

# ACCOUNTING EDUCATION WITH GLOBAL STANDARDS – ECONOMY

India's increasing integration into the global financial system has created demand for professionals proficient in international accounting frameworks such as IFRS and U.S. GAAP

## 1.Introduction

1. Accounting standards function as the financial language of global business, enabling transparency, comparability, and investor confidence.
2. India's partial convergence with global standards such as IFRS through Ind AS reflects progress, but gaps remain in full harmonisation and skill readiness.
3. Strengthening accounting education and alignment with global practices is essential for India's ambition to become a global financial and services hub.

## 2.Background: Global Accounting Frameworks

### International Financial Reporting Standards (IFRS)

1. IFRS is a globally accepted, principles-based accounting framework developed by the International Accounting Standards Board.
2. It is followed by more than 140 countries, enabling uniformity in financial reporting across jurisdictions.
3. IFRS promotes comparability and transparency in cross-border financial transactions.

### US Generally Accepted Accounting Principles (US GAAP)

1. US GAAP is a rules-based accounting system developed by the Financial Accounting Standards Board.
2. It is primarily used by companies operating or listed in the United States.
3. Compared to IFRS, it is more prescriptive and detailed in application.

### Indian Accounting Standards (Ind AS)

1. India follows Ind AS, which are largely converged with IFRS but contain modifications to suit domestic regulatory and economic conditions.
2. These deviations prevent full harmonisation with global standards.
3. As a result, Indian professionals and firms often face challenges in global financial integration.

## 3.Accounting as a Global Financial Language

### Role in Global Business Ecosystem

1. Standardised accounting ensures uniform interpretation of financial statements across countries.
2. It enhances investor confidence by improving transparency and reliability of financial information.
3. It facilitates cross-border investment, mergers, and acquisitions.

### India's Emerging Role as a Financial Hub

1. India hosts a significant share of Global Capability Centres, indicating its growing importance in global finance and business services.
2. These centres contribute substantially to exports and employment generation.
3. The expansion of GCCs reflects India's potential to become a global hub for financial and accounting services.

## 4.Gap in Commerce Education in India

### Theoretical and Exam-Oriented Approach

1. Commerce education in India remains largely theoretical, with limited emphasis on practical application.
2. Students often lack exposure to real-world financial reporting practices under global standards.

### Skill Mismatch and Employability Concerns

1. The employability rate among commerce graduates remains moderate, indicating a gap between academic training and industry requirements.
2. Lack of exposure to IFRS, US GAAP, and advanced financial tools limits job readiness.

### Impact on Global Competitiveness

1. Inadequate skill alignment reduces India's attractiveness as a destination for global financial outsourcing.
2. It limits the ability of Indian professionals to compete in international markets.

## 5. Need for Curriculum Reforms

### **Bridging Academia–Industry Gap**

1. Curriculum must incorporate practical training in global accounting standards and real-world case studies.
2. Industry collaboration is essential to ensure relevance and applicability of education.

### **Enhancing Human Capital Development**

1. Skill-oriented education is necessary to harness India's demographic dividend.
2. Training in emerging areas such as financial analytics and digital accounting can enhance employability.

### **Facilitating Global Integration**

1. Harmonisation with international standards will enable mobility of professionals across borders.
2. It will also support Indian companies in accessing global capital markets.

## 6. Way Forward

### **Adopting a Hybrid Accounting Education Model**

1. India should integrate domestic standards with IFRS and other global frameworks in academic curricula.
2. This approach will ensure both local relevance and global competitiveness.

### **Periodic Curriculum Updation**

1. Regulatory bodies such as ICAI and universities must regularly revise curricula in line with industry developments.
2. Continuous professional education should be encouraged.

### **Shift Towards Application–Based Learning**

1. Greater emphasis should be placed on case studies, simulations, and internships.
2. This will enhance practical understanding and problem-solving skills.

### **Strengthening Industry Collaboration**

1. Partnerships between educational institutions and industry can provide hands-on training opportunities.
2. Exposure to real-world financial systems will improve job readiness.

## 7. Conclusion

Accounting standards are central to global financial integration and economic competitiveness. India's progress in adopting Ind AS is significant but requires further alignment with global practices. Comprehensive reforms in commerce education, focusing on skills, application, and global standards, are essential to position India as a leading global financial services hub.

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