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THE AI EFFECT: NAVIGATING THREATS AND OPPORTUNITIES IN ACCOUNTING EDUCATION

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Abstract:

Artificial Intelligence (AI) is revolutionizing the accounting field by enhancing decision-making, accuracy, and efficiency. The introduction of AI has dramatically transformed how financial data is processed, examined, and utilized. Automated tasks, such as data entry and reconciliation, are now executed with precision and speed, freeing accountants to focus on higher-level tasks. This study examines AI's impact on accounting procedures, focusing on automation, data analysis, compliance, and decision-making. AI-powered tools analyze vast amounts of data, identifying patterns and anomalies, and providing valuable insights for informed decision-making. Moreover, AI-driven compliance systems ensure adherence to regulatory requirements, reducing the risk of non-compliance.

While AI adoption presents opportunities, it also poses challenges, including job displacement, ethical concerns, and the need for professionals to acquire new skills. As AI assumes routine tasks, accountants must develop expertise in areas like data analysis, interpretation, and strategic decision-making. This research aims to provide insight into AI's transformation of the accounting landscape and its implications for the profession's future. By examining existing applications, prospects, and potential risks, this study assesses AI's benefits and drawbacks, highlighting its influence on accounting's future. The findings emphasize the importance of embracing AI-driven advancements while promoting flexibility, ethical behaviour, and data integrity. A structured questionnaire was used as a research tool for understanding user's preference towards The AI Effect: Navigating Threats and Opportunities in Accounting Education. A sample data of users was used and it was collected through the source of questionnaire. Though this study was done in a small area, we have made an attempt to explain the whole scenario along with our supporting suggestions.

Keywords: *Artificial Intelligence (AI), Threats and Opportunities, financial data, accounting landscape.*

Introduction:

The rapid advancement of artificial intelligence (AI) has captured global attention, impacting various aspects of life, from automating tasks to influencing daily activities. Since its introduction at the 1956 Dartmouth seminar, AI has evolved significantly, with researchers developing new theories and applications. In higher education, AI

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presents both opportunities and challenges, reshaping research, teaching, and institutional effectiveness while raising concerns about ethical use and academic integrity. The integration of AI into accounting education brings both benefits and risks, including curriculum adaptation, job displacement, and ethical considerations. This study, "AI Effect: Navigating Threats and Opportunities in Accounting Education," explores how AI can enhance educational strategies and outcomes while mitigating potential risks. By analysing trends, case studies, and expert insights, this research aims to equip educators and institutions with strategies to harness AI's potential effectively, ensuring a skilled and adaptable accounting workforce for the future.

The role of a proficient accountant must evolve to include the ability to utilize AI tools effectively, ensuring that future accountants are well-prepared for the profession's changing landscape. To achieve this, accounting curricula should adapt by incorporating AI-related skills, either through dedicated courses on AI in accounting or by integrating AI concepts into existing subjects.

AI is poised to transform both accounting practice and education by automating repetitive tasks, personalizing learning experiences, and driving curriculum changes. However, addressing challenges such as bias, over-reliance on AI-generated outputs, and data privacy concerns is essential to ensure a fair and effective integration of AI in accounting education.

Embracing these advancements offers a valuable opportunity to enhance accounting education, fostering a new generation of professionals who are highly skilled, efficient, and adaptable to the evolving demands of the field.

Review of Literature:

B. O. Adelakun, T. G. Majekodunmi & O. S. Akintoye (2024) conducted a study on AI and ethical accounting: Navigating challenges and opportunities. This study looked at the relationship between ethical accounting and artificial intelligence, offering guidance to experts on how to deal with the changing environment. Large amounts of financial data can be analysed by advanced artificial intelligence (AI) tools to find trends, spot deviations and offer insights in real time, improving accuracy in forecasting and decision-making. Predictive analytics powered by AI can also help with risk assessment and management, assisting businesses in foreseeing and reducing any financial risks. But there are also serious ethical questions raised by the use of AI in accounting. Making sure AI decision-making procedures are transparent and accountable is one of the main issues.

J. Ballantine, G. Boyce, G. Stoner (2024) investigated a critical review of AI in accounting education: Threat and opportunity. This study explained that the accounting education must immediately deal with the serious problems and difficulties brought about by the current acceleration of AI development, particularly with regard to large language models (LLMs) like Chat GPT, if it is to endure in the long run. Academics studying accounting have a vital role to play in identifying the dangers and difficulties posed by artificial intelligence (AI) and in taking advantage of the opportunities that present themselves in methods that promote criticism and critical thinking.

K. Srirejeki, J. Liang (2024) studied Artificial Intelligence in Accounting: Implications for Practices and Education. An analysis focused the existing uses of AI, especially in auditing, where it improves audit quality and financial reporting quality while increasing efficiency. Accountants can now move from traditional

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responsibilities to strategic advising positions because to these improvements. In addition to highlighting the significance of curriculum modification to prepare future professionals, this study offered an up-to-date evaluation of modern AI research in accounting.

