

The significance of Ethical Accounting Standards Towards the Quality of Accounting Practices for Aspiring Accounting Professionals in Muscat, Oman

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Abstract: Accurate and reliable financial and accounting information serve as a basis for business decision-making processes. Accountants must adhere to the required standards of accounting in order to get significant accounting information. The purpose of this research is to examine the significance of ethical accounting standards and their relationship to high-quality accounting procedures. The possibility of fraud and mistakes in accounting transactions is prevented and lessened with the use of ethical accounting practices. Adhering to ethical accounting principles can help financial reporting obtain credibility. Creditors, investors, and other stakeholders use accounting and financial data to make various financial decisions. Ethical accounting principles guarantee the integrity, dependability, and accuracy of this data. So, the investigator intended to conduct the investigation. 194 prospective study participants who are aspiring accountants were taken into consideration from Muscat, Oman. According to the study, ethical accounting methods significantly affect several demographic variables, including family size, income level, and qualification. Additionally, it was shown that candidates who are knowledgeable of ethical accounting practices prefer the subsequent accounting standards. It has been demonstrated that there is a correlation between ethical accounting practice and higher-level accounting practices.

Keywords: ethical, ethical accounting, accounting standards, quality accounting practices.

1. Introduction

Accounting is one of the world's strictest and most demanding professions, because of the type and nature of services provided, and it requires trust and authority. Members of the accounting profession must adhere to its behavioral and ethical standards. Accounting is a helpful to display of facts relevant to the financial position and operational profitability. This data serves as the foundation for national economic and monetary systems, and it is essential for "supervision," which promotes responsiveness and clarity in an economy.

The profession has ethical benefits such as independence, honesty, secrecy, neutrality, professionalism, competence, and

the ability to keep up with and protect public benefits. Accounting profession must consider their characteristics, moral beliefs, and personal cultures. One of the characteristics required of a professional accountant is the ability to recognize ethical ideas and apply them in everyday situations. A professional accountant's accountability to society, the company, and the other stakeholders are determined by the profession's ethical standards. However, a clear understanding of ethics is required before someone can fully apply it to their life and job. So, what is accounting ethics? Accounting misuse of financial information or managerial position, everyone working in accounting should follow the laws and regulations issued by regulating bodies. An ethical ideal is a set of fair ideas. Because of rise in corruption and fraud cases, ethics is receiving more and more attention in the business world. Accounting ethics and faith in needed accounting standards are crucial in creating financial statements since they reflect their authority and reliability in front of stakeholders, investors, and creditors. Ethical accounting practices possibly prevent fraud and manipulation of clients' financial statements.

2. Statement of the Problem

The term "ethics" often refers to "applied ethics," which gives a strong focus on business and human ethics, judgments, and moral principles and their application in accounting. The result of this application is immediately seen in work performance. Accounting ethics is important because it creates better confidence in its transactions and tries to minimize and reduce the possibility of errors and fraud in accounting transactions. Financial reporting benefits from the capacity of ethical accounting standards to inspire trust. Creditors, investors, and other stakeholders take advantage of accounting and financial data to make many several kinds of financial decisions. Many unethical accounting practices are leading to misleading activities, fraud, and corruption. This research is basically focusing on solving to some extent this unethical

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accounting practice issue. Hence researchers would like to answer the following research questions.

1. What are the effects of demographic factors on the ethical behavior of aspiring accounting professionals? 2. How does ethical accounting behavior influence the quality of accounting practice?

3. Objectives of the Study

1. To study the significance of ethical accounting standards among aspiring accounting professionals.
2. To examine the association with ethical accounting standards and accounting practices.
3. To analyze the impact of ethical accounting standards on quality of accounting practice.

4. Hypothesis

Hypothesis 1:

Ho1: There is association with ethical accounting standard and accounting practices.

H1: There is no association with ethical accounting standards and accounting practices.

Hypothesis 2:

Ho2: Ethical accounting standards significantly impact the quality of accounting practice.

H2: Ethical accounting standards significantly do not impact the quality of accounting practice.

5. Review of Literature

Significance of ethical accounting, Ango Nuhu Aliyu, Ph.D. (2022). The goal of this study is to better comprehend the idea of ethics and the significance of ethical dilemmas in the accounting and auditing professions. The current study explored the value of professional ethics in accounting (accounting and audit). Dr. Giriraj Kiradoo. (2020). This paper's main goal was to include better understanding or the main important points of a clear statement of ethics in accounting. The study also mentioned an explanation about the successful professional ethics within and between accountants to reduce the issues in their daily practices. The approach used in this study was a qualitative systematic study, consisting of reviewed documents plus accounting and management books to ensure the proof level. The form that there are significant social and ethical existential questions that have an impact on accounting and reporting quality.

