Pragmatic on Islamic Accounting Education

Arista Fauzi Kartika Sari\textsuperscript{1}, Iwan Triyuwono\textsuperscript{2} & Ali Djamhuri\textsuperscript{3}
\textsuperscript{1}Department of Postgraduate Economic and Business, Brawijaya University, Indonesia
\textsuperscript{2}Faculty of Economics and Business, University of Brawijaya, Indonesia
\textsuperscript{3}Faculty of Economics and Business, University of Brawijaya, Indonesia

Abstract: Development of Islamic business entities also made progress in its education. Islamic Accounting Education generally only teach about the outside of Islamic accounting or technically limited to halal-haram and free of riba. It can trigger the mindset of islamic pragmatic accountant. This study will see the mainset of students towards learning technically. Retrieval of data used documentation and interview techniques. The result is of a technical study was arrested by the intelligence quotient of the students and Islamic Accounting practices in Islamic financial institutions. Learning technically also makes students thinking pragmatically, as they interpret the concept of profits only in terms of their material, that is money.

1. Introduction

Along with the development of islamic business entities, education in Islamic Accounting also increased in universities in Indonesia. This is proven with many universities which open courses or Islamic Accounting majors. Through the academic, the universities will pass the profesional accountants on Islamic financial, it is also agreed by [1]. In this research, the development of Islamic finance requires specific knowledge related to Islamic business. Of course, the education has a major role in shaping the islamic scholars. But be expected, these scholars not only have the name of Islamic Accountants, but also be able to practice the essence of its in idealist Islamic.

Islamic Accounting education are already loaded with spiritual values, because it has covered the quran and hadith. However, in mainstream, Islamic Accounting education still conveys learning outside the Islam, for example regarding transactions lawful and unlawful or regarding the Islamic financial report. It is written by [2], according to them, the courses of Islamic Financial Management, which is already laden with spiritual values, have not been fully integrate "Idealists" Islamic values. The learning is more emphasis on the intellectual intelligence student.

If so, then it is possible that students receive the outside of Islamic Accounting education will be thinking with pragmatic Islamic. It was submitted by was submitted by [3] that the accounting merely modified as necessary with Islamic value to create the pragmatic islamic business. Pragmatic thinking is just free of riba and free from haram products.

In addition, researches on the Islamic accounting is still dominated by Islamic Accounting in the outside. Such as [4] on the level of innovation of Islamic financial products is still low, due to the development of Islamic finance also remains a new activity. Therefore, he added, financial product innovation programs need to be developed as a means for survival and growth of Islamic finance.

The study [5] discusses risk management in Islamic financial institutions that need to be done through synergy with Islamic Financial Institution (LKS) Non-Bank, as Islamic insurance. There was also research conducted by [6] on the progress and prospects of Islamic banking in Indonesia regarding the challenge to meet Asean Economic Community (MEA) 2015 which requires the cooperation of financial industry stakeholders, as well as the integration of practitioners, academics and associations.

There is also research on Islamic banks that still refers to the interest rate that has been fatwa haram by the Indonesian Ulema Council (MUI). The study was conducted by [7] which examines the influence of interest rates on deposits of 12 months, the rate for the deposits mudaraba (buy and sell) 12 months, the ratio of deposits of financing, the level of inflation and the size of the company towards growth mudaraba deposits in Islamic banks in Indonesia and Malaysia.

Based on the studies mentioned above, despite the issue include religiosity, ethics, islamic also in it, but these studies are still the measuring range of the nominal rate. Size used is limited to the results of the numbers for consideration decision. There are still a lot of research in the practice of Islamic finance such as Islamic banking, Islamic insurance, etc. There are also limited in number.

Based on the explanations that have been described above, it is a very strong indication Islamic Accounting education in the outside will generate thought on Islamic accounting student pragmatic. This study will see the thinking of students towards learning technically.

To get the data in this study, researchers present as students in one of the courses of
specialization Islamic Accounting, Islamic Financial Management. Informants in this study are some students and lecturers in Islamic Finance Management course. Techniques used to retrieve the data are interviews and documentation.

2. Technical Learning

Technical learning is learning which contains material Islamic Accounting practically. These lessons also give priority to the transfer of knowledge that is used for student intellectual, to pass the professional Islamic accountants. Whereas for less emotional and spiritual intelligence delivered. Even if submitted, was limited to the outside of Islam such as halal and haram.

Learning in Islamic Financial Management is a technical study that delivered the materials in the Islamic financial institutions are currently being developed. As in Islamic banking products in the Islamic financial institutions, as well as the Islamic capital market.

Submission technically be seen from the explanation lecturer in class while explaining the material stock in the Islamic capital market. Following such material explanation of Mrs A, “Boleh tidak melakukan investasi menggunakan saham di pasar modal syariah? Boleh ga? (mahasiswa tidak ada yang menjawab) ya boleh-boleh saja, kenapa kok tidak boleh. Kita beli saham kan, kita sebagai shahibul maal yang ingin menyertakan modal investasi, kan itu kan. Tapi kita hold saham itu. Indonesia kan juga sudah punya JII (Jakarta Islamic Index) yang di situ insyaAllah perusahaan-perusahaan bebas dari yang dilarang oleh agama kan”.