R. Tandiono (2023) investigated the Impact of Artificial Intelligence on Accounting Education: A Review of Literature. This study used a semi-systematic examination of the literature to investigate how artificial intelligence (AI) is affecting accounting education. The review discovered results from 20 studies about AI and accounting education that were published in a book chapter, conference proceedings, and other periodicals. The results showed that academics have long voiced concerns on how AI will affect accounting education. The study concluded that in order to guarantee that graduates have the abilities required for a changing market, accounting instructors must modify their curricula and teaching strategies.

A. F. Holmes and A. Douglass (2022) conducted a study on Artificial Intelligence: Reshaping the Accounting Profession and the Disruption to Accounting Education. This study provides views from accounting professionals on the impact of artificial intelligence (AI) adoption and related risks in the accounting profession. According to the findings, participants generally see AI favourably and think technology will improve their ability to perform their jobs by lowering the likelihood of human error and repetitive work. Furthermore, participants thought that as AI technology advanced, accounting curricula will shift their emphasis to include specialist computer abilities.

ChatGPT and AI for Accountants: A Practitioner's Guide to Harnessing the Power of GenAI to Revolutionize Your Accounting Practice by Dr. Scott Dell, Dr. Mfon Akpan · (2024). ChatGPT for Accounting fulfils gap by providing useful insights for the application of AI in a variety of accounting disciplines in addition to clarifying AI principles. From the fundamentals of Generative Artificial Intelligence (GAI) to its real-world uses in audits, tax planning, practice management, fraud investigation, financial analysis, and other fields, this book covers it all. It recognizes the foundations of AI and how it affects the accounting industry. It also discovers how artificial intelligence improves and simplifies the auditing process for high accuracy.

Digital Transformation in Accounting and Auditing: Navigating Technological Advances for the Future (2024). Reconciliations, internal control testing, and detailed testing are examples of manual and repetitive audit processes that can be automated from the perspective of accounting. Higher audit quality results from accountants or auditors being able to devote more attention to intricate audit areas or look into possible irregularities due to automation.

Artificial Intelligence in Accounting: Practical Applications by Cory Ng, John Alarcon · (2020). This book offers a summary of key artificial intelligence (AI) ideas and tools that accountants need to be familiar with, including natural language processing, machine learning, and deep learning. It also explains how text mining and robotic process automation are used in accounting. This small volume significantly advances the study of the relationship between artificial intelligence (AI) and the accounting profession, as evidenced by case studies and interviews with representatives of international professional services firms. The difficulties and moral implications of AI are also examined in this innovative book.

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Artificial Intelligence for Audit, Forensic Accounting, and Valuation A Strategic Perspective by Al Naqvi (2020). The greatest technological revolution is being brought about by the development of artificial intelligence. A strategic perspective on how AI may be fully incorporated into audit management, resulting in improved automated models, forensic accounting, and more, is offered by Artificial Intelligence for Audit, Forensic Accounting, and Valuation.

Objectives of the Study:

The primary aim of this review study is to comprehensively explore and analyze the transformative impact of Artificial Intelligence (AI) on traditional accounting practices, with a particular focus on how AI is reshaping financial reporting, accounting processes, and decision-making in modern business environments.

1. To investigate the extent to which AI technologies have been integrated into traditional accounting practices and the resultant changes in financial reporting processes.
2. To identify and evaluate the challenges and opportunities presented by AI in accounting, including ethical considerations and the need for regulatory frameworks.
3. To examine the influence of artificial intelligence on the execution of accounting education.

Research Methodology:

The research methodology for this study on the impact of Artificial Intelligence (AI) in accounting practices is anchored in a systematic literature review approach. This approach involves a comprehensive and structured examination of existing literature to synthesize and analyze the integration of AI in accounting and its subsequent effects.

The methodology for this study, therefore, combines systematic literature review and bibliometric analysis to provide a comprehensive overview of AI's role in accounting. This approach ensures a thorough examination of the existing literature, enabling the identification of research gaps, trends, and future directions in the field of AI and accounting.

The research paper "The AI Effect: Navigating Threats and Opportunities in Accounting Education". In order to carry out the present study, the information collected from primary source. The primary data collected by well-designed questionnaires from people from relevant field with the help of convenient random method. The secondary data has been collected from reference books, research papers, newspapers and relevant websites. The informative material found through primary and secondary data have been studied and put in systematic form to arrive at appropriate conclusions.

Analysis and Interpretation:

Main hypothesis: There is relationship between the age and knowledge of Artificial Intelligence (AI).

Null Hypothesis (Ho): There is no relationship between the age and knowledge of Artificial Intelligence (AI).

To test the null hypothesis, collected information was classified and presented in the table format given below.

