

# Discerning Tax Literacy: Scrutinizing The Impacts Of Integrated Income and Business Taxation Chapter in the Fundamentals of Accountancy, Business, and Management subject in ABM – Senior High School Curriculum among Graduating Accountancy Students

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## Abstract

**Background:** Taxation is the lifeblood of the government – without it, the state will neither exist nor survive. Thus, Tax literacy is necessary not only among students but for all, to increase awareness and integrate it with daily life. However, the aim of enhancing tax literacy of the students through integrating Income and Business taxation chapters in the SHS curriculum faced several issues. This study then aims to identify the impacts of the integrated taxation chapter in the tax literacy of the graduating Accountancy students and to provide complementary interventions with the implementation of the curriculum. **Method:** This study utilized the phenomenological approach in order to examine the experience of the participants by doing an in-depth interview which allows the participants to express their experiences effectively. **Findings:** This study unveiled that Complexity of the topic, time constraints, qualification of instructors, and accounting focus were the reasons for the poor implementation of the integrated chapter; thus, findings have shown that the integration has little or no effect on the literacy or knowledge about tax of the students. **Conclusion:** this research study reveals that the poor implementation of the integrated Income and Business Taxation chapter in the FABM compromised the tax literacy of the participants. **Recommendation:** This paper recommends that the educational institutions must focus on enhancing the fundamentals of taxation and to ensure proper implementation of the integration to better equip ABM students for future endeavors in this area. An emerging framework was developed which portrays the impact of the poor implementation of the integrated Income and Business Taxation chapter in the FABM, which is deemed helpful for future research regarding the taxation topics curriculum and tax literacy by future interested researchers.

*Keywords: Tax Literacy; Taxation; Integration*

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## 1. Problem and its Background

There is more to teaching taxation to children than just math and percentages. It's about giving young people the fundamental life skills that encourage fiscal responsibility and engaged citizenship. Youths get a deeper sense of responsibility, readiness, and independence as they study the role taxes play in society and personal finance. These traits will surely serve them well throughout their lives (Tadepali, 2023). In accordance with the curriculum of SHS-ABM released by DepEd in 2019, learning competencies of integrating Income and Business Taxation chapter are as follows: define Income and Business Taxation and its principles and processes, prepare the list of sources of gross income from compensation and gross income from business, and the corresponding personal and additional deductions, explain the procedure in the computation of gross taxable

income and tax due, prepare the BIR forms, explain the principles and purposes of taxation, distinguish individual from business taxation, and compute the gross taxable income and tax due. With these competencies, learners will be equipped with needed knowledge and skills that will serve as a guide to their more complex studies (DepEd, 2019).

Discerning the tax literacy will be utilized in the study in the view of understanding its significance through the learning of the integrated Income and Business Taxation in the subject Fundamentals of Accountancy, Business, and Management of the SHS-ABM Curriculum. With all these factors considered; Understanding the significance of learning Income and Business Taxation; determining the experiences of those who took the subject matter during senior high school; and, identifying other interventions that will supplement the learning of the topic, seeking to understand the impacts of the integrated Income and Business Taxation chapter in the Fundamentals of ABM subject is the goal of the researchers. Furthermore, it also touched on certain areas of the topic such as the importance of understanding Taxation, CPALE passing rates, and the preparation of the aspiring BSA students.

### *1.1. Research Problem and Objectives*

The overall objective of this study is to examine the impacts of the integrated Income and Business Taxation chapter in the Fundamentals of Accountancy, Business, and Management (FABM) subject in the ABM-SHS curriculum on the tax literacy of the graduating Accountancy students. The researchers would like to pursue the answer to the following:

- 1) What are the experiences that the participants encountered in the Income and Business Taxation chapter under FABM?
- 2) What is the significance of learning Income and Business Taxation in the fundamentals of Accountancy, business, and management SHS curriculum?
- 3) How does the experience of the participants in having Income and Business Taxation chapters in FABM impact their tax literacy?
- 4) What interventions could be proposed in supplementing the integrated Income and Business Taxation chapter under the FABM subject to improve tax literacy?

