



Assessment of Undergraduate Accounting and Finance Education in Ethiopia

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ABSTRACT

Undergraduate accounting education was started in Ethiopia at Addis Ababa University in 1962. The main objectives of this study is to examine the change in curriculum and the development of university undergraduate accounting and finance education in terms of enrollment and geographical distribution in the country. The study mainly depends on secondary data obtained from Ministry of education and Higher Education Relevance and Quality Agency. The finding of the study showed that there is a shift towards more technical accounting and finance courses at the expense of general and supportive course each time the curriculum is revised. Further, enrollment in to accounting and finance program and the geographical distributions is increasing at alarming rate under regular, evening and distance modalities with very loss quality control. The researchers recommend HERQA has to strengthen its control system and Exist exam should be introduced to bring all bachelor degree graduate in all higher institutions in the country to the same level.

Keywords: Accounting and Finance, Curriculum, Ethiopia, University Education.

JEC Codes: M400, M410, M420

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1. Introduction

Poverty is one of the critical problems in money developing countries in the world (Denanyoh, Abjel and Danso (2018). Education is the most important tool to reduce level of poverty in a given country. Accounting and finance education is one area of manpower development which is described as educating students about identifying, recording, summarizing, reporting, analyzing, auditing and managing financial resources. It consists of various sub fields including; financial accounting, managerial accounting, government accounting, financial management, auditing and taxation, all of which aid in financial Reporting, economic planning, stewardship for resources, capital formation and so on. In addition to the above mentioned courses in the program, it consists of supporting subjects in management, Commercial law, information technology, quantitative techniques and economics that are related to the accounting and finance profession. In short, an appropriate accounting and finance

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education should include technical knowledge, practical skill and professional ethics related courses (International Federation of Accountants (IFAC),2017).

With the change in business environment, the role of accountant now a days is changing from maintaining accounting record to that of making financial decision. For instance, Hassan and Mahmood (2017) argue that accounting information has immense contribution in guiding stock investors in their decision making in Bangladesh now a days. Thus, accounting and finance education at universities should incorporate a package of courses designed to educate accountants to make them versatile and adaptable to any of the numerous roles they may be called upon to play after graduation. Quality of accounting and finance education is paramount to aid graduate accountants to meet demands of accounting and finance profession. Thus, accounting and finance education that equip graduates with various skills the industry needs has crucial role for the economic development of the country. But, the bottleneck in accounting and finance education is that educators are unable to provide accounting and finance graduates with relevant technical and generic skills that are required by the industry (Teferi, 2015).

In order to understand the future developmental requirements of accountants and the bottlenecks in the existing education system, studying the past and current status of accounting and finance education is very important. In this connection, Carnegie and Napier (1996) argued that knowledge of the past and the present accounting and finance education can facilitate an understanding of the future of the profession. They also noted that accounting and finance education is worthy of study because it allow us to provide solutions to the problems of the present and pave the way for the future. Hence, the purpose of this study is to assess the historical development of undergraduate accounting and finance education and examine its current status in developing country's context, Ethiopia. This will help to highlight issues that should be taken into account in the process of implementing the various initiatives the country is undertaking to lift the profile of accounting and finance profession at the moment.

1.1 Problem statement

In the current globalized world and rapid economic development, accounting and finance graduates are expected to possess a wide set of knowledge, technical and generic skills and professional ethics to meet the requirements of the work place. In the current turbulent world, technical accounting knowledge alone are insufficient for educating professional accountants and needs to be complemented by other competencies such as; analytical skill, problem solving, creative thinking, lifelong learning, use of Information technology and communication skills. Today, accountants are more involved than before in business decision due to the increasing demand for financial and nonfinancial information in such decision (Jeacle, 2008).

Previous studies have indicated the need for the accounting education change to reflect among other things the implication of changing demands of businesses. For instance, IFAC (2017), identifies that university accounting education curricula should include subjects designed to provide students with understanding of global issues affecting society and business environment. Evans (2012), argued that accounting and finance students requires improved knowledge and skills in using Information Technology. He further argued that in order to deliver effective up-to-date education, accounting professors within university system need to inculcate e-business content in their accounting and finance curricula as a tool to help them retain their superiority as a source of well educated recruits into the profession. Madawaki (2015) also emphasized on the importance of university curricula content to reflect the needed knowledge and skills required for an increasing sophisticated and changing business environment. Grayson (2004) argued that jobs outcomes are connected to what graduates learn at universities and therefore argues that university accounting curricula should reflect changes to meet job demands. Other accounting education studies have examined how accounting academicians can be motivated and what should be taught in classrooms (Madawaki, 2015).

The accounting profession is emerging and playing an increasingly important role as Ethiopian's economy is being integrated into the world market. Changes in Ethiopia's business environment have brought a demand for more accountants equipped with a wide set of skills, which has stimulated the need for accounting curriculum reform. Ethiopia's present move towards economic reforms, new demands for accounting services is increasing at alarming rate (ROSC, 2007).

Given the current focus on strengthening the accounting profession following the adoption of international financial reporting standard in Ethiopia, the importance of developing and enhancing university accounting education has been repeatedly discussed. It is important to note that the market drives the profile, responsibilities, and career options of accountants in the business world. One of the responsibilities of universities is therefore to ensure that accounting graduates are equipped with the knowledge and skills identified by the market as desirable for accounting and finance profession (Madawaki, 2015).

Although University level accounting education has expanded rapidly in the last two decades in Ethiopia, in line with the expansion of the country's higher education sector in general, accounting education is deficient and that academics and students face many obstacles and problems that hinder its quality. Further, Employers and Professionals are complaining that the current accounting education is not preparing graduates to the actual work environment. Employers and former graduates argue that the courses offered at university at the moment are mainly theoretical and lack practical application and recommend curriculum revision. Further, the aggressive expansion of accounting and finance program throughout the country without appropriate quality control in place has adverse effect on the profession. In spite of this fact, academic research has not focused on examining the real problems affecting accounting and finance education in Ethiopian higher institutions except the effort made by Mihret and Bobe (2014) to explain the development of accounting education and profession in the country taking one higher institution as a case study.

1.2 Objectives of the study

Recently, the Government of Ethiopia is making a considerable effort to improve its national education system. The long-term vision Ethiopia laid down has inspired the government to develop "education roadmap 2018-2030". This education road map is aimed at revisiting the education system in general and higher education system in particular. The researchers believe that this intern requires studying the past and the present status of accounting education in terms of access and enrollment in to the accounting and finance program in the country. Doing this can help to pinpoint the main limitation of the existing accounting and finance education and give possible recommendations for the future. This study is planned to contribute for the Implementation of this road map. Specifically, insight from this study will be useful in the process of revising the existing accounting and finance curriculum. In addition, it has great contribution in enhancing the quality of education because of the growing number of universities in Ethiopia that offer accounting and finance degree programs and the globalization of financial reporting. The main objective of this study is therefore, to assess the status of undergraduate accounting education in Ethiopia. Specifically, the study

1. Identifies the limitation of the currently working national harmonized accounting and finance curriculum
2. Examines the development of undergraduate accounting and finance education in terms of enrolment and distributions of public and private universities in the country.

