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Exploring Students' Early Understanding of Value Creation in Management Accounting: A Qualitative Classroom-Based Study

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Abstract: This study investigates how students at the beginning of the learning process develop the knowledge of value creation in management accounting following a simple lesson in the classroom. The study has been carried out using a qualitative classroom-based design by analysing the written responses of 24 students enrolled in a Management Accounting class. The data were gathered using open-ended questions that elicited responses from the students regarding the definition of value creation, the role of management accounting information in managerial decision making and suggestions for teaching methods to enhance their understanding of management accounting information. Thematic analysis was used to analyse the responses. The findings reveal that the students' early knowledge of value creation was predominantly financially related, with the majority of students linking value creation with profit, costs, benefits and efficient use of resources. Other students showed more of a sense of the wider picture by making connections between value creation and customers, stakeholders, quality, sustainability and long-term business performance. Students also saw management accounting information as a support to cost analysis, pricing, profitability and decision making. Students recommended that using real-world examples, practice exercises, providing a clearer explanation, summarizing content, and speaking more slowly would help them understand the material. The study reveals that students are starting to understand that there is more to value creation than just money and that management accounting has a broader and more practical dimension as a decision-making tool.

Keywords: *Accounting education, Classroom-based study, Management accounting, Thematic analysis, Value creation.*

1. Introduction

Management accounting is a vital tool for managerial decision making, planning of business activities, monitoring business performance and implementation of the business strategy (Salmanzadeh et al., 2022). Management accounting is a profession that provides expertise in financial reporting and control, partnering with management decision makers, developing planning and performance management systems and providing expertise in financial reporting and control to assist organisational strategy (IMA, 2008). This definition transcends the concept of management accounting being only a technical accounting role to instead making it a decision-support process that assists managers in understanding information and responding to it.

This more comprehensive management accounting role is closely linked to the notion of value creation, which is a key concern in modern business education. To create value, the organisation has to comprehend the relationships between the resources, processes, decisions and outcomes (Tapaninaho & Heikkinen, 2022). IFAC states that only a firm grasp on the concept of value, which must be defined, created, delivered, and sustained, will enable organisations to effectively measure and communicate value (IFAC, 2020). Likewise, the CGMA Global Management Accounting Principles point out that management accounting can support improved decision-making, risk management and safeguarding of organisational value creation (CGMA, 2014). The following ideas indicate that management accounting students need to not only develop accounting skills, but also recognize the accounting information's role in aiding decision making, which creates value for the organisation.

But for students at the beginning of their learning of management accounting, it will be hard to understand the creation of value. At first, students might think of making value that can be in the form of profit or cost reduction, but once they have a better grasp of the actual meaning of value, they can also consider the value for the customer and the quality of the product or service, the ability of the employees, the efficiency of the operations, sustainability, and the value for the stakeholders. There is a requirement for relevant information, both financial and non-financial, to support value creation over the long term and decision making (CGMA,

2014). That is, students must learn to relate accounting information to real business situations and not confine management accounting to just calculation and reporting.

Conceptual knowledge should thus be developed into applied understanding, as this is the need of accounting education (Carvalho & Almeida, 2022). Past accounting education research suggests that experiential learning can be used to help develop students' critical thinking and problem-solving skills, as it allows them to 'do', 'reflect', 'think', and 'apply' what they have learnt (Apostolou et al., 2019). In the field of management accounting education, researchers have also explored the need to have active learning approaches to help students develop meaning rather than being given technical knowledge (Korhonen et al., 2021). This is relevant because value creation is not only a definition to be memorised. It is a concept that students must learn to apply when analysing managerial decisions, business trade-offs, financial consequences, and non-financial outcomes (Butler et al., 2019)

This study is situated in the context of an introductory classroom session on Management Accounting for Value Creation. Data were collected through a student reflection form after the lesson. The form asked students to reflect on their understanding of value creation, explain how management accounting information can support managerial decision-making, identify financial and non-financial factors related to value creation, respond to a simple business scenario, and suggest ways to improve the teaching approach.

The present study focuses on students' written responses because these responses provide useful evidence of how students make sense of value creation at the beginning of the course. Rather than testing relationships between variables, this study adopts a qualitative classroom-based approach to examine students' early understanding. This approach is appropriate because qualitative descriptive research aims to provide a clear summary of participants' views in everyday terms, while thematic analysis offers a flexible method for identifying patterns across qualitative data (Sandelowski, 2000; Braun & Clarke, 2006).

