

# Application of OBE Concept in “Fundamentals of Accounting” Course Design

Xi Zhao<sup>1, a</sup>

<sup>1</sup>Xianda College of Economics and Humanities Shanghai International Studies University, No. 390 Dong Ti Yu Hui Road, Hongkou District, Shanghai, China

<sup>a</sup>1410070@xdsisu.edu.cn

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**Abstract.** Outcome-Based Education (OBE) concept was first proposed by an American scholar Spady, and has become the mainstream of teaching reform in English-speaking countries such as Britain, America and Canada. At present, OBE education mode is also widely used in the design and reform of training program in business schools all around the world. AACSB International (The Association to Advance Collegiate Schools of Business International) also requires all training programs and syllabus to be prepared in accordance with the requirements of OBE Concept in the process of professional and college certification. Therefore, OBE education concept is the inevitable trend of business schools' development in the future.

## 1. Introduction

More than 600 universities in China have set up accounting major, and the annual graduates of accounting major have exceeded 900,000 in 2017 and 2018. However, as the research shows, many companies informed that most of graduates they recruited needed guidance and training in the initial stage of employment to complete their work independently, which has increased the cost of employment and training for enterprises. Graduates also gave the feedback that the skill and knowledge they have learned in class cannot meet the requirement of the job tasks.

As the core course of accounting major, "Fundamentals of Accounting" covers the basic professional knowledge and practical skills, what plays an important role in most of the job tasks at the beginning of the employment. Therefore, it is a necessity to reform the course of "Fundamentals of Accounting". This paper takes this course as an example to explore the application of OBE education concept in curriculum reform, aiming at improving the teaching effect and the employability of graduates.

## 2. Problems in Traditional Teaching Mode

The course of "Fundamentals of Accounting" takes the accounting cycle as the main thread, explaining the general accepted accounting principles, processing of various business transactions in the enterprises and preparing financial statements. The purpose of this course is to enable students to master the rules of accounting treatment and the methods to deliver financial reports, so as to cultivate students' accounting practical skill and problem-solving ability [1]. In the present accounting class, practical training has been added to the teaching process in some universities, but most of them still focus on lecturing, and has following problems.

The students' participation in the class is not high, and the interaction between teachers and students is insufficient. It results in incomprehensive mastery and understanding of knowledge and theory. The arrangement of curriculum content generally relies on textbooks, and teaching conducts in the order of textbook chapters. The teaching content is mainly theoretical, and the training of practical ability is not ample. Therefore, judging from the teaching results, the actual practical skill of students is not high and cannot meet the requirements of enterprises. Many universities have added the process assessment to the curriculum assessment, but the proportion is not very high. Most of the practice is to use the paper examination results as the main part of final grade, whereas the routine homework and attendance mark take a complementary role in the final grade of the course. This kind

of assessment method may lack flexibility and cannot reflect students' knowledge, skills and abilities comprehensively.

### 3. Application of OBE Concept

OBE (Outcome-Based Education) is a result-oriented educational concept, which was first put forward by Spardy in the 1970s and 1980s. It advocates that education should be student-centered and aim at capacity-building [2]. The result-oriented model requires teachers to be clear about students' knowledge, skills and competence accomplishment before implementing teaching; and then design curriculum content, teaching form and assessment methods towards skills and competence in the process of teaching implementation; and last after the end of the curriculum continuously improve teaching design using the assessment results and follow-up feedback[3].

The application of OBE in the course design of "Fundamentals of Accounting" follows the basic idea of "reverse design, forward implementation". In the stage of curriculum design, the job post skills and abilities are subdivided through job post investigation, and then knowledge points are separated in the course content according to targeted post skills and abilities. After that, appropriate curriculum implementation methods and corresponding assessment methods are selected taking the distinctiveness of knowledge points and different teaching objectives into consideration. After the implementation of the course, we summarize the experience according to the results of the assessment and the feedback from students and employers, and make continuous improvement on the teaching design.

#### 3.1 On the basis of post investigation, clarify the training objectives of courses

The orientation of accounting major is to satisfy the work content of accounting treatment and decision support of enterprises. According to the survey of employers, the basic knowledge of accounting course is mainly applied to the following job positions-bookkeeping, accounts receivable (AR)/accounts payable (AP), general ledger (GL)accountant and cost accountant. According to the different job content of each post, the skill and knowledge goal of the course is determined in Table 1.

Table 1 Application of OBE Concept in “Fundamental of Accounting”

Job Position	Targeted skills	Curriculum Contents	Assessments
Bookkeeping	<ol style="list-style-type: none"> <li>1. Cash and bank receipts and payments</li> <li>2. Keep records of cash and bank journals</li> </ol>	Cash management, Bill management, Filling and auditing of original vouchers, Ledger records, Accounting books correction, Reconciliation and closing entry	<ol style="list-style-type: none"> <li>1. Oral reporting on cash and bank management;</li> <li>2. Simulation practical training on bill filling and cash journal record;</li> <li>3. Simulation practical training on bank journal record</li> </ol>
AP/AR Accountant	<ol style="list-style-type: none"> <li>1. Payment and Receipt transactions</li> <li>2. Revenue, accounts receivable, accounts payable treatments</li> <li>3. Monthly settlement, current account verification, and receivable aging analysis</li> </ol>	Treatments of accounts receivable /payable, Accounting records during supply/ sales /procurement phrase, Ledger records, Reconciliation and closing entry	<ol style="list-style-type: none"> <li>1. Simulation practical training on journal and ledger entries based on transactions description and the original vouchers</li> <li>2. Simulation practical training on current account reconciliation</li> </ol>
GL Accountant	<ol style="list-style-type: none"> <li>1. Auditing accounting vouchers</li> <li>2. Auditing the balance of accounts</li> <li>3. Reconciliation and closing of accounts, preparation of financial statements</li> </ol>	Filling and auditing of accounting vouchers, Accounting treatment at the stage of financing/ profit formation and distribution, Reconciliation and closing entry, Preparation of financial statements,	<ol style="list-style-type: none"> <li>1. Simulation practical training on journal and ledger entries based on transactions description and the original vouchers</li> <li>2. Simulation practical training on end-of- period fixed assets stocktaking and</li> </ol>

