

# Research on Accounting Education Based on New Accounting Standards

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**Abstract:** Accounting is a discipline that can provide intellectual support for all kinds of occupations. Accounting education not only pays attention to the systematic system of theory, but also emphasizes the practicality of practical hands-on. How to better meet the needs of economic development and social progress, how to promote the integration of accounting theory and accounting practice is one of the problems faced by accounting education. Therefore, the cultivation of accounting talents is extremely urgent under the background of new accounting standards. It is necessary to take this opportunity to conduct in-depth discussions on how to reform accounting education so as to adapt to changes in a new environment. This paper focuses on the development trend of accounting staff in China and the problems existing in traditional accounting education, as well as insufficient attention to the optimization of accounting profession. It puts forward the ways and measures of domestic accounting education reform under the background of new accounting standards.

## 1. Introduction

Because of the change of accounting environment, accounting education must change the old mindset, update students' thinking mode, and improve students' understanding of the necessity and significance of professional accounting judgment at work. As a teacher of accounting profession, different methods must be adopted in classroom teaching to gradually develop students' professional judgment ability and cultivate them to think in multiple perspectives. This will not only help students to understand better of the content, but also help students develop their professional judgment. At the same time, the change of accounting standards has a great impact on the work of accounting teaching staff. The training objectives of training accounting professionals should be closely related to the teaching work arrangement and changes in the new accounting standards should be reflected in the teaching process. How to effectively carry out reforms on teaching contents as well as teaching mode, and correctly grasp the direction of teaching reform requires teachers to continuously explore and practice during their daily work, thus ensuring the quality of modern accounting education.

## 2. Development Trends of New Accounting Standards

### 2.1 Expand the Use of Fair Value

Compared with the historical cost and replacement cost, fair value has an irreplaceable outstanding advantage. Fair value measurement reflects the current financial situation of the company, and the evaluation results of the market which can better meet the economic decision-making needs of the supervisory service, investors, and the public for them to evaluate the situation of the company. It reflects the basic objectives of financial reporting and also fairly reflects the accounting soul: economic and practical. Expanding the use of fair value will be the direction of accounting development.

### 2.2 More Introduction of Accounting Estimates

Companies need to make subjective judgments and use accounting estimate more often whether it is for fair value or expected loss. The enterprise is the main body of the market, and the value created by the enterprise is evaluated by the market. Decisions, estimates and judgments made by

the company based on its own strategy and will, and the corresponding operational management effects will be more directly and intuitively reflected in the financial report, presented to the market, which will then be accepted by the market based on certain rules so as to combine self-discipline of companies as well as the restraint mechanism of the market.

### 2.3 Emphasis on the Integration of Financial Management and Risk Management

Financial and risk management adopt various forward planning and assumptions as well as risk measurement models to anticipate future credit risk according to Basel Committee guidelines. The accounting standards only accrue the impairment losses that have occurred in reality, and the expected losses cannot be confirmed by accounting. This leads to the fact that the relevant risks are not reflected and fully disclosed in the financial report when the economy deteriorates.

## 3. Problems in Traditional Accounting Teaching Under the Background of New Accounting Standards

### 3.1 Accounting Teaching Content is Old

Currently, students are proficient in the accounting knowledge and can complete the assignment independently. However, in actual accounting work, they don't know where to go forward and how to do their job correctly. This is because there is a big difference between theoretical knowledge and actual work, leading to the situation that students can not catch up on the development of times and the needs of accounting work. What's more, in the process of accounting teaching, a large volume of accounting contents and skills are not adjusted based on the changes as well as the needs of the accounting environment, which will definitely result in poor education.

### 3.2 Teaching Mode is fixed and Single

Due to the fundamental influence of the traditional accounting teaching system, most teachers are still following the old one even though there are emerging innovation and changes. What's more, with the increase of the numbers of accounting students, they tend to present to a group in a large room to receive education and they passively accept the knowledge. In addition, there is not enough time and space for communication between students and teachers. Due to the limitation of teaching schedule, teachers are not able to take every student's learning process into account, which greatly affects the improvement of teaching efficiency.