The purpose of this research is to investigate the initial level of understanding of value creation in management accounting following an introductory class and session in the classroom. Specifically, the study covers the concepts that students associate with value creation, their explanations of the role of management accounting information in managerial decision-making, and the teaching methods they recommend for enhancing their learning. This study's emphasis on students' initial reflections offers a window into how students start to make links between value creation and business decisions and the concepts of management accounting in the classroom.

The study has three research questions. It first examines the students' understanding of value creation in a management accounting context. Second, it investigates students' explanations of the function of management accounting information in the process of managerial decision making. Third, it explores how students would like teachers to teach them about value creation in management accounting.

The remainder of this paper is organized as follows. The literature review is presented on management accounting, value creation and the theories of learning for the study. The methodology explains the qualitative classroom-based design and thematic analysis process. The results reflect students' attitudes to value creation, decision making and instruction. Lastly, the limitations of the study and recommendations for future studies are summarized.

2. Literature Review and Underpinning Theories

Management Accounting and Value Creation

Management accounting is no longer a one-sided affair of recording costs and reporting internally. Now it is widely known as a function of decision support in assisting in planning, controlling, monitoring performance and supporting the implementation of organisational strategy (Jakobsen, 2024; Sutjahyani, 2025). Management accounting is a profession that relates to the process of assisting management in making decisions, developing planning and performance management systems, and providing advice and support in financial reporting and control (IMA, 2008). This definition is important for the present study because it

positions management accounting as an active contributor to managerial decisions, rather than a passive process of preparing accounting information (IMA, 2008; Pedroso & Gomes, 2024).

The connection between management accounting and value creation is also emphasised in professional accounting literature. IFAC explains that before an organisation can measure, track, or communicate value, it must first understand how value is defined, created, delivered, and sustained (IFAC, 2020). This suggests that value creation is not limited to profit generation. It also involves how organisations use resources, manage activities, serve customers, improve processes, and sustain long-term outcomes (Aithal, 2023; Aksoy, 2023). In this sense, management accounting supports value creation by helping managers understand the financial and non-financial consequences of business decisions (IFAC, 2020; Ribeiro et al., 2024).

The Global Management Accounting Principles further support this view by highlighting the role of management accounting in helping business decision-makers create and preserve value (Susilowati, 2023). The principles also reflect the growing importance of sustainability, analytics, and broader organisational performance in modern management accounting practice (AICPA & CIMA, 2026). This is relevant to accounting education because students need to understand that management accounting information is not only used to calculate cost or profit. It is also used to support decisions that affect customer satisfaction, operational efficiency, product quality, employee performance, and long-term business sustainability (Lutfi et al., 2022).

For students who are newly introduced to management accounting, value creation can be conceptually challenging (Alawattage & Wickramasinghe, 2026). Students may first understand value creation in simple financial terms, such as increasing profit, reducing costs, or improving revenue. While this understanding is not wrong, it is incomplete. A broader understanding requires students to connect financial information with non-financial factors, such as customer satisfaction, quality, service performance, employee capability, and stakeholder value (Hristov et al.,2024). Therefore, the concept of value creation provides a useful basis for examining how students begin to interpret management accounting as a decision-oriented subject.

Students' Understanding of Management Accounting Concepts

Management accounting concepts often require students to connect technical knowledge with business judgement (Venkatesh et al., 2023). Students may learn tools such as cost analysis, budgeting, variance analysis, pricing decisions, or cost-volume-profit analysis, but conceptual understanding depends on whether they can explain how these tools support managerial action. This distinction is important because students may be able to identify management accounting techniques without fully understanding how the information produced by those techniques contributes to value creation.

In the context of accounting education, students' early understanding should not be judged only by whether they can reproduce textbook definitions (Renaldo & Sevendy, 2023). They use their written explanations, examples, and reflections to show how they are making sense of new concepts (Byrne & Flood, 2004; Dellaportas et al., 2023). It is particularly important for a subject like value creation, as the idea involves students thinking beyond the calculation. These factors must be taken into consideration: to consider how accounting information is used in making decisions in relation to what should be produced, how it should be priced, where the cost of production should be reduced, how the quality should be improved, and how financial and non-financial outcomes of actions should balance.

