Indonesian university courses.

The results show that some universities have already changed their curricula or syllabi (e.g., Gadjah Mada, Indonesia and Trisakti University). Trisakti, for instance, made preparations to implement IFRS in their syllabus since 2009. Financial accounting courses (i.e., principle accounting course, intermediate accounting course, advanced accounting course, and accounting theory course) have seen the most substantial changes.

In contrast, other universities like Brawijaya University have not yet (as of November 2010) made any changes to the curriculum to include IFRS. They have however included IFRS in their syllabus as one element of the principle accounting course. They plan to prepare for changing their syllabus once the Government starts the IFRS implementation in 2012.

Specifically, Brawijaya University has the policy that faculty-training teach IFRS is based on the fulfillment of IFRS education. Therefore, it designed a workshop and seminar for studying IFRS aimed at teachers and the preparation of teaching materials for IFRS. However, they have identified two key problems: (1) there is not enough funding for teachers to obtain and understand IFRS textbooks; and (2) it is difficult to understand the original IFRS written in English. It takes a lot of time to translate the English IFRS for students, and some faculties struggle to do this owing to poor English skills (a similar problem is observed in Japan).

We also found that in Merdeka University in Malang, the policy for teaching focuses on technical accounting for business, rather than theoretical accounting at the intermediate level. The accounting standards are regarded as one element in the accounting subjects. Interviews revealed that most faculties understand the importance of IFRS education, but, nevertheless, barriers to IFRS education exist, including: (1) improving English language skills for students and teachers; and (2) developing higher levels of research by academics.

We also identified that some universities are doing nothing in order to prepare for the IFRS

era. They think that IFRS is just one of several methods that can be used in practice, so they do not think it is necessary to change their syllabi or curricula.

4.2. Results from the Questionnaires

In the second stage of the research, we included academics in Udayana University, Warmadewa University in Bali, and Mataram University in Lombok. For these three universities, we sent questionnaires to undergraduate and graduate faculty members. The content of the questionnaire is illustrated in Table 6 below.

Table 6. Contents of Questionnaire for Faculty Members

Contents	Subjects
General Information	Name of the university
	Length of lecture
	Subject of teaching
	Level of students
	IFRS Education
IFRS Education	Plans to change curricula/syllabi
	Timing of changes to curricula/syllabi
	Level of students to understand IFRS
	Plans to teach IFRS
	Materials needed for IFRS
	Objectives of case study
	Preparation of textbooks for IFRS
	How to incorporate IFRS in teaching
	Problems regarding IFRS
	Teaching support for IFRS
Important subjects for IFRS	

4.3. General Information of Respondents

This research was conducted in 2010. First, semi-structured interviews with key stakeholders in accounting departments were conducted. Second, we developed a questionnaire in order to capture a wide range of information from a large group of respondents. Respondents in this second stage consisted of teachers in three universities: Udayana University, Warmadewa University, and Mataram University. First, we asked them

for some general information. The ratio of respondents for each question is shown in Table 7. The “*” denotes the most respondents who chose this item.

Table 7. Ratio of Respondents

Question No.	a	b	c	d	e	f	N/A	Total Ratio
I D	0.246	0.522 *	0.188	0.029	–	–	0.014	1.000
II 1	0.073	0.195	0.512*	0.146	–	–	0.049	0.976
II 2	0.000	0.525 *	0.525*	0.100	–	–	0.325	1.475
II 3	0.266	0.405 *	0.241	0.051	0.025	–	0.013	1.000
II 4	0.104	0.292	0.375*	0.208	0.167	0.250	0.000	1.396
II 5	0.395 *	0.337	0.186	0.023	–	–	0.000	0.942
II 6	0.458	0.542 *	–	–	–	–	–	1.000
II 7	0.122	0.195	0.171	0.317*	0.146	0.049	0.000	1.000
II 8	0.129	0.387 *	0.274	0.210	0.000	–	0.000	1.000
II 9	0.138	0.230 *	0.126	0.138	0.161	0.103	0.000	0.897
II 10	0.082	0.082	0.082	0.082	0.673*	0.000	0.000	1.000

N/A ; no answer by respondents.

“ – ”; not applicable.

“ * ”; the maximum in the answer.

Table 8 shows the number of respondents within each university. We found that half of the faculty members taught undergraduate students, and 30% taught both undergraduate and graduate students. Table 9 shows the subject taught. Analysis revealed that respondents could be divided into one of two categories: (1) those with extensive experience in education; and (2) those with shorter careers in education. About half of the respondents had more than ten years teaching experience (Table 10). The most frequent group included relatively inexperienced teachers who had more than one year, but less than three years, experience.

