

The Role of Accounting in Colleges Increase the Credibility of Future Accountants

Untung Lasiyono¹ & Siti Istikhoroh¹

¹ Accounting Studies Program, University of PGRI Adi Buana Surabaya, Indonesia

Correspondence: Priyono, Postgraduate Program in Education, University of PGRI Adi Buana Surabaya, Indonesia. Tel: 62-812-1697-4878. E-mail: priyono.unu_sidoarjo@yahoo.com

Received: October 5, 2015

Accepted: November 5, 2015

Online Published: December 18, 2015

doi:10.5539/ijbm.v11n1p164

URL: <http://dx.doi.org/10.5539/ijbm.v11n1p164>

Abstract

This research aims to improve public confidence in the credibility of accountants. The involvement of professional accountants in some cases financial reporting proved to be detrimental to the public at large and potentially reduce the credibility of accountants. To prevent the recurrence of similar cases in the future, then the preventive efforts should be made early on that in college because of accounting students are candidates for professional accountants in the future. Accounting colleges need to improve the structure of the curriculum by providing more servings to the problem of moral ethics.

The study was conducted on two groups of respondents, academics (students and professors of accounting), as well as practitioners (public accountants and management accountants) in East Java. Data is primary, obtained through questionnaires, analyzed using a technique independent sample T-test and Regression Analysis.

The study concluded that academics perceive the credibility of accountants better than the practitioners. In deciding the accounting policies, academics more moral scenarios taking into account the magnitude of the consequences and social consensus. Meanwhile, practitioners tend to take advantage of the flexibility of financial reporting as a loophole to gain managerial. Understanding of the professional code of ethics is creative accounting practices and good corporate governance principles proven to affect the credibility of the accountant.

Keywords: credibility accountants, professional code of conduct, creative accounting, corporate governance

1. Introduction

As an engineering science (engineering), Accounting provides an opportunity and innovation for the company to make a choice from a variety of alternative methods of financial reporting, so that there is a gap to interpret accounting standards. Accountant less responsible can take advantage by way of concealment on certain transactions, manipulating records, the removal of documents, and the mark-up price. Financial statements appear more beautiful than the original so that the management get good performance appraisal. Wilopo (2006) states that the effectiveness of internal control, compliance compensation, information asymmetry, and morality positive influence on the management of unethical behavior accountant.

Accounting ethics field researchers found evidence of fraud in financial reporting always involves accountants, both management and auditors accountants. The involvement of management in financial reporting or profit management is often the cause of action of creative accounting in which several parties are jointly using the ability of understanding the knowledge of accounting (including standards, techniques, and procedures) to manipulate financial reporting (Amat, Blake, & Dowd, 1999). Ethical quandary to earnings management practices is often used less moral accountant to legalize such action. Although there who think that earnings management is likely to mislead stakeholders, but on the other hand is considered as a reasonable measure of flexibility in the use of financial reporting rules.

Moral ethics is always inherent in any profession, especially the profession who provide services to the community as an accountant. Society demands that accountants are able to work professionally to promote integrity, competence, and independence so as to present the financial statements which can be accounted for truth. When there are several accountants who intentionally commit fraud, then indeed the overall credibility of accountants involved subject. Therefore, to deal with financial statement users are increasingly well-informed and more demanding in the future, and then attempt to restore public confidence in the credibility of accountants seems to be

the only alternative open to neutralize the increase in the cost of regulation in the future.

Indeed Indonesian Institute of Accountants (IAI) has established a Code of Professional Ethics as a guideline for accountants in performing his professional duties. In the code of conduct is explained that the professionalism of an accountant is not only measured by its ability to generate financial reports, but also must be independent regarding its relationship with clients, with colleagues, as well as with the public. Violations of the ethics of the profession, shaded orgabizationnot just the responsibility of accountants individually but also profession. Once the importance of maintaining the quality of ethics because of a violation of ethics would eliminate public confidence and lead to the demise of the profession of accountants (Finn et al., 1998; Leung & Cooper, 1995). An accountant printer institution of the future, it is proper accounting College shall be responsible for professional and moral quality of the resulting ethical accountant.