### *1.2. Research Framework*

The K-12 curriculum was structured after such reform of the Republic Act 10533 otherwise known as “The Enhanced Basic Education Act of 2013” to established the senior high school as part of the basic education component, emphasizing pedagogical approaches such as constructivist, inquiry-based, reflective, collaborative and integrative methods. Integrative learning, highlighted as the most appropriate approach that encourages students to blend prior knowledge with new experiences, thereby enhancing their ability to apply skills to complex situations. This relates to the study in a way of integrating the fundamentals of taxation in as early as SHS-ABM strand to equip the students with basic knowledge for them to develop more understanding under tertiary education at a complex level, likewise, in a practical application in real-life setting. The essence of applying the integrative learning approach is to develop the students in dealing with the complexity of the current education challenges wherein students must have the ability to discern the interrelations of facts, theories, and contexts to make sense of the complexity.

### *1.3. Research Significance*

The study emphasizes the significant role of early tax literacy in shaping well-informed future professionals and highlights its significance across various sectors. The research particularly benefits the ABM strand by enriching individuals to be knowledgeable and skillful regarding business-related topics, thus providing the students the capacity to perform exemplary academically and ease their college life, as well as being readily available to perform tasks as they join the growing workforce of the country. Additionally, it underscores the importance of tax awareness among citizens for the government, who are aware of the purpose, value, and significance of tax to the country. For the BSA Program at DHVSU, the findings advocate a stronger foundation of the students with the taxation subject, using the supplementary insights collected, could be achieved. The accounting profession, facing a scarcity of Certified Public Accountants and slow development progress, could leverage these insights for growth and improvement. Lastly, this research may be the basis for future researchers conducting their own studies. It may inspire them to conduct further studies on how to improve the profession as well as the abilities and skills within it. It may motivate them to create further research that can provide solutions to problems and improvements to present arrangements. It may stimulate the minds of future researchers in formulating their papers and filling the gaps they recognize in the future.

## **2. Research Design**

The researchers conducted the study using a qualitative research approach through a phenomenological research design. The goal of the study was to reveal the participants' understanding through their experiences during their Senior High School (SHS) years and assess the effectiveness of the integrated Income and Business Taxation chapter in Fundamentals of Accountancy, Business, and Management (FABM) subject, which impacts their tax literacy. In-depth interviews are employed to allow the participants from the Don Honorio Ventura State University (DHVSU) Accountancy Program to express their thoughts effectively. Consequently, it will enable the researchers to uncover common themes and meanings concerning their learning experiences during their SHS years.

### *2.1. Participants of the Study*

The study involved fourteen fourth-year graduating Accountancy students of DHVSU Main Campus, Bacolor, Pampanga, wherein certain criteria were decided in order to limit the samples and to gather rich information from the participants. These graduating Accountancy students were previously Accountancy, Business, and Management Strand students during SHS and had taken Income and Business taxation subjects as part of their undergraduate program.

### *2.2. Instruments*

The researchers used a semi-structured interview in a one-on-one discussion with a predetermined interview guide. This type of instrument is used to obtain a comprehensive understanding of the participant's feelings and perceptions on specific topics. The instrument helped the researcher probe more details regarding the participants' perceptions, which helped them attain significant results for this study.

### *2.3. Data Collection*

The in-depth interviews were conducted through on-site and online modalities, which are at the classroom and Google Meet respectively, to match the availability of the participants. The interviews were conducted individually and not collectively to lessen or avoid unnecessary biases or conflicts of interest. The researchers determine the participants by using purposive sampling.

## 2.4. Ethical Consideration

This study adheres to the Data Privacy Act of the Philippines by maintaining the participants' anonymity and confidentiality. The consent of the participants was gathered before the interview through an informed consent form.

## 2.5. Data Analysis

This study employed inductive thematic analysis which consists of six steps to examine the different data collected from the participants. This analysis will help the researchers determine various recurring patterns and themes, which is vital for a qualitative research method.