Table 8. Respondents by University

University	Frequency
Udayana University	21
Warmadewa University	3
Mataram University	16
Total	40

Table 9. Respondents by Subject Type

Subject	Frequency	Percentage (%)
Accounting	16	35
Management Accounting	4	9
Financial Accounting	3	7
Accounting Information (system)	3	7
Taxation	3	7
Principle Accounting	2	4
Economics	2	4
Accounting Theory	2	4
Auditing	2	4
Intermediate Accounting	1	2
International Accounting	1	2
Cost Accounting	1	2
Basic Accounting	1	2
Corporate Finance	1	2
Information Technology	1	2
N/A	2	4
Total	45	100

Table 10. Teaching Experience

Length of Teaching	Frequency
less than one year	0
less than three years, but more than one year	11
less than five years, but more than three years	2
less than ten years, but more than five years	3
Less than twenty years, but more than ten years	10
more than twenty years	9
N/A	5
Total	40

4.4. Summary of Results

Question 1 was aimed at faculties who had not yet revised the curriculum in preparation for IFRS implementation. In total, 21 responded that they will have a plan in place between 2010 and 2011 to prepare them for IFRS education. Question 2 was aimed at teachers who have already revised the curriculum for IFRS convergence. In response, 21 (52.5%) teachers said that they will finish this between 2010 and 2011. In response to question 3, 53 (40.5%) out of 79 respondents said that they expected comprehensive knowledge of IFRS at undergraduate level.

Question 4 asked about the actions and plans to teach IFRS. Five teachers (10.4%) said that they have done nothing or have no plan to do so. In some cases, teachers took responsibility to develop teaching materials, whilst in another case, a university contributed funds to attend the workshop. It was also found that in one university, the plan is to hire a newly trained teacher for IFRS.

Regarding the educational approach (Question 5), about 60% of respondents identified textbooks and case studies to support teaching in their class. Responses to Question 6 demonstrated that they see the purpose of case studies as emphasizing both the technical requirements and conceptual foundations. In response to Question 7 (about when they can use IFRS textbooks), most respondents expected the implementation to happen between 2012 and 2013. If their expectation is correct, the dissemination of IFRS textbooks would be after the IFRS implementation in Indonesia has started.

In response to Question 8 (on the development of curricula or syllabi if IFRS is adopted as a formal accounting standard in Indonesia), most faculties ($n = 24$, 38.7%) replied that they would teach both accounting standards and concepts at the same time. The second most frequent response was to include a comparison of IFRS and I-GAAP ($n = 17$, 27.4%). It is thought that because IFRS is based on “principles” rather than “rules”, many teachers understand the necessity of standards and concepts. In addition, they also recognize the importance of comparing I-GAAP with IFRS. Analysis also revealed some clear problems facing the development of curricula, teaching materials, and training teachers to teach IFRS: nine teachers (10.3%) said that they were not aware of this.

5. Conclusion

5.1. Conclusion

Our survey of university staff across three Indonesian regions showed that the proposed IFRS implementation in 2012 has had little impact on the curricula and syllabi. Many respondents confirmed that they do not plan to make any changes until the government implements IFRS. The universities that have changed their syllabi are as follows: Gadjah Mada University, Indonesia University, and Trisakti University. In addition to the changes in

the syllabi, Trisakti University has also made their Accounting Standards course mandatory, including both information on IFRS as well as other Indonesian standards (e.g. Government Accounting Standard, SME's Standard, and Syariah Standard). The changes made to the syllabi include adding the IFRS topics and the standard IFRS textbook.

Analysis of the interviews and questionnaires revealed three broad categories in terms of IFRS education in Indonesia: Group A includes those universities that have already changed their curricula and syllabi and are ready for IFRS implementation; Group B consists of those universities who have not yet prepared for changing their curriculum or syllabi as per IFRS implementation, but intend to do so; and finally, Group C includes universities that do not plan to make any changes. Group A was the largest group; however, most faculty members in Group A recognize that it is necessary to put in place something by the end of 2012 (which is the start of IFRS implementation). It should be noted that several teachers of Brawijaya University told to do nothing for IFRS implementation; this is likely the reason that they do not consider that IFRS should be a separate course.

Group B consists of universities that have already changed their course to include IFRS education. For example, Trisakti University in Jakarta prepared their curricula and syllabi two years ago, demonstrating their commitment to IFRS. Most of the teachers questioned had some plan to prepare a revised curriculum and syllabus closer to actual IFRS adoption. As of November 2010, most faculties responded that the development of teaching materials for IFRS would be scheduled by 2012. However, there remain a few universities in Group C that do not plan to change their curricula or syllabi in order to prepare for the adoption of IFRS.

Clearly, a number of problems need to be resolved. First, it is not enough for teachers to obtain teaching materials. It is essential that teachers not only avoid relying solely on textbooks but also learn IFRS by participating in discussions and attending workshops. It is difficult to purchase textbooks for IFRS owing to budget constraints. This is particularly a problem in private universities as they rely on tuition fees and high course costs for income.

