EXPLORING THE ROLE OF FORMATIVE ASSESSMENT IN THE TEACHING AND LEARNING OF ACCOUNTING IN TERTIARY INSTITUTIONS

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Abstract
Formative assessment is an important strategy for improving the teaching and learning of accounting in tertiary institutions because it provides continuous evidence of students' progress during instruction. This paper examines how formative assessment supports accounting education through feedback, diagnosis of learning difficulties, instructional adjustment, student engagement, reflection and improved learning outcomes. The discussion focuses on formative assessment as the independent variable, while the teaching and learning of accounting represents the major outcome of interest. The paper explains that strategies such as oral questioning, quizzes, peer assessment, self-assessment, reflective tasks, class exercises and case-based activities help lecturers identify students' misconceptions in accounting topics and respond with appropriate teaching support. It also shows that formative assessment encourages students to use feedback, correct errors, participate actively and develop confidence in applying accounting principles to practical situations. However, its effective use may be limited by large class sizes, inadequate time, poor feedback culture, limited resources, weak teacher training and students' low commitment to non-graded assessment activities. The paper recommends that formative assessment should be integrated into accounting curricula, lecturers should be trained in feedback-based assessment practices, institutions should provide technological and instructional support, and students should be guided to use feedback for continuous improvement.

Keywords: Formative assessment, Accounting education, Teaching and learning, Feedback, Tertiary institutions.

Introduction

Assessment is a central part of teaching and learning because it provides evidence about what learners know, what they can do and the areas where they still require support. In tertiary institutions, assessment should not be seen only as a means of awarding scores. It also helps lecturers judge whether instructional objectives are being achieved and whether students are developing the competencies required for academic and professional practice. In accounting education, this is important because students must understand concepts, apply procedures and interpret financial information in practical contexts.

Assessment may be classified according to its purpose and timing. Diagnostic assessment is used before or at the beginning of instruction to identify learners' prior knowledge, misconceptions and readiness for new content. In accounting, it may reveal whether students understand debit and credit, the accounting equation or basic financial statement items before more advanced topics are introduced. This makes diagnostic assessment a useful starting point for planning instruction.

Formative assessment takes place during instruction and is mainly concerned with improving learning while it is still developing. It is therefore described as assessment for learning because it provides feedback to lecturers and students before final evaluation. Through questioning, short quizzes, class exercises, self-assessment, peer assessment and feedback on assignments, formative assessment helps lecturers identify learning gaps and adjust their teaching. Black and Wiliam (2018) explain that classroom assessment is closely connected to pedagogy because evidence from learners' performance can guide instruction and improve learning.

Summative assessment is usually conducted at the end of a lesson, unit, semester or programme. Its purpose is to judge the extent to which students have achieved stated learning outcomes after instruction. Examples include end-of-semester examinations, final projects and graded practical tasks. Although summative assessment is useful for grading and certification, it often comes too late to help students correct their weaknesses during the learning process. This limitation makes formative assessment particularly relevant in skill-based subjects such as accounting.

Other forms of assessment include criterion-referenced, norm-referenced, self-assessment and peer assessment. Criterion-referenced assessment measures performance against stated standards, while norm-referenced assessment compares one learner's performance with that of others. Self-assessment helps students judge their own work, and peer assessment allows students to review the work of classmates using agreed criteria. Andrade and Valtcheva (2009) argue that self-assessment can improve learning when students use clear standards to reflect on and revise their work.

Among these forms, formative assessment is the concern of this paper because it directly supports improvement in both teaching and learning. Accounting students often find the subject difficult because it requires numerical accuracy, logical reasoning, procedural steps and interpretation of financial information. Where teaching is dominated by lectures and final examinations, students may memorize rules without understanding how to apply them. Formative assessment addresses this weakness by creating opportunities for timely diagnosis, correction, feedback and active participation.

This paper explores the role of formative assessment in the teaching and learning of accounting in tertiary institutions. It discusses the concept of formative assessment, teaching, accounting education, the conceptual framework, roles, constraints and implications for policy and practice. The paper contributes by presenting formative assessment as a practical link between feedback, instructional adjustment, student engagement and improved accounting learning outcomes.