Association with ethical accounting standards and accounting practices, S. Mubaraq, M. Abdulrasaq & M. Saidu. (2019). This study investigates at the relationship between listed industrial businesses in Nigeria's financial reporting quality and ethical accounting practices. The study's population consists of 215 practicing accountants from those listed manufacturing firms in Nigeria. The sample size is 140, and the random sampling technique was used to collect primary data. Multiple regression analysis was used for statistical analysis. The study's findings demonstrate a positive and important association between the financial reporting quality of listed industrial enterprises in Nigeria and the objectivity and integrity

of accountants. The study concluded that listed manufacturing companies in Nigeria's financial reporting quality are impacted by ethical accounting practices. Accordingly, the research suggested that professional accountants develop additional tactics to motivate their members to uphold ethical standards. Marwan Mohamed Abdeldayem. (2019). This paper was studying the relationship between the risk of management and business ethics in the practices of a company. A questionnaire survey was distributed to Gulf countries such as Bahrain, Kuwait, Saudi Arabia, Oman, and UAE in order to collect information. It tests the reliability of the questionnaire using Cronbach Alpha. This paper concludes that the relationship between accounting standards, practices and management risk are compliance.

Impact of ethical accounting standards on quality of accounting practice, Atokpe, M. R, OHRE, K.A, OBUROTA, M.P. (2023). The study looked at how Nigerian small-cap companies' financial reporting quality was affected by ethical accounting practices. The research population consisted of 180 practicing accountants from small-cap enterprises in Nigeria, from whom data were acquired by questionnaires. Using multiple regression analysis, a random sampling strategy was used with a sample size of 124. The study hypotheses were put to the test using multivariate analysis. The study provided proof that the quality of financial reporting is positively and significantly correlated with honesty, objectivity, and professional behavior. It follows that moral accounting procedures enhance the caliber of financial reporting. As a result, the research recommended that professional accountants use new tactics to encourage their members' adherence to moral principles and that professional value systems be free from challenges to moral principles based on familiarity. Thipwivatpotjana S, and Bootnoi N. (2019). The purpose of this study is to look at the impact of accounting ethics on the ethical behaviors and decision-making of accounting firm executives in Thailand. A quantitative methodology was used to study a sample. To examine the data and test different hypotheses, descriptive statistics and structural equation modeling techniques were performed. The findings of this study revealed a significant relationship between accounting ethics and the success of accounting firms. They also discovered a link between awareness of the organization's code of ethics and performance.

6. Research Gap

The required literature study is performed. The research gap is filled by the previously studied published literature from various countries. Bootnoi.N. and Thipwivatpotjana.S. (2019) Research was conducted in Thailand. The studies conducted by Bukola A. (Mrs.) Akadakpo, Augustine B. (2013), and Ibidunni O, Okere W, Ibidunni A, Joshua A, and Okah E. (2018) were also conducted in Nigeria. In several of the studies mentioned above, the researchers' attention was solely focused on two topics: the significance of ethical accounting standards among aspiring accounting professionals. The impact of ethical accounting standards on the quality of accounting practice. However, past research did not focus on aspiring accounting

professionals for assessing the relationship between ethical accounting standards and accounting practices in Muscat, Oman. To address this gap, research plan to perform the study. As the required sample of the research is include the respondents of aspiring accounting professionals in Oman, so it needs to be done in Muscat, Oman.

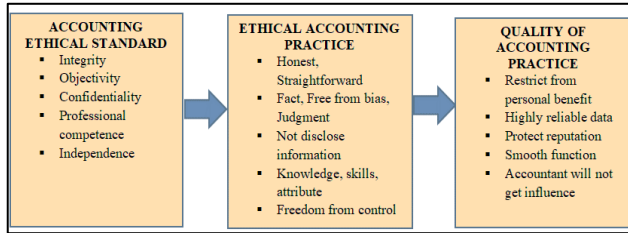


Fig. 1. Conceptual framework

7. Research Methodology

The quantitative approach is planned to apply. Data collected from randomly selected approximately 50% of 384 which is as per conservative approach. (194 respondents) aspiring professional accountant in Oman, Muscat by using an online survey. Based on the responses to the survey, statistical tools like percentage, tables, charts, and graphs were used in this study to analyze and report the proportion of aspirant accounting. For testing hypothesis SPSS used.

8. Data Analysis

A. Reliability Analysis

The consistency and utility of the scale are examined using reliability analysis in order to do the analysis. Research questions are identified, the study's aims and objectives are supported, and the hypothesis under test is validated.