In this study, then, the students' responses are taken as evidence of initial conceptual development. The Week 1 form conveyed to students the following concepts: Value creation, examples of management accounting information, financial and non-financial factors, topic application to a business situation, and recommendations for teaching. These are good questions to ask about students' initial understanding, as they ask students to articulate the concept rather than check off an answer.

Constructivist Learning Theory

Constructivist learning theory is the theory applied in this study. Students are not passive receivers of knowledge but learners who construct their own knowledge in a process of building on pre-existing knowledge (Jayasinghe, 2021; Sithole & Pereira, 2019). Rather, they build understanding by relating new information to previous knowledge, classroom explanations, examples, discussion and reflection. This theoretical lens is

appropriate for the current study as the emphasis is on achievement as measured by a test score. The emphasis is on value creation and how students will explain it after being introduced to the concept.

Management accounting is not only technical, as stated by Jayasinghe (2021) and Oguguo (2015), but it also has a management side that is more suitable to be taught using constructivism. Interpretation, judgement and application to business situations required. Constructivism in management accounting education is discussed by Korhonen et al. (2021), and it is suggested that active and authentic learning environments may enable the student to become more engaged in the learning of management accounting knowledge. The study reveals that the education of management accounting can be improved if students are encouraged to do knowledge construction in addition to merely receiving the knowledge through lectures.

In this study, the written responses of the students are taken as a component of the meaning-making process. Students' definitions of value creation, their explanation of the information that management accounting provides to managers, and their ideas for improving the teaching of this topic indicate what they now know about the topic. Profit or cost reduction could be the primary meaning of value creation for some students. It can also be linked with customer satisfaction, resource utilization, decision making, or value creation for stakeholders. The differences are significant as they indicate the variation in early conceptualization following the introductory class.

The study is, therefore, primarily built on the constructivist learning theory. It enables the study to focus on students' answers as not just right or wrong, but as indicators of learning emerging. This is suitable for a classroom-based qualitative study, as the research objective is to examine the process of the students' early understanding of value creation in management accounting.

Experiential Learning and Reflection in Accounting Education

While constructivist learning theory is used as the primary theoretical framework, experiential learning theory is introduced as an appropriate supporting theory (Ahmed, 2019; Butler et al., 2019; Hassall & Joyce, 2014). According to Kolb's experiential learning theory, learning is an active process that involves transforming experience into knowledge. The concrete experience, reflective observation, abstract conceptualisation and active experimentation (Kolb, 1984) are the four components of the learning cycle that are commonly associated with it. This framework is relevant because students in this study engaged in an introductory class, had written responses to the topic and offered suggestions about how future teaching might enhance their understanding.

The relevance of experiential learning to accounting education is particularly significant for accounting students because they must have experiences in which accounting concepts are related to practice. Experiential education in accounting is not simply about doing activities, according to Butler et al. (2019). Students must do, reflect, think and apply. They also explain that experiential education is able to help students think critically and solve problems in the learning of accounting. This directly relates to the present study, as the students' reflections indicate whether students are starting to shift from conceptual to applied understanding.

This perspective also contributes to the understanding of why the suggestions made by the students for improvement in teaching are important. Suggestions should not be viewed solely as class feedback if students ask for real-life examples, exercises, to slow down the explanation, or to make it clearer how the explanation applies. They can suggest what students require to shift from teaching to learning. Real business examples and practical scenarios can facilitate students in understanding that accounting information is used in the decision-making process, in managing trade-offs and in creating value in management accounting (Christ et al., 2016).

The pedagogical dimension is thus reinforced by the experiential learning. It promotes the concept that learning about value creation can be facilitated by thinking about value creation, using examples, and involving students with business scenarios. This is in line with the qualitative focus of the study in the classroom, particularly the third research question, which is on teaching approaches that may improve students' understanding.

Qualitative Classroom-Based Inquiry

This study has a qualitative approach based on classroom observation since it investigates students' early understanding rather than testing statistical relationships. A qualitative approach can be used when the researcher wants to understand the meaning, explanation, and experiences of the participants (Alase, 2017; Fossey et al., 2002). In this study, students' written responses are used to gain insight into their conceptions of value creation, their conceptualisation of management accounting information, and their ideas about how teaching could be enhanced.

A qualitative descriptive approach will be used for this study. Qualitative description is helpful when the purpose is to give a complete description of participants' reactions in "real-life" terms, as Sandelowski (2000) writes. This is similar to the current investigation as it does not attempt to develop a complex theory or test a model. The aim is to explain and analyse students' initial comprehension as derived from their written answers.