The discussion is problem-focused because the effective teaching and learning of accounting cannot be separated from how lecturers find out what students understand during instruction. If assessment is delayed until the end of a semester, students may continue to repeat errors without correction. A formative approach therefore becomes necessary because it allows teaching to be adjusted while learning is still in progress and before poor understanding becomes fixed.

Concept of Formative Assessment

Formative assessment is an ongoing process of collecting and using evidence about students' learning to improve teaching and support progress. Unlike assessment that merely records final performance, formative assessment is concerned with what students understand, what they misunderstand and what should be done next to move learning forward. Nicol and Macfarlane-Dick (2006) link formative assessment with self-regulated learning because useful feedback helps students compare their present performance with expected standards and take corrective action.

A major feature of formative assessment is continuous feedback. Feedback helps students recognise strengths, identify errors and know the next step in learning. In accounting, feedback is useful when it explains why a journal entry, classification or financial statement item is wrong and how the error can be corrected. Brookhart (2008) emphasizes that feedback should be clear, specific, constructive and connected to the learning goal, not a general comment that leaves students uncertain about improvement.

Formative assessment also performs a diagnostic function. It enables lecturers to identify students' misunderstandings early and respond before the problem becomes permanent. This is important in accounting because one misunderstood principle, such as the treatment of assets, liabilities or expenses, may affect several later tasks. When lecturers use assessment evidence to reteach, give examples or provide remedial activities, formative assessment becomes part of effective instruction.

Another characteristic is student involvement. Through self-assessment, peer review and reflection, students learn to judge the quality of their work and take responsibility for improvement. Carless and Boud (2018) describe this ability to understand and use feedback as feedback literacy. In accounting education, feedback literacy helps students develop the habit of checking procedures carefully, learning from errors and applying corrections in later tasks.

Concept of Teaching and Learning

Teaching and learning are related processes in education. Teaching refers to the deliberate guidance given by a teacher to help learners acquire knowledge, skills, values, and attitudes, while learning refers to the process through which students understand, internalize, and apply what has been taught. In accounting education, teaching and learning should not only involve the explanation of accounting concepts but also the practical application of those concepts to real or simulated financial situations.

Effective teaching and learning of accounting require active participation, feedback, practice, and reflection. This is because accounting involves numerical accuracy, logical reasoning, problem-solving, and professional judgment. When lecturers use questioning, worked examples, quizzes, case-based exercises, and feedback, students are better supported to understand and apply accounting principles. Black and Wiliam (2018) maintain that classroom assessment and pedagogy are closely connected because evidence from students' learning can guide teachers in improving instruction.

Accounting Education

Accounting education is the structured process through which learners acquire the knowledge, skills, values and professional attitudes required for understanding and applying accounting principles. It covers bookkeeping, financial reporting, cost accounting, auditing, taxation, accountability and ethical decision-making. In tertiary institutions, accounting education should prepare students not only to pass examinations but also to interpret financial information and contribute to business and public financial management.

The teaching and learning of accounting require both conceptual understanding and practical competence. Students are expected to understand accounting principles and apply them accurately in recording transactions, preparing financial statements, analysing business performance and making financial decisions. Students' perception of accounting as relevant and professionally useful can influence their motivation and career intentions. Jackling and Calero (2006) found that students' perceptions of accounting studies and the attributes required of professional accountants influenced their intention to become qualified accountants.

Accounting may be perceived as difficult when teaching is too abstract or examination-driven. Lucas and Meyer (2005) show that students' conceptions of and motivations to learn introductory accounting affect their learning experience. More recent work by Mapuya and Rambuda (2022) also supports the need for teaching approaches that respond to students' learning styles and promote active learning. Formative assessment is relevant because it helps lecturers identify difficulties while learning is still taking place and provides students with feedback for improvement.

This means that accounting education should avoid an approach where students only copy procedures without understanding the reasons behind them. A student may memorise the format of a statement of financial position but still fail to explain why assets, liabilities and equity are classified differently. Formative assessment helps to expose this gap between procedural recall and real understanding.