2. Literature review

The origins of the accountancy profession lie far back in history but have shown drastic change in recent years. The earliest civilizations developed simple recording methods that grow slowly over thousands of years, from keeping a record of transactions between parties to communicating the results of those transactions to interested parties (Edwards, 2011). However, it is generally acknowledged that 1494 was the beginning of modern accounting when double entry book-keeping was invented in Italy by Pacioli (Sangster et al., 2010). As a result, Pacioli was widely regarded as the father of double entry book-keeping. This invaluable technique enabled, for the first time, a business organization to keep a complete and coordinated record of all its transactions, showing both ownership equity and periodic results. Although the history of accounting and accountants is thus a long one, the importance of the subject and of the profession has changed in line with the growth in the business environment. The growth of international trading from the sixteenth century onwards and the increase in the size of business enterprises associated with the industrial revolution led accountancy to rise to prominence, which was

coupled in the nineteenth and twentieth century with business transactions becoming more sophisticated (Maatoug, 2014).

Similar to the global experience, accounting and finance profession had a long history in Ethiopia also. Kinfu (1990) as cited in Mihret and Bobe (2014) provides historical development of accounting in Ethiopia and argued that keeping of records in various forms might have existed in ancient Ethiopia as early as the 3rd century A.D. during the Axumite Kingdom of the nation. The start of modern accounting in the country, nevertheless, is traced to the beginning of the 20th century. Keeping of formal records of government activities started in the 1900s when Emperor Menelik established ministry of finance in order to keep records of the King's treasury. Kinfu further indicated that modern financial accounting in the private sector started in Ethiopia in 1905 when Bank of Abyssinia was established. The bank was established as a branch of the Bank of Egypt, which was in turn administered under the British financial system. He points out that the British citizens controlled the bank's administration as a result of which usage of British accounting terminology, financial reporting requirements and personnel training left their footprints.

The International Federation of Accountants (IFAC) is a global organization committed to protecting the public interest by formulating high-quality international standards, promoting strong ethical principles, upholding quality practice, and supporting the development of all sectors of the accounting profession around the world. International Accounting Standard Board (IAESB) is a board established under the supervision of IFAC responsible for setting Accounting Education standards. IAESB has issued nine International Education Standards (IES) till to dates which are used as benchmarks for the preparation and continual development of professional accountants worldwide. One of the main objectives of IESs is to assist accounting professors in ensuring that accounting students develop and demonstrate the competences needed to meet the expectations of the communities they serve. In general, IESs establish the essential elements that education and development programmes are expected to contain and that have the potential for international recognition, acceptance and application (IFAC, 2017).

IFAC (2017) defines technical competence as the ability to apply professional knowledge to perform a role to a defined standard. IES two gives eleven competence areas as well as learning outcomes and minimum proficiency level associated with each area. This competency category comprises functional and other knowledge and abilities included traditionally in accounting subject-areas. The competence areas pertaining to Technical-competences are classified into two sub-types as follows: (a) Technical competence 'Accounting', and (b) Technical competence 'Broad Societal and Business Perspectives'. The following competence areas are for Technical competence 'Accounting': financial reporting and analysis, management accounting and control, income tax accounting, accounting information systems and IT, audit and assurance, enterprise risk management and governance, accounting for non-profit organizations, and strategic accounting and auditing. Technical competence 'Broad Societal and Business Perspectives' has the following competency areas: liberal arts, business and organizational environments and systems, business laws and regulations, strategic management and organizational behavior, corporate finance and financial management, international business and globalization, and quantitative business analysis and modeling (IFAC, 2017).

In additional to technical competences as explained in IES two, IES three and four are related to skill competences and value and ethics respectively. 'Skill' competency is composed of four "soft" skill-areas that have been identified in a number of research studies and comprise the following: communication skills; creative thinking and problem-solving; teamwork and leadership; management of change (IFAC, 2017). 'Values and Ethics' competencies represents attributes, behaviors and abilities that provide foundations for moral and ethical performance of professional work and responsibilities on which 'Technical competences' and 'Skills' are based. Prior research and other works on this area suggest that 'Values' include the following competence areas: professionalism, conceptual foundations of ethics, and ethical decision making. To serve the public interest and society, professional accountants ought to perform their work with integrity, due care, public trust, and other ethical norms of the profession and the society (IFAC, 2017).

Formal accounting education at university level is a recent development in developed countries. USA was the first country to recognize accounting as an academic subject and latter discipline to be given a place in the university curriculum. The first school of business in USA was founded in 1881 at the

University of Pennsylvania's Wharton School of Finance and Economics. Its first accounting course was offered in 1883. There were several reasons why USA began accounting education at university level. The strong demand for, and the limited supply of trained accountants was one of the main reasons for the development of university training for accountants. By 1920, most of the major universities in USA not only had accounting courses in their curricula but were offering degrees in business administration with major in accounting, which indicated a growing demand for accountants. The progress of accounting degree program at universities in USA was the catalyst for the proliferation of university's accounting education in many countries including the UK, Australia and Canada. In the UK, accountancy was first taught at an English university in 1902 and the first full time chair in the subject was created in 1947 (Maatoug, 2014)

The accounting and finance education and practice of developing countries have been shaped by Western countries accounting systems. However, the status of their current accounting and finance system differs from country to country. For instance, most former British colonies modeled their accounting education and practices around the British systems. After independence, when some continued to follow their former colonizer's system, others, moved away from it. In most former colonies that continue to follow their former colonizers accounting systems, their accounting education and practices are modeled from a single source, i.e., after their colonizers. In such situations, not withstanding other implications, accounting education and practices are aligned to one system (Mihret & Bobe, 2014).

In regards to foreign influence on the development of accounting education, Ethiopia possesses a unique experience. Although it has never been colonized, it has had open relationships with the outside world. This meant that the country was open to the influences of different countries' education systems and practices. In particular, UK and USA played significant roles in relation to the development of Ethiopian accounting education and practice. Accounting education was introduced by US academics and was modeled on the US accounting education system. British experts were the first to introduce public accounting practices in Ethiopia; and the first Ethiopian professional accountants obtained certifications from British accountancy bodies. Both trends continue to the present day. The accounting curriculum used at university is based on USA text books but practicing accountant and auditor's still get certification from UK based ACCA. This sourcing of accounting education and accounting practices from different countries has led to the misalignment of the two and has adversely impacted the development of accounting and restricted its contributions to the economic development of the country (Kidane, 2012).

Researches in accounting advises the importance of synergy of accounting practice and education for the development of the profession and its contributions to the economic development of the country. Accounting education serves as an input for accounting practice by providing theoretical and practical ground to students entering the profession. As the accounting and finance profession provides career paths to students, it requires well prepared potential members. Educators teach accepted practice, which is the current state and practitioners do what they are taught, with this chain progressing through exogenous input from accounting research by way of teaching students the desired state of the practice (Mihret & Bobe, 2014).