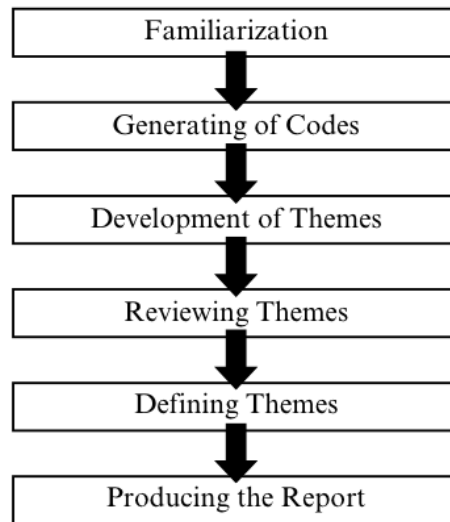


Fig. 1. Data Analysis Diagram for Qualitative Data

## 3. Findings and Discussion

Taxation is the lifeblood of the government, without it a certain state will not function the way it is. Hence, being tax literate is essential to every individual. It is notable that as early as Senior High School particularly in the Accountancy, Business, and Management strand, the Income and Business Taxation chapter is integrated with the subject Fundamentals of Accountancy, Business, and Management therefore, the learners are expected to at least have a gist or idea regarding the basic concepts of Taxation when they enter in higher education and how it affects their literacy about tax. The result of this integration has little or no effect on the student's literacy or knowledge about tax. The absolute majority of the participants revealed that the said chapter was neither taught nor it was known to them that it is part of the SHS-ABM curriculum. It was unveiled through the interviews that the Complexity of the Topic, Time Constraints, Qualification of Instructors, and Accounting focus were the reasons for the poor implementation of this integrated chapter. A study conducted by Barker concluded that as the subjects become more complex, the students may struggle to understand and comprehend the materials leading to difficulties in comprehension, analysis, and application of knowledge. Additionally, this supplements the result of the study of Feny Martina (2015) which showed that time constraints affected the student's academic and writing performance.

Therefore, it can be concluded that time constraints cannot be taken for granted and consideration of extending time constraints is necessarily important for the improvement of a student's performance.

Furthermore, Delayed Learning, Unfamiliar and Significantly New Concepts, Lack of Confidence, and Learning Inefficiency turned out to be the effects or consequences of this untackled chapter in SHS among the graduating Accountancy students. According to Serry (2021), the lack of background or knowledge on a particular prerequisite topic will hinder the ability to understand complex topics in the future. This implies that the subjects in senior high school are the foundation of knowledge that will be used by individuals who pursue higher education. In addition, in accordance with the study of Omidullah Akbari and Javed Sahibzada (2020), it was revealed that a student's self-confidence impacts his or her learning process. A learner who has self-confidence can lead to improved participation and growth in lectures.

Consequently, participants were also asked about the supplemental things or improvements that can still be done in the subject matter to at least see and discern its relevance to one's knowledge, these are: ensuring implementation, modification of teaching strategy, supplemental learning strategies, core subject syllabus, and work immersion modification. As mentioned by Kuech and Sanford (2014), academic competitions are highly engaging and motivating activities for students that promote academic achievement, personal growth, and career choices. This implies that such engagement can help improve the tax literacy of young individuals and engage them to learn taxes as well as encourage them to take college programs that are related to such. Aside from seminars and competitions, the participants also mentioned real-life applications through tax procedures and tax exposures. According to Prajapati (2017), critical thinking could be further enhanced with life skills training resulting in a much more responsible individual.

Table 1. Experience of participants in encountering Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand.

Themes	Codes	Participants	Frequency	Percentage
Not Taught		P1-P7; P9-P14	13	92.86%
Difficulty in Learning		P8	1	7.14%

Table 2. Revealing the significance of the Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand.

Themes	Codes	Participants	Frequency	Percentage
Not Significant		P1-P7; P9-P14	13	92.86%
Building Foundation		P8	1	7.14%

Table 3. Reasons for the poor implementation of the Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand.

Themes	Codes	Participants	Frequency	Percentage
Complexity of Topic	Level of Difficulty	P1 – P5; P9, P10, P12	8	57.14%
	Complicatedness	P1, P3, P4, P5	4	28.57%
Time	Time Limit	P3, P7, P9, P10, P12, P13	6	42.86%
Constraint	Topic Overload	P6, P7, P8, P9, P10, P12	6	42.86%
Qualification of instructors	Instructors' Expertise	P5, P7, P13	3	21.43%
	Unqualified instructors	P7, P10	2	14.29%
Topic Priority	Accounting Priority	P1, P3, P4, P5, P8, P9, P10, P12, P13, P14	10	71.43%
	Topic Immateriality	P5, P9	5	35.71%

Table 4. Effects of the Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand in the Tax Literacy of the students.

