



A STUDY ON PRACTICAL APPLICATION OF ACCOUNTING AND TAXATION PRACTICES

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ABSTRACT

The present study examines the practical application of accounting and taxation practices through On-the-Job Training (OJT) undertaken at a Chartered Accountancy firm in Pune. In a rapidly evolving regulatory environment characterized by frequent amendments in tax laws and increasing digitization, practical exposure has become essential for developing professional competence among commerce and management students. The study adopts a descriptive research design based on observation, interaction with professionals, and analysis of accounting and taxation activities handled during the training period. Statistical tools such as percentage analysis and graphical representation have been used to analyze the data. The findings reveal that practical training significantly improves accounting accuracy, statutory compliance, and professional skill development. The study concludes that structured OJT programs play a vital role in bridging the gap between theoretical knowledge and professional practice.

Keywords: Accounting Practices, Taxation, GST, Income Tax, On-the-Job Training, Compliance

1. INTRODUCTION

Accounting and taxation are integral components of business management and financial decision-making. Proper maintenance of accounting records ensures transparency, accountability, and compliance with statutory requirements. In the contemporary business environment, organizations are required to comply with complex accounting standards and stringent tax regulations, making accuracy and timeliness in accounting practices essential.

The introduction of Goods and Services Tax (GST), digitization of income tax systems, and increased regulatory oversight have significantly transformed the accounting profession. Professionals are now expected to possess not only theoretical knowledge but also practical expertise in handling tax portals, filing returns, reconciling accounts, and managing compliance risks.

On-the-Job Training (OJT) serves as an effective mechanism for translating academic knowledge into real-world application. Through hands-on experience, students gain exposure to actual accounting records, taxation procedures, and professional ethics followed in practice. OJT enables learners to understand the challenges of statutory compliance, develop analytical skills, and build professional confidence.

Furthermore, practical training plays a crucial role in developing soft skills such as communication, time management, and ethical responsibility. Exposure to client interactions and regulatory deadlines prepares students to function effectively in professional environments. Hence, the present study focuses on analyzing the practical application of accounting and taxation practices through structured On-the-Job Training.

2. REVIEW OF LITERATURE

Kolb (1984) emphasized experiential learning as a critical approach to skill development, stating that learning is most effective when individuals engage directly in practical experiences. According to this theory, practical exposure helps learners transform theoretical concepts into actionable knowledge.

Gupta and Sharma (2019) found that students with practical accounting training demonstrated higher accuracy in bookkeeping and better understanding of statutory compliance compared to those with only classroom learning. Their study highlighted the importance of internships and OJT in accounting education.

Singh (2021) examined the impact of GST on accounting practices and observed that the new tax regime increased the demand for professionals with hands-on experience in return filing, reconciliation, and compliance management. The study concluded that theoretical understanding of GST laws is insufficient without practical exposure.

Mehta and Patel (2020) studied the role of accounting software in professional firms and found that computerized accounting systems significantly improve efficiency, accuracy, and reporting speed. The researchers emphasized the importance of software training during internships.

ICAI publications stress that professional competence includes ethical responsibility, confidentiality, and compliance discipline in addition to technical knowledge. The literature clearly supports the view that practical training enhances employability, professional readiness, and compliance efficiency.

3. OBJECTIVES OF THE STUDY

The present study has been undertaken with the following comprehensive objectives:

1. **To examine the practical accounting procedures** followed in a Chartered Accountancy firm, including journal entries, ledger posting, trial balance preparation, and finalization of accounts.
2. **To study the practical application of taxation laws**, particularly Goods and Services Tax (GST), Income Tax, and Tax Deducted at Source (TDS), with reference to statutory compliance and return filing procedures.
3. **To analyze the effectiveness of accounting software** in maintaining accurate financial records, generating financial reports, and improving efficiency in accounting operations.
4. **To understand the process of GST compliance**, including return filing, reconciliation of input tax credit, and adherence to statutory deadlines.
5. **To evaluate the role of On-the-Job Training (OJT)** in enhancing technical knowledge, analytical ability, and professional competence among commerce and management students.
6. **To assess the relationship between practical exposure and compliance accuracy**, particularly in the context of minimizing accounting and taxation errors.
7. **To study the development of professional ethics and responsibility** through exposure to real client data, confidentiality requirements, and regulatory obligations.
8. **To identify challenges faced during practical training**, such as frequent regulatory changes, time constraints, and technical difficulties, and to suggest measures for improvement.

4. HYPOTHESIS OF THE STUDY

H_0 : On-the-Job Training has no significant impact on accuracy in accounting practices.
 H_1 : On-the-Job Training significantly improves accuracy in accounting practices.

H_0 : Practical training has no significant impact on statutory compliance.
 H_1 : Practical training has a significant impact on statutory compliance.

5. RESEARCH METHODOLOGY

Research methodology refers to the systematic framework adopted to conduct a study and analyze the research problem in a scientific manner. It explains the methods used for data collection, analysis, and interpretation to achieve the stated objectives of the study. The present research focuses on understanding the practical application of accounting and taxation practices through On-the-Job Training.

5.1 Research Design

The study adopts a **descriptive research design**, as it aims to describe and analyze the existing accounting and taxation practices followed in a Chartered Accountancy firm. Descriptive research is suitable for studies where the objective is to observe, record, and analyze real-life practices without manipulating variables.