### 3.3 Students Have Poor Practical Skills

Accounting is a discipline that needs strong practice and students have to pay attention to the changes of both the society and the economy in the process of learning. In addition, teachers have to carry out corresponding teaching with practice. However, the teaching equipment is old and students have few opportunities to conduct accounting practice. As a result, students fail to get practice to experience real work. Therefore, students do not have strong practical ability to carry out work, which affects the overall ability cultivation and development of students. Concerning the current status of domestic accounting education research, the practical ability of students are gradually declining, shown in Figure 1.

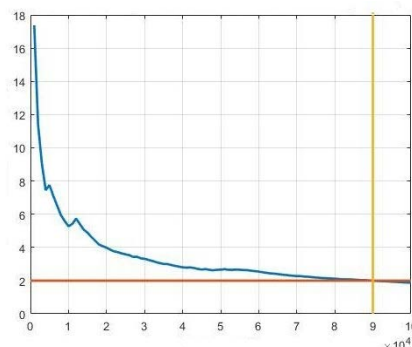


Figure 1. Accounting Practical Skills of Accounting Major Students

## **4. Reform Measures for Accounting Education under the Background of New Accounting Standards**

### **4.1 Build Awareness of Professional Judgment**

Accounting students will get into the accounting field in the future and building the awareness of professional judgment is the prerequisite to correctly adopt judgment and improve judgement. Professional judgment is promoted in recent decades especially after the issuance of new accounting standards in China. It is gradually used in the accounting field, which indicates the awakening of professional self-awareness as well as the formation of independent personality and they are no longer just interpreters for accounting rules and standards.

### **4.2 Strengthen Theoretical Accounting Knowledge Learning**

We have to update the concept of accounting education. First of all, in accounting teaching, teachers must pay attention to the proper use of educational methods. For example, we should vigorously advocate inspiring teaching, increase the content of case teaching, promote modern teaching methods, encourage students to connect theory with practice in accounting learning, and give full play to the subjectivity and creativity of their learning and thinking. The method of cramming and isolated example journal entry will not be conducive to cultivate student's professional judgment. Accounting education must fully express the process of accounting theory, educational thought and accounting judgment through teaching cases so as to increase the ability of students' comprehensive analysis and the ability to judge and reason, which will be beneficial to lay a solid foundation to use professional judgment at work. Secondly, core courses proportion should be adjusted, in addition to establishing accounting courses, we have to add management courses so that students will be familiar with business management, taxation, economy, finance, trade, and foreign exchange to form a complete discipline system.

### **4.3 Develop Students' Ability to Learn for Life**

In No.1 Communique, *The Objective of Accounting Education* issued by Foreign Accounting Education Change Commission, it clears that the purpose of school accounting education is not to train students to become a professional when they graduate, but to train them to be a professional in the future. Furthermore, the most pivotal goal of accounting education is to teach students the quality for independent learning. College education should be the basis for students' lifelong learning so that they can continue to learn new knowledge by themselves after graduation. Therefore, lifelong independent self-learning ability has become a necessary condition for the survival and success of accounting professionals.

### **4.4 Strengthening Student Accounting Practice Training**

First of all, schools should open up channels to increase the location and time of student internships. At the same time, it is necessary to strengthen the education of students' accounting discipline, professional ethics, civility and courtesy, and improve the acceptance of students in internship companies. Secondly, students should be the focus in education and teachers have to strengthen the simulation and case teaching to cultivate students' ability to analyze and solve problems. What's more, we can also create certain accounting professional situation to let students carry out simulation operation so as to help them apply knowledge to practice and experience the work process. Hopefully, students will be familiar with the operation and be equipped with practical skills.

## **5. Conclusion**

Under the background of new accounting standards, accounting teaching reform is significantly beneficial to improve students' accounting professional level, help students gain advantages in this fierce employment competition, and promote a steady development of domestic accounting. Establishing innovative ideas of practical teaching, formulating a sound practical curriculum system,

and building an outdoor practice base can not only improve the teaching effect of accounting, but also enable students to continuously improve their comprehensive ability in practice, and ultimately realize a win-win situation among the society, schools and students.

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