Themes	Codes	Participants	Frequency	Percentage
None		P1-P7; P9-P14	13	92.86%
Building Foundation		P8	1	7.14%

Table 5. Effects of the poor implementation of the Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand in the Tax Literacy of the students.

Themes	Codes	Participants	Frequency	Percentage
Lack of Knowledge	Delayed Learning	P3, P7, P9, P10, P11, P12	8	57.14%
	Unfamiliarity with the Significantly New Concepts	P8	1	7.14%
	Lack of Confidence	P2, P3	2	14.29%
	Learning Inefficiency	P1, P5, P10, P11, P12, P13	6	42.86%

Table 6. Effects of the poor implementation of the Income and Business Taxation Chapter in the FABM subject of the SHS-ABM Strand in the Tax Literacy of the students.

Themes	Codes	Participants	Frequency	Percentage
Ensure Implementation	Esnuare Implementation	P1	1	7.14%
	Integrated Implementation	P3	1	7.14%
	Increase in Equipped Instructors	P3	1	7.14%
Supplemental Learning Strategy	Tax Seminar	P3, P6, P12	3	21.43%
	Tax Procedures Exposure	P2, P3, P4, P7, P10	5	35.71%
	Academic Competition	P11	1	7.14%
Teaching Strategy	Additional Topics	P2, P8	2	14.29%
	Tax Procedures	P3, P7	2	14.29%
	Teaching Strategy	P5	1	7.14%
Core Subject	Practical Topics	P14	1	7.14%
	Core Subject	P9	1	7.14%
	More Time	P13	1	7.14%
Work Immersion Modification				

### 3.1. Emerging themes for the impacts of integrated taxation topic as Tax Literacy

The flowchart diagram presented shows how implementation (which is further explained through factors collected from the participants, topic complexity; time consideration; qualification standards; and lesson prioritization), that is the cause of the resulting outcome of the study identified, knowledge factor which has magnified effects identified enumerated as, time significance in learning (timely learning), new concepts, confidence, and learning competency.

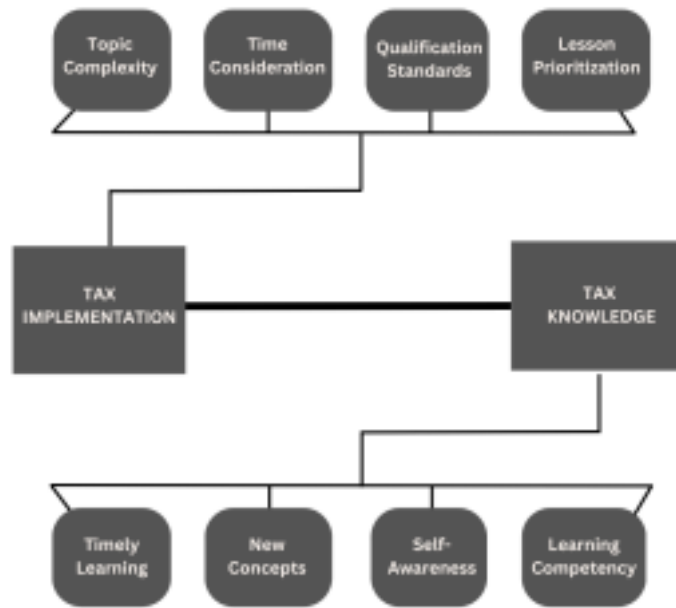


Fig. 2. Tax Implementation Key for Tax Knowledge's Door (TIKDoor Framework)

Implementation of the syllabus is one of the essential parts for individuals to gain formal knowledge regarding tax. However, in this study, poor implementation is essentially the root cause of why there were no experiences gathered from the participants.

- **Topic Complexity.** Introducing a subject that is often discussed at a higher accounting level, provided that at the level of the SHS, students may not absorb it easily because of the complexity of the subject for it takes time to fully understand it.
- **Time Consideration and Lesson Prioritization.** While there is a provided syllabus, the focus during SHS is to have the students master the basic accounting, hence less priority for taxation, and less or no time for it at all.
- **Qualification Standards.** Qualification requirements for instructors contribute also to how the syllabus will be implemented. They should be equipped with the proper knowledge and qualifications to pass on their knowledge to students.