[can we use stocks to invest in the Islamic capital market? Can or not? (no one student answer). It can, why not? We buy stocks, we as shahibul maal (owner of funds) want to include capital investment. But we hold that stocks. Indonesia have JII, there is insyaAllah the companies free from forbidden by Islam.]

From the above it can be understood if the professor explained the stocks in the Islamic capital market. Buyers as shahibul maal that can include capital to the company as an investment. In Indonesia, there are Islamic capital markets, which inshallah have been free from prohibited by religion such as riba, gharar, and maysir. Further explanation of the Islamic capital market is, “Makanya gini mbak (mahasiswa), sebenarnya saya belum selesai, saham itu boleh dijual itu secara langsung, spot, jadi tidak mungkin harganya naik dulu baru dijual. Itu namanya spekulatif, ya seperti kata mbak tadi, persis. Ini riba ini, tidak boleh”. [So, actually i have not completed, the stocks can be sold directly, spot, so do not wait for the new price goes up to sale. It’s called speculative, it’s exactly, this is riba, should not be]

Halal and haram of stock, one of which can be seen at the time of the sale and purchase, it is as revealed by the lecturer. If selling directly or spot, then it is allowed or permitted. But if the waiting for price goes up to sell, so-called speculative, and it is not allowed in Islam, because it belongs to the category riba, they intend to get extras.

Other technical explanations can be seen from in conveying Forex (foreign exchange) as follows, “Permasalahan selanjutnya, kalo di Valas (Valuta Asing) gitu gimana? Kalo saya pulang dari umrah, saya mau tukar uang Riyal ke Rupiah pas saat itu harganya lagi naik, boleh gak?... ya boleh aja. Siapa bilang gak boleh, hehehehe, gitu ya. Itu kan saya nukernya spot, kalo pas (ketebulan) harganya naik, masak saya gak mau.” [The next problem, if in the Forex, so how? If i return from Umrah, i want to exchange from Riyal to Rupiah, that days price is rising, may or not?... i can, because i change spot]

Explanation of lecturers above regarding halal and haram Forex exchange technically. Just like stock, if sold on the spot then it is allowed in Islam, but if we wait for its exchange rate is rising, then it is not allowed.

Technical learning also conducted by Mr. B in the same course, is Islamic Financial Management. The following are some excerpts from his explanation, “Sebenarnya juga banyak gesekan yang terjadi pada praktiknya di bank syariah itu dengan syariahnya itu sendiri, kontohnya saja kalo melakukan jual-beli atau murabahah, itu kan seharusnya uangnya itu dari banknya sendiri kan.” [Actually, as well much friction that occurs in practice in Islamic banks with sharia itself, for example, if the sale-purchase or akad murabaha, that was supposed to be his money from the bank itself.]

In application, actually a lot of complications in Islamic banks between Islamic law and practice. For example, in the murabaha contract, as described by Mr. B. Sale-purchase or murabaha in Islamic banks. Legally should have used the money
from the bank itself, but in practice, bank use money from other customers deposited with the akad wadiah (deposit). That is because the bank is an intermediary institution whose function to collect funds from the public and to channel back into the society.

Other technical explanation of Mr. B is about the plan Indonesia which will be the center of Islamic economics from around the world.


[You know, Indonesia is currently planned to be the center of Islamic financial in the world. So why many Islamic financial instruments presented in Indonesia. In order for the Arabs, the Middle East there flight to Indonesia investment. They can freely choose the instruments to be will be used for investment]

Because of Indonesia will become center for Islamic financial, many Islamic financial instruments are being developed to attract investors. The investors would bring many benefits due to their investments. Of course the development of Islamic financial instruments can not be separated from the academics Islamic accountants who has been given the knowledge about the technical material in the Islamic financial institutions.

Can be seen from the statement, that in the end, the orientation of the perpetrators of Islamic business also led to the materiality or the advantages gained from developing these instruments. In practice, it is not uncommon that many people assume, if the Islamic instrument is only limited modification of Islamic law or fiqih to make it halal. But in fact the substance is still the same with financial instruments in conventional.

3. From the Technical to the Practical

Learning technical Islamic Accounting will go down in practice in Islamic business entities. The study will establish pragmatic thinking on students. It is as was delivered by Mrs A, "Sepertinya itu bukan terjadi hanya di Akuntansi Syariah saja ya mbak, hampir semua di keuangan syariah begitu, terutama di bank syariah, ya masih banyak yang memang pragmatis. Ujung-ujungnya mereka juga hanya kepada materi atau keuntungan, atau mungkin ada yang namanya syariah tapi sistemnya ternyata gak jauh beda dengan konven."

[It looks like it is not happening only in Islamic Accounting, almost all in the Islamic financial, especially in Islamic banks, ya there are still many who are pragmatic. In the end they are only to material or profits, or perhaps the thing as Islamic but the system turned out to be not much different from the Convent.]