Further indirectly colleges take responsibility for the rampant cases of financial reporting in the community. Therefore, improving the quality of science/competencies students should be coupled with improved quality of moral ethics. The problem now, has a problem of moral ethics be taught adequately in Higher Education in Accounting? How does the perception of the credibility of accounting according to accounting students? Does the perception of credibility by the student still retained when the corresponding plunge into the world of work as a practitioner?

2. Study Literature

Some research into the rationale of this study. Wilopo (2006) examined several factors that affect the accounting fraud tendency to conclude that there is positive and significant correlation between the effectiveness of internal control, compliance compensation, asymmetry of information, and management morality against unethical behavior and tendencies accounting fraud. However, adherences to accounting rules do not provide a positive influence on the accounting fraud.

Marihot Nasution and Doddy Setiawan (2007) studied the effect of corporate governance on earnings management in the banking industry in Indonesia concluded that the composition of the board of directors, the existence of an audit committee, and the size of the company encourages the practice of earnings management.

Nurwanah (2008) examines ethical quandary in the accounting profession maintain its credibility states that when the audited financial statements and discover fraud, accountant / auditor is often difficult to choose between retaining and losing a client professionalism. The general pattern that happens is the client usually will follow the rules of the game but the senior auditor junior auditors tend to follow the client's request.

Kaudin and Inggarwati (2010) examined the perception of ethical accountants to practice earnings management concluded that the practitioner is able to accept the management's decision-making profits through the manipulation of the operation rather than through manipulation of accounting. The study also found a lower ethical perception among academics. Students assume that the accounting manipulation or engineering is commonplace that those ethical or unethical boundaries become blurred. Suliani M., and Marsono (2010) studied the influence of ethical considerations, machiavelian behavior, and gender in ethical decision-making students S-1 Accounting machiavelian concluded that affect the behavior of the students ethical decisions while ethical considerations and gender had no effect

Febriyanti (2011) conducted a study on the development of cognitive and moral model of relevance in accounting research concluded that accountants need to understand the psychology and human behavior so as to distinguish the actions of ethical and unethical. Setiawan (2011), examined the influence of the nature of does not functional behavior accounting students in making financial report concludes that accounting students with a positive effect on the Machiavellian nature does not functional behavior, but the negative effect on the moral development of does not functional behavior.

From some of the above study note that several factors such as earnings management and accounting consistent creative influence accounting fraud. Such conditions adversely affect the public perception of the credibility of accountants. However, a study of college students still showed mixed results. Most researchers conclude that the student considers the act of manipulating the data is commonplace, while other researchers concluded the opposite. Students still consider the moral when taking ethical decisions, provided that the concerned does not have a Machiavellian nature.

2.1 Theoretical Basis

Siegel and Marconi (1989) explain that the perception of the state of how one interprets the events, objects, and people. The good and bad types of perception is very dependent on the stimulus received and past experiences

that experienced by someone. Subjective perceptions, situational, and difficult perverted. Therefore, a person will act according to the perception that he felt regardless of right or wrong.

Several studies in psychology conclude that the perception of a major impact on a person's intentions and actions. In the field of accounting, for example, the general publics who have been victims of accounting fraud tends to perceive the professionalism of accountants based on the value that he felt each.

2.2 Accountants Professional Ethics

To ensure compliance with the highest professional standards for responsibility performance of accountants, then formed a professional organization called the Association of Professional Accountants. Proceedings of the Congress VIII IAI in 1998 explained that in order to achieve these objectives, there are four basic needs of accountants, namely 1) Having credibility in understanding of information systems, 2) Having the competence to complete the task in their capacity as members of the profession, 3) Being able to convince the client that service professionalism given fortified with high standards of performance, and 4) Being able to convince the client that service professionalism given based on the framework of professional conduct.

