Chapter 4

Financial Accounting and Employment Opportunity

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Introduction

Youth development is promoted through activities and experiences that help youth develop social, ethical, emotional, physical, and cognitive competences. Youth leadership is part of person in development and supports the young person in developing; the ability to analyze his or her own strength and weaknesses, set personal and vocational goals, and have the self-esteem, confidence, motivation, and abilities to carry them out (including the ability to establish support networks in order to fully participate in community life and effect positive social change). Alsothe ability to guide or direct others on a course of action, influence the option and behaviours of others, and serve as a role model (Wehmeyer, Agran and Hughes, 1998). Conditions that promote health youth development are supported through programs and activities in schools and communities. Youth development researchers and practioners emphasize that effective program and interventions recognize youth strengths and seek to promote positive development rather than addressing risks in learning and doing and who are connecting to positive adult and peers are less likely to engage in riskly or self-defeating behaviours. The primary goal of accounting education is to produce competent and ethical professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. In the face of increasing changes that they will meet later as professional accountants, it is essential that students develop and maintain an attitude of learning to learn, to maintain their competence later as professional accountants. The accounting program curriculum should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enable them to continue to learn and adapt to change throughout their professional lives. These capabilities will enable professional accountants to identify problems, know where to find this knowledge and know how to apply it in an ethical manner to achieve appropriate solutions. The balance of these elements may vary but what is required is to develop the knowledge base, strong skills and ethical values in order to produce competent professional accountants with appropriate values, ethics and attitudes. The field of accounting offers stimulating and challenging work that is constantly evolving. The accounting education program seeks to prepare the student for a general accounting career and eventual entry to any of the four major fields of accountancy: public practice, commerce and industry, government and education. Specific sample job opportunities are the following.

Cost Accounting

Cost accounting is a method of management accounting which aims to capture the total production cost of a business by measuring the variable costs of each production phase as well as fixed costs, such as expense.

Historians believe that cost accounting was first introduced during the industrial revolution when the new global supply and demand economics forced producers to begin monitoring their fixed and variable costs to automate their manufacturing processes.Cost accounting allowed rail and steel companies to manage costs and make themselves more competitive. By the early 20th century, cost accounting had becomes a widely discussed subject in the literature of business management.According to Bhavana (2021), a company's internal management department uses cost accounting to define both variable and fixed costs associated with the manufacturing process. It will first individually calculate and report these costs, then compare input costs with production results to assist in assessing financial performance and in making potential business decisions. Cost accounting includes several forms of costs which are listed below: fixed lost, operating costs, direct cost, variable costs and indirect costs. Cost accounting has now becomes the norm in most industries and firms. Almost all medium and large scale businesses rely on cost accounting to supplement the information that financial accounting provides. In fact, cost accounting is essential not only to business men and the management but also to the students and the economy as a whole. It also helps the students both undergraduates and post graduates to have a better understanding of what happens in the firms.According to "toppr.com/guides/fu" (2021), cost accounting enables students to gain mastery of measuring and improving efficiency. Cost accounting allows for data that enables the firms to measure efficacy. This could be efficiencies with respect to cost, time, expenses.Standard costing is then used to compare actual numbers with the industry or economy standards to indicate changes in efficiency.
According to Firdausi et al (2021), cost accounting is a specialized branch of accounting that deals with the classification, recording and allocation of current costs and prospective costs. In modern commercial world, it is one of the most important technology or process for a business. The management of an organization and its workers both greatly benefit from it. Ordinarily students will not understand the importance of cost accounting, but by its importance to the management, workers and even the government, they can certainly have a feel of the importance of cost accounting. One of the biggest uses of cost accounting is that it helps us calculate efficiency. So it is clear that students who study accounting are potential beneficiates of companies incentive scheme for workers. Cost accounting creates the privilege for students to understand how the government can assess income tax or any other such government liabilities. Through cost accounting, the students who study accounting can also understand how to set industry standards and helps with prices fixing, tariff plans, cost control etc.In contemporary times cost accounting knowledge gained from tertiary institutions can arm the students with great advantages. The extent of advantages derived from cost accounting is based on the type, adequacy and efficiency of cost accounting system installation. Some of the advantages are: Elimination of wastes, losses and inefficiencies, cost reduction, identifying the reasons for profit or loss, advises on make or buy decision etc.