Thematic analysis can also be used to analyze the data. Thematic analysis has been defined by Braun and Clarke (2006) as a flexible approach to identifying, analysing and reporting patterns in qualitative data. This approach is suitable because the key findings from the students' written responses can be thematised (Maguire & Delahunt, 2017; Yukhymenko et al., 2014) as value creation is equated with profit generation, management accounting is seen as a decision-making tool, awareness of non-financial factors and a positive attitude towards practical teaching methods.

Thematic analysis enables the study to be faithful to the students' own language and to yield organised findings. This is important as the study is not seeking to generalise to all accounting students. Rather, it seeks to offer a concise report of the understanding of value creation by one group of students, following a lesson on management accounting.

Literature Gap and Position of the Present Study

As revealed by the literature surveyed, there is a close relationship between management accounting and the creation of value and decision-making. The importance of management accounting for planning, performance management, strategy, and value creation is the focus of professional accounting sources. Other literature on accountancy education also indicates that active, reflective, and experiential learning methods are preferred by students. Focusing, however, less attention has been given to students' very early grasp of the wide-ranging concepts of management accounting, particularly soon after their first exposure in the classroom.

This study aims to fill this gap by looking at the written feedback given by students following their first class in management accounting for value creation. The study is not an attempt to measure learning improvement and/or test causal relationships. Rather, it presents students' conceptions of value creation, their explanations of the function of management accounting information in decision-making, and the ways they think this might be enhanced through teaching.

The study is thus set up as a qualitative classroom-based study of the early conceptual understanding of students. Constructivist learning theory is used as the main theory that frames students as active meaning constructors. From the pedagogical point of view, the theory of experiential learning is applied: the theory of "how to account education" is explained by reflection, practical examples and the process of applying. These views together offer a suitable starting point to analyse the way students start to develop an understanding of the creation of value in management accounting.

3. Research Methodology

Research Design

The research method used in this study was qualitative and exploratory research that was conducted in the classroom. Appropriateness of design was justified as it was designed to explore the early understanding of value creation in management accounting, rather than hypothesis testing and statistical relationships. Since the focus was on students' written explanations, interpretations, and suggestions, a qualitative approach allowed the study to examine how students made sense of the concept after an introductory classroom session (Segolsson et al., 2017).

The study is also descriptive in nature. Qualitative description is suitable when a study seeks to provide a clear and direct account of participants' views using language that remains close to the data (Sandelowski, 2000). This matched the purpose of the present study, which was to understand how students defined value creation, how they explained the role of management accounting information in decision-making, and what teaching approaches they believed could improve their understanding.

The study was conducted in the context of an introductory classroom session on Management Accounting for Value Creation. During the session, students were introduced to the key ideas related to value creation and the role of management accounting information in supporting business decision-making. After the lesson, students completed a reflection form that gathered their views on their understanding of the topic and their suggestions for improving the teaching approach.

This context was suitable for the study because it captured students' initial responses after being introduced to the topic. Their written reflections gave good insight into how they started to grasp the concept of value creation in management accounting and how they related the concept to managerial decision making. The subjects were students of one classroom group, which studied the concept of Management Accounting for Value Creation. A total of 24 student responses were included in the study. The participants were sampled purposefully within the classroom. The purpose of the study was to explore the views of the students who had taken part in the learning session and filled out the reflection form.

The main data for this study came from the open-ended questions. Students were asked what value creation means, and what sort of examples of how information in management accounting could help management make better decisions. They were also required to recognize financial and non-financial factors affecting value creation, answer a basic business scenario and make suggestions for improvement of the teaching method.

The students were allowed to share their understanding using open-ended responses, which were appropriate for the study. This enabled this analysis to not only determine students' understanding of the topic, but also how they understood it.

Data Analysis

The thematic analysis method was used to analyse the data. Thematic analysis is a flexible qualitative approach that identifies, analyses and reports patterns in qualitative data (Braun & Clarke, 2006). It was appropriate for this study, as the answers were short written reflections, which were amenable to coding in terms of recurring themes.

This analysis process consisted of six stages, adapted from Braun and Clarke's (2006) approach. The students' answers were read multiple times to familiarize the students with the data. Secondly, codes were created from meaningful words, phrases and ideas from the answers. Third, codes that were related were aggregated into possible themes. Fourth, themes were checked to make sure that they were in line with the children's responses. Fifth, the themes were identified and labelled. Lastly, selected student quotes were used to support the interpretation of the findings.