Structure Code IAI consists of four parts: 1) Principles of Ethics: consists of professional responsibility, the public interest, integrity, objectivity, competence and prudence professional, confidentiality, professional behavior, technical standards, 2) Rules of Ethics: composed of independence, the general standard accounting principles, the responsibility to the client, the responsibility to colleagues, responsibility and other practices, 3) Interpretation of Rules of Ethics, and 4) FAQ. Rules of professional ethics of accountants' implementation under Article 7 of the Code of Accountants Indonesia which states that every accountant is obliged to live and practice the code of ethics with full responsibility and tried to remind each fellow member against acts considered unethical.

2.3 The Concept of Morality in Professional Ethics

Moral thinking is the foundation of thinking for assessing a business activity is categorized as ethical or not. The process of thinking and moral behavior that underlie human behavior human being delivered by Rest et al. (1999), namely: 1) moral sensitivity; interprets the situation as a moral, 2) moral judgment; deciding set of policies that is most correct as a moral, 3) moral motivation; prioritize things to do as moral, and 4) moral character, focused on efforts to develop and implement a plan into action, against interference and overcome obstacles.

The individual's ability to perceive ethical issues are different in every situation. A social situation to react quickly to a person's decision is a real reflection on the ethics of a situation. To clarify the reasons people act morally, then Flory et al (1992) in Leisch (2004) to formulate a variety of moral scenarios that are usually considered by accountants, namely 1) The amount Consequences (The Magnitude of Consequences), 2) Consensus Social (Social Consensus), 3) Probability Effects (Probability of Effect), 4) Freshness Temporal (Temporal Immediacy), 5) Proximity (Proximity), and 6) Effect Concentration (Concentration of Effect).

Kohlberg et al. (1983) put forward the theory of cognitive moral development that emphasizes the process of moral thought on what someone thought when faced with ethical dilemmas. There are three levels of moral development namely Pre-Conventional, Conventional, and Post-Conventional. A person at the pre-conventional level defended his decision by referring to his own interests, at the level of conventional referring to those of the group, and at the post-conventional level refers to the moral principles that do not take sides so it can be received by any person who is able to think rationally.

The concept of moral development Kohlberg line with Machiavellian personality concept which states that a person's perception of others underlie behavior in touch with that person. But in its development, and Chonko Hunt (1984) states that the Machiavellian nature has a negative trend, at least show how unethical to manipulate others to achieve goals. People with this personality have less affection in personal relationships, ignoring conventional morality, and show low commitment to ideology. Purnamasari (2006) says that individuals with Machiavellian personality tends deceitful, manipulative, and usually aggressive.

2.4 World Role in the Development of Moral Education Ethics

The role of educational institutions in maintaining the moral quality of graduates can be seen in the article delves Philip Broughton (2009). Philip is a British journalist who wrote his experiences when studying at Harvard Business School (HBS), which calls the churning of capitalism. Philip told me that almost all of his lectures in HBS bring the main purpose of which is capable of working in the financial sector with a big salary. Schools are constantly pressing so that students get to work and earn a high salary.

In line with the statement of Philip, (Joel M. Podolny, 2009) said that the success of business school graduates measured speed in obtaining prestigious jobs in finance and salary first obtained. To obtain the status of the leading business schools, the need to prepare a business school curriculum packed with courses that teach analytical techniques. Schools appreciate that a former teacher or a leading executive management consulting firm that has a track record fee-highest recipient in the field rather than teachers who have competence in the field of teaching as a whole (Charles Handy, 2002). Ethical issues are taught minimally or not at all because it was considered incompatible with the disciplines of business that emphasizes quantitative techniques.