Indicators of cost accounting as used in this study included the following;

1. Gross Profit Ratio**:** gross margin is the difference between revenue and cost of goods sold (COGS) divided by revenue. Gross margin is expressed as a percentage. Generally, it is calculated as the selling price of an item, less the cost of goods sold, then divided by the same selling price it is a measure of the efficiency of a company using its raw materials and labour during the production process. The value of gross profit margin varies from company

and industry. The higher the profit margin, the more efficient a company is. This can be assigned to a single products or an entrie company, Farris et al, (2010).
The gross profit margin ratio, also known as gross margin, is the ratio of gross margin expressed as a percentage of sales. Gross margin, alone, indicates how much profit a company makes after paying off its Cost of Goods Sold. It is a measure of the efficiency of a company using its raw materials and labor during the production process. The value of gross profit margin varies from company and industry. The higher the profit margin, the more efficient a company is. This can be assigned to single products or an entire company, Farris et al, (2010). Gross Profit Margin Ratio Formula Gross profit margin = Gross profit ÷ Total revenue Or = (Revenue – cost of goods sold) ÷ Total revenue Gross Profit Margin Ratio Example. Joe is a plumber in Houston, Texas. He has recently started his company and has a lot to learn. Joe thinks he may be able to cut back on raw materials by changing his construction process. Essentially, he is wondering what is his gross profit margin rate is. He evaluates his company financials for relevant information. Once the proper numbers are found uses the gross profit margin ratio calculator on his Texas Instruments BA II. His results are shown below. According to Bendle (2010), hecalculate the gross profit margin ratio using the following formula: Gross profit = revenue – cost of goods sold. For example, a company has $1 5,000 in sales and $1 0,000 in cost of goods sold. Use the following formula to calculate the percentage of sales:
Gross profit margin ratio = (1 5,000 -1 0,000) / 1 5,000 = 33%.
In conclusion, for every dollar generated in sales, the company has 33 cents left over to cover basic operating costs and profit. Pfeifer (2010) further predicted that the gross profit margin ratio analysis is an indicator of a company's financial health. It tells investors how much gross profit every dollar of revenue a company is earning. Compared with industry average, a lower margin could indicate a company is under-ricing. A higher gross profit margin indicates that a company can make a reasonable profit on sales, as long as it keeps overhead costs in control. Investors tend to pay more for a company with higher gross profit. Many see gross profit margin disadvantages despite the common use of gross profit margin ratios. The issue is that certain production costs are not entirely variable. Some believe that only direct materials should *be* included *as* they are the only variable to change in proportion to revenue. When applied, this new gross profit margin causes the transference of all other related costs to operational and administrative cost categories. This tends to cause *a* higher gross margin percentage than originally. Certain industries and businesses apply it instead of the more common application. Use the following formula:Gross Profit Margin = (Revenue - Direct Materials) Revenue; Reibstein (2010).

2. Net Profit Margin ratio: The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of afirm, especially when combined with an evaluation of how well it is using its working capital. The measure is commonly reported on a trend line, to judge performance over time. It is also used to compare the results of a business with its competitors, Murphy, (2021) In net profit ratio analysis, net profit is not an indicator of cash flows, since net profit incorporates a number of non-cash expenses, such as accrued expenses, amortization, and depreciation.
To calculate the net profit ratio**,** the formula for the net profit ratio is to divide net profit by net sales, and then multiply by 100. The formula is:(Net profit *÷* Net sales) x *1*00The