The coding involved in the process was on the three research questions:

- Students' definitions of value creation
- Students' explanations of management accounting information in decision-making
- Students' recommendations on how to enhance teaching and learning

Recurring ideas that were considered during the analysis included profit, cost reduction, use of resources, customer satisfaction, decision making, financial and non-financial factors, real-life examples, exercises, and teaching explanations. These were then elaborated into larger themes.

Key points that were considered during the analysis included profit, cost reduction, customer satisfaction, decision-making, real-world examples, exercises, and a clearer teaching explanation. These recurring ideas were then clustered into larger ideas.

Steps were undertaken to ensure the trustworthiness of the qualitative analysis. First, the analysis was based on the students' initial written answers. This minimized overinterpretation and made it more likely that the results were a true representation of students' explanations. Second, the themes were generated by multiple readings of the answers, not by a preconceived notion. Third, representative quotations were provided in the findings to provide evidence of the themes.

An audit trail was also ensured as raw responses were coded and then finally thematised to form final codes. This is crucial because in qualitative research, interpretations are created transparently. Thematic analysis can be used to generate credible results as long as the researchers specify the coding and theme-building process and the interpretation of the analysis (Nowell et al., 2017).

Ethical Considerations

Students' privacy and confidentiality have been protected through ethical care. The learned responses that were analyzed were only those that were relevant to the research questions, including students' written reflections on value creation, management accounting information and teaching approaches. The analysis and reporting of the research did not include any information that would identify individual students.

The results are reported anonymously. Students are encouraged to refer to general labels S01, S02 and S03 instead of identifying any student by name. This strategy enabled the responses of students to be used as evidence in the findings, with the students' confidentiality being maintained.

The study was also not designed to test the performance of a particular student. Rather, the intention was to examine students' preliminary knowledge of creating value in management accounting. The data were gathered in a classroom setting and the answers given were treated with sensitivity and the analysis was directed at common themes that emerged, rather than at individual students.

4. Findings

The results of the 24 students' responses that followed the introductory class on Management Accounting for Value Creation are given in this section. The analysis is based on students' written responses to the open-ended questions, especially in relation to students' definitions of value creation, explanation of how management accounting information is used in managerial decision making and recommendations for improvements to the teaching approach.

The results are presented by the following research questions:

RQ1: What is the meaning of value creation in the field of management accounting?
RQ2: What is the function of management accounting information for managing decisions?
RQ3: What are the students' recommendations to enhance the knowledge of value creation in management accounting?

The findings from the analysis resulted in 3 major themes and 7 sub-themes (Table 1)

Table 1: Summary of Themes from Students' Written Responses

Research Question	Main Theme	Sub-themes
RQ1	Students' early understanding of value creation	Value creation as profit and benefit, value creation as efficient use of resources, value creation as stakeholder and customer value
RQ2	Management accounting as decision-support information	Cost and pricing decisions, profitability and product decisions, cost reduction and customer satisfaction, financial and non-financial factors
RQ3	Preferred teaching approaches	Real-world examples, practical exercises, clearer explanations, a slower pace, and short summaries

Students' Definitions of Value Creation in Management Accounting

The first question of the research aimed to explore what students understood by value creation in management accounting. Overall, the responses demonstrate that students had a rudimentary, but emerging, knowledge of the value creation. Most of the students who were involved were linking value creation to profit, cost, benefit, resources, and business improvement. This means that the primary online concept that students had of value creation was related to money.

Some students were able to link value creation with customers, stakeholders, sustainability and long-term value for the business; however, beyond a narrow financial perspective. This indicates that the students' grasp was not consistent. Some were simple answers and monetary-based, and others indicated a wider perception of non-monetary and stakeholder value.