Ethiopia is currently undertaking various initiatives to improve the level of accounting practice in the country. In 2005, a study was conducted by the Association of Chartered Certified Accountants (ACCA) on behalf of the Office of the Federal Auditor General of Ethiopia (OFAG) in collaboration with Ethiopian Professional Association of Accountants and Auditors (EPAAA) and with the support of the Ethiopian Ministry of Trade and Industry. The study produced a report titled: Ethiopian Accounting and Auditing Standards Development 'Road Map'. In 2007, Reports on Observance of Standards and Codes (ROSC), an initiative of the World Bank and International Monetary Fund (IMF), reviewed the accounting and auditing practices and the institutions supporting the accounting and auditing environment in the corporate sector in Ethiopia. The recommendations of the study included the enacting of a financial accounting law; establishing a National Accountants and Auditors Board; setting accounting standards; mandating International Standards on Auditing for all auditors; establishing an accountancy professional body; and establishing a local professional and technical accountancy qualification (ROSC, 2007).

The Ethiopian Government accepted the policy recommendations of the ROSC study and has begun the implementation process and established accounting and auditing Board of Ethiopia (AABE) by proclamation 347/2014. Further, in 2014, Ethiopia formally approved the transition to IFRS. This transition

is to occur over five years to allow all stakeholders to prepare for the transition (Proc No. 347/2014). Ethiopian decision to transition to IFRS requires examination of the exiting accounting and finance program and identification of limitations to be improved in the future. Further, the recent plan to reform the countries education system in general and higher education in particular requires detail examination of the limitation of the existing accounting and finance education.

3. Data and methods

This Study was a comprehensive assessment of accounting and finance education in Ethiopian higher institutions. The study mainly focuses on the limitation of curriculum contents, trends of student's enrollment, distribution of higher intuitions in the country and implication of all of these issues to the future of the accounting and finance profession. Therefore, once the researcher has determined the specific objectives to be achieved, it is time to consider a suitable research design. There are different research design approaches depending on different criteria out of which researchers can choose the one which is appropriate for their study. This study is based on a country case study of the development of accounting and finance education in the context of Ethiopia. The case study approach is employed to enable an in - depth understanding of the issues studied within a broader context.

A detailed examination of the existing curricula content, learning outcomes and proficiency levels of the accountancy programs was made and compared against internationally-recognized benchmarks. The learning outcomes and competence areas were validated by inspecting the source syllabus content and syllabus details for each of the accountancy programs subject to the assessment. International education standards (IESs) related to technical competence (IES two), Skills (IES three) and professional values, ethics and attitudes (IES four) were the main benchmarks used.

In order to assess the enrollment of accounting and finance students and distribution of higher education institution that have accounting and finance program in the country, secondary data from 2010 to 2018 were mainly used in this study including statistical data of Ministry of education of Ethiopia (MOE) and Higher Education Relevance and Quality agency (HERQA). In addition, previous publication on historical development of Ethiopian education in general and accounting and finance in particular were intensively reviewed. The study mainly used descriptive statistics to achieve its objective.

4. Result and discussion

Traditional religious Education has a long history in the country. Ethiopian Orthodox Church was credited for preserving education system which served as a base for modern education now a days. Modern education started at the beginning of 1900s with the establishment of Minilik School. Although the foundation for modern education had been laid down, the progress made was slow until the opening in 1925 of the Teferi Makonnen School, the second such institution in the country's history. Following the opening of this secondary school, other many schools were opened in different parts of the country with a short time disruption during the five years Italian occupation. Higher education was initiated only in 1950 with the founding of the University College of Addis Ababa (Teferra, 2005).

The start of accounting education in Ethiopia is traced to the developments in the 1940s that created a demand for trained manpower in accounting and auditing. In 1943, Addis Ababa Junior College of Commerce (now Addis Ababa University college of commerce) started offering diploma in accounting. This was followed by the launch of a Bachelor of Business Administration (BBA) program in 1955 at the Addis Ababa University. This program offered majors in accounting and management. Subsequently, a separate Bachelor of Arts (BA) degree program in accounting was established at Addis Ababa University in 1962 and Asmara University⁸ in 1969 (Mihret & Bobe, 2014). Asmera is the capital city of Eritrea, which has been one of the federated states of Ethiopia at that time. These two universities continued training students with Bachelor of Arts degree in accounting during the Dergu regime.

At the beginning of 1991, there were only two full time universities offering under graduate accounting programs in the country. The development of the economy and the establishment of more private owned business after 1991 increased business activities in the country which result to the establishment of many universities in which most of them have accounting departments. The number of universities in Ethiopia has increased substantially in 1999 with the establishment of seven more universities offering degree program in accounting and finance. Currently, Ethiopia has about 43 public

universities (Eight first generation universities established before 1999, 12 second generation universities established between 2000 to 2006, nine third generation universities established between 2007 to 2012, 10 fourth generation universities established after 2013 and four more other universities established by different government organs which train students that leads to BA in accounting, Finance and other related disciplines (Mihret & Bobe, 2014; MOE,2018).

In addition to the 43 public universities having BA in accounting and finance program, there are several private universities in the country. Private provision of higher education in Ethiopia is still in its infancy although the first privately-owned institution of higher learning dates back to 1954. Since the mid-1990s, the private provision sector has grown following reforms introduced by the 1994 Education and Training Policy Sector Strategy whose objectives were to increase access to educational opportunities with enhanced equity, quality and relevance. The beginning of a full fledged private higher education sector in Ethiopia dates back to 1998 which marks the year the then Unity College (now University) was established. Currently, there are about 166 accredited private colleges and universities out of which 123 have a program that lead to Bachelor of Arts in Accounting and Finance (HERQA,2018).

4.1 Under graduate Accounting and Finance Curriculum

The time phased change in accounting Curriculum in Ethiopia can be seen by taking Addis Ababa University as a case study. This is because; Addis Ababa University is the oldest higher institution in the country which started under graduate accounting education for the first time. In addition, other universities in the country copied the same curriculum with little modification until the currently working harmonized curriculum was introduced. When the program was opened at Addis Ababa University at the beginning, the curriculum development was mainly done by US academicians who came to Ethiopia for voluntary service. Initially, the program was opened as bachelor of business administration specialization in accounting. Later on, accounting department was separated from management and become standalone field of study. The courses offered in the program were composed of general education courses; related courses and specialized accounting and finance courses. This curriculum was revised at least five times till to date. The mix of the three groups of courses (Accounting and finance courses, related area courses and general courses) each time the curriculum was revised in the history of accounting and finance education in Ethiopia can be easily seen from the bar graph shown in figure 1 below.