measure could be modified for use by a nonprofit entity, if the change in net assets were to be used in the formula instead of net profit, Munichiello, (2021).According to Munichiello (2021) net profit ratio can be illustrated as shown below. For example, the Ottoman Tile Company has $1,000,000 of sales in its most recent month, as well as sales returns of $40,000, a cost of goods sold (CGS) of $550,000, and administrative expenses of $360,000. The income tax rate is 35°%. The calculation of its net profit percentage is:$1,000,000 Sales - $40,000 Sales returns = $960,000 Net sales$960,000 Net sales - $550,000 CGS - $360,000 Administrative = $50,000 Income before tax$50,000 Income before tax x (1 - 0.35) = $32,500 Profit after rax($32,500 profit after tax ÷ $960,000 Net sales) x 100 = 3.4°%Net profit ratioIt can bedifficult to improve a firm's net profit ratio, since *a* business tends to pursue the highest-profit opportunities first, leaving lower-margin sales for later. A good way to avoid this trap is to pursue economies of scale, so that it becomes less expensive to generate each additional sale. This can be accomplished by engaging in bulk purchases in order to drive down the cost of materials per unit. Another option is to invest in product redesigns and automation in order to reduce the labor involved in product assembly. These actions will eventually reduce product costs, which improves the net profit ratio, Murphy, (2021).The net profit ratio is really a short-term measurement, because it does not reveal *a* company's actions to maintain profitability over the long term, as may be indicated by the level of capital investment or expenditures for advertising, training, or research and development. Also, acompany may delay a variety of discretionary expenses, such *as* maintenance, to make its net profit ratio look better than it normally is. Consequently, you should evaluate the net profit ratio alongside avariety of other metrics to gain a full picture of a company's ability to continue as a going concern.Another issue with the net profit margin is that acompany may intentionally keep it low in accordance with a low-pricing strategy that aims to grab market share in exchange for low profitability. In such cases, it may be a mistake to assume that a company is doing poorly, when in fact it may own the bulk of the market share precisely because of its low margins. Conversely, the reverse strategy may result in a very high net profit ratio, but at the cost of only capturing asmall market niche.Another strategy that can artificially drive down the ratio is when a company's owners want to minimize income taxes, and so accelerate the recognition of taxable expenses into the current reporting period. This approach is most commonly found in a privately held business, where there is no need to impress outside investors with the results of operations, Smith, (2021)

3. Working Capital Ratio**:** The working capital ratio is a measure of liquidity, revealing whether a business can pay its obligations. The ratio is the relative proportion of an entity's current assets to its current liabilities, and shows the ability of a business to pay for its current liabilities with its current assets. A working capital ratio of less than 1.0 is a strong indicator that there will be liquidity problems in the future, while a ratio in the vicinity of 2.0 is considered to represent good short term liquidity. The ratio is used by lenders and creditors when deciding whether to extend credit to *a* borrower.

To calculate the working capital ratio, divide all current assets by all current liabilities. The formula is:

Current assets ÷ Current liabilities = Working capital ratio. Example of the Working Capital Ratio,a potential acquirer is interested in the current financial health of the Beemer Designs retail chain, which sells add-on products for BMW automobiles. She obtains the following information about the company for the past three years:

Year 1 Year 2 Year 3 Current assets

$4,000,000 $8,200,000 $11,700,0
Current liabilities $2,000,000 $4,825,000 $9,000,000
Working capital ratio 2.1 1.1:1 1.3:1
The rapid increase in the amount of current assets indicates that the retail chain has probably gone through *a* fast expansion over the past few years and added both receivables and inventory. The sudden jump in current liabilities in the last year is particularly disturbing, and is indicative of the company suddenly being unable to payits accounts payable, which have correspondingly ballooned. The acquirer elects to greatly reduce her offer for the company, in light of the likely prospect of *an* additional cash infusion in order to pay off any overdue payables. The working capital ratio can be misleading if a company's current assets are heavily weighted in favor of inventories, since this current asset can be difficult to liquidate in the short term. This problem is most obvious if there is a low inventory turnover ratio. A similar problem can arise if accounts receivable payment terms are quite lengthy (which may be indicative of unrecognized bad debts).The working capital ratio will look abnormally low for those entities that are drawing down cash from *a* line of credit, since they will tend to keep cash balances at *a* minimum, and only replenish their cash when it is absolutely required to pay for liabilities. In these cases, a working capital ratio of 1:1 or less is common, even though the presence of the line of credit makes it very unlikely that there will be a problem with the payment of liabilities.