Table 2: Students' Definitions of Value Creation

Sub-theme	Description	Sample Student Responses
Value creation as profit and benefit	Students understood value creation as increasing profit, benefit, or business worth.	"making decisions that increase the overall benefit of the business" (S01)
Value creation is a benefit greater than the cost	Students linked value creation to generating benefits that exceed costs.	"how business uses its resources, decisions, and activities to generate benefits greater than costs" (S06)
Value creation as efficient use of resources	Students recognised that businesses create value by using resources effectively.	"It's about turning resources into something more valuable than what you started with." (S17)
Value creation as customer and stakeholder value	Some students included customers, employees, shareholders, and long-term value.	"using a company's resources, both financial and non-financial, to increase the worth of the business for its stakeholders" (S10)

The first pattern reveals a lot that many pupils had an idea of value creation as a financial result. The terms they used to describe their answers were often profit, cost, benefit and return. Such as one pupil who said value creation is "making decisions to increase the overall benefit of the business" (S01), and another pupil said it is "profit or benefit which is greater than the cost" (S24). A business creates value when the benefits it produces are greater than the costs it takes to produce them. These responses indicate that students might have grasped the basic concept that when a business is operating, the benefits it provides to society are greater than the costs.

The second pattern relates to the efficient use of resources. Some students explained value creation as the process of transforming resources into something more valuable. For instance, S17 stated that value creation is "turning resources into something more valuable than what you started with." Similarly, S21 explained that value creation involves using "money, time, materials, and people" to produce products or services that are worth more to customers than the cost of making them. These responses show a more developed understanding because students connected resources, costs, customers, and business output.

The third pattern shows that a smaller group of students understood value creation more broadly. These students linked value creation to customers, stakeholders, employees, sustainability, and long-term business outcomes. For example, S10 explained that value creation involves using both financial and non-financial resources to increase business worth for stakeholders. This response suggests that some students were beginning to understand value creation as more than profit generation.

It can be highlighted that the findings for RQ1 suggest that students' early understanding of value creation was financially grounded but gradually expanding. Most students began with profit, cost, and benefit. A smaller number demonstrated a broader view that included customers, stakeholders, and non-financial value.

Management Accounting Information as Support for Managerial Decision-Making

The second research question involved how students explained the role of management accounting information in supporting managerial decision-making. The answers indicate that there was a general awareness among students regarding the role of management accounting as an information source to guide management in making decisions. They were primarily concerned with cost analysis, pricing, profitability, product decisions, and cost reduction in their explanations.

Some students also demonstrated a broader understanding, providing explanations on how management accounting information can contribute to the manager in the process of balancing cost reduction, customer satisfaction, and quality improvement.

Table 3: Students' Views on the Role of Management Accounting Information

Sub-theme	Description	Sample Student Responses
Cost and pricing decisions	Students explained that management accounting helps managers calculate costs and set suitable prices.	"Management accounting helps a manager decide the right price for a product by knowing its cost, so the business can make a profit." (S01)
Profitability and product decisions	Students linked management accounting to decisions about product profitability and business choices.	"Using cost-volume-profit analysis to determine if a new product line will be profitable." (S03)
Technical decision-making tools	Some students identified specific management accounting tools.	"A manager can use a Relevant Cost Analysis to decide whether to make or buy a component." (S10)
Cost reduction and customer value	Students recognised that management accounting can support decisions that reduce costs without reducing quality.	"Managers can cut unnecessary costs without affecting quality." (S02)
Financial and non-financial factors	Students identified both financial and non-financial factors that affect value creation.	Financial: profit, cost, revenue. Non-financial: customer satisfaction, quality, brand reputation.

The most frequent answer was that management accounting provides managers with information on costs and price setting. For instance, S01 said, management accounting assists managers in "pricing the right price of a product based on knowing the cost of the product." Likewise, S02 explained how cost information assists managers in establishing a selling price to cover costs and maximize profit. These were responses to the question of pricing, which were among the most clear-cut examples of management accounting decision support that students encountered.

Several students also identified management accounting with certain tools and techniques. This comprised cost-volume-profit analysis, relevant cost analysis, make-or-buy decision, Activity-Based Costing, variance analysis and marginal costing. An example of this is that S03 mentioned cost-volume-profit analysis to help with the decision of whether introducing a new product line would be profitable or not. S10 mentioned relevant cost analysis for make-or-buy decisions. S17 said that ABC could be used to eliminate waste of resources and target resources on the features that customers value.

There were instances where students were able to relate the information from management accounting to managerial decisions, as evidenced in these responses. Not all of these explanations were on the same level, however. Some students offered detailed responses, others gave shorter answers like 'cost analysis', 'pricing decisions', 'provide financial information', or 'for better decision making'. This indicates that students were able to recognize the general purpose of management accounting, but they were not quite ready to elaborate on how management accounting can serve decision-making.