Bachtiar (2012) suggested that minimal effort to reduce the accounting fraud was to turn morality accountant. The effort is the responsibility of all parties that play a role in shaping the character of the candidate's ability and accountants, as well as those that ensure the professionalism of accountants when running errands profession. Party in question is the College of Accounting and Accountants Professional Association. Ponemon and Glazer (1990) suggested that moral socialization accountants and professional ethics should be started from the college for accounting students are candidates for professional accountants in the future. Required stimulation is able to make the students start thinking about moral attitudes and actions because they can be continued when entering the workforce.

2.5 Research Purposes

This study aims to understand the differences in the perception of academics (faculty and student accounting) and practitioners (public accountants and management accountants) to the credibility of accountants. By looking at the various cases of fraud in financial reporting and analyzing some of the factors that led to the fraud, are you still accounting students have confidence that he will be able to perform tasks in a professional and ethical profession.

3. Research Methods

3.1 Research Design

To achieve the set objectives, the research process is divided into two stages. The first phase is testing for differences in the perception of academics and practitioners on the credibility of accountants. The second phase is tested the factors that affect the credibility of accountants. The design is based on a framework of rational thinking, namely 1) the discovery of evidence that any cases of fraudulent financial reporting always involves a professional accountant, 2) Measures prevention to avert the occurrence of accounting fraud at a later date should be done early in college, 3) As a manufacturer of professional accountants, College of Accounting is responsible for the quality of the science and the resulting moral accountants, 4) Ethical issues are taught to be minimal or even none at all because it was considered incompatible with the disciplines of business.

3.2 Population and Sample

The study was conducted of two groups of respondents, namely 1) academics comprised of faculty and students of accounting, 2) practitioners consist of the management company went public accountants and public accounting Firm in East Java. Sample set based on non-random techniques - purposive sampling with the following requirements:

a. Accounting Students: 7/8 semesters chosen accounting students at 10 of the largest colleges or performing well. Dill (1999) says there are five dimensions of measuring universities, namely curriculum design, pedagogic design, the number of students / graduates, the quality of implementation, as well as the availability of resources. In this case, researchers set as the basis for setting the number of students' universities that perform well. While the selection of 7/8 semester students based on the assumption that students at these levels has been to better understand the context of accounting science than students in previous semesters.

b. Accounting Lecturer: selected accounting faculty at 10 colleges of which have minimal functional position of Assistant Expert. Determination academic position is considered to represent the quality of lecturers in understanding the credibility of accountants because that's the start position of Higher Education recognizes that the person concerned is a lecturer. Lecturer positions are not set in the guide Decree No. 38 / Kep / MENKO.WASPAN / 8/1999 and the National Accreditation Board of Higher Education (BAN-PT) so that the lecturer at the position could not be categorized as a lecturer real.

c. Public accountants: chosen one accountant who works in Public Accounting Firm (KAP) East Java.

d. Management Accountant: been an employee of accounting at publicly traded companies have their headquarters and branch offices in East Java.

Based on the requirement, then the sample group of academics comprised of faculty and students of accounting 10 universities in East Java, namely STESIA Surabaya, Muhammadiyah University of Malang, Airlangga University,

STIE Perbanas Surabaya, University Widya Mandala of Surabaya, University Brawujaya of Malang, Surabaya University, University Wijaya Kusuma of Surabaya, UPN Veteran Surabaya and Malang State University.

As for the group of practitioners, all respondents designated as a sample for IAI as the parent organization of accountants never rank KAP / AP as well as companies go public (listed) is based on the standard criteria. Number KAP East Java, as released by the Indonesian Institute of Certified Public Accountants (IAPI) in November 2012 as many as 448 companies, where 30 of them have their headquarters and branch offices in East Java. While the number of companies go public in Indonesia Stock Exchange released the report Indonesian Capital Market Directory (ICMD) in 2013 as many as 402 companies. Of these, 38 of which have their headquarters and branch offices in East Java. According to criteria of the total sample were 38 accountants' management accountants, while public accountants' as much as 30 accountants.