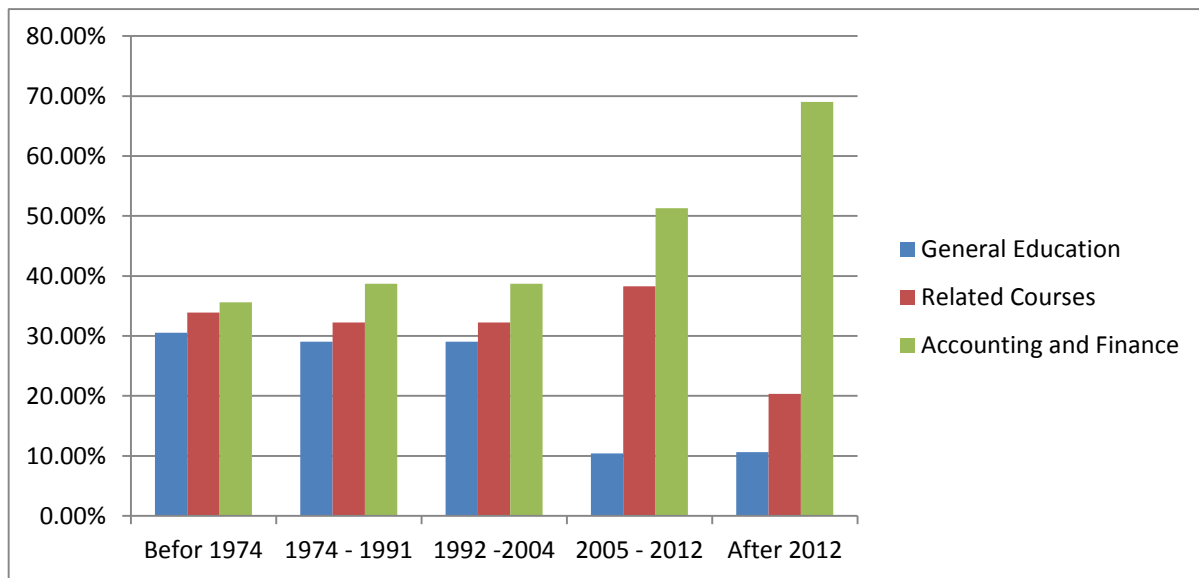


Figure 1. Composition of Undergraduate Accounting and finance Curriculum at different times
Source: Mihiret, 2011

As it is shown in the above figure 1, it can be observed that each time the curriculum is revised, high emphasis is given to technical accounting and finance courses and the percentage composition is increasing from time to time. This is at the expense of general and supportive courses whose percentage is decreasing subsequently. This happens mainly because of several reasons. First, some of the general courses which were previously offered at freshman level in the four year program are shifted to

preparatory class at high school and the number of years of stay at university in the program was reduced to three years. Second, some new accounting and finance courses were added especially after the duration for the program was reduced from four years to three years. For instance, some of the new courses added to accounting and finance curriculum includes: Ethiopian government accounting system, Banking process and procedures, Investment analysis and portfolio management.

In short, there is a tendency of shifting university accounting and finance education from general education courses to more technical accounting and finance subjects. This implies there is a shift in university accounting and Finance education from generic skill to more technical knowledge. This might be the main reason that employers at the moment are highly complaining new graduates lack generic skills including communication and problem solving skills as compared to their former counterparts. Research has also indicated that a barrier, in the form of communication skill and attitude, is apparent in many individuals who are attracted to careers in the accounting and finance profession. In the current system of mass education of which accounting and finance is one, there is a serious concerns expressed by employers and professional bodies that the current accounting education process is failing to produce accountants who possess the required generic skills and attitude. Off course, some public institutions like Jimma University apply community based educations that consists of courses which are believed to enhance the problem solving and generic skills of graduates.

In this connection, Watty et.al (2012) Confessed that there is insufficient time to help students develop a wide range of Job market skills as the accounting curriculum is already crowded with technical subjects. Moreover, there are arguments that some of the generic skills are best developed and applied in the workplace rather than taught at university. As it is not practical to cover all the required skills expected of employers, accounting educators perhaps need to prioritize certain skills that are deemed most important in the workplace. However, as the global economy evolves, it is essential to continuously ascertain and articulate employers' opinions on what makes a graduate employable so that accounting educators are kept abreast of the skills and attributes that are most valued in the workplace.

Before 2012/13, most universities and colleges in the country are using slightly different curriculum with different naming although the majorities of the courses are similar since they are directly copied from Addis Ababa University. Some universities tend to call the program as “BA in Accounting” and others have been using the name “BA in Accounting and Finance”, though most of the courses they are teaching under both naming are similar. The currently working nationwide harmonized curriculum was introduced in 2012/13 since the old curriculum was believed to have many drawbacks including lack of academic coherence, poor assessment and evaluation methods, fragmented knowledge contents, poor quality and relevance as a whole which could not produce highly qualified and competitive graduates at the job markets. The harmonized curriculum is believed to solve the above draw backs and planned to make easy transfer of students from one university to another since all of them are using the same curriculum and course naming. The current modularized curriculum is a three year program which constitutes of modules and courses carefully designed to transform the conventional academic incoherence approach to competence based teaching/learning approach behind the modularization

Even though the accounting and finance curricula used in Ethiopia is harmonized among universities before five years, Curriculum Harmonization by itself has been described by some academicians as a constraint to the innovation in accounting programs. They argued that, since universities focus on satisfying the requirements of the harmonized curriculum, there is less room in the program to include any valuable and innovative syllabus. It is therefore concluded that the benefits of curriculum harmonization is debatable.

International accounting standard set out that accounting students need to acquire a set of knowledge, skills, values, ethics and attitudes and have the ability to integrate them together. The knowledge these accounting students need to acquire consists of Professional Accounting Education Programs, which includes knowledge in the area of accounting and finance; organization and business; and information technology. In addition, trainee should be acquainted with hard and soft skills required in their professional duty. Value and Ethics plays critical role especially in accounting and finance profession. In line with this, the currently working harmonized curriculums were analyzed in order to see to what extent the courses included in each year consists of the three basic components which comprises Knowledge (Accounting and finance and General business), skill (Organizational, Personal and IT skill), ethics and value in terms of credit hours.

Table 1.
Summery of Competences in the Existing Harmonized Curriculum

Years	Accounting & Finance	General Business	Organizational & personal skill	IT Skill	Value and Ethics	Total
Year I	16 (41.02%)	9 (23.08%)	9 (23.08%)	2 (5.13%)	3 (7.69%)	39
Year II	29 (78.38%)	5(13.51%)	3 (8.11%)	0 (0%)	0 (0%)	37
Year III	23 (62.16%)	9 (24.32%)	3 (8.11%)	2 (5.41%)	0 (0%)	37
Total	68 (60.18%)	23 (20.35%)	15 (13.27%)	4 (3.54 %)	3 (2.65%)	113

Source: Own analysis

As can be seen in table 1 above, in year I, accounting and finance courses accounts for 41.02% of the total credit hours covered in the year. General business and organizational & personal skill courses comprises of 23.08% each. The remaining 5.13% and 7.69% are IT skills and Value & Ethics related courses. In year II, accounting and finance courses accounts for 78.38% of the total credit hour for the year. General business and Organizational & personal skill comprises for 13.51% and 8.11% respectively. There are no courses that are related to IT skills, ethics and value in year II. Accounting and finance comprises of 62.16% of the total credit hour for year III. 24.32% are related to general business subjects. The remaining 8.11% and 5.41% are related to organizational, personal and IT skills. There are no courses that are related to ethics and value in year III. In the three years of the program, the total percentage of accounting and finance is 60.18%, general business consists of 20.35%, organization and personal skill comprises of 13.27%, IT skill accounts for 3.54% and finally value and Ethics consists of 2.65% out of the 113 credit point.

