

## Honesty is the Best Policy: Reality or Fallacy for Accounting Students?

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### Abstract

The purpose of this study is to know the behavior of the accounting students during examinations. It also emphasizes on how the students conduct themselves in an ethical way. Since the school is a Christian institution, it is perceived that students would not attempt to misbehave during examinations. There are students who ignore the importance of values, such as honesty. *Honesty is the best policy* as always heard but in reality dishonesty exists during examinations. The result of the study showed that 34.9% practice honesty and 65.1% practice dishonesty. Students are motivated to act dishonestly (cheat) because of their aim to pass the examinations. Students have their own means of cheating, and by all means, they have to do something in order to get a good grade and not to repeat the subject at least. The result also showed that female students are more prone to cheating, 54% cheat during the examinations while 46% of the male students cheat. Educators must not tolerate cheaters. Consequences must be executed when students are caught cheating. There is a need to educate the accounting students in preparation for their profession otherwise, career is at stake. Ethical principles must be instilled in their minds, thoughts, and actions.

**Keyword:** examinations, values, honesty, cheat, ethical

### Introduction

Accounting profession is in demand in any part of the world. In today's situation in Indonesia, the country needs a huge number of accountants since the Asean Free Trade Area (AFTA) is about to start this year 2015 (IAM). Indonesia is a large country and businesses are booming. In the year 2012, there are only 1,000 public accountants in Indonesia, a number far behind compared to other countries like Malaysia (2,500 public accountants), Philippines (4,941 public accountants), and Thailand (6,000 public accountant). As businesses boom, there is a need to employ human resources to help a certain entity. Accountants are needed human resources. This commercial liberalization does not only give opportunity for accountants but also challenges the accountants. The challenges that Indonesian accountants will face is that, the quantity (public accountants), quality (work), and the ability to speak English. Whatever be the challenges, accountants must always work with integrity to avoid involvement in business scandals or financial statement fraud. Accounting professionals must adhere to professional ethics,

and this professional ethics are taught and obtained during college years while taking the course. Professional ethics embody checks and balances and compel practitioners to adhere strictly to stipulated rules, regulations, standards and policies required for rendering quality services for the benefit of the society (Nwanyanwu:2010).

This profession rooted from taking accountancy course. Accounting is not an easy course for some students, but others consider it to be a challenging course because a debit must simply equal a credit. Accounting students who feel that examinations are difficult to pass tend to involve themselves in academic dishonesty or the so-called cheating. According to Lawson (2015:1) "Academic dishonesty appears to be a growing problem throughout our educational system." As cited by Lawson, in the survey made by Collinson (1990), in a 1988 survey of college freshmen found that 37% admitted to having cheated on a test in high school, up from 30% in the previous year; and Nazario (1990), which indicated that 47% of the undergraduates surveyed would cheat on an exam. Cheating during the examinations is very rampant way of

academic dishonesty. As far as possible, students want to be honest during examinations, but in reality it fades away because of self-centeredness to pass the examinations. One specific rule is no cheating during examinations. Accounting students must embed themselves with honesty while still in undergraduate course. And this attitude of honesty is being carried along in their whole life.

### Review of Related Literature Accountancy and Accounting Students

Accountancy is not just a course. It helps all stakeholders to understand business position since accounting is the language of business. It does not only comprise the general subjects like mathematics, english, religion, but also business laws, taxations, auditing, and accounting. Valencia (2002:9) also added that “Accountancy can be divided into two basic categories, namely: (1) private accounting and (2) public accounting. Each consists of several specialized fields in matters of educational requirement, responsibility and expertise.” At present, accounting majors should finish onehundred fifty six (156) units as a requirement. Among the accounting subjects are Principles of Accounting I & II- (6 units) , Cost Accounting (3 units), Management Accounting ( 3 units), Intermediate Accounting I & II (6 units), Advanced Accounting I & II (6 units), Auditing I & II (6 units), and three (3) specialization subject and three (3) electives subjects.

Students enrolled accounting course because they knew that this course will give them a bright future. They knew up from 30% in the previous year; and Nazario (1990), which indicated that 47% of the undergraduates surveyed would cheat on an exam. Cheating during the examinations is very rampant way of academic dishonesty.