Furthermore, because of these budget constraints, it is often difficult to keep up with the latest developments in accounting practice. For instance, if an accounting department changes their curriculum to include more IFRS content, they must make available teaching materials such as textbooks, case studies, and so on. For universities with a limited budget, it is very difficult to buy the latest edition of the IFRS books. As a result, currently only a few accounting departments in Indonesia have changed their curriculum to include IFRS.

Another significant problem is the ability to understand English. The original IFRS are written in English. Sometimes lecturers or undergraduate students struggle to understand it. A complicating factor is that IFRS teaching materials are not fully translated into the Indonesian language. Another problem is that the location and size of the university can influence the development of IFRS education. Indonesia, Gadjah Mada, and Trisakti University, which are

fully prepared for IFRS implementation, are located in Java Island, have a large student population in accounting programs. Other universities like Brawijaya and Udayana, which plan to make changes by the end of 2011, are large public universities in Indonesia.

5.2. Limitations

There are several limitations to this study. First, our study included universities in only three of the 12 regions across Indonesia. We therefore propose extending this study to include additional universities in other regions across Indonesia. It is also important to learn from the experience of other countries, and we plan to conduct similar interviews in Japan, the United States, Korea, China, India, and Brazil. Secondly, the small number of respondents who participated in the study may limit the generalization of the findings. It should be emphasized however that we chose well-qualified individuals to participate in our survey. Finally, this study is based on self-report data. Since respondents might want to be perceived as teaching the most current accounting issues to their students, the findings might not necessarily reflect the actual position within these educational institutions.

5.3. Recommendations for Future Research

We recommend that future research should assess the faculty members' views about the extent to which IFRS material should feature in accounting courses. It may also be useful to repeat this study after the adoption of IFRS to assess whether students' knowledge has improved. Finally, it would be interesting to explore whether student learning and critical thinking skills improve following these changes in education.

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Appendix

Questionnaire for faculty members in undergraduate and graduate schools in Indonesia

I. General Information

- A. Name of the university:
- B. Length of lecture:
- C. Subject teaching:
- D. Level of students: (You can choose more than one)
 - a. Diploma
 - b. Undergraduate
 - c. Master's Degree
 - d. Doctoral Degree

II. Please complete all of the questions below by choosing from the options available. If your institution has not yet been changed the curricula or syllabi, please answer question 1 only. If the curricula or syllabi have been changed, please answer question 2 only.

1. In what year do you plan to significantly incorporate IFRS into your curricula/syllabi?
 - a. 2008–2009
 - b. 2009–2010
 - c. 2010–2011
 - d. uncertain
2. In what year did your curricula/syllabi significantly change with respect to IFRS convergence?
 - a. 2008–2009
 - b. 2009–2010
 - c. 2010–2011
 - d. uncertain
3. At which degree level do you expect that the students at your university will enter the workforce with a comprehensive knowledge of IFRS? (You can choose more than one option)

- a. Diploma degree
 - b. Undergraduate degree
 - c. Master degree
 - d. Doctoral degree
4. What plans does your school have for teaching IFRS?
- a. Undecided; no plans
 - b. Individual faculty will bear responsibility to reeducate and develop course materials
 - c. School will provide funding for faculty to attend training sessions
 - d. School will hire new IFRS-ready faculty
 - e. Others, (please give details)
5. What materials would support your classroom teaching approach?
- a. Textbooks
 - b. Case studies
 - c. Slide
 - d. Others..... (please give details)
6. What are the case study objectives?
- a. To emphasize technical requirements
 - b. To emphasize conceptual foundations (principle-based logic)
7. When do you believe that the textbooks with a comprehensive coverage of IFRS will be available?
- a. 2009–2010
 - b. 2010–2011
 - c. 20112012
 - d. 20122013
 - e. 20132014
 - f. After 2014
8. How do you plan to incorporate IFRS into your curricula/syllabi once it becomes an acceptable reporting standard for Indonesia Corporations? (Select all options that apply)
- a. Teach IFRS standards only
 - b. Teach IFRS standards and conceptual framework
 - c. Compare and contrast IFRS and Indonesia Standards
 - d. Compare and contrast IFRS and Indonesia foundational concepts
 - e. Undecided
9. What difficulties do you think you will face regarding IFRS curriculum integration?
(You can choose more than one option)
- a. Deciding when to start teaching IFRS

- b. Developing a curriculum for IFRS
- c. Securing faculty cooperation
- d. Training the faculty to teach IFRS
- e. Developing materials
- f. Finding IFRS textbooks

10. In your opinion, what kind of teaching materials need to be revised?

- a. Curriculum
- b. Syllabi
- c. Textbook
- d. Curriculum and Syllabi
- e. Curriculum, Syllabi and Textbook
- f. None

11. What kind of subjects must be added with regard to IFRS?