3.3 Research Variable

This study has two types of variables: the dependent variable and the independent variables were all collected through questionnaires. The dependent variable is "Credibility Accountant" with indicators of professionalism and moral ethics. Professionalism is measured by the ability of accountants in preparing financial statements in accordance with GAAP, while moral ethics measured using conventional post concept, magnitude and consequences of social arrangements, and be able to act based on ethical principles.

-Post conventional

Accountants must be able to make policy that could be justified by anyone who is able to think rationally.

-The magnitude of the consequences

Understanding those affected by the decision

-Agreement on Social

Using the norms of society in general to define an action is ethical or not

-Acting on ethical principles: honesty, independency, no Machiavellian (not selfish) Independent variables consist of a code of professional conduct, creative accounting, and corporate governance. Code of professional conduct is measured using indicators of responsibility, integrity, objective, and independent of the variable code of professional conduct. Creative accounting is using symmetry indicator information, the performance gap, accounting cosmetics, and conflicts of interest, corporate governance while using an indicator of fairness, transparency and accountability.

3.4 Data Analysis and Discussion

In the first phase of the study, differences in the perception of the credibility of the accounting by a group of academics and practitioners analyzed using Independent Samples T-test analysis. The refund questionnaires collected consisted of 180 students of accounting, accounting lecturer 44, 32 public accountant (KAP), and 24 management accountants. Results of the analysis are:

- Students perceive the credibility accountant and lecturer at 145.56 points at 151.95 points. With the F value of 0.001 and the significance level of 0.976, it can be concluded that there is no difference of perception between lecturer and student accounting.
- Public Accountant accountants perceive credibility of 126.13 points and Management Accountants of 151.95 points. With the F value of 1.958 and with a significance level of 0.167, it can be concluded that there is no difference between the perception of management accountants and public accountants.
- If the perception of both groups were tested, it was found evidence that the average group of academics and practitioners is 146.81 points at 125.17 points. With the F value of 4.543 and a significance level of 0.034, it can be concluded that there is a difference of perception between academics and practitioners. The value of the average is higher in the group of academics proving that academics perceive the credibility of accountants with better than practitioners.

Two phase study to examine the factors that affect the respondent group credibility accountant practitioners analyzed using Multiple Linear Regression Analysis. Conclusion the two-phase research is:

- Professional code of ethics has a variable coefficient of 0.247 with a value of 2.314 t 0.25 sign. This value indicates that the code of professional conduct positive effect on the credibility of accountants. If the understanding of the code of ethics accountants rose by 1 point, then the credibility will rise by 0.247 points assuming other variables constant.

b. Creative accounting has a variable coefficient of -0.110 to -0.2296 t value of the sign at 0.26. This value indicates that creative accounting negatively affects the credibility of accountants. When accountants perform earnings management practices through creative accounting increased by 1 point, then the credibility will drop by 0.110 points with the assumption that the other variables constant.

c. Corporate governance has a variable coefficient of 0.424 with a value of 3.111 t sign of 0.03. This value indicates that corporate governance positively affects the credibility of accountants. If corporate governance rise by 1 point, then the credibility will rise by 0.311 points with the assumption that the other variables constant.

The results are consistent with some previous researchers who claim that there has been a decline in the professionalism and moral ethics of the accountant concerned academics after stints profession as a practitioner. Therefore, researchers suggest that preventive measures such as the addition of a moral element in the structure of the accounting curriculum should be realized. Description of credibility accountant by students and faculty can be used as a reference for determining the finer points of morality that should be added to the structure of the curriculum and the learning process of accounting, namely:

a. Measurement Professionalism

-In connection points between the general knowledge about the economy and business, a group of academics able to solve the problems of the principle of entity concept, going concern, consignment sales, bookkeeping headquarters and branch offices, and profit recognition in installment sales to perfection. Thus the result is fair because the lecturer has a duty to improve the knowledge of accounting. As for the students, something related to the lecture material would be something very easy to be solved properly. However is unlike the case with the practitioners. For practitioners, the points given questions in the questionnaire may not necessarily be applied in everyday tasks. Thus only natural that the researchers describe that there is a possibility that practitioners have forgotten.