As far as possible, students want to be honest during examinations, but in reality it fades away because of self- centeredness to pass the examinations. One specific rule is no cheating during examinations. Accounting students must embed themselves with honesty while still in undergraduate course. And this

attitude of honesty is being carried along in their whole life. about accountancy profession. According to Valencia (2002:1), “Accountancy is not only one of the most prestigious professions, but also one of the highest paid. Its marketability is high because all businesses, whether profit or non-profit, need the service of accountants.” Accounting graduates are called accountants. Companies value the work of every accountant, since they are the professional who can interpret and analyze the financial situation of a certain entity. Students who are enrolled as accounting majors are faced with new challenges within the profession as a result of debacles of large corporation (Koumbiadis & Okpara, 2008). Some suggest that academics should increase exposure to ethics and professional responsibility in our classrooms to teach future professionals to behave more ethically (Shawver & Shawver, 2014). Accountancy must be taken seriously along with ethical values. Values are taught in the classroom as well as other ethical behavior.

### Ethical Dilemma and Ethics

Accounting students knew that a person must adhere to moral standards. While taking the course, accounting students usually face ethical dilemma of making good grades. Since accountancy students will someday join the accountancy profession, they must be equipped with ethical behavior while still studying. But for some other reasons, sometimes accounting students face such ethical dilemma during examinations. According to Robbins and Judge (2007:25), “ethical dilemma, is a situation in which they are required to define right and wrong conduct.” According to Horngren *et al* (2008: 27) “ethical dilemmas exist when managers must choose an alternative.” Individual behaves differently. Environment influences behavior. There are times that good people becomes bad people. Cheating (academic dishonesty) during examinations is not being avoided by the accounting students. For this reason there is a need to instill ethical behavior to them. They need to study ethics.

Arens *et al* (2008:76) define ethics “as a set of moral principles or values. It is common for people to differ in their moral principles and

values and the relative importance they attach to these principles. These differences reflect life experiences, successes and failures, as well as the influences of parents, teachers, and friends.” According to Horngren *et al* (2008:25), “The Institute of Management Accountants say that ethics deals with human conduct in relation to what is morally good and bad, right and wrong. It is the application of values to decision making. These values include honesty, fairness, responsibility, respect and compassion. Ethics – the field that deals with human conduct in relation to what is morally good and bad, right and wrong. It is the application of values to decision making. These values include honesty, fairness, responsibility, respect, and compassion.” Carroll and Buchholtz (2000:99) said that “ethics is the discipline that deals with what is good and bad and with moral duty and obligation. Ethics can also be regarded as a set of moral principles or values.” Ethics is about what we do and what we say, but even more importantly, ethics is about what we leave undone or unsaid (Kindsiko,2015).

Accounting students knew what is wrong and what is right but then because of vulnerability to cheat, they chose to cheat especially if the situation allows them to cheat. Honesty is being ignored during examinations by those who have intentions to perform such act of dishonesty.

### Honesty is the best policy, reality or fallacy

Honesty is one of the values comprising integrity. Accounting students must start developing a clear conscience, building an inner beauty, and possessing integrity while in the classroom. Robbins and Judge (2007:392) define integrity as “Integrity refers to honesty and truthfulness.” In other words, this pertains to the truth for one’s self. Marshall, et al (2002:12), explain that “Integrity means being honest and forthright in dealings and communications with others.” Also Horngren, et al (2008:8), said that “Integrity takes more than not lying.” Acting with integrity is to maintain and broaden public confidence (Al-Aidaros *et al*, 2011:101). Integrity implies not

#### a. Honesty of the accounting students

merely honestly but fair dealing and truthfulness (Nwanyanwu, 2010:83).

Honesty is the best policy, an adage that is known to everyone. Is honesty really practice by the accounting students? Accounting students were taught about honesty, how far they do such act? Honesty or dishonesty is an individual act. According to Kindsiko, et al (2015) “It seems that everyone has a very personal perception of honesty and therefore, honesty may or may not lead to ethical behavior.” Students cheat during examinations with the motive of getting a high grade or a passing grade. As evidence by some research, cheating is still rampant during examinations. Even more disconcerting is the result of a survey of students at the University of Delaware, which indicated that 78% of the freshmen acknowledged having cheated (Collinson, 1990). Although a student wanted to be honest, he or she may still cheat because of some pressures felt. Honesty is the best policy and it is real if really students are honest enough no other motives to cheat, but it is a fallacy if students cheat during examinations although he or she knew about being honest. Crittenden, Hanna, and Peterson (2009, p. 338) agreed: ‘Cheating is certainly not a new phenomenon. Yet, the difference between today’s environment and that of yesteryear is that cheating behavior is now considered commonplace rather than an exception to the norm.’ According to Becker (1998,p.158), “Honesty is the refusal to

### Methodology

There were 186 accounting major students as respondents. The respondents varies from sophomores to seniors of Universitas Advent Indonesia and they represented the total number of accounting majors. Questionnaires were distributed to the accounting students of which religion

### Research Results, Interpretation, and Analysis

There are 186 students who participated in this survey. Table 1 shows the number of students who always honest pretend that facts of

reality are other than what they are". It is then understood that cheating happens naturally. It depends on the willingness to cheat or not to cheat.

