

UNDERSTANDING ACCOUNTING STUDENTS' VIEWS ON THE ETHICAL ASPECTS OF CREATIVE ACCOUNTING

Ni Kadek Nanda ANITA^{1*}, Ni Komang Dinda SWASTI², Ni Putu Arinda Sukma DEWI³, Ni Made Dian Dwi LESTARI⁴

^{1,2,3,4}Faculty of Economics and Business, Warmadewa University, Denpasar, Bali, Indonesia

Abstract:

This study aims to understand accounting students' perspectives on ethical aspects of creative accounting practices through a literature review. The research method employs a descriptive qualitative approach with literature study from various scientific journals and academic publications. The research results reveal polarization of views among accounting students, where there are groups with negative perspectives who reject creative accounting practices and groups that are more tolerant towards such practices. This variation in perspectives is influenced by internal factors such as personal values, ethical understanding, and educational background, as well as external factors including social environment and industry pressure. Findings indicate that although students understand basic concepts of accounting ethics, their ability to identify ethical dilemmas in creative accounting practices remains limited. This ethics research emphasizes the urgency of strengthening education in accounting curricula to prepare future generations of accountants who can contribute positively to the credibility of the accounting profession.

Keywords: Creative Accounting, Accounting Ethics, Accounting Students, Student Perception, Ethics Education.

Article History:

Received: 2025-05-04

Revised: 2025-06-02

Accepted: 2025-07-15

Vol 2 Issue 3 2025

Corresponding Author*

(nandaanita22@gmail.com)



Page: 95-100

INTRODUCTION

In the era of globalization and rapid technological development, the accounting world faces new challenges in financial reporting practices. One issue that has received significant attention is the practice of creative accounting, which involves exploiting the flexibility of accounting standards to manipulate the presentation of financial reports, even within applicable regulations (Nurisky, 2024). This practice often attracts public attention because it involves large companies suspected of fraud in their financial reports, raising doubts about the professionalism of accountants and the trust of financial report users (Syah et al., 2023).

Accounting students are prospective professionals who will play strategic roles, fostering integrity, and foster public trust in an entity's financial statements. Students are viewed as agents of change because they bring a new spirit, fresh perspectives, and motivation to bring positive change to ethical and responsible accounting practices (Subastyan & Dewi, 2024). In an increasingly complex business environment, accounting students are expected to become agents of change, serving not only as transaction recorders but also as analysts and decision-makers who influence the company's economic stability and reputation.

Understanding accounting professional ethics is a crucial foundation for shaping professional behavior and ethical decisions in the workplace (Bani & Setyani, 2025). Ethics serve not only as a moral guideline but also as a bulwark against manipulation and fraud in financial reporting. Creative accounting practices, which exploit regulatory loopholes to manipulate financial information, have become a phenomenon that threatens the credibility of the accounting profession and public trust in financial reporting. Therefore, a thorough understanding of professional ethics is crucial for accounting students to be able to identify and reject any form of ethical violation, including creative accounting (Salim, 2025).

Accounting students' perspectives on the ethical aspects of creative accounting serve as an important indicator for assessing their preparedness to face ethical dilemmas in the professional world. Students' perspectives on accounting professional ethics vary widely and are influenced by their

educational backgrounds, particularly regarding their understanding of the values of honesty, public interest, and professional responsibility (Purnomo et al., 2022). This study aims to understand accounting students' perspectives on the ethical aspects of creative accounting through a literature review that analyzes various perspectives and findings from previous studies. By understanding students' perspectives, we can identify the extent of their understanding of accounting ethical principles, ensuring their readiness to face the world of work and maintain the credibility of their profession (Anggraini & MY, 2022).

Accounting Students' Views. Perceptions are how individuals interpret or understand an event, object, or person in a given situation. These views influence how a person behaves, although these understandings may not necessarily align with reality (Manurung, 2024). Students' perspectives on creative accounting reflect the process of accounting students' understanding of altering financial reports by selecting alternatives that still comply with accounting standards, but aim to manipulate the reports to suit specific needs. Students with negative views of creative accounting tend to be more critical and reject the practice. Conversely, students with positive views tend to be more accepting and open to creative accounting practices (Rahayu et al., 2022).