	4. Tax declaration and tax settlement	Accounting treatment of value added tax, Filling in tax returns, Tax settlement	treatments 3. Practical training on preparation of financial statements 4. Simulation practical training on filling in Tax Declaration Form
Cost Accountant	1. Cost calculations 2. Inventory counting and analysis 3. Cost Analysis	Cost information collection and calculations, Accounting treatments of production phrase, Inventory management system, Reconciliation and closing entry, Cost variance analysis	1. Simulation practical training on journal and ledger entries based on transactions description and the original vouchers 2. Simulation practical training on end-of- period inventory stocktaking and treatments 3. Oral presentation on cost variance analysis

### **3.2 Establishing scientific knowledge system and teaching form with the aim of cultivating targeted abilities**

According to the results of the job survey, the corresponding relationship between the professional skills and the knowledge points involved in the course is determined, and the scientific teaching form is chosen. As the "Foundational of Accounting" course is the first professional course for students, the basic accounting theory and rules should be taught before the explanation and training of job post knowledge points. The content of basic accounting theory includes "accounting function, goal, hypothesis", "accounting elements", "accounting equation", "double-entry method", "accounting cycle" and so forth. After students have mastered the basic theoretical knowledge, the teaching of knowledge points can be carried out in the sequence of the skill objectives required from the junior post to the senior post, which also simulates the process of position promotion. When the scattered knowledge points have been taught, the students will be trained in integrated simulation practice in groups, where each student work together in different position. This will also enable them to integrate the knowledge they have learned, and master the process of the accounting cycle and the relationship between them, and grasp the important role that each position plays in the enterprise.

Course implementation can take the form of "flipping classroom" drawing the support of online-course platform. At beginning, teachers arrange pre-class materials and practical training topics, and students complete practical exercises after self-preview. Secondly, students report on the completion of practical training and problems encountered in preview and practice in class, and teachers guide students to think and solve the problems [4]. After class, students are required to complete practical training exercises and summarize knowledge points.

In order to enable students to familiarize themselves with the working environment as soon as possible, improve their practical ability and promote their application of the knowledge they have learned, in the course implementation, a joint enterprise can organize students to conduct field visits and short-term post practice. It can also be conducted by transferring some of the real business transactions of the enterprise to the classroom, and students are guided to complete the real accounting treatment by the enterprise instructors and university teachers.

### **3.3 Strengthening process management and improving assessment system**

The concept of OBE education requires that the assessment of students should proceed from the perspective of predetermined learning outcomes [5]. Through the investigation of employers, accounting practitioners should not only have professional skills, but also have good communication ability, team-work ability, office software application ability, logical analysis ability, management and organizational coordination ability. Therefore, in addition to the traditional closed-book examination, the assessment methods should include the diversified assessment of skills and abilities, and also increase the proportion of other assessments in the final grade. According to the different teaching

objectives of knowledge points, different forms of assessment methods are reasonably selected, including "oral presentation", "simulation practice", "group work project exercise " and so forth.

Assessment can also be implemented on the online-course platform, with pre-class preparation assigned, practical training materials uploaded and task points set, so that teachers can keep abreast of students' accomplishment of tasks at any time. Meanwhile, teachers can monitor the changes of students' accomplishment of practical exercises from pre-class to after-class, with the understanding of students' mastery level[6]. It can help teachers to adjust teaching progress and teaching contents arrangement correspondingly.

### **3.4 Continuous improvement based on feedback from graduates and employers**

At the end of the course, when students actually work in the company, teachers should continue to visit and follow up, getting the knowledge about the students' work content and work position. It will help teachers to grasp the students' adaptation to work and the difficulties encountered in the process of role change. At the same time, teachers could also learn from the employers and human resource department officers about the defects of students in their daily work and practice. Based on the feedback received, the inappropriateness in curriculum objectives and curriculum design are reviewed, and continuous improvement is made.

## **4. Summary**

The course of "Fundamentals of Accounting" has a high practicality and covers the knowledge and skills required for basic accounting positions. Therefore, it is a crucial course in students' professional study and skills training. The application of OBE's educational concept in this course determines the training objectives of the course from the point of post skill investigation, designs theoretical teaching and practical training and corresponding assessment methods, and forms a closed loop of continuous improvement through assessment results and enterprise follow-up investigation. This conduct will not only improve the current situation of students' weak practical ability and advances students' understanding of theoretical knowledge, but also helps students meet the requirements of the employment market and enhances students' employability.

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