THE IMPACT OF GLOBALIZATION ON THE EDUCATION OF ACCOUNTING IN HUNGARY

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INTRODUCTION

The framework for qualifications of the European Higher Education was accepted in 2006 by the Ministers of State for Higher Education. Working out the qualifications and outcome requirements have been completed by the Hungarian Rector’ Conference and they were published in August in 2016.

In the first part of our essay we examine accounting and international accounting’s place and role in domestic regulation. In the second part of it we show our empirical research’s results. We have made our analysis in connection with four universities that have significant role in economic education. The research was made on the basis of curriculums and course unit programmes available on the websites of the universities. Besides universities we mention the international accounting teaching practice of profession and business sector briefly.

FRAMEWORK FOR QUALIFICATIONS OF THE HUNGARIAN HIGHER EDUCATION AREA (HQF FOR HE)

The framework for qualifications of the European Higher Education was accepted in 2006 by the Ministers of State for Higher Education. This framework system is international and sector- specific.

It is also outcome-orientated so it determines outcome standards and credit domains for the qualifications issued by higher education (short-cycled higher education qualifications BA/ BSc, MA/MSc, PhD). In Hungary these domains were published as legal texts in 2006. The qualifications and outcome requirements were contained by the I. annex of the 15/2006 education ministerial decree. In the light of the experiences acquired by the installation, the review of content started in 2009. In the first part of the review from 2009 to 2011, the creation of HQF principles and the preparatory process happened.. The HQF formed by experts was accepted by the government in 2012. The sector–specific development of parts of the framework concerning with higher education came next after it. The working out of the qualifications and outcome requirements have been completed by the Hungarian Rector’ Conference. The renewed programme and outcome requirements were published as ministerial decree in August in 2016. [8]

The different countries’ qualifications framework system’s form of appearance is typically table-shaped. Lines contain education levels and columns have competence elements. The number and content of columns are diversified. The HQF has created four categories like:

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- knowledge
- ability
- attitude
- autonomy and taking responsibility.

The content of the table’s lines is cumulative. The level contains not only results of the given line but it also includes the results of lower levels. [8][10]

Let us look over the contents of levels 5, 6 and 7 in the economic field which is relevant in our topic.

The fifth level of the HQF is the higher education vocational training. On this level the graduate student has obtained general and specific theoretical and practical knowledge connected to the given field. He knows the methods for solving problems and getting knowledge of his field’s main theories. He also knows the technical language of the field in his native language and he also has basic language knowledge at least in one foreign language. He is able to plan and solve the given profession’s tasks choosing the needed methods and tools and applying them specifically and comprehensively. He is open to the results and innovation of the given field and strives for knowing, understanding and applying them. He makes an effort to do self-education and adopts a critical attitude for himself. He can do his work on his own under constant control.

The sixth level of the HQF is the bachelor level. The graduate knows the basic facts, trends, limits of his training field’s subject. He knows the most significant relations, theories and set of ideas in connection with his specialization sphere. He knows the ethic norms and the legal regulation in his field comprehensively. He understands and uses the online and printed bibliography of his sphere in Hungarian and in foreign language too. He is able to identify and explore routine professional problems and he can also draft the theoretical and practical background needed for solving them. He solves the explored, identified problems with practical applications of standard processes. He is opened for getting to know, accepting and transferring professional, technological development and innovation in his field. He strives for having self-education as one of the tools for reaching his professional aims. He makes the thinking over and solving complex and special professional questions on the basis of professional instructions. It also characterises him to develop his abilities with the help of self-education of organized trainings.

The seventh level is the master level. The student graduated on master level knows the general and specific characteristics, limits and the most significant improvement direction, the connection of his field to related fields. He is also familiar with the given field’s relations, theories and the terminology which constructs them up. He has knowledge of his field’s vocabulary, specific points of written and spoken communication in his mother tongue and at least a foreign language. He recognises special, professional problems with complex, interdisciplined approach, discloses and drafts the detailed theoretical and practical background for solving them. He applies the theories and the connected terminology for problem solving in an innovative mode. He cooperates with the connecting field’s representatives when he does his work. He makes independent, field-orientated formed summaries, analyses in some parts of his field’s topic. He strives for putting the latest results of his professional field in his own development’s service. He does the thinking over of
special professional questions and the working of it on the basis of given resources with significant independence. He plans and does his activities independently. He also takes responsibility for environmental and social effects of new and complex decision situations.

What does it mean in accounting on different levels?