The above analysis clearly shows; though the graduate profile in the harmonized curriculum states one of the objectives of the program is to internalize an appreciation for the role of ethics in both the profession and the business world, there is only one general civic and ethics course included in the curriculum for this purpose which is not sufficient to acquaint students with the necessary competences. Detail investigation of the course guide book of the harmonized curriculum further revealed that some topics related to Auditors' professional ethics were included in the first part of Auditing procedures and practices module in a single chapter. Professional values and ethical principles in other accounting and finance aspects were not incorporated in any of the modules at undergraduate level.

In addition, it is clearly stated in the graduate profile of the harmonized curriculum that students completing this program will be able to prepare financial statement. However, the curriculum itself does not integrate international financial reporting standards that the country decides to adopt since 2014. Moreover, most of the text and reference books used for this purpose are US based books which are written in line with US GAAP not in line with IFRS. Further the reference books suggested for each course are very old version written before three decades ago and does not include recent development in accounting and finance profession including IFRS.

A further closer examination of the currently working harmonized curriculum shows that there are missing relevant courses. Ethiopian economy is mainly agrarian in nature and there are many small and large agricultural businesses in the country including horticulture. But there is no relevant course which deals with agricultural accounting in the currently working curriculum in this connection. Instead, the curriculum was filled with accounting and finance courses that are very much related to advanced economies.

4.2 Students Enrollment in Undergraduate Accounting and Finance program

In addition to the curriculum change, enrolment of students in the accounting program in the country is increasing at alarming rate. The statistical abstract of Ministry of education showed that at the end of 2015/16 more than 18,000 students have been attending their final year (3rd year) accounting and finance program in both private and public higher institutions in the country. The following line graph indicates the trend of graduating class students in the last six years (2010/11 – 2015/16).

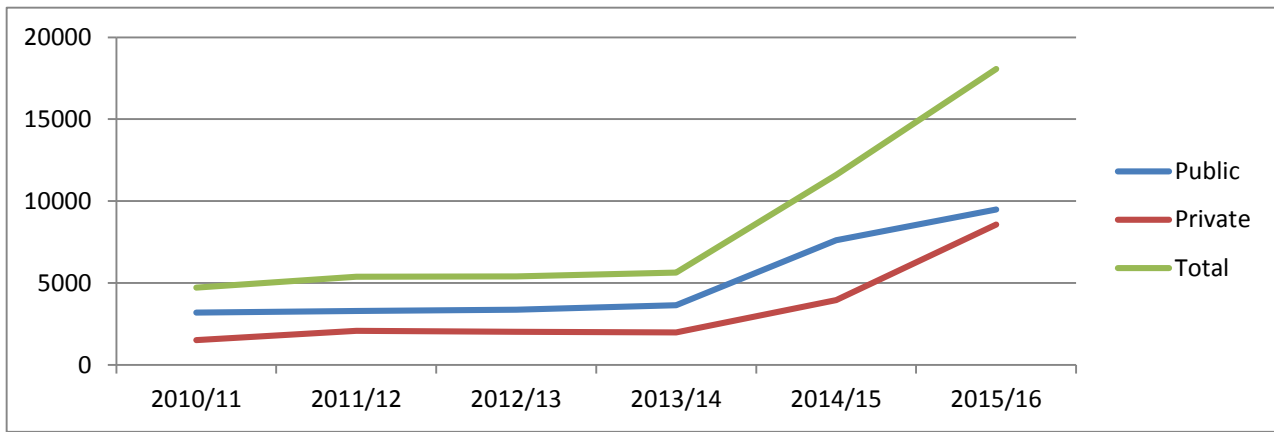


Figure 2. Trend of Accounting and Finance Students' Enrollment

As can be seen from figure 2 above, the gap between enrollment in public and private higher institution is decreasing recently. Although there is an aggressive expansion of public universities which open accounting and finance program immediately, there is proportional increase in the private counterpart. The private higher education sector in Ethiopia is growing at an impressive rate from practically zero graduating class students in 1998 to 8,576 graduating class students in the academic year 2015/2016 accounting for 47% percent of aggregate enrolment in 3rd year accounting and finance BA degree students (MOE,2016).

The gender wise classification of graduating class enrollment in the years from 2010/11 to 2015/16 is presented for both public and private higher institutions as follows.

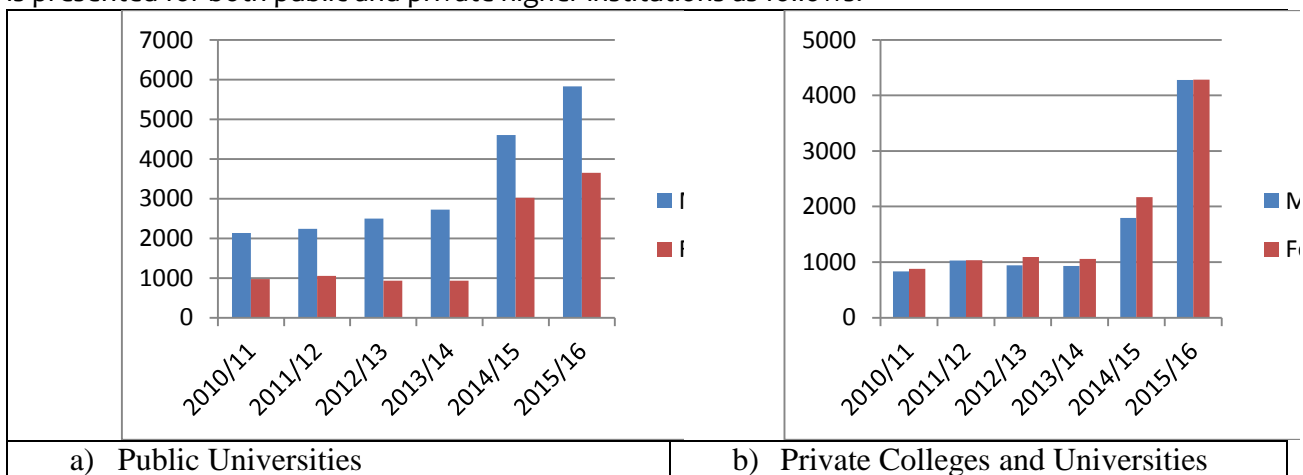


Figure 3. Male and Female Accounting and Finance Enrolment

As can be observed from figure 3 above, in public higher education institutions, there is a big difference between male and female enrollment. However, in private counterpart, the gap is very small and in the year 2015/16 the proportion is almost equal. The difference in the proportion of gender under public and private higher institution may arise because, enrollment in public higher institution is on competitive base where male domination is common whereas in private colleges and universities, there is no such fierce competition for joining accounting and finance program and both sex have equal chance as far as they are able to cover the tuition fee.