Students' perspectives are influenced by various factors, both internal and external (Puspa et al., 2024). Students play a strategic role in society as they are considered future professionals equipped with the knowledge to respond to various events in their communities. Through ethics education, students are expected to act in accordance with applicable norms and ethics, both in their personal lives and in interactions with others (Imaniar, 2022).

Ethical Aspects. Ethical aspects are a crucial and inseparable dimension of accounting practice, particularly when discussing the phenomenon of creative accounting. These ethical aspects reflect a set of moral values and principles that serve as guidelines for accountants in making professional and responsible decisions. This relates not only to compliance with legal regulations but also encompasses individual awareness to behave honestly, fairly, and maintain public trust. When an accountant experiences pressure to present financial reports in a "creative" manner to improve the company's image, ethical aspects become the primary foundation for assessing whether such actions are morally and professionally acceptable (Lutfi Yasin et al., 2023).

The basic ethical principles that are regulated include integrity, which means upholding honesty and openness in every action; objectivity, which implies impartiality and freedom from conflicts of interest; professional competence and vigilance, which require accountants to always improve their knowledge and skills; confidentiality, which means keeping client information from being misused; and professional behavior, which requires accountants to behave in accordance with applicable technical and legal standards (Accountants, 2024).

Creative Accounting.

Accounting, as a social science, is a discipline that continually evolves and transforms to adapt to the dynamics of the contemporary business environment. Accounting is not a static or absolute science, but rather a field of study that responds to changes in technology, regulations, and stakeholder needs in the digital era. Accountants' digital capabilities must continually evolve with the times, demonstrating the accounting profession's adaptability to current demands. The emergence of creative accounting practices is inseparable from the dynamic competitive pressures faced by business entities in attracting investors, creditors, and various funding sources. This pressure drives management to adopt opportunistic reporting strategies to meet capital market expectations.

Creative accounting consists of two components: "creative," which implies an individual's ability to create new, effective, and innovative ideas or concepts, and "accounting," which refers to a system of recording financial events that consistently strives to faithfully represent financial conditions. In the Indonesian context, the term "creative accounting" refers to the concept of innovative thinking and unconventional approaches to accounting practice. (Tambunan & Silitonga, 2020).

In the scope of current developments, creative accounting refers to the use of accounting techniques that may not fully comply with Generally Accepted Accounting Principles (GAAP) or

International Financial Reporting Standards (IFRS), with the main purpose of manipulating financial information. Creative accounting is the act of deliberately manipulating figures in financial reports, the implementation of which cannot be separated from strategic management policies in determining accounting methods that comply with applicable regulations while still providing flexibility in presenting financial information (Murineanu, 2024). Digital technology has brought significant changes in various aspects of life, including the field of accounting.

Theory of Planned Behavior (TPB). The Theory of Planned Behavior (TPB) is a concept proposed by Icek Ajzen, which states that a person's actions are influenced by intentions, which are determined by three main elements: attitude toward the action, social norms, and perceived behavioral control. Attitudes reflect positive or negative assessments of an action, subjective norms relate to pressure from the surrounding community, and perceived control encompasses an individual's view of their ability to control or carry out the action. In relation to accounting students' ethics in creative accounting, the TPB can be applied to analyze how their views on honesty, the impact of the academic or social environment, and their belief in their ability to resist unethical practices influence their future behavioral tendencies. This theory provides a strong foundation for investigating why some students reject or permit financial statement manipulation within legally acceptable limits, but are ethically questionable (Rosdiana et al., 2023).

