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**KAREN FOLEY:** I have Jane Hughes with me. And we're going to be talking-- hello, Jane. We're going to be doing accounting top five, because accountants love numbers, don't they? So we've asked that we challenged you to give us some of your top practical tips for accounting studies.

**JANE HUGHES:** That's right.

**KAREN FOLEY:** Excellent. But we've only got 15 minutes, which if we divide by three is-- five, is three minutes per issue.

**JANE HUGHES:** So we have to go quickly.

**KAREN FOLEY:** We have to go quickly. OK, what is your first tip for people studying accounting then?

**JANE HUGHES:** I think it's to make sure that you feel comfortable with numbers. So--

**KAREN FOLEY:** I clearly don't.

**JANE HUGHES:** So students often think that you need to be a maths genius to become an accountant, and you don't. Though it's true that people who've got maths degrees go on to become accountants. But I think that's more because they feel comfortable working with numbers, seeing patterns in numbers, and so on.

So really, you just need a good, basic understanding of numbers. That is, basic arithmetic and be reasonably happy with fractions, percentages, and that sort of thing. So, it's being comfortable working with numbers-- being happy to look at columns of numbers. You do a lot of that in accounting.

**KAREN FOLEY:** So you are talking quite theoretically as opposed to practically. Because, of course, these are skills that you can learn and pick up. And there are some great resources for people in terms of upskilling.

**JANE HUGHES:** There are indeed. Yes.

**KAREN FOLEY:** And some students come to the Open University not having studied for quite a while. And maths can be quite a great source of anxiety, especially if they're not sure quite what they

know and they don't know, almost.

**JANE HUGHES:** Yes, we've certainly got some resources for students to use. And on the level one accounting module, B124, one of the introductory sessions that they work through is about using numbers and getting familiar with it and reminding yourself about how that all works. But I do think if you're going to study accounting, it's important to be interested in numbers and enjoy looking at numbers, because you're going to do an awful lot of it.

**KAREN FOLEY:** Excellent. OK, well that's a very, very good tip. Sophie, how's everything going on the chat? Are we onto tea cakes and biscuits yet, being that it's 2:30?

**SOPHIE:** Not so much, yet, I'm quite surprised. We've been very focused today. I have had my jaffa cakes day, though. So, I finally got that from the quiz. [LAUGHING]

**KAREN FOLEY:** And where's Kristen gone?

**SOPHIE:** I don't know. I just replaced her with a big plate of food, really. So--

[LAUGHTER]

**KAREN FOLEY:** How many biscuits though, Sophie, and how many will be left at the end of this session?

**SOPHIE:** Well, it's cocktail sausages today.

[LAUGHTER]

I don't know where they've come from, but there is a big pile of them there. And I can guarantee they're probably not going to be there by the time she gets back. [LAUGHING]

**KAREN FOLEY:** No, she'll be furious you replaced her with a big thing of cocktail sausages. I can tell you that right now, OK. [LAUGHING]

So, why is it difficult then, Jane, to understand some of the language that accountants talk about. I mean, we've heard before today about jargon and some students have been raising this issue about jargon, especially with starting new modules and starting new subject areas. But there are a lot of terms in accounting. I suppose that there are a lot of everything.

**JANE HUGHES:** Well, it's like any profession. It has its own language. And it's a bit like learning any language. So if you're learning French or Spanish or Italian, you have to learn the terms that you're going to be using. And I think the difficulty is you learn accounting from a piece of text or on-screen

activities and so on.

But if you think about when you're learning a language, you might go to evening classes. You're learning-- you might be learning it from a book, as well. And then when you go abroad.

When you go to the country, you go to a restaurant, you go to a hotel, and you start speaking that language, then you see how different it is, perhaps, from what you were taught. So, it's really about practicing the language.

And the same goes for accounting. So you can learn it from a textbook. You can read about it. You can practise it. You can look at online activities.

But it's the more practise you do and when you actually use that language that's really going to help you. So it's a bit like learning a foreign language. And you need it, because all professions have their own language. So, if you want to engage in that profession, you're going to have to learn that language.