Another dimension of looking at the enrollment in the accounting and finance department is program wise classification. Students joining accounting and finance department at each higher institutions can do so through four types of modalities namely Regular, Evening, Distance and summer programs. The following bar graphs show the mix in the enrollment of the four modalities in both public and private higher institutions in the country.

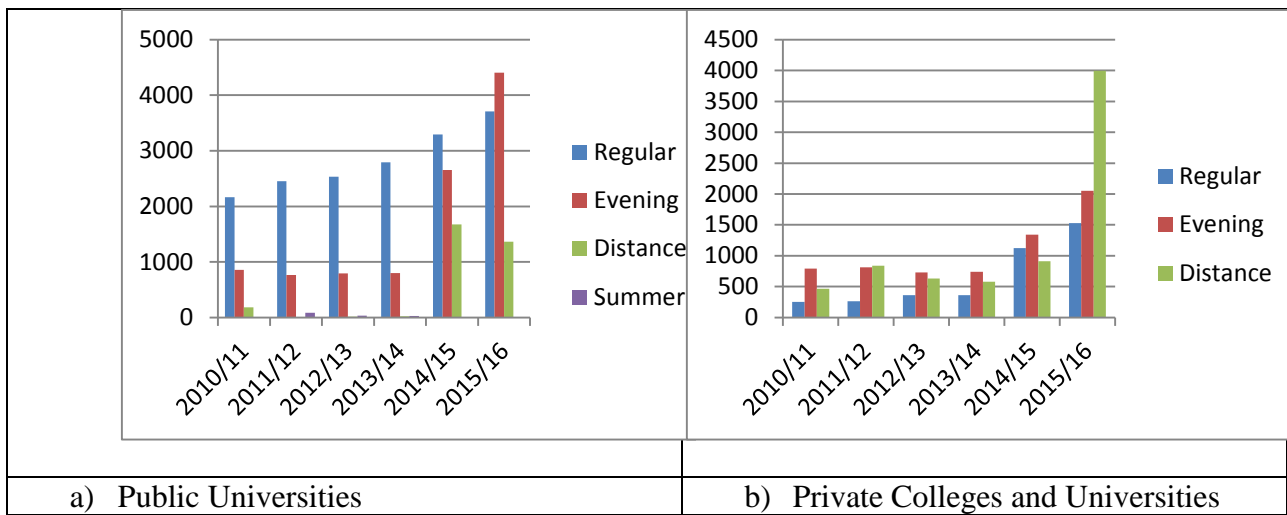


Figure 4. Students Enrollment By program

As can be seen from figure 4 above, in public universities, although the majority of the students are enrolled in regular program, the gap is decreasing from time to time and evening program students has surpassed in 2015/16. On the other hand, in private colleges and universities, most of the students are enrolled in evening and distance program. The reason is that, students must pay tuition fee immediately and only those who have the capacity to pay the relatively higher tuition fee will be enrolled in private institutions. This is possible for those who are currently employed in whatever job and aspire to upgrade their educational level. A closer look at the enrollment also indicates that distance education is the dominant modality in private higher education in the country. This has its own quality implication. Unless the distance learning materials are properly prepared and to the standard, the quality of education is at risk.

Currently out of the 45 public universities in the country, only two of them do not have accounting and finance program (Addis Ababa and Adama Science and Technology Universities). The remaining 43 are providing courses that lead to Bachelor of Arts degree in accounting and finance or related disciplines such as public financial management and Tax administration. The regional distribution of public universities that offer education in accounting and finance program is provided in the figure 5 below.

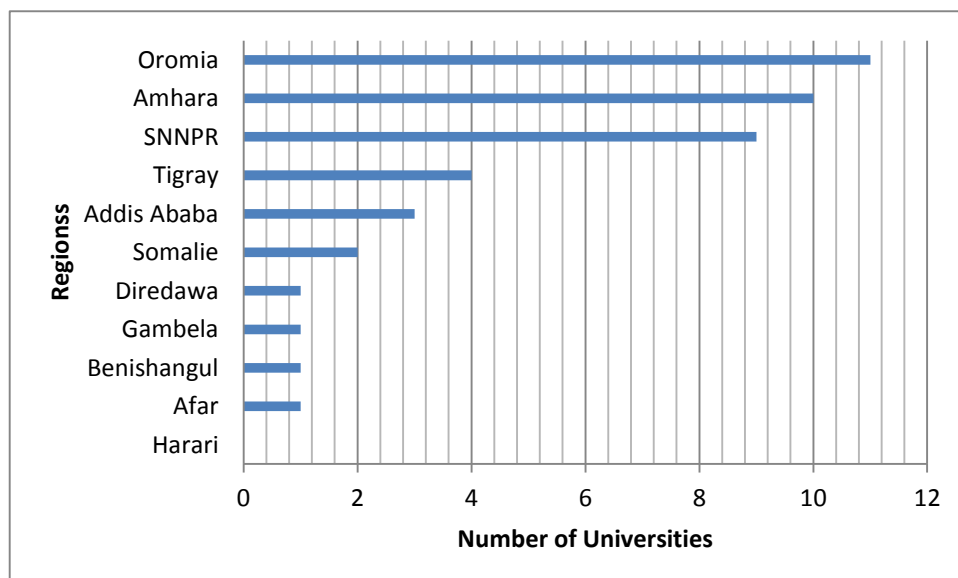


Figure 5. Distribution of public universities with BA in Accounting and Finance

As can be seen from figure 5 above, Oromia regional state got the highest number and Harari region has got no public university at all. This is as a result of political decision of the federal government which uses population size as base for distribution of public universities among regions. The following table further summarizes the number of programs provided in the public universities including Regular, Evening, distance and summer programs for the period from 2010/11 to 2015/16

Table 2.

Classification of public universities based on number of programs

No of programs	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
one program only	7	12	11	10	10	7
Two programs	11	9	9	14	17	17
Three programs	4	4	5	4	5	8
Total	22	25	25	28	32	32

Source: Various years of Annual abstracts of MOE

As can be seen from the above table 2, the majority of public universities have more than one program. Those that are having only regular program are those which are recently established in a relatively remote area in the country. Further, in recent years, public universities are shifting in to distance education program aggressively. Expansion of public universities in a relatively remote area may contribute in increasing access to education to citizens in the country. The current government (EPRDF) has worked hard in this respect and needs to get credit for this effort. However, extremely aggressive expansion in to those remote areas has also its own drawback. In some of recently established public universities, there is serious shortage of qualified teachers, class rooms and other facilities. Lack of reference books and access to internet is very common in those types of young universities.