The business scenario question attracted more applied answers. Students were asked what they think management accounting can do for a company to improve customer satisfaction and to reduce the cost of the company. A lot of students described how management accounting could enable managers to detect waste,

analyse costs, track performance, and enhance the quality of services or products. S02 stated that Management Accounting will give relevant data and analysis to enable managers to determine high-cost activities and eliminate unnecessary costs without compromising on quality. S15 also said that management accounting can present cost information and performance reports, enabling managers to lower costs and enhance customer service.

Students also identified the financial and non-financial factors that affect value creation. Profit, cost, revenue growth, cash flow, cost control, return on investment and cost of capital were the most frequently occurring financial factors. The most frequently mentioned non-financial factors were customer satisfaction, customer loyalty, brand reputation, employee skills, product quality and customer feedback.

Table 4: Examples of Financial and Non-Financial Factors Identified by Students

Financial Factors	Non-Financial Factors
Profit	Customer satisfaction
Cost	Customer loyalty
Revenue growth	Brand reputation
Cash flow	Employee skills
Cost control	Product quality
Return on investment	Customer feedback
Cost of capital	Service quality

The results indicated that students were able to make a simple distinction between financial and non-financial factors. Many of the responses mentioned the factors, but did not discuss how both types of information are used in the decision-making process. This suggests that the integration of financial and non-financial information was an area that needed improvement for students.

It can be noted that the results for RQ2 indicate that the students perceived the management accounting primarily as a tool for cost control, pricing, profitability analysis and decision support. In a smaller sample, a more holistic perspective emerged with the students connecting management accounting information with customer satisfaction, quality improvement, waste reduction and long-term value creation.

Students' suggestions for improvement of teaching approach

The third research question focused on students' recommendations for enhancing their knowledge about value creation in management accounting. Overall, many students said that the teaching approach was acceptable. Some answers indicated that there was no need for improvement, citing such responses as “nothing”, “none”, “don't have”, “the teaching approach does not need improvement”, and “everything is good”.

But some of the students made suggestions that indicate the need for more practical and application-based learning. The most frequently made suggestions were to provide real-world examples, exercises, explanations, a faster pace, and short summaries.

Table 5: Students’ Suggestions for Improving the Teaching Approach

Suggestions	Description	Sample Student Responses
Use more real-world examples.	Students wanted examples connected to actual business situations.	“More examples of real-time business.” (S13)
Provide clearer practical examples.	Students wanted a clearer explanation using real-life cases.	“Please explain the topic with a clear example in the real world that is easier to understand.” (S19)
Include exercises and business cases.	Students wanted opportunities to practise applying the topic.	“exercises related to real business situations, so it is easier to understand the topic.” (S08)
Provide short summaries	Students wanted a recap or summary at the end of each topic.	“provide short summaries at the end of each topic.” (S16)

Suggestions	Description	Sample Student Responses
Focus on key points.	Some students preferred a clearer focus on important ideas.	"Maybe less time on the details and focusing more on the highlights." (S12)

The most frequent recommendation was to utilize more practical scenarios. Examples linking management accounting concepts to business situations seemed to be appreciated by students. This aligns with the previous research wherein students were able to understand the meaning of value creation, and were able to recognize cost-related decisions, but were not yet able to apply the concept to a wider extent. Real-world examples can help students to appreciate the way in which value is created in real-world managerial decisions.

Pupils also proposed exercises about authentic business scenarios. Students might be able to be assisted with tasks that require them to become active learners in situations where they practice using management accounting information to solve real-life problems. Students may be able to go beyond memorising the definitions to gain a greater understanding of how accounting information can be used for decisions relating to cost, quality, customer satisfaction and business value.

A few pupils made some remarks about the structure and delivery of lessons. Students may need more specific learning support with new and general concepts, such as suggestions for providing short summaries and emphasizing key points. The value creation can be financial and non-financial, so a structured summary and guided explanation may assist students in organizing their learning.

The responses to RQ3 indicated that overall, students found the approach to teaching satisfactory and preferred a more application-oriented and structured approach. Their suggestions include utilizing real-life examples, business exercises, more easily understood explanations, and summaries.

Overall, it can be demonstrated that students have been exposed to the concept of value creation in management accounting at an early and developing level. Most of their definitions had to do with profit, cost, benefits and resource use. This suggests that students were first introduced to the idea of creating value from a financial perspective. Some students were more aware and added customers, stakeholders, sustainability and non-financial value.