- At points the ability to present financial statements in accordance with GAAP, both academics and practitioners are able to resolve these problems properly. Indicators measured include the ability of preparing a cash flow statement, the mechanism of receivables, depreciation and revaluation of fixed assets, the method of determining the cost, etc.

b. Measurement of Moral Ethics

From the overall analysis concludes that academics have ethical moral qualities better than the practitioners. Academics is able to decide in accordance with the policy of moral scenarios by considering the magnitude of the consequences and social consensus. Some examples are described from the results of the questionnaires, among others:

- Ethical / absence decrease the amount of dividends in order to maintain the level of liquidity.

Academics answer is unethical because it harms shareholders while answering ethical practitioners as a dividend should not be compromising the company's liquidity.

Discussion: Decision amount of dividends to be shared should be made through the mechanism of the general meeting of shareholders. The things to consider include the amount of company debt immediately due, tax, reinvestment, and the level of liquidity. Although aimed at maintaining the level of liquidity, but decreases the amount of dividends that have been agreed, including an unethical act.

- Ethical / absence of load nature reported in the financial statements.

Academics answered unethical because employees gain pleasure nature facilities are not allowed to report the gain as income. While practitioners say unethical because after all, the company does have to pay in kind for employees. So it should be reported as an expense in the financial statements.

4. Discussion

This is a gray area of tax law in Indonesia. SFAS allow natural expenditures recorded as an expense, whereas the fiscal accounting does not allow. Bridging these two rules, the taxpayer must make fiscal reconciliation to calculate actual taxable income. Natural expenditures recorded as an expense to reduce the amount of taxes to be paid without reconciling fiscal including unethical act.

-Ethical/The lacks perform creative accounting in earnings management practices.

Academics declared unethical because of creative accounting legalize same as legalizing the presentation of financial information is not correct (not what). Financial statements do not need to be made more beautiful because of the potential misinterpretation and ultimately harm the public. As for practitioners, such action is deemed

reasonable in order to take advantage of flexibility in financial reporting rules. The financial statements should be made more beautiful so that interested investors and companies can develop more rapidly.

5. Discussion

Whatever the reason, carry out creative accounting, including an unethical act to avoid misinterpretations, the financial statements should be presented as is. Accountants may provide an explanation to the financial statements if indeed it deserves to be given. For example, the decision not to divide the dividend, the revaluation of assets, etc. need to be included its disclosure so that investors no misinterpretation.

- Ethical / absence put clients' interests rather than the interests of other users of financial statements.

Academics answered unethical because the real financial statement should be general so that it can be used by anyone and for any purpose. However, the practitioner considers that the interests of the client is an ethical act because it is basically the same human beings have an instinct to always give priority to the family, relatives, friends, or anyone with a social relationship is closer to him than anyone else.

The concept of psychology explains that the behavior of someone who put the interests of the family or next of kin is reasonable. However, as users of financial statements are the general public, then the action put the interests of clients in financial reporting has the potential to bring the accounting fraud. Therefore, such actions are categorized as unethical.

- Ethical / absence of linking the quality of the examination by the amount of the management fee received.

Academics answered unethical because the ethical standards of the profession stated that large / small management fee should not be attributed to the quality of the reporting / inspection. As for practitioners, such action is considered unethical. In accordance with the sale and purchase in general, it is natural that the quality determines the price.

Discussion: Assessment of the fairness of the financial statements should not be analogy with the sale of merchandise. Accounting for only the term qualified and un qualified. There is no term in the middle. Accountants should be objective so as to present the financial statements with true and trustworthy. Linking the quality inspection by the magnitude of the management fee is potentially manipulation of data.