Conceptual Framework

The conceptual framework illustrates the relationship between formative assessment, instructional practice, student engagement and learning outcomes in accounting education. It assumes that when formative assessment is properly integrated into accounting instruction, lecturers gather evidence of students' progress, adjust teaching and support learning through feedback and reflection.

Components of the framework

Formative assessment strategies represent the starting point of the framework. These include classroom questioning, diagnostic quizzes, self-assessment, peer assessment, feedback on written tasks, exit slips and case-based exercises. These strategies generate evidence about students' understanding and reveal areas where they are progressing or experiencing difficulty.

Instructional adjustment follows from the evidence generated by formative assessment. Lecturers may clarify misunderstood concepts, modify lesson delivery, change the pace of instruction, regroup students for remediation or introduce alternative methods such as worked examples and simulations. Student engagement and reflection occur when learners use feedback, review their own work and participate actively in improving performance. The final outcome is improved accounting learning, shown in better understanding, problem-solving ability, academic performance and readiness for professional application.

Visual Model (Conceptual Diagram)

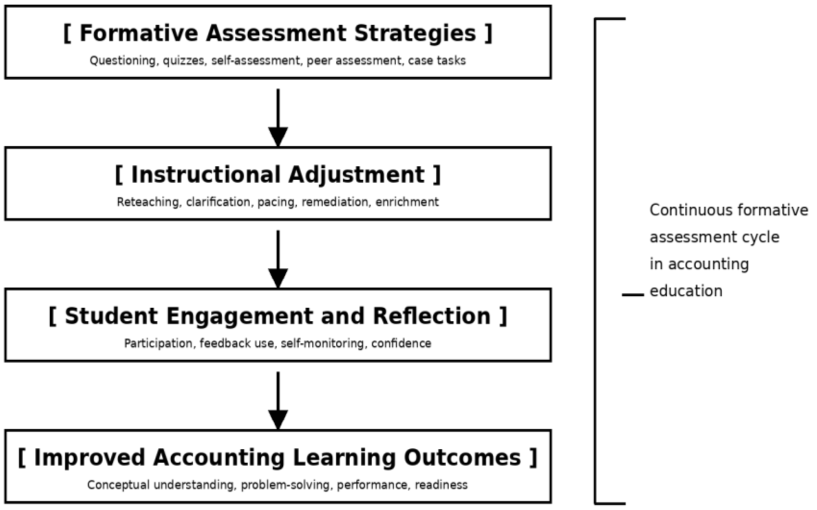

Figure 1. Conceptual model showing formative assessment in the teaching and learning of accounting.

Explanation of the Model

The model shows a flow from formative assessment strategies to instructional adjustment, student engagement and improved learning outcomes. Assessment evidence helps lecturers understand students' learning needs and respond through feedback, clarification and remediation. As teaching becomes more responsive, students become more engaged and reflective, leading to stronger understanding and practical application of accounting knowledge.

The framework also shows that formative assessment is cyclical rather than linear in actual classroom practice. After improved learning outcomes are observed, the lecturer can still return to new assessment evidence, identify fresh learning needs and adjust subsequent instruction. This cycle is important in accounting because topics are interrelated; weakness in one topic may affect later competence in another.

Roles of Formative Assessment in the Teaching and Learning of Accounting

Learning diagnosis: Formative assessment helps accounting lecturers identify students' learning gaps before final examinations. Through quizzes, questioning and class exercises, lecturers can detect errors in journal entries, trial balance preparation and financial statement interpretation, then respond while learning is still taking place. Black and Wiliam (2018) explained that classroom assessment evidence should be used to improve both teaching and learning.

Timely feedback: It provides students with feedback that explains what is wrong, why it is wrong and how improvement can be made. In accounting, this means guiding students to understand the principle behind an error rather than merely marking an answer as incorrect. Brookhart (2008) and Nicol and Macfarlane-Dick (2006) stress that useful feedback should help learners close the gap between present performance and expected performance.

Student engagement and reflection: Formative assessment encourages students to participate actively in their own learning through peer assessment, self-assessment, group problem-solving and reflective tasks. These activities help accounting students review their work, notice common errors and develop responsibility for improvement. Andrade and Valtcheva (2009) and Carless and Boud (2018) support the view that students learn better when they understand and use feedback to improve their work.