Students also recognized that management accounting is a type of information for decision-making. People usually relate it to pricing, cost analysis, profitability, the make-or-buy decision, and cost reduction. But the answers indicate that there is still a need for more teaching assistance in this area with regard to integrating financial and non-financial information.

Lastly, the recommendations of the students on the improvement of teaching show a preference for learning through examples and practice. Real business examples, exercises, summaries, slower pacing, and clearer explanations may help students move from basic conceptual understanding to stronger applied understanding.

Table 6: Overall Interpretation of Findings

Area of Finding	Main Interpretation
Definition of value creation	Students mostly understood value creation in terms of profit, cost, benefit, and resources.
Broader understanding	Some students connected value creation to customers, stakeholders, sustainability, and non-financial outcomes.
Role of management accounting	Students viewed management accounting as a tool for cost control, pricing, profitability, and decision-making.
Application of management accounting	Students showed emerging ability to apply management accounting to cost reduction, quality, and customer satisfaction.
Teaching improvement	Students preferred real-world examples, exercises, summaries, clearer explanations, and slower pacing.

Area of Finding	Main Interpretation
Overall conclusion	Students' understanding was financially grounded but gradually expanding toward broader value creation.

Taken together, the results indicate that students already see management accounting both as a cost and profit tool and also as a tool of information for supporting decision-making and creating value for the business more broadly for management. Though their understanding is still in its infancy, the answers do indicate that they are shifting from the basic financial concepts towards the more applied and multi-faceted notion of value creation.

5. Conclusion

This study aims to investigate students' initial understandings of value creation in management accounting using a qualitative approach in the classroom. The results of this study indicate that students knew the concept of value creation in terms of profit, cost, benefit and resource efficiency after the introductory class based on their written responses. This suggests that they knew the subject primarily in financial terms. Some students, however, exhibited a more holistic perspective, connecting value creation to customers, stakeholders, product quality, sustainability and business performance over time. It indicates that the students' attitude was shifting from a narrow financial perspective to a broad perspective of value creation in management accounting.

The results also revealed that students considered management accounting information as important for managerial decision making. A large number of students related management accounting to cost analysis, pricing decisions, profitability analysis, cost reduction and make-or-buy decisions. Some students could also correlate information in management accounting with customer satisfaction, improvement of quality and business performance. This meant that students were starting to realise that management accounting was not just about calculation, but also that it was important to assist managers in decision-making that would generate value to the organisation.

On the aspect of teaching style, students generally accepted the class session; some of them suggested the teaching style could be improved by making the teaching more practical and application-based. Pupils wanted more real-life examples, business-based work, more explanation, summarisation and an easier pace on harder work. The results indicate that students can be improved by teaching methods that are aimed at making accounting concepts applicable to management in real business situations. These can be ways to help students shift from conceptual to applied understanding.

To conclude, this research reveals that students' awareness of value creation in management accounting is still in the initial stage and is progressing. They appear to be able to explain the basic financial sense behind value creation and understand the importance of management accounting in decision-making. Yet, there is a need for them to receive further assistance in linking financial and non-financial information, in using management accounting concepts in business situations and in seeing value creation as a wider managerial activity. Based on this, the study emphasizes the importance of reflective, practical and example-based teaching methods in the study of management accounting.

The present study has been conducted with a single class group and a single lesson in the initial introduction. Hence, the results cannot be generalized to all students of management accounting. The study also concentrated on the early learning understanding of students after the first class, not on the long-term learning development. There were also some limitations in the written responses, namely in terms of length and detail. Some students answered with entire explanations and some students gave short answers.

However, the study offers some useful lessons for the classroom on how students first start to think about value creation in management accounting, despite these restrictions. The outcomes can be used by lecturers to pinpoint the baseline understanding students have achieved and any support, examples or applied exercises that might be required.

There is potential to expand this study with the collection of data throughout the course for several weeks to analyze the students' understanding of value creation throughout the course. A future study might contrast students' reactions prior to and after particular learning activities, like case studies, group discussions, problem-based learning or real-life business simulations. Future research may also consider other than one class group or other accounting classes for comparisons as to whether similar patterns of understanding occur in other learning situations. Further research could also utilize focus group discussions and/or interviews in conjunction with students' written reflections to shed light on what they understand by value creation, how they relate financial and non-financial information, and what pedagogical approaches would prove effective for students' learning in the field of management accounting.

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