6. Conclusion

The study concluded few things related to academic perceptions about the credibility of accountants in performing his professional duties, among others:

- 1). The group of academics (faculty and student accounting) perceive accountant with good credibility. Academics confidence in the ability of accountants to present financial statements with true and trustworthy is still very strong.
- 2). Credibility practitioner accountants are perceived less well. Practitioners have determined their own restrictions, when the financial statements are presented as they are and when to be enhanced in such a way in accordance with the interests of the client. Practitioners do not consider it as cheating because it is one of the efforts to find a gap regulatory clearances / accounting standards in financial reporting principles.
- 3). The decline in the quality of professionalism and moral ethics are concerned academics after his stint as a practitioner needs special attention. Accounting Universities should review the structure of its curriculum by adding courses related to ethics and socialize moral principles in teaching and learning activities

References

- Agoes, S., & Ardana, C. (2009). *Business and Professional Ethics-Challenges of Building a Whole Person*. Salemba Four, Jakarta
- Alleyne, P., Devonish, D., & Nurse, J. (2006). Perception of Moral Intensity Among Undergraduate Students in Barbados Accounting. *Journal of Eastern Caribbean Studies*, 31(3), 1-26.
- Arlow, P. (1991). College Student Personal Characteristics: Evaluation of Business Ethics and Corporate Social Responsibility. *Journal of Business Ethics*, 10, 63-69. <http://dx.doi.org/10.1007/BF00383694>
- Bachtiar, E. (2012). *Cases Business Ethics and the Professions*. Salemba Four, Jakarta.
- Barbeau, M. J., & Yamoore, C. M. (1985). Measuring Dental Students Ethical Sensitivity. *Journal of Dental Education*, 49, 225-235.
- Buchan, H. F. (2005). Ethical Decision Making in Public in the Public Accounting Profession: An extension of Ajzen's Theory of Planned Behavior. *Journal of Business Ethics*, 61(2), 165-181.