In advanced vocational programme accounting appears in two subjects. In Business Administration and Management higher education vocational programme the aim of education-among others- is that the students must be aware of the basics of corporate administration’s financing, accounting, taxation and controlling. Moreover he must be able to plan and do independent small business activities. In our opinion it follows that we must only teach basic level accountings in this course. The deeper relations and international connections of accounting do not appear here as relevant knowledge. In Finance and Account subject four types of qualifications can be obtained:

- Public finance Economic Assistant
- Nonprofit Finance and Accounting Economist Assistant
- Banking Economist Assistant
- Economist Assistant Specialized in Entrepreneurship.

Training and outcome requirements do not assign different professional expectations to each qualification. The knowledge of basic definitions and relations of accounting is expected in all cases. It is also demanded for the students to be acquainted with the theoretical basics and practice of accounting processes’ planning, organising, controlling and supervising. He must know the accounting appearance of business operation (foundation, operation, transformation, ceasing) and he must also be familiar with the accounting information system, the parts of account report and the processes supporting them. According to the above mentioned facts, the profound knowledge of accountings is essential, namely the accounting knowledge needed for daily, operative work. The fulfilling of not routine tasks respectively the knowledge of accounting’s international reference is not expected at this level.

Accounting appears in all courses as an obligatory business, methodology knowledge, so on basic level every economist students must have accounting knowledge of primary importance. On Business Administration and Management bachelor level other expectations also appear indirectly. In our opinion a student needs accounting information, consequently overall but not complex accounting (controlling) learning to be able to get to know, plan or analyze a business organizations’ processes and economic relations. It is not surprising that accounting seems to be essential in accounting bachelor level. Compared go the 5th level, the ability of making accounting and financial reports, accounting politics or according to rules and regulation show up as a new element.

Other expectations of a graduated student are:

- follow the world economic, international business processes
- follow and interpret the policies and changes in legislation connected to accountings
- know the Hungarian and international taxation and accounting rules

On master level most of the programmes do not demand accounting knowledge or competences. On the other hand as levels of the programme are based on each other,
the students-who has not graduated on economic bachelor level-are obliged to obtain economic elements too. One of these elements is accounting.

A higher level accounting knowledge is needed-named-on Master of Business Administration and sport economist programmes. The usage of accounting information, analyzing and controlling knowledge appear on Finance, Supply Chain Management, Business Development and Management and Leadership programmes. And what about the accounting programme?
The qualification and outcome requirements grow with three main elements according to the previous ones. First of all the demand for knowledge in some smaller fields of accounting-like financial instruments and auditing- appear. Moreover the coaching for performing middle-and higher manager tasks gets an essential role. At this level it is not enough to perform daily works but the capability for fulfilling professional leader tasks is expected. Finally internationalization gets particularly important role. It is not enough to be aware of Hungarian and international accounting rules but they must be applied by an employer or manager in both domestic and international environment. [9][11]

EDUCATION OF INTERNATIONAL ACCOUNTING

Our empirical research includes accounting and international accounting. We have examined four universities which have determinative role in economic education. Our analysis was made by curriculums and course-unit programmes found on the website of the universities.

1. table
Accounting in university practice [1][2][3][4]

<table>
<thead>
<tr>
<th>Programme level</th>
<th>Field of knowledge</th>
<th>Budapest Business School</th>
<th>Corvinus University of Budapest</th>
<th>University of Debrecen</th>
<th>University of Miskolc</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL 5.</td>
<td>Basics of accounting</td>
<td>NO DATA AVAILABLE</td>
<td>UNUNDERSTANDABLE</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>LEVEL 6.</td>
<td>Basics of accounting</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>International accounting</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>LEVEL</td>
<td>International accounting standards and their application</td>
<td>+</td>
<td>NO DATA AVAILABLE</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

As we have mentioned it previously the ISCED level 5 is the higher education vocational training which appears at three universities from the 4 sample ones-as an education level. Subject programme was available only in two cases. Moreover the content of them is the same as in case of the subjects taught on basic level. According to the data available about ISCED level 6, we can say that basic accounting is educated in all programmes at all the four universities. The aim of training basics is:
- to know the definition of accounting to be allowed to examine the bookkeeping techniques of basic economic events in connection with accounting
- to know the place of assets and liabilities in balance.