5.2 Nature of the Study

The nature of the study is **applied and experiential**, as it is based on practical exposure gained during On-the-Job Training. The research emphasizes learning through direct involvement in accounting, taxation, and compliance-related activities in a professional environment.

5.3 Area of Study

The study covers the following functional areas of accounting and taxation:

- Accounting and bookkeeping practices
- Goods and Services Tax (GST) compliance
- Income Tax computation and filing
- Tax Deducted at Source (TDS) procedures
- Audit support and documentation

5.4 Sources of Data

The study is based on both **primary and secondary data sources**.

• Primary Data:

Primary data was collected through direct observation, interaction with Chartered Accountants and staff members, and practical assignments handled during the training period.

• Secondary Data:

Secondary data was obtained from accounting records, statutory laws such as the Income Tax Act and GST Act, ICAI publications, research journals, textbooks, and official government websites.

5.5 Sampling Method

The study follows a **convenience sampling method**, as the research is confined to one Chartered Accountancy firm where the On-the-Job Training was undertaken. Practical exposure was gained from the assignments handled during the training period.

5.6 Tools and Techniques of Analysis

The following tools and techniques were used for data analysis:

- Percentage analysis
- Tabular representation of data
- Graphical representation using bar charts
- Descriptive interpretation of findings

These tools helped in simplifying data analysis and drawing meaningful conclusions.

5.7 Period of Study

The study was conducted during the On-the-Job Training period of **June 2025 to August 2025**.

5.8 Limitations of the Study

Despite sincere efforts, the study has certain limitations:

- The study is limited to a single Chartered Accountancy firm
- The findings are based on a limited period of practical exposure
- The study relies mainly on descriptive analysis
- Results may not be generalized to all accounting firms

6. DATA COLLECTION

Data collection is a crucial step in any research study, as the accuracy and reliability of research findings largely depend on the quality of data collected. The present study is based on both primary and secondary data, collected systematically during the On-the-Job Training period in a Chartered Accountancy firm.

6.1 Primary Data Collection

Primary data was collected through direct observation and practical involvement in day-to-day accounting and taxation activities carried out during the training period. The researcher actively participated in tasks such as journal entry recording, ledger posting, preparation of trial balance, GST return filing, income tax computation, and TDS compliance.

In addition, informal discussions and interactions with Chartered Accountants and staff members provided valuable insights into professional judgment, compliance procedures, ethical standards, and challenges faced in practical accounting work. These interactions helped in understanding real-world applications of accounting and taxation laws.

6.2 Secondary Data Collection

Secondary data was collected from various reliable sources to support theoretical understanding and legal compliance aspects of the study. These sources include accounting records maintained by the firm, statutory provisions of the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, ICAI publications, research journals, textbooks, and official government websites such as the GST portal and Income Tax Department portal.

Secondary data helped in comparing theoretical concepts with practical implementation and provided a strong conceptual framework for analysis and interpretation.

7. DATA ANALYSIS AND STATISTICAL REPRESENTATION

Table 1: Area-wise Practical Exposure

Area of Work	Percentage (%)
Accounting & Bookkeeping	35%
GST Compliance	30%
Income Tax & TDS	20%
Audit & Documentation	15%

Interpretation:

The table indicates that maximum exposure was gained in accounting and bookkeeping, followed by GST compliance. This highlights the importance of these areas in professional accounting practice.

Graphical Representation (Description)

A **bar graph** representing area-wise practical exposure shows that accounting and GST form the major portion of professional work, while audit and documentation provide supportive but essential exposure.

8. FINDINGS OF THE STUDY

Based on the analysis of data collected during the On-the-Job Training period and observation of accounting and taxation practices in the Chartered Accountancy firm, the following key findings have been derived:

1. The study reveals that practical exposure significantly improves the understanding of fundamental accounting procedures such as journal entries, ledger posting, preparation of trial balance, and final accounts. Regular hands-on practice helped in reducing accounting errors and improving accuracy.
2. It was found that active involvement in Goods and Services Tax (GST) compliance enhanced awareness regarding return filing procedures, reconciliation of input tax credit, and adherence to statutory deadlines. Practical exposure reduced the likelihood of errors in GST returns.
3. The study indicates that exposure to Income Tax and Tax Deducted at Source (TDS) compliance improved understanding of tax calculations, deductions, filing procedures, and due dates, thereby minimizing the risk of penalties and interest.
4. Use of accounting software such as computerized accounting systems and spreadsheets significantly increased efficiency in data entry, report generation, and financial analysis. Software-based accounting reduced manual workload and improved record-keeping accuracy.

9. CONCLUSION

The study highlights the importance of practical exposure in understanding accounting and taxation practices in a professional environment. On-the-Job Training provided valuable insights into real-world accounting systems, statutory compliance, and professional responsibilities.

The findings indicate that hands-on experience significantly improves accounting accuracy, compliance efficiency, and professional confidence. Exposure to accounting software and internal control systems further strengthened technical competence.

Overall, the study concludes that structured OJT programs are essential for bridging the gap between theory and practice and for preparing students to meet the demands of the accounting profession.

10. RECOMMENDATIONS

1. On-the-Job Training should be mandatory in commerce and management curricula.
2. Regular workshops on GST and Income Tax updates should be conducted.
3. Accounting software training should be strengthened.
4. Digital and paperless accounting systems should be encouraged.
5. Ethical standards should be emphasized during training programs.

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