Deontological Ethical Theory. Deontological ethical theory was first developed by German philosopher Immanuel Kant in the 18th century through his work "Groundwork for the Metaphysics of Morals" (1785). Deontology is derived from the Greek word "deon," meaning obligation or duty. This theory emphasizes that the morality of an action is determined by its conformity to moral obligations and universal ethical principles, rather than by its consequences or outcomes (Surajiyo & Dhika, 2024). In the accounting context, deontological theory is highly relevant because the accounting profession has a moral obligation to uphold ethical principles such as integrity, objectivity, honesty, and professional responsibility. Accounting students' views on creative accounting can be analyzed from a deontological perspective, where the practice of manipulating financial statements, even within regulatory limits, is still considered unethical because it violates the accountant's moral obligation to present honest and reliable financial information, regardless of the impact or consequences that may benefit the company.

METHODS

This type of research employs descriptive qualitative research, employing a literature review approach, collecting, reviewing, and analyzing various literature or sources relevant to the topic. This method was used because the research was not conducted through primary data collection, but rather focused on an in-depth review of previous research findings related to accounting students' perspectives on the ethical aspects of creative accounting.

The literature sources used in this study include scientific journals, theses, and academic publications discussing the topics of creative accounting, accounting ethics, and accounting students' perceptions. The literature collection process was conducted by searching for relevant publications from various academic databases and institutional repositories. The selected literature consisted of publications published within the last few years to ensure the relevance and currency of the information.

The analysis was conducted by identifying key concepts from each literature source and then synthesizing them to build a comprehensive understanding of accounting students' perspectives on ethical aspects of creative accounting. This approach allows the authors to present diverse and in-depth perspectives on the topic under study, based on findings from previous research studies.

RESULT AND DISCUSSION

Accounting Students' Viewpoints Diverse. Based on the literature review, accounting students' views on the ethical aspects of creative accounting vary widely and are influenced by a variety of complex factors. The analysis reveals a polarization of views among students, with some groups holding

negative views and tending to reject creative accounting practices, while others exhibit a more tolerant attitude toward them.

Students with a negative view generally have a stronger understanding of accounting ethics principles and tend to be more critical in assessing financial statement manipulation practices. They view creative accounting as a form of ethical violation that can damage the credibility of the accounting profession and harm the public interest. Conversely, students with a more tolerant view tend to view this practice as part of the flexibility permitted by accounting standards, although they still question its ethical aspects.

These variations in views are influenced by internal and external factors, as mentioned by Puspa et al. (2024). Internal factors include personal values, level of ethical understanding, and educational background. Research by Purnomo et al. (2022) confirms that educational background, particularly regarding understanding the values of honesty, public interest, and professional responsibility, significantly influences the formation of students' views. Meanwhile, external factors include the social environment, industry pressures, and exposure to real-world business cases.

Challenges in Understanding Creative Accounting Ethics. Another important finding is that although most students understand the basic concepts of accounting ethics, their ability to identify and analyze ethical dilemmas in creative accounting practices remains limited. This reflects a gap between theoretical understanding and practical application. Ambiguity in the definition and limitations of creative accounting itself also makes it difficult for students to make firm ethical judgments, given that this practice involves exploiting the flexibility of accounting standards within regulatory boundaries (Nurisky, 2024).

Research also reveals that students are in a transition phase from academia to the professional world, where they are still developing a professional identity and developing a mature understanding of ethics. This position positions them as potential agents of change, capable of bringing positive change to accounting practices, as emphasized by Subastyan & Dewi (2024). However, to realize this role, students need to develop a more critical and responsible perspective.

Factors Influencing Student Viewpoints. Students' views on creative accounting are influenced by various factors, both internal factors such as intellectual intelligence, emotional and spiritual intelligence, and external factors such as the educational curriculum, practical experience, and the influence of lecturers and the campus environment (Manurung, 2024). Ethics education provided during college plays a significant role in shaping students' moral awareness, enabling them to assess ethically inappropriate accounting practices.

Religiosity was also found to be a moderating factor in strengthening students' ethical attitudes. Students with strong religious values tended to reject manipulative practices in financial reporting (Puspa et al., 2024). This suggests that integrating moral and religious values into accounting education can strengthen the ethical character of prospective accountants.