Such was the statement given by Mrs A, that indeed there are many Islamic financial institutions that are pragmatic. In the end they only profit-oriented in the Islamic business, less attention to other aspects that exist in the Islamic business.

Explanation from the students also led to arrests in practice in technical learning Islamic Accounting. It is submitted as follows, "Pembelajaran Bu A itu sampai pada praktik kalo saya mbak, karena dulu beliau menjelaskan saham-saham itu, ya saya akhirnya gak jadi mau main saham".

[Learning Mrs. A was up on the practice to I, because once she explains the stocks so, I finally not so willing to play the stock]

From the words submitted by the student can be arrested explicitly that the study presented by Mrs. A is technically arrested in intelligence, and finally to the practice of the stocks. In the end she did not want to play the stock, due to a risk of riba if speculative.

Learning from Mr. B is technically as well as submitted by students follows, "Dari pembelajaran selama ini, Pak B masuk ke otak dan praktik. Semua penjelasannya beliau dapat saya tangkap melalui pikiran saya. Praktiknya (di keuangan syariah) macem-macem, seperti kasus-kasus investasi yang dibolehkan dan yang dilarang, saham yang dibolehkan dan dilarang, praktik musyarakah yang ternyata hampir mirip dengan mudharabah. Dan ternyata selama ini saya sudah sering melakukan musyarakah tersebut".
[Learning during Mr. B for me into the brain and practices. All his explanation can i arrest through my mind. in practice (in the Islamic financial), such as the cases of investment is halal and haram, stock, Musharaka practices which turned almost similar to the mudaraba. And it turns out all this time I have often done the Musharaka.]

Answers given by the students has been very clear that the explanation of Mr. B which is technically in accounting islamic arrested in the brain and practices. All the explanations of Mr. B was arrested at her intellectual brilliance. In practice, she can find investments that are halal and haram. Learning submitted technically arrested by a student on the intelligence of the brain and its practice. There is no emotional and spiritual intelligence of learning.

4. The Material Mindset

From a technical learning is finally just arrested the outside of Islam by students. Students are less see what is contained in a transaction or event in accounting and in everyday life. Student views on accounting still in its materiality or something that looks real, and negates something that is not visible. It appears from the discussion submitted the students on the substance of the profits in Islam.

At that time there was a question posed by a student about the substance of the concept of the profit according to Islam it was the money? Here are answers to some students,

“Well, whether profit is synonymous with money yes (emphasis, sure). A problem is how to get and for what. Because the size is never determined. So God never asked why get huge profits? Were never asked, which asked that's just how you get and for what. So how much profit, they can]

In these discussions, Student A replied that the concept of profit is the money. Because in Islam never questioned the amount of such earnings, in Islam that questioned later only the money from where and for what. So get the maximum profit is allowed and it was legitimate in Islam. Student B countered A student answers,

“saya setuju dengan yang disampaikan oleh mas A, bahwa konsep laba itu ya uang. Dan itu juga sudah dijelaskan dalam Al-Qur’an ayat berapa itu saya lupa, bahwa uang selain untuk ekonomi juga ada fungsi-fungsi lainnya yang salah satunya menyempurnakan beribadah, seperti naik haji.”

[I agree with those expressed by A, that the concept of profit is money. And it has also been described in the Qur’an verses how, I forgot, that money aside for the economy there are also other functions, one of which enhance worship, like the hajj.]

From the answers to the two students can be defined clearly if the student's understanding of Islam would concept of profit is something that is material, that is money. Physically, a profit is money. But beyond that, there are immaterial values that are not visible in a such profits. For example there is a pleasure if the merchandise is sold, it includes the substance of profit. The other Substance is grateful to God for rizki, it as well represents the value that is in a profit concept itself.

Technical learning only submit if the profits that the money, as long as the way to get it is not contrary to Islam. Money based on the verse in the Quran is one of them as places of worship, and so forth. It's all a learning delivery of outside of Islamic Accounting. Whereas in some studies has been submitted about the meaning of profit. Research [8] found that profit interpreted as grateful and happiness, and as well serves as a spreader of joy.

While the research conducted by [9], profit according to Islamic spiritual is the work of a servant by His grace, which then distributed to the community, social and natural. Profit as well used to build one's morality to be more tawadhu or humble, altruistic, simple living, and doing everything due to God (Lillahi Ta’ala).

5. Conclusions

Based on the research that has been done on the technical learning Islamic Accounting can be concluded that the technical study on Islamic Accounting student arrested by intellectual intelligence, practices regarding the accounting islamic in Islamic financial institutions and transactions which halal and haram. There are no
lessons learned to improve the emotional and spiritual Islamic Accounting students. That learning also makes students think pragmatically, such as they recognize the concept of profit only in terms to the material, is money. Pragmatism also makes students still profit-oriented, with a note as long as it does not violate Islamic law, such as riba, gharar, and maysir.

From the research, it is necessary to the learning process is not just presenting material in outside of Islamic Accounting, or technical learning. More important is to convey learning to show the substance or values contained in the Islamic Accounting itself. This is to avoid which pragmatic thinking of Islamic accountants.

6. References