In addition to public universities, there are several private higher institutions offering Bachelor of Arts in Accounting and Finance at the moment. The change in recent years was so unprecedented that the number and scale of institutions rose very rapidly and in 2018, there were 123 institutions enrolling students for BA degrees in accounting and finance (HERQA, 2018). BA degree-granting institutions are accredited by Higher Education Relevance and Quality assurance agency (HERQA). Out of 166 private higher institutions having accreditation by HERQA in 2018/19, there are 123 private higher education colleges and universities that are providing bachelor degree in accounting and finance using on campus and distance education modalities as shown in table 3 below.

Table 3.

Classification of public HEIs Based on Mode of Delivery

Mode Of Education	Number	Percentage
Campus based only	66	53.66%
Distance only	11	8.94%
Both Campus based and Distance	46	37.40%
Total	123	100.00%

Source: HERQA, 2018

Those that give education on campus modalities can have many branches throughout the country. On the other hand, a very handful institutes (57 out of 123 i.e. 46%) are engaged in distance education. Among these, while eleven of them are exclusively engaged in distance education, the other 46 use it along other modes of delivery. In the first three years, private providers of distance education had 100 percent market share, which later decreased to an average of 62 percent market coverage after the public providers came to existence (2007 to 2012). On the other hand, the market share of the public distance education providers has increased from no market share prior to 2007 to an average intake of 38 percent per annum between 2007 and 2012. The following bar graph indicates the distribution of the private universities' campuses throughout the country.

As can be seen from figure 6, most of the campuses of private universities and colleges are in Addis Ababa, Oromia, Amhara, SNNP region and Tigray regions. The main reasons for this might be, these are relatively well developed regions in the country and there is high demand for higher institution education. There are very few campuses in relatively backward regions like Afar and Gambela. Even with in the big regions, the distribution is highly concentrated in relatively big towns like Addis Ababa. There is a common saying in this respect especially in Addis Ababa where there are so many private colleges. If a person throws a stone in to the straight of Addis Ababa randomly, the chance of kicking one accounting graduate is very high.

By concentrating in Addis Ababa and in urban areas, the private provision sector is not yet contributing to bridging the geographical divide in access to higher education; in fact, it might be

contributing to the entrenchment of the geographical disparities in access to higher education. Three factors may explain this outcome. The first is that industrial and modern sector

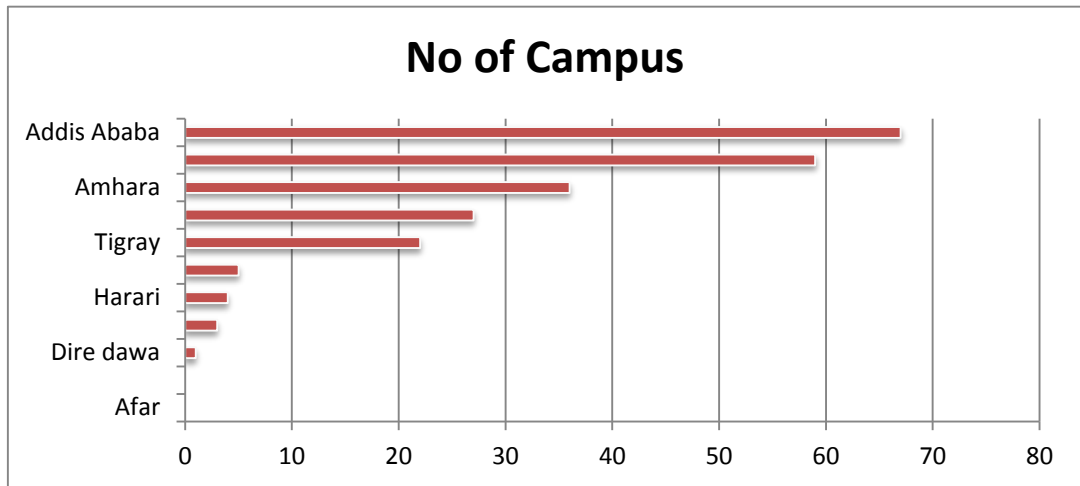


Figure 6. Distribution of private higher institutions with BA in Accounting and Finance

activities remain concentrated in Addis Ababa, the capital and wealthiest city. Economic theory suggests that the demand for higher education is a function of income, the price (tuition, other fees and the opportunity cost) of higher education. As people get richer, their demand for higher education (and all the services it provides) also increases. Given that Addis Ababa is the wealthiest city in Ethiopia, it is therefore not unexpected that profit-maximizing private providers of higher institutions will concentrate where willingness and ability to pay is highest. In addition, the scarcity of infrastructural facilities and complimentary inputs outside Addis Ababa and the major urban areas raise quite significantly the cost of private provision in other parts of the country.

Further, researches indicate that these private colleges face several problems. First, Private institutions are confronted by a shortage of highly qualified personnel. Qualified teachers in accounting and Finance are in short supply and one teacher may work in more than one private institution. As a result, some critics describe those teachers at private higher institutions as “Taxi” professors since they spend more time in a taxi travelling from one college to another than in a class. Second, private higher education institutions, especially of the family-owned variety, are very vulnerable to the quality problem because to survive, they must have lower production cost. These institutions are able to keep their unit cost of production low because they rely on part-time teachers, have lean administration and concentrate on offering programs that do not require huge investment. This enables them to keep tuition fees relatively affordable. But it has an impact on quality of education and the distribution of skills in the economy. For example, part-time teachers are likely to be less committed to their students than full-time, permanent teachers. Where the institutions concentrate on low cost courses including accounting and Finance, there could be an over-supply of such graduates and as a result, higher rates of graduate unemployment.

5. Conclusion and Recommendation

Undergraduate accounting and finance education has a life of more than six decade in Ethiopia. It started at Addis Ababa University in 1955 and aggressively expanded after 1999. Currently, there are about 43 public universities and 123 public higher institutions that provide education leading to Bachelor of Arts in accounting and finance. Currently, all of them are using common nationwide harmonized curriculum with minor variation. Per the harmonized curriculum, regular students should take about 19 credit hours per week on average which is too much over crowded with technical accounting and finance courses. The proportion of other supportive and general courses is very small. Therefore, introducing one more year by adding some specialized accounting and finance, general and professional ethics related courses that will help to enhance their generic skills such as communication and problem solving skill is recommended.

Most accounting text books used in the program are US based and lack adequate focus on current international accounting standards. Thus, a gap exists between the acquired and required knowledge and skill for accountants due to the rapid changes in the market environment and the slow changes in the curriculum and teaching materials used. This requires revisiting the currently working

curriculum and making it relevant to Ethiopian context by incorporating IFRS and some additional relevant courses such as agricultural accounting. Further encouraging staffs to prepare locally written teaching materials in line with recent development in the profession by giving incentives plays vital role.