- **Employment opportunity**

Employment is the state of being engaged in an activity or service for wages or salary; the occupation for which you are paid, the Titi Tudorancea Bulletin, (2021).
Employment can also mean the relationship between two parties, usually based on contract where work is paid for, where one party, which may be a corporation, for profit, not-for-profit organization, co-operative or other entity is the employer and the other is the employee. Employees work in return for payment, which may be in the form of an hourly wage, by piece work or an annual salary, depending on the type of work an employee does or which sector they are working in. Employees in some fields or sectors may receive gratuities, bonus payment or stock options. In some types of employment opportunities, employees may receive benefits in addition to payment. Benefits can include health insurance, housing, disability insurance or use of a gym. Employment is typically governed by employment laws, organization or legal contracts, Wikipedia

Problem of unemployment solved: According to TVC NEWS, Nigeria’s unemployment problem needs to be solved from the roots – Ngige Nigeria's unemployment problem needs to be solved from the roots – Ngige.
The Minister for Labour and Employment, Chris Ngige, has stated that more action is required to address the country’s unemployment crisis.
Ngige made the remarks while launching a new electronic platform, the National Electronic Labour Exchange Centre, aimed at reducing the difficulties faced by job searchers.
Ngige said, “We need to solve the problem of unemployment from the roots. Inasmuch as we know these are things we have been doing, we have not done enough and we need to do more.
“The money we use in fighting insurgency, and buying bullets, and airplanes, if we spend half, we can stem poverty, unemployment and violence from the roots.”

The minister added, "In Nigeria with our population, we have 90 per cent of the young population. For me, that is the greatest danger; it has already started showing symptoms and signs.
There is violence, insecurity, banditry ravaging all of Africa; Nigeria now is getting its turn of the madness. For me as minister, while I thank the German government, ILO, and European Union, we need to do more.
"The Nigeria government is doing their own thing; we need more synergy, we need your funding to meet the people and stop them from even thinking of migration. Sometimes, they pose a menace, especially if they don't have skills, but those who have skills, we need to regularise them and make them legal migrants and residents in your country."
'Nigeria will benefit from patient-centered pharmacy practice model'
The Consul General of Germany in Lagos, Dr Bernid van Munchow-Pohl, on his part, said, "Youth unemployment is high. I am happy to note that during the German-Nigeria negotiations, a total of approximately 100 million euros was committed by my government."
He added, "Through the Returning to New Opportunity Program implemented, 5,200 Nigerians have found employment, 500 of which are returnees from Germany. Also, 1,700 Nigerians and about 400 of them who are returnees from Germany have benefitted from business startup support.
"These results would have never been achieved without the migrant resources centres in Abuja, Benin, Lagos and the Department of Wages and Employment."

CONCLUSION

Based on the findings made, it is concluded among others that accounting education curriculum was beneficial to the youths of business education in tertiary institutions in Rivers state. accounting education curriculum have made a significant impact on the economic growth and substainability of youths of business education as widely reported in the literature reviewed.It is also concluded that accounting education curriculum was was a viable curriculum used by youths of business education in tertiary institutions to strive in bid to achieve economic growth and development.
Cost accounting should be thought effectively in tertiary institutions for business start ups Management accounting should be thought effectively in tertiary institutions for entrepreneurship set ups.

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