During teaching basics, it comes to apply time-series or entry grouping according to account. At the end of the first semester, students must get to know the process of accounting and managing ledger account. Apart from basic bookkeeping processes, the composition of profit and loss account and result statement belongs to the topic of basics and knowing the revenue-cost-expense substantive part has priority. The Corvinus University of Budapest educates the evaluation of currency items, calculation of value-added- tax and cash-flow statement. [1][2][3][4]

International accounting studies is educated for Finance and Account students at three institutions (at least as a separate subject). It contains the acquirement of international account standards and the international financial reporting system’s specialities and the exploration of opportunities derived from accounting system standardization. Due to it, it has stressed importance to become acquainted with the definition of accounting harmonization and globalization. Students are allowed to examine the world of IFRS or the differences of domestic and international regulation-economic events and report structure-are emphasized. Both the Corvinus University of Budapest and the University of Miskolc focus on the basic characteristics of operating accounting systems, the EU derivatives and the US GAAP regulation. [1][2][4]

The basics of accounting is educated in four classes weekly which contains two classes of lecture and two classes of practical course in a semester. [1][2][3][4] The international accounting course differs from the basic accounting course as the international one contains 2+2 classes but basic has only 2+0. In this case it means only two classes of lecture in a semester. [1][2][4]

Lecturers teach from the materials or presentations made by themselves or they offer their colleagues’ works as required and selected bibliography. The acquisition of actual knowledge is supported by, that –besides course books and essays- the legal material and the websites of different professional bodies -like ifac.org or the website of the Chamber of Hungarian Auditors -are set in education. Foreign language literature can be given only as selected bibliography. [1][2][4]
On master level—which means the ISCED level 7—accounting is taught mainly for accounting MSC students. On this level basic accountings is not educated. The international term of accounting though becomes more stressed. The international accounting standards’ content and structure are introduced. Thanks to that, students taking part in the programme will be able to identify economic events or phenomena. Furthermore they will also be able to apply the IFRS representation and publication directions. During their studies, students can get into frame principles and legal environment of IFRS and the different standards’ peculiarities, requirements and the requirements about these standards. There is significant emphasis on knowing the content, structure and construction of financial reports. [1][3][4]

On master level, the number of classes in international accounting standards and their application—according to the available documents—has increased. The weekly number of classes has changed from two to four which means that two classes of lecture and two practical courses are obtainable for the students to attain knowledge. [1][3][4]

Contrary to basic level programme, the own structured course book is not typical in this level. The required and selected bibliography contain both Hungarian and English works. Actually it is not surprising as foreign language—especially English—knowledge is essential in this programme. Therefore self-education, the communication with the representative of the field or recognizing materials in different languages have essential role. [1][3][4]

Apart from higher education vocational training, international accounting studies appear both in certified public accountant and auditor trainings. During the examination of IFRS certified public accountant programme, we have analyzed two institutions’ courses.

In case of the Chamber of Hungarian Auditors, turning into IFRS certified public auditor requires the followings:
- certified public auditor certificate
- certified public auditor registration

At the end of the programme students must take an exam from the listed two modules:
- International Financial Reporting Standards (IFRS) theoretical frame interpretation module
- International Financial Reporting Standards (IFRS) evaluation and representation peculiarities’ application module.

Both modules contains 40-40 classes of lectures when students get to know IFRS’s connection to both the EU and Hungary’s effective regulation. During the programme graduates can look into the evaluation methods of initial cost of acquiring calculation, representation, classification and evaluation of different economic events by IFRS or the Act C. of 2000. Before the examination of module completion, the Chamber of Hungarian Auditors provides the students the opportunity for having a 160 classes individual preparation. [5]

The programme of PwC’s Academy consists of 80 classes completed with 160 classes of individual preparation. During the programme there is an opportunity for the examination of domestic and international regulation’s difference and the acquisition of IFRS consolidation, classification regulation and IFRS reporting standard requirements. [6]
The Chamber of Hungarian Auditors secures trainings not only for certified public accountants but for auditors and future accountants too. The Chamber issues different topics for them—such as international and comparative accounting elements, framework for IFRS, employee benefits, leasing, income taxes, group accounting, publication liabilities, individual financial reports and EPS—for preparing the exam. The Chamber also determines the international accounting standards—they have already applied on 1st January of the previous year before the exam and they are also in force—that students have to be familiar with. It does not prescribe the detailed knowledge of planned changes but the examinee must be aware of their scheme. It also helps the examinees in preparation for the successful rating exam that the exam’s requirements and the topics are available on the Chamber’s website and the previous year’s exam papers with solutions can also be reached. [7]

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