Implications and Recommendations. The literature review demonstrates the urgency of strengthening ethics education in the accounting curriculum. Salim (2025) emphasized that a thorough understanding of professional ethics is crucial for students to be able to identify and reject unethical practices. Ethics education should focus not only on conceptual understanding but also on practical application in complex, real-world situations.

The digital era presents additional challenges in this context. Technological developments create new complexities in financial reporting and provide more opportunities for data manipulation. Students need to have a comprehensive understanding of ethical aspects within the context of modern technology while upholding fundamental principles such as integrity, objectivity, and responsibility to the public interest.

Overall, the literature review indicates that accounting students' perspectives on the ethical aspects of creative accounting are still developing and require strengthening through more comprehensive ethics education, practical training, and guidance from ethical professionals. This is

crucial to ensuring that future generations of accountants can contribute positively to enhancing the credibility and public trust in the accounting profession.

CONCLUSION

Based on the literature review, it can be concluded that accounting students' views on the ethical aspects of creative accounting show significant variation and are influenced by various complex factors. The analysis revealed a polarization of views among students, with some groups holding negative views and tending to reject creative accounting practices, while others exhibited a more tolerant attitude towards these practices. This variation in views is influenced by internal and external factors, as mentioned by Puspa et al. (2024), where internal factors include personal values, level of ethical understanding, and educational background, while external factors include the social environment, industry pressure, and exposure to real-world business cases. Research by Purnomo et al. (2022) confirmed that educational background, particularly related to understanding the values of honesty, public interest, and professional responsibility, significantly influences the formation of students' views.

A key finding indicates that although most students understand the basic concepts of accounting ethics, their ability to identify and analyze ethical dilemmas in creative accounting practices remains limited. Ambiguity in the definition and limitations of creative accounting also complicates students' ability to make firm ethical judgments, given that this practice involves exploiting the flexibility of accounting standards within regulatory boundaries (Nurisky, 2024). Students are strategically positioned as aspiring professionals who can become agents of change, bringing about positive change in ethical and responsible accounting practices (Subastyan & Dewi, 2024).

A literature review demonstrates the urgency of strengthening ethics education in the accounting curriculum. Salim (2025) emphasized that a thorough understanding of professional ethics is crucial for students to be able to identify and reject unethical practices. The digital era presents additional challenges in this context, requiring students to have a comprehensive understanding of ethical aspects while upholding fundamental principles such as integrity, objectivity, and responsibility to the public interest. Overall, accounting students' perspectives on the ethical aspects of creative accounting are still developing and require strengthening through more comprehensive ethics education, practical training, and guidance from ethical professionals to ensure that future generations of accountants can contribute positively to increasing the credibility and public trust in the accounting profession.

REFERENCES

- Anggraini, D., & MY, A. S. (2022). Etika Profesi Akuntan Ditinjau Dari Persepsi Akuntan Dan Mahasiswa Akuntansi. *Management and Accounting Expose*, 5(1), 59–69. <https://doi.org/10.36441/mae.v5i1.592>
- Bani, M. M. D. P., & Setyani, A. Y. (2025). Analisis Persepsi Mahasiswa Akuntansi Terhadap Etika Profesi Akuntan Pada Perguruan Tinggi Yogyakarta. *Journal of Accounting and Finance Management*, 6(1), 433-431.
- Imaniar, W., A. (2022). Pengaruh Pengetahuan Etika Profesi Akuntan dan Orientasi Etis Terhadap Persepsi Mahasiswa Akuntansi mengenai Creative Accounting. Skripsi. Fakultas Ekonomi dan Bisnis, Universitas Mulawarman, Samarinda.
- Lutfi Yasin, Dewi Anggraini, & Endang Wulandari. (2023). Pengaruh Pengetahuan Etika Profesi Akuntan Terhadap Persepsi Mahasiswa Mengenai Praktik Creative Accounting. *Seminar Nasional Pariwisata Dan Kewirausahaan (SNPK)*, 2, 691–698. <https://doi.org/10.36441/snpk.vol2.2023.185>
- Manurung, M., O. (2024). Pengaruh Kecerdasan Intelektual, Kecerdasan Emosional, Dan Kecerdasan Spiritual Terhadap Persepsi Etis Mahasiswa Akuntansi Mengenai Creative accounting (Studi Empiris Pada Mahasiswa Akuntansi Di Daerah Istimewa Yogyakarta). Skripsi. Fakultas Bisnis Program Studi Akuntansi, Universitas Kristen Duta Wacana, Yogyakarta.