**KAREN FOLEY:** OK, so we've asked you at home, what are the three things that worry you about studying accounting, and also whether you think accounting is a science or an art. I can see from both the maths and the jargon that there might be a few things that worry students. Shall we see what they've said so far about this?

**JANE HUGHES:** Yes, let's.

**KAREN FOLEY:** Right. So, 100% of students think that accountancy is a science and not an art.

**JANE HUGHES:** Oh, that's really interesting.

**KAREN FOLEY:** It's interesting, isn't it? Because when we were talking earlier, you were telling me that one of the things that most interested you about accounting was that it wasn't quite as mathematical or rigid as you initially had--

**JANE HUGHES:** Yeah, it's not as black and white as many people think. There's a lot of choice in accounting. So when you start with the basics of accounting, there are rules that you follow. And you have to learn those rules, because that's part of accounting.

But then as you progress and you move through your qualification or through your degree, you can see that what we do, particularly in UK accounting, is we give accountants a lot of choice about what they do and how they report the activities in businesses. And then it

becomes really interesting.

Because if you have a choice about how you can report things, the tendency is to report things which suit your business or yourself, perhaps. And that's where we get this idea of creative accounting coming in. Where we've all heard of creative accounting. The idea that accountants, perhaps, make the numbers look a bit better than they might otherwise.

So that, for me, when I started studying accounting, became a really interesting topic. And because of that idea of choice-- you can choose how to report things-- then it becomes creative. It should be creative in a good way, of course.

We want the correct numbers reported. But this idea that it becomes a bit more of an art than a science. So you're not necessarily following rigid rules about reporting all the time.

**KAREN FOLEY:** Well, while you've been talking--

How does that all sound?

**KAREN FOLEY:** That sounds excellent. You swayed everyone. Now 86% of our audience are saying that it's to do with science and 14% say to do with art.

**JANE HUGHES:** Well, if you want to, go and look at-- just Google Tesco fraud or something-- accounting fraud, and see what you get. You'll see that, perhaps, for those accountants who are reporting on Tesco a couple of years ago, and they were reporting figures which were actually reporting results, which were better than the company was actually doing. So just think about that in creative accounting.

**KAREN FOLEY:** Well, our students have, because we asked them what worries them about accounting. And some of them are saying things-- I don't know whether it's the accounting sign and then the prison door-- but some people are talking about big, complex case studies, making mistakes, the legal implications. If they get something wrong, will they go to prison?

Complexity jargon, conventions, understanding-- these are all some of the issues that are around this side of things. But that idea of these legal implications is a massive one. I guess it's something that connects both law and business, because that's, obviously, who our students are today is both of those sorts of cohorts. Do you go to prison, then, if you get it wrong? [LAUGHING]

**JANE HUGHES:** You can. You can. I think the point is, though, that by the time you become a qualified accountant-- if you're going to go that route. So, not just a degree in accounting, but going to go on and become a member of a professional body, then you've been through a very rigorous training, which not only covers all the skills and techniques that you're going to need, but it will also cover a lot of the ethical implications.

So you'll have a really sound basis on which to work. And you'll have a framework which you can use to help you make decisions. And, of course, we expect accountants to act with integrity, otherwise we wouldn't respect them and have faith in the numbers that they were reporting to us.

So that is all part of our professional ethos, if you like-- our professional belief. And I think that training that you do supports you and helps you make the right decision. I think when you get to the point where you're making a difficult decision, then you're going to make the right decision because of all the training and support you've had over the years.

**KAREN FOLEY:** So it's a lot more complex than just doing figures, just doing reporting on things. It's about contextualising and some of the implications. So, to end the session, I guess accounting isn't maybe quite as dull as just doing maths.

**JANE HUGHES:** I don't think it's dull at all. I mean, we know that accounting is about recording transactions, recording what's happened in a business. But it's also about reporting performance and reporting the sort of performance that helps businesses make decisions.

So knowing how you've performed helps you make a decision for the future. And what could be more exciting than being involved in the future decision-making of a business?

**KAREN FOLEY:** Jane Hughes, thank you for coming along today. You've done your five tips. You've covered an awful lot of ground in the 15 minutes that we've had.

We're now going to show you a short video, which is Rachel Faulkner's alumni video, and then we're going to be back with James Reese, so we'll see you very soon.

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