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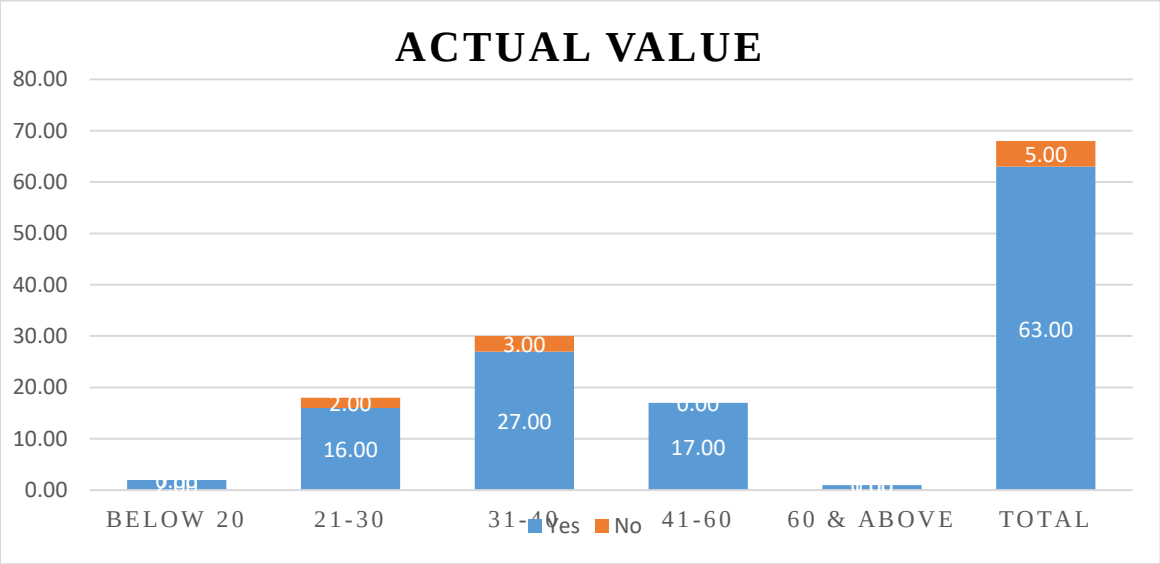
Table No-1: Actual Value

Sr. No.		Age					
		Below 20	21-30	31-40	41-60	60 & above	Total
1	Yes	2.00	16.00	27.00	17.00	1.00	63.00
2	No	0.00	2.00	3.00	0.00	0.00	5.00
3	Total	2.00	18.00	30.00	17.00	1.00	68.00



Out of 68 respondents who have responded to the survey, 2 users are from the age group Under 20, 18 users are from age group of 21-30, 30 users are from age group of 31-40, 17 users are from age group 41-60 and last 1 user is from the age group of 60 and above. Out of 5 respondents who are not aware of Artificial Intelligence, 0 users are from age group below 20, 1 user is from age group of 21-30, 2 users are from age group 31-40, 1 user is from age group 41-60 and 0 users are from the age group of 60 and above.

To test the above hypothesis Chi-square test is applied and result of the test is

Chi-square	2.269
Degree of freedom	04
Table Value	0.68641
Result of test	Test is accepted

It means that the p-value is above 0.05 (it is actually 0.68641). Since a p-value is greater than the conventionally accepted significance level of 0.05 (i.e. $p > 0.05$) we fail to reject the null hypothesis. Thus, Null Hypothesis (Ho): There is no relationship between the age and knowledge of Artificial Intelligence (AI) is accepted and Alternative hypothesis: There is relationship between the age and knowledge of Artificial Intelligence (AI) is rejected.

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Findings of the Study:

The research gathered 68 responses, revealing that 92.6% of respondents are familiar with AI and have used it, while 7.4% lack AI knowledge. AI is primarily utilized for digital personal assistants like Alexa and Siri, as well as web searches, paraphrasing, summarizing, online shopping, advertising, transportation, smart homes, healthcare, cybersecurity, and more. The familiarity with AI among respondents is moderate. The survey indicates that AI significantly influences tasks such as automating data entry, financial analysis, fraud detection, and report generation, with many believing AI will eventually replace human accountants. A moderate number of respondents express ethical concerns regarding AI in accounting.

The most valued benefit of AI in accounting is time-saving rather than improved accuracy, efficiency, or data insights. Many respondents remain neutral about adopting AI-based accounting software but acknowledge AI's usefulness in understanding regulations, despite not using AI-powered tools. Concerns include AI's lack of human judgment, data security risks, employment impact, and dependence on accurate input data. Additionally, most respondents are not pursuing AI-related education but recognize its potential to accelerate financial reporting. Data security is identified as the biggest challenge in AI adoption for accounting. Despite these concerns, respondents are open to embracing AI in accounting while carefully considering its advantages and drawbacks.

Conclusion:

The survey highlights a growing familiarity with AI in accounting, with respondents acknowledging its benefits, particularly in time-saving and financial reporting. However, concerns about ethical implications, data security, and AI's impact on employment remain significant. While respondents are open to adopting AI in accounting, they emphasize the need for a balanced approach, considering both its advantages and challenges.

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