Public universities are approximately evenly distributed throughout the country which implies they are trying to give access to higher education to all citizens in the country. But private higher institutions highly concentrates in urban centers since they are profit oriented. Currently, the number of enrollment in accounting and finance in the country is increasing at alarming rate through the different modalities. Especially, private colleges and universities are expanding aggressively through extension and distance education modalities. This intern has quality implication since they are using low quality modules especially in distance education modality. This further leads to oversupply of graduates having BA degree in accounting and Finance but without the required knowledge, skill and attitude. Thus, close monitoring and control on the methods of admission, teaching learning and assessment procedure should be mandatory. HERQA has to play great role in this connection and takes action that discourages the malpractice in the system. In addition, introducing exist exam after completion of the program can reduce the bulk graduates in the program and enhance quality of education.

Excessive profit motive and illegal practices of private universities and colleges is a serious challenge. In the absence of strict government control private higher institutions are admitting thousands of ill qualified applicants and strengthening their financial muscle through illegal means. For instance, recently HERQA has penalized three private collages for violating regulation which it says undermines the quality of educations being delivered. Therefore, to discourage such malpractice by private and public universities and college, HERQA has to continue taking measures and Ministry of Science and higher education should increase the institutional capacity of HERQA for this purpose.

The main limitation of this study is that it is totally based on secondary data and it does not include opinion of those involved in the education system. Future research can use the conclusion of this study as a starting point and further investigate the problem by incorporating firsthand information from educational leaders, academicians, current university students and former graduates.

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Appendix I.

List of Public Universities in Ethiopia at the Moment

1st generation Universities established before 1999	2nd generation Universities established b/n 2000 – 2006	3rd generation Universities established b/n 2007 - 2011	4th generation Universities established After 2012	Other Higher Institutions In the country
Addis Ababa University	Adama University	Addis Abeba science and technology University	Debank University	Civil Service University
Arba Mich University	Aksum University	Adigrat University	Denbi Dolo University	Defense university College
Bahir Dar University	Ambo University	Assossa University	Enjibara University	Kotebe Metropolitan University
Haromaya University	Debre Brehan University	Bule Hora University	Gambella University	Oromia civil Service University
Hawasa University	Debre Markose University	Debretabore University	Jinka University	
Gonder university	Dilla University	Mettu University	Kebri dahar University	
Jimma University	Dire Dawa University	Wachamo University	Mekdela Amba University	
Mekelle University	Jigjiga University	Wolaita Sodo University	Oda Bultum University	
	Mede Wolabu University	Woldeya University	Raya University	
	Mizan Tepi University	Wolkite University	Werabe University	
	Semera University			
	Wollega University			
	Wollo University			

Annex II.

List of Courses in Accounting and Finance at different times at Addis Ababa University

Curriculum pre 1974	Curriculum 1974 - 1991	Curriculum 1992 - 2004	Curriculum 2005 - 2012	Curriculum 2012 –to date
General Education (36Cr.Hr.)	General Education (36Cr.Hr.)	General Education (36Cr.Hr.)	General Education (36Cr.Hr.)	General Education (12Cr.Hr.)
Related Area Course (40Cr.Hr. Core Area Courses	Related Area Course (40Cr.Hr. Core Area Courses	Related Area Course (40Cr.Hr. Core Area Courses	Related Area Course (40Cr.Hr. Core Area Courses	Related Area Course (23Cr.Hr. Core Area Courses
Principles of Accounting I	Principles of Accounting I	Principles of Accounting I	Principles of Accounting I	Principles of Accounting I
Principles of Accounting II	Principles of Accounting II	Principles of Accounting II	Principles of Accounting II	Principles of Accounting II
Management Accounting	Management Accounting	Management Accounting	Management Accounting	Cost & Management Accounting I
Cost Accounting I	Cost Accounting I	Cost Accounting I	Cost Accounting I	Cost & Management Accounting II
Cost Accounting II	Cost Accounting II	Cost Accounting II	Cost Accounting II	Financial Accounting I
Financial Accounting I	Financial Accounting I	Financial Accounting I	Financial Accounting I	Financial Accounting II
Financial Accounting II	Financial Accounting II	Financial Accounting II	Financial Accounting II	management I
Financial management	Financial management	Financial management	Financial management I	Financial management II
Risk Management and Insurance	Risk Management and Insurance	Risk Management and Insurance	Financial management II	Financial Markets and Institutions
Advanced Accounting	Advanced Accounting	Advanced Accounting I	Risk Management and Insurance	Banking Principles and procedures
Auditing	Auditing	Advanced Accounting II	Advanced Accounting I	Advanced Financial Accounting
Project Analysis and Evaluation	Project Analysis and Evaluation	Auditing	Auditing I	Auditing Principles and Practice I
Fund Advanced Accounting	Fund Advanced Accounting	Project Analysis and Evaluation	Project Analysis and Evaluation	Project Analysis and Evaluation
	Basic Computer Programming	Basic Computer Programming	Accounting Information System	Accounting Information System
	Management Control system	Management Control system	Auditing II	Auditing Principles and Practice II
		Working Capital Management	Public Finance and taxation	Public Finance and taxation
			Financial markets and Institutions	Investment analysis and portfolio mgt
			Government and NFP Accounting	Government and NFP Accounting
				Ethiopian Government Accounting System

Accounting
Software
Application
Mathematics for
Finance
Statistics for
Finance
Fundamentals of
Information
Systems
Research
methodology in
ACFN
Senior Research
Project

Annex III.

Graduating class Accounting and Finance Students' enrollment in both public and private higher institutions

Year	a) Enrollment in Public Universities												b) Enrollment in private higher institutions								
	Regular			Evening			Distance			Summer			Regular			Evening			Distance		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
2010/11	13	7	21	6	2	8	1	2	18	0	0	0	2	25	25	312	4	79	31	15	4
	4	2	65	1	4	6	8		3				0	4	9		7	0	4	0	6
	4	1		2	8	0	1						5				8				4
2011/12		8	24	5	2	76	0	0	0	75	1	85	1	26	43	329	4	81	53	28	8
	16	3	50	4	1	5					0		6	6	3		8	5	4	6	4
	20	0		8	7								7				6				0
2012/13		6	25	5	2	79	1	6	17	29	2	31	3	36	6	292	4	72	34	28	63
	19	4	34	1	8	3	1						0	2	6		4	9	9	3	2
	4	6		2	1								2		4		7				
2013/14		6	27	5	2	8	1	1	25	28	1	29	3	36	6	292	4	73	33	24	58
	21	7	95	5	4	01	5	0					0	3	6		4	9	6	6	2
	21	4		6	5								2		4		7				
2014/15		1	32	1	1	26	8	8	16	0	0	0	5	11	17	581	7	13	62	28	91
	21	0	92	5	1	54	5	2	77				9	22	13		6	43	5	8	3
	9	9		5	0		2	5					1				2				
2015/16		1	37	2	1	4	7	6	13	0	0	0	9	15	25	787	1	20	24	15	39
	25	1	11	5	8	4	1	4	63				9	30	28		2	53	95	0	95
	93	1		1	8	07	9	4					8				5			0	
	8		8	9												6					

Source: Various Years annual abstract of Ministry of Education