Table 1

Scale	Cronbach's Alpha
Significance of Accounting Standards	0.808
Accounting Ethical Practices	0.916
Quality of Accounting Practices	0.876

Table 2

	Significance of Ethical Accounting Standard	Integrity	Objectivity	Confidentiality	Professional competence	Independence
Significance of Ethical Accounting Standard	Pearson Correlation 1 Sig. (2-tailed) .000 N 194	.598** .000	.578** .000	.516** .000	.623** .000	.626** .000
Integrity	Pearson Correlation .598** Sig. (2-tailed) .000 N 194	1	.601** .000	.599** .000	.625** .000	.625** .000
Objectivity	Pearson Correlation .578** Sig. (2-tailed) .000 N 194	.601** .000	1	.538** .000	.554** .000	.506** .000
Confidentiality	Pearson Correlation .516** Sig. (2-tailed) .000 N 194	.599** .000	.538** .000	1	.651** .000	.614** .000
Professional competence	Pearson Correlation .623** Sig. (2-tailed) .000 N 194	.625** .000	.554** .000	.651** .000	1	.683** .000
Independence	Pearson Correlation .626** Sig. (2-tailed) .000 N 194	.625** .000	.506** .000	.614** .000	.683** .000	1

** . Correlation is significant at the 0.01 level (2-tailed).

The reliability analysis shows that all the variables and scales are reliable since the Cronbach's Alpha value is more than 0.70, indicating that all the variables strongly impact one another. Further analysis of the data may be performed to find out more about the link between independent and dependent variables.

Hypothesis Testing:

Hypothesis 1:

H₀: There is association with ethical accounting standard and accounting practices.

H₁: There is no association with ethical accounting standards. and accounting practices.

Correlation analysis is used to confirm how variables are related to one another and whether there is a cause-and-effect relationship between them. If all the values fall between +/-1 and are not otherwise, then there is a connection. This study indicates a substantial correlation between the variables at the 2-tailed levels. Namely, 0 No Relation, -0.5 Low Degree Negative, +1 High Degree Negative, +0.5 Low Degree Positive, and -1 High Degree Negative. In this instance, every value demonstrates a meaningful relationship between the variables under study i.e. Significance of Ethical Accounting Standard and Accounting Practices Thus, it has been demonstrated that the variables have a strong, positive relation.

Hypothesis 2:

H₀: Ethical accounting standards significantly impact the quality of accounting practice.

H₁: Ethical accounting standards significantly do not impact the quality of accounting practice.

Table 3

	Integrity	Objectivity	Confidentiality	Professional competence	Independence	Quality Of Accounting Practices
Integrity	Pearson Correlation 1 Sig. (2-tailed) .000 N 194	.504** .000	.601** .000	.599** .000	.625** .000	.621** .000
Objectivity	Pearson Correlation .504** Sig. (2-tailed) .000 N 194	1	.538** .000	.554** .000	.506** .000	.603** .000
Confidentiality	Pearson Correlation .601** Sig. (2-tailed) .000 N 194	.538** .000	1	.651** .000	.614** .000	.628** .000
Professional competence	Pearson Correlation .599** Sig. (2-tailed) .000 N 194	.554** .000	.651** .000	1	.683** .000	.694** .000
Independence	Pearson Correlation .625** Sig. (2-tailed) .000 N 194	.506** .000	.614** .000	.683** .000	1	.734** .000
Quality Of Accounting Practices	Pearson Correlation .621** Sig. (2-tailed) .000 N 194	.603** .000	.628** .000	.694** .000	.734** .000	1

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation analysis is used here to determine the relationship of studied variables or not as per the standard value like +1 High Degree Positive, +0.5 Low Degree Positive, 0 No Relation, -0.5 Low Degree Negative, and -1 High Degree Negative. All the above-derived results show a positive relation with the 0.01 and 0.05 significant level respectively. Moreover, that means that independent variables like Ethical Accounting Practices are the main variable that significantly shows a relation with the quality accounting practices Hence, it is proved that there is a significant and positive relationship between the variables. So alternative hypothesis is accepted.

9. Conclusion

The analysis of the data shows that there was a total of 194 respondents, in the research and female are the majority of respondents which they are representing 61.1% of the total population of the study. Further, most of the respondents have graduation-level qualifications, and the majority of the respondents work in the private sector. In addition, most of the respondents are from urban areas, and they represent 84.50% of the population of the study.

The data's reliability in addressing research questions and its ability to enhance the goals and objectives of the study are demonstrated by the reliability analysis, which also reveals that the data's value of Cronbach Alpha exceeds the acceptable standard of 0.70. Given that there are significant associations between the examined variables in both hypothesis-derived values. Both alternate theories are agreed upon.

10. Recommendations

Accounting ethics is important because it creates better confidence in its transactions and tries to minimize and reduce the possibility of errors and fraud in accounting transactions. The following are some recommendations made based on the findings.

Make sure you understand the subject matter well. To prevent bias, this entails obtaining data from a variety of reliable sources.

Keep up with developments, trends, and best practices in the field. Get new information and skills by attending conferences, workshops, and training sessions. Must Keep relationships and personal emotions apart from professional judgment and Make choices based on the application of accounting principles, facts, and evidence. Keeping commitments, accepting accountability for actions taken, and complying with the law. Make sure that every financial transaction, report, and record is truly and correctly documented, and stay clear of manipulating or misrepresenting financial data. Understand the definition of confidentiality in terms of specific workplace standards and avoid sharing sensitive information in public places.

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