- Murineanu, A. M. (2024). Creative Accounting: A Literature Review. *Sciendo*. 2112-7121.
- Nurisky, I. B. (2024). Jurnal Spektrum Ekonomi Pengaruh Pengetahuan Etika Profesi Akuntan dan Orientasi Etis Terhadap Persepsi Mahasiswa Akuntansi Mengenai Creative Accounting. 7(11), 71-81.
- Purnomo, M. H., Djamaa, W., & Agestia, R. (2022). Analisis Persepsi Mahasiswa Akuntansi Terhadap Etika Profesi Akuntan: Studi Empiris pada Sekolah Tinggi Ilmu Ekonomi GICI. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 4(1), 101-119. <https://doi.org/10.47467/elmal.v4i1.1301>
- Puspa, D., M., et al. (2024). Faktor Yang Mempengaruhi Persepsi Mahasiswa Mengenai Praktik Creative accounting Dengan Religiusitas Islami Sebagai Pemoderasi. *Jurnal Ilmiah Raflesia Akuntansi*. 10 (2).188-201.
- Rahayu, N., D., et al. (2022). Pengaruh Etika Profesi Akuntan, Orientasi Etist, Tingkat Pengetahuan Akuntansi, Jenis Perguruan Tinggi Terhadap Persepsi Mahasiswa Mengenai Creative accounting (Studi Pada Mahasiswa Ekonomi dan Bisnis, Universitas Sains Al-Qur'an Jawa Tengah di Wonosobo). *Jurnal Akuntansi, Manajemen & Perbankan Syariah*. 2 (6). 98-107.
- Salim, S. (2025). Etika Profesi Akuntan Dipandang dari Persepsi Mahasiswa Profesi Akuntansi Universitas Tarumanagara. 6(1), 48-55.
- Saputra, K. A. K., & Jayawarsa, A. K. (2025). Revealing The Hegemony of Selective Perception in Managing Ecotourism Based on Natural Environmental Preservation. *Journal of Sustainability Science and Management*, 20(6), 1138-1157.
- Saputra, K. A. K., Laksmi, P. A. S., Smark, C. I. O. R. S. T. A. N., & Bareto, C. A. (2024). The influence of accounting digitalisation transformation and sustainable management on ESG performance to achieve environmental sustainability. *Journal of Sustainability Science and Management*, 19(7), 120-135.
- Subastyan, G. M., & Dewi, E. F. K. (2024). Pentingnya Pemahaman Kode Etik Akuntan dalam Membangun Karakter Akuntan. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 5(8), 3952-3960.
- Syah, S. R., Merdekawaty, E. G., & Syahrier, N. (2023). Pengaruh Pengetahuan Etika Profesi Akuntan Dan Orientasi Etis Terhadap Persepsi Mahasiswa Akuntansi Mengenai Creative accounting Pada Politeknik Lembaga Pendidikan Dan Pengembangan Profesi Indonesia Makassar. *Jurnal Economina*, 2(11), 3456-3475. <https://doi.org/10.55681/economina.v2i11.983>
- Tambunan B.H. & Silitonga, A.G.A. 2020. Pengaruh Pengetahuan Etika Profesi Akuntan Terhadap Persepsi Mahasiswa Akuntansi Mengenai Creative Accounting. *Jurnal Riset Akuntansi dan Bisnis*. 20(2). 247- 255.