Instructional adjustment: It helps lecturers review and improve their teaching methods. Evidence from students' responses may show whether a topic has been understood or whether the examples, pace or method of delivery should be changed. This makes teaching more responsive and learner-centred, which agrees with Black and Wiliam's (2018) position that assessment should be integrated with pedagogy.

Bridging theory and practice: Formative assessment connects accounting theories with practical business situations. Case studies, simulations and scenario-based exercises allow students to apply accounting principles to realistic tasks rather than memorise rules in isolation. Johansson, Kanapathippillai, Khan and Dellaportas (2023) found that continuous formative assessment in accounting can support improved academic performance when it is meaningfully designed.

Improved academic performance: Regular low-stakes assessment gives students repeated opportunities to practise, receive correction and prepare for summative assessment. King (2023) found that online formative assessments in an introductory accounting module were significantly associated with students' examination performance. This supports the use of continuous practice in accounting education.

Professional readiness: Formative assessment supports professional competence because accounting practice requires accuracy, judgement and the ability to justify financial decisions. When students receive feedback on realistic accounting tasks, they learn to defend procedures and correct mistakes. This strengthens the link between classroom learning and the competence expected of accounting graduates.

Constraints to Formative Assessment

Time pressure: Accounting courses often contain broad content areas that lecturers must cover within a limited academic calendar. This may cause lecturers to rush feedback activities or use assessment only for grading instead of improvement. Johansson et al. (2023) also note that continuous assessment can create workload pressure when it is not carefully designed.

Large class size: Large classes make it difficult for lecturers to give individual feedback, monitor progress and respond to each student's learning needs. Since formative assessment depends on diagnosis, evidence and response, its quality may reduce when one lecturer is responsible for too many learners. Black and Wiliam (2018) show that assessment is most useful when evidence from learners is actively used to guide teaching.

Delayed feedback: Feedback loses value when it is returned too late for students to correct their mistakes. In accounting, delayed feedback may allow students to carry errors from one topic to another, especially in linked topics such as journals, ledgers and financial statements. Brookhart (2008) and Nicol and Macfarlane-Dick (2006) emphasize that feedback should guide improvement while learning is still active.

Inadequate teacher training: Some lecturers may view assessment mainly as testing and grading rather than as a tool for improving learning. Without training, they may find it difficult to design formative tasks, prepare rubrics, interpret responses and give constructive feedback. Motsoeneng and Moreeng (2024) emphasize feedback as an important assessment-for-learning strategy in accounting education.

Limited resources and technology: Effective formative assessment may require rubrics, worksheets, online quizzes, feedback platforms and record-keeping systems. Where such resources are weak, lecturers may depend only on handwritten tasks, which can slow down feedback and make data management difficult. King (2023) shows that online formative assessment can support accounting students' performance when properly used.

Students' attitude to feedback: Some students may ignore formative tasks because they are not heavily graded. Others may receive feedback without using it to improve their work. Carless and Boud (2018) warn that feedback has limited value if students lack the capacity or willingness to understand and act on it.

Examination-oriented learning: When lecturers and students focus mainly on final examinations, continuous feedback, correction and reflection may be treated as less important. This weakens formative assessment because students may study only for grades rather than for understanding. Johansson et al. (2023) caution that continuous assessment should be purposeful and manageable so that it supports learning rather than becoming an unnecessary burden.

Poor assessment data management: Formative assessment generates information about students' strengths, weaknesses and common errors. If lecturers do not have a clear system for recording and using this information, assessment becomes another workload instead of a basis for instructional improvement. This problem shows the need for well-planned and manageable formative assessment practices.

Implications for Policy and Practice

The effective use of formative assessment in accounting education has implications for curriculum planning, teacher development, institutional support and classroom instruction. Since formative assessment supports feedback, engagement and learning improvement, it should be built into policy and practice rather than left to individual lecturers alone.

Implications for Educational Policy

Educational policymakers and curriculum planners should integrate formative assessment into accounting course guidelines. Accounting syllabi should specify feedback-based activities such as quizzes, reflective tasks, peer assessment, self-assessment and case-based exercises. This will make formative assessment a recognised part of teaching and learning rather than an optional classroom activity.