#### Statement of the Problem

This study will answer the following questions:

1. Do accounting students practice honesty?
2. Why accounting students cheat during examinations?

#### Purpose of the Study

The purposes of this study are:

1. To prove that honesty is the best policy.
2. To know the behavior of the accounting students during examinations is also considered. There were 155 SDA students, 25 Protestants, 3 Catholics and 3 other religion. Data gathered through questionnaires were processed based on its demographic characteristics and honesty of accounting students. Data were tabulated, interpreted, analyzed, and concluded. and not always honest. The result indicates that there are students who behave ethically. 34.9 % is a proof that students practice honesty as the best policy while 65.1% signifies that there are students who need to be taught the importance of honesty in all aspects.

**Table 1**  
**Frequency of Being Honest**

Frequency	Number of students	Percentage
Always Honest	65	34.9
Not Always Honest	121	65.1
<b>Total</b>	<b>186</b>	<b>100</b>

#### b. Accounting Students Cheat During Examinations

Accounting students knew that cheating is not allowed during examinations. They knew that once caught cheating, punishment is executed. Students cheat during examinations because various reasons. The main reason is that, to pass the examination and to get a high grade. Other reasons are, to avoid repeating the subject, and less preparation for the examinations.

#### Cheating experience of Accounting Students

As shown in Table 2 below, there were 12 students who never cheat during examinations, thus, giving an impression that these students are honest and behaving ethically. Behaving ethically is a starting point for the accounting students to conduct themselves at a higher level when they join the accounting profession. In addition, there were 162 students who sometimes cheat during examinations, because of the dilemma to pass or not to pass the exam they tend to cheat. There were 12 students who always cheat during exams. They know the meaning of honesty but for the sake of passing the examinations, they do not feel any guilt but rather to get high grade.

**Table 2**  
**Experience in Cheating During Examinations - Total**

Experience	Number of students	Percentage
Never Cheat	12	6.45
Sometimes Cheat	162	87.10

Always Cheat	12	6.45
<b>Total</b>	<b>186</b>	<b>100</b>

To continue, Table 3 shows the cheating experience per gender. There were 5 out of 85 male and 7 female out of 101 who never cheat. These students are the future professionals who

can execute the adage “honesty is the best policy”. Also, there 72 male and 90 female who sometimes cheat; and 8 male and 4 female who always cheat during examinations.

Table 3

Experience in Cheating During Examinations – Per Gender

Experience	Gender		Total
	Male	Female	
Never Cheat	5 (5.88%)	7 (6.93%)	12
Sometimes Cheat	72 (84.71%)	90 (89.11%)	162
Always Cheat	8 (9.41%)	4 (3.96%)	12
<b>Total</b>	<b>85</b>	<b>101</b>	<b>186</b>

In addition to the survey result, Table 4 shows the cheating experience per religion. The study showed that there were 6% SDA students, 4%,Protestant students, 33.33% Catholic and 0%

for other religion, who, never cheat during examinations. Female SDA and Protestant dominates never cheat and sometimes cheat, while male (all religion) dominate always cheat.

Table 4

Experience in Cheating During Examinations – Per Religion and Gender

Experience	Religion				Total
	SDA	Pro	Cat	Other	
<b>Never Cheat</b>					
Male	4	0	1	0	5
Female	6	1	0	0	7
Total	10	1	1	0	12
<b>Sometimes Cheat</b>					
Male	60	10	1	1	72
Female	76	13	0	1	90
Total	136	23	1	2	162
<b>Always Cheat</b>					

Male	5	1	1	1	8
Female	4	0	0	0	4
Total	9	1	1	1	12
<b>Total</b>					
Male	69	11	3	2	85
Female	86	14	0	1	101
<b>TOTAL</b>	<b>155</b>	<b>25</b>	<b>3</b>	<b>3</b>	<b>186</b>

## Conclusion

Accounting students must not take into granted the ethical behavior instilled in their college years. Honesty must be the best policy no matter what it takes but in reality it is not practiced by students. As shown in the study that cheating is still rampant despite of being Christian or not.

Aiming to pass the examination, accounting students chose to cheat rather than to be honest and get a failing grade. There is a need to combat this academic dishonesty in collegiate level. Honesty has nothing to do for being a Christian or nonChristian. It is an individual act motivated to pass the examinations. Educators must play their part to vigorously watch and observe the cheaters during examinations. Educators must not tolerate cheating activities. Ethical value is a must for everyone. Accounting students must always conduct themselves at a higher level for it is where the profession lies.

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