- <http://dx.doi.org/10.1007/s10551-005-0277-2>
- Charles, H. (2002). What a Business for? *Harvard Business Review*.
- Cohen, J. R., & Bennie, N. M. (2006). The Applicability of a Contingent Factors Model to Accounting Ethics Research. *Journal of Business Ethics*, 68, 1-18. <http://dx.doi.org/10.1007/s10551-006-9036-2>
- Dill, D. D. (1999). Academic Accountability and University Adaptation: The Architecture of an Academic Learning Organization. *Higher Education*, 38, 127. <http://dx.doi.org/10.1023/A:1003762420723>
- Dwyer, P. D., Welker, R. B., & Friedberg, A. H. (2000). A Research Note Concerning the dimensionality of the Professional Commitment Scale. *Behavioral Research in Accounting*, 12.
- Falah, S. (2006). *Influence of Organizational Ethical Culture and Ethical Orientation to Ethical Sensitivity*. Master of Science Thesis Accounting, Diponegoro University, Semarang.
- Febriyanti. (2011). Cognitive Moral Development Model and Its Relevance in Research-Accounting Research. *Journal of Economics and Accounting Information (GENIUS)*, 1(1), 57-77.
- Fischer, M., & Rosenzweig, K. (1995). Attitudes of Student and Accounting Practitioners Concerning the Ethical acceptability of Earning Management. *Journal of Business Ethics*, 14(6), 433-444. <http://dx.doi.org/10.1007/BF00872085>
- Harahap, S. S. (2008). The importance of Ethics in Accounting Profession element and How in Indonesia. *Islamic Economics* (online).
- Have now, U. (2006). *The Research Method of Business: Research Methods for Business*. Salemba Four, Jakarta
- Indonesian Institute of Accountants. (1998). *The Code of Ethics of Indonesian Accountants, Congress Proceedings VIII-IAI, Appendix 2*.
- Joel, M. P. (2009). The Buck Stops (and Start) at Business School. *Harvard Business School Review*.
- Karcher, J. N. (1996). Auditirs, Ability to Discern the Presence of Ethical Problems. *Journal of Business Ethics*, 15(10), 33-50. <http://dx.doi.org/10.1007/BF00412045>
- Kaudin A., & Inggawati, K. (2010). Perception Actors Ethical Accounting for Income Based Practice Management Accounting Profession and Gender. *Journal of Theoretical and Applied Management*, 3(3), 1-15.
- Khomsiyah. & Indiantoro, N. (1998). The effect of the Commitment and Ethical Orientation Sensitivity Government Auditor Ethics in Jakarta. *Indonesia Journal of Accounting Research*, 1(1), 13-28.
- Kleiner, C., & Lord, M. (1999). The Cheating Game. *US News and World Report* (pp. 54-63).
- Leung, P., & Cooper, B. J. (1995). Ethical dilemmas in Accountancy Practice. *Australian Accountant*, 28-32.
- Ludigdo, U., & Machfoedz, M. (1999). Perception Accounting and Students to Business Ethics. *Journal of Accounting Research Indonesia*, 2(1), 1-19.
- Machfoedz, M. (1999). Study of Student Perceptions towards professionalism Lecturer of Accounting Higher Education. *Journal of Accounting and Auditing Indonesia*, 2, 1-9.
- Monks, R. A. G., & Minow, N. (1995). *Corporate Governance*. Blackwell Business. Oxford. UK.
- Morris, D., & Klian, C. (2006). Do Accounting Student Cheat? A Study Examining the Undergraduate Student Accounting Honesty and Perception of Dishonest Behavior. *Journal of Accounting, Ethics & Public Policy*, 5(3).
- Muhammadi, A. M., & Susilo, B. (2001). *Analysis of Dynamic Systems*. Jakarta: UMJ Prss.
- Nurwanah, A. (2008). The Accounting Profession Ethics Dilemma in Maintaining Krdibilitasnya. *GorontaloIchsan Journal*, 3(2), 1615-1629.
- O'Leary, C., & Cotter, D. (2000). The Ethics of Accountancy Final Year Students: an International Comparison. *Managerial Auditing Journal*, 15(3), 108-115. <http://dx.doi.org/10.1108/02686900010319366>
- Philip, D. B. (2009). What They Teach You at Harvard Business shcool? *Penguin Book*.
- Ponemon, L., & Gabhart, D. (1993). Ethical Reasoning in Accounting and Auditing. *Journal of Business Ethics*, 9, 639-653.
- Rest, J. R. (1983). *Morality, in Handbook of Child Psychology* (Vol. 3, 4th ed.).

- Saudagaran, S. M., & Diga, J. G. (1997). Financial Reporting in Capital Emerging Market: Characteristics and Policy Issues. *Accounting Horizon*, 11(2).
- Setiawan, B. A. (2011). *Effect of Machiavellian nature and Moral Development of the Dysfunctional Behavior*. University of Diponegoro.
- Shaub, M. K., Finn, D. W., & Munter, P. (1993). The Effect of Auditor Ethical Commitment and Ethical Orientation on Sencitivity. *Behavioral Research in Accounting*, 5, 145-169.
- Spain, J. W., Brewer, P., & Garner, S. J. (2002). Ethics and Geography-Impact of Geographical Cultural Differences on Students Ethical Decision. *Journal of Business Ethics*, 41, 187-194. <http://dx.doi.org/10.1023/A:1021322811290>
- Volker, J. M. (1984). *Counseling experince, Moral Judgment, Awareness of consequnces, and Moral sensivity in Counseling Practice*. Unpublished Doctoral Dissertation, Minneapolis, MN: University of Minnesota Press
- Wilopo. (2006). Analysis of Factors that Influence the trend of Accounting Fraud-A Case Study on Public Company and State Owned Enterprises in Indonesia. *Journal of Accounting Research Indonesia, Perbanas Surabaya*, 9(3), 346-366.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).