Teacher training and professional development should also give serious attention to formative assessment. Accounting lecturers need practical training on designing formative tasks, preparing rubrics, giving constructive feedback and using assessment evidence to adjust instruction. Institutions should also provide digital tools and learning resources that make formative assessment manageable, especially in large classes.

Professional development should not be limited to general workshops. It should include practical demonstrations using accounting topics, sample rubrics, model feedback comments and examples of how lecturers can track common student errors. Such training will make formative assessment easier to apply in real accounting classrooms.

Assessment policy should create a better balance between formative and summative assessment. If final examinations remain the only major focus, lecturers and students may neglect the learning process that occurs before final assessment. A balanced assessment system should recognise continuous feedback, correction, reflection and improvement as essential parts of accounting education.

Policy support should also define how formative assessment will be monitored without turning it into another rigid examination requirement. The aim should be to promote meaningful feedback, not to multiply marks. Institutions should therefore provide guidance on quality, frequency and use of formative assessment evidence in accounting courses.

Practical Implications for Classroom Instruction

At the classroom level, accounting lecturers should use formative assessment evidence to guide instruction. Information from quizzes, assignments and oral questioning should be used to identify misconceptions and plan appropriate teaching responses. If students repeatedly make errors in ledger posting or financial statement classification, the lecturer should revisit the concept, provide worked examples and allow further practice.

Lecturers should develop a feedback culture in which comments are timely, specific and linked to learning objectives. Classroom instruction should also encourage self-assessment, peer assessment, group tasks and reflection so that students become more responsible for their learning. Differentiated instruction is also necessary because formative assessment reveals that students may need different forms of support.

This feedback culture should make students feel that mistakes are part of learning, especially in technical topics where errors are common. When feedback is respectful and specific, students are more likely to correct misconceptions and attempt difficult accounting tasks again. This can reduce fear of accounting and improve persistence in learning.

Conclusion

This paper has examined the role of formative assessment in the teaching and learning of accounting in tertiary institutions. The discussion shows that formative assessment is not merely a method of testing students but an instructional process that supports continuous feedback, diagnosis of learning difficulties, engagement, reflection and instructional adjustment. In accounting education, where students must understand concepts and apply procedures accurately, formative assessment helps lecturers identify weaknesses early and respond before final evaluation.

The paper also establishes that formative assessment improves teaching by helping lecturers make evidence-based decisions about lesson delivery, pacing, remediation and feedback. For students, it encourages participation, self-regulated learning, confidence and deeper understanding of accounting principles. However, its effective use may be affected by large class sizes, limited time, inadequate resources, poor teacher training, weak feedback culture and excessive emphasis on summative examinations.

Therefore, formative assessment can transform accounting education from a teacher-centred and examination-oriented process into a learner-centred, practical and competency-driven experience. When properly implemented, it strengthens both teaching and learning by linking assessment evidence with instructional improvement and student progress.

The value of formative assessment therefore lies in its ability to make the learning process visible. When lecturers and students can see evidence of progress, misunderstanding and improvement, accounting education becomes more deliberate and less dependent on guesswork. This makes formative assessment a necessary part of quality teaching and meaningful learning in tertiary institutions.

Recommendations

Based on the discussion, the following are recommended: Educational policymakers should integrate formative assessment into accounting curriculum design by ensuring that course outlines, syllabi and assessment guidelines include feedback-based activities.

1. Teacher education programmes and tertiary institutions should train accounting on designing formative tasks, preparing rubrics, giving feedback and interpreting assessment electurersvidence.
2. Institutional managers should provide supportive learning environments through manageable class arrangements, instructional resources and digital tools for quizzes, feedback and record keeping.
3. Accounting lecturers should make formative assessment a routine part of instruction through questioning, short tests, worked examples, peer review, reflective tasks and feedback sessions.
4. Students should be guided to take formative assessment seriously by using feedback, correcting errors, participating in self and peer assessment, and taking responsibility for learning progress.
5. Tertiary institutions should balance formative and summative assessment so that continuous feedback, correction and reflection are recognised as important parts of accounting education.

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