Knowledge among students is ultimately affected by how the Income and Business Taxation chapter is implemented. This is further magnified through the factors in rounded squares that are shown on the bottom which pertain to the leading grounds of lack of knowledge among students.

- **Timely learning.** Timely learning indicates that the topics in SHS are taught to students, which indicates preparedness for students since they are equipped with prior and basic knowledge.
- **New Concepts.** Individuals who are equipped with prior knowledge welcome new concepts with ease allowing them to expand their current knowledge.
- **Self-Awareness.** Being equipped with the fundamental knowledge also brings out the awareness of the individuals to learn more advanced topics, making the process of learning a much more efficient progression.
- **Learning competency.** A student's competency in learning a subject is driven by how efficient it is to study a new concept. Being inefficient in learning may affect the student's performance and learning retention.



This study has uncovered that poor implementation transpired when these graduating college participants were senior high school students, which resulted in a negative impact on the knowledge of these individuals.

#### 4. Conclusion

The inclusion of Income and Business Taxation topics in the syllabus of the SHS-ABM strand, specifically under the FABM subject, is crucial in establishing the fundamentals of taxation for ABM students. However, this research study reveals that the poor implementation of the integrated income and business taxation chapter in the FABM compromised the tax literacy of the participants. The causes of the nonfulfillment of the whole syllabus of the SHS-ABM strand are the complexity of the integrated taxation topics, time constraints, the qualification of instructors, and prioritizing accounting subjects. In a nutshell, this research uncovers that the integration of taxation topics in the SHS curriculum has no significant impact on the tax literacy of the students.

#### 5. Recommendation

On the basis of the findings of this study, the following supplemental interventions are recommended to fully utilize the integrated Income and Business Taxation curriculum included in the SHS-ABM strand and enhance the tax literacy of the students.

1. Lack of experience among participants regarding integrated taxation topics, based on the conclusion derived from the study, highlights a significant issue in the current implementation of the curriculum. It is recommended that educational institutions focus on enhancing the fundamentals of taxation to better equip ABM students for future endeavors in this area. Specifically, the researchers address some of the means to fill the gap of the problem among the following:
  - The university or school admin should bring forward a suitable system of education that provides a conducive environment for obtaining and improving the tax literacy of each student, especially in providing an academic calendar that will serve as a guide for both instructors and students.
  - Public agencies and other related stakeholders should collaborate to enhance the tax literacy of the students inside and outside the school. Update the books or materials being used based on the recent year's amendments of the tax law as this will be the guide in introducing that taxation is a diverse subject and that it changes every time depending on the needs of the country. According to the study, Implementation is the real problem in traversing the discernment of tax literacy among SHS-ABM students. Requiring the schools to have their tax instructors at least a Certified Tax Technician (CTT) and undergo continuing professional development by providing academic-related seminars/webinars would also supplement the learning competency and efficiency.
  - For Future Studies. An emerging framework was developed having the following themes: Timely learning, New Concepts, Self-Awareness, and Learning Competency. This framework portrays the impact of the poor implementation of the integrated income and business taxation chapter in the FABM, which is deemed helpful for future research regarding the taxation topics curriculum and tax literacy by future interested researchers.



2. The inadequate integration of the Income and Business Taxation chapter in the FABM subject has a detrimental impact on the tax literacy of students. To address this, educators should prioritize the integration of taxation topics, provide sufficient support and resources, and ensure that instructors are equipped to deliver comprehensive lessons on taxation.
3. The effects of poor implementation in the results of the study, and poor implementation of the topic chapter can be resolved in bringing the discussion into the roots – just an introduction. Although taxation may be a new concept at first, if it is well introduced and imparted among students, they will be able to build confidence in pursuing taxation even better; thus, touching learning inefficiency. Moreover, it will all boil down to proper planning and strict scheduling.
4. Based on the findings, many of the participants recommended that one way of enhancing the syllabus is the modification of teaching strategies that are effective for everyone, such as using a case study or real-life problems relatable to students. Likewise, implementing a supplemental learning strategy is beneficial such as seminars about tax procedures or giving out pamphlets understandable to students.

However, if all things mentioned by the participants as well as the recommendations of the researchers cannot be possibly done due to other factors that cannot be controlled by the school as well as the teachers, then the Department of Education might as well remove the taxation topic in the FABM subject and just introduce such in higher accounting in Accountancy program.

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