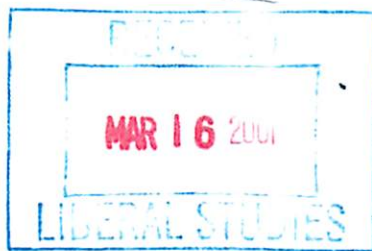


LSC Use Only
Number: _____
Submission Date: _____
Action-Date: _____



01-16
UWUCC USE Only
Number: ~~00-59~~
Submission Date: _____
Action-Date: App 2/12/02
Senate App 2/26/02

CURRICULUM PROPOSAL COVER SHEET
University-Wide Undergraduate Curriculum Committee

I. CONTACT

Contact Person Dr. Thomas Pressly Phone 7-2753

Department Accounting

PROPOSAL TYPE (Check All Appropriate Lines)

COURSE _____
Suggested 20 character title

New Course * _____
Course Number and Full Title

Course Revision _____
Course Number and Full Title

Liberal Studies Approval+ _____
for new or existing course Course Number and Full Title

Course Deletion _____
Course Number and Full Title

Number and/or Title Change _____
Old Number and/or Full Old Title

New Number and/or Full New Title

Course or Catalog Description Change _____
Course Number and Full Title

PROGRAM: Major Minor Track

New Program * _____
Program Name

Program Revision * Accounting _____
Program Name

Program Deletion * _____
Program Name

Title Change _____
Old Program Name

New Program Name

III. Approvals (signatures and date)

T. Pressly 3/18/99
Department Curriculum Committee

Don Parks 3/18/99
Department Chair

Sally Smith
College Curriculum Committee

[Signature] 7/28/01
College Dean

Ray E. Sailer 3-20-02
+ Director of Liberal Studies (where applicable)

[Signature]
* Provost (where applicable)



To: Gail Sechrist

From: Tom Pressly TP

Subject: Accounting Curriculum Revision Changes

Date: February 7, 2002

We have changed the prerequisite requirement for ACCT303 Financial System Analysis from "C" or better in ACCT201 – Accounting Principles I to "C" or better in ACCT202 Accounting Principles II. This change is designed to address concerns expressed at the January 2002 Senate meeting regarding proper sequencing of junior standing courses required for all business majors prior to taking junior-level coursework. The appropriate changes have been incorporated into both program revision and ACCT303 proposals. You can find these changes marked by post-its in the attached hard copies of the program revision and ACCT303 proposals. I have also included a disk copy of the program revision and ACCT303 proposals on the accompanying disk for use in preparing documentation for Senate consideration.

I have also included a copy of the College of Business junior standing policy and coursework requirements for your reference in determining whether the above-mentioned change will satisfy previous Senate concerns regarding ACCT 201, 202, and 303 sequencing.

We hope that the UWUCC will expedite these changes as quickly as possible for further consideration of the entire program package by the University Senate in the near future. Thank you once again for your work in moving this accounting program change forward.

Eberly College Academic Rules

PLEASE FOLLOW

Junior Standing

To be accepted for Junior Standing a business major must have:

1. Accumulated 57 semester hours or more of academic credit;
2. Achieved a 2.0 or higher cumulative GPA; and
3. Successfully completed the following courses:

ACCT 201 _____, ACCT 202 _____, BEDU101/COSC101/IFMG101 _____,
BLAW235 _____, ECON121 _____, ECON122 _____, ENGL101 _____,
ENGL202 _____, MATH211/15 _____, MATH214 _____, PSYC101 _____, and
QBUS215 _____.

MATH 11281

Business majors (except those majoring in Business Education) who have not achieved Junior Standing are normally not permitted to enroll in 300 or 400-level courses in the ECOBIT. Those who have at least 57 semester hours with a 2.0 or better cumulative GPA, but who have not completed one or more of the required courses listed above may, with permission, enroll on a one-time-only basis in up to nine hours of 300-level ECOBIT courses.

Distribution Requirement

All ECOBIT majors (except those majoring in Business Education) must take a minimum of 50 percent of their degree requirements (i.e., at least 62 semester hours) in non-business* coursework.

Prerequisites

Students will not be permitted to register for any business core courses for which they do not have the prerequisites.

Curriculum Sheets

Please refer to the curriculum sheets for curriculum requirements and course sequencing. You may also refer to the Undergraduate Catalog.

*For purposes of all policies above, "business" coursework consists of all ECOBIT courses except IFMG101, QBUS215, and courses in Business Education (BEDU). ECOB334 is also treated as a "business" course. "Non-business" coursework consists of all BEDU courses, IFMG101, QBUS215, and all non-ECOBIT courses except ECON334.

Part II. Description of Curriculum Change

1. Catalog Description for the Revised Program

Current Catalog Description (Old)

The Accounting Department provides the training necessary for one to enter the fields of public accounting, managerial accounting, and government accounting.

Revised Catalog Description (New)

Accounting majors receive instruction in financial reporting system design and analysis, managerial accounting, taxation and nonprofit accounting leading to career opportunities in public, industry and government accounting.

2. Summary of Changes

A. Table Comparing Old and New Programs

<u>Old Program</u>	<u>New Program</u>
Bachelor of Science – Accounting	Bachelor of Science – Accounting
Liberal Studies: As outlined in the Liberal Studies 54-56 section with the following specifications: Mathematics: MATH115 Social Science: ECON121, PSYC101 Liberal Studies Electives: BTED/COSC/IFMG101, ECON122, MATH214, no courses with ACCT prefix	Liberal Studies: As outlined in the Liberal Studies 54-56 section with the following specifications: Mathematics: MATH115 Social Science: ECON121, PSYC101 Liberal Studies Electives: BTED/COSC/IFMG101, ECON122, MATH214, no courses with ACCT prefix
College: Business Administration Core Required Courses: ACCT201 Accounting Principles I.....3sh ACCT202 Accounting Principles II.....3sh BLAW235 Legal Environment of Business 3sh BTST321 Business and Interpersonal Communications.....3sh FIN310 Finance I.....3sh IFMG300 Information Systems: Theory and Practice.....3sh MGMT310 Principles of Management.....3sh MGMT330 Production and Operations Management.....3sh MGMT495 Business Policy.....3sh MKTG320 Principles of Marketing.....3sh QBUS215 Business Statistics.....3sh	33 College: Business Administration Core Required Courses: ACCT201 Accounting Principles I.....3sh ACCT202 Accounting Principles II.....3sh BLAW235 Legal Environment of Business 3sh BTST321 Business and Interpersonal Communications.....3sh FIN310 Finance I.....3sh IFMG300 Information Systems: Theory and Practice.....3sh MGMT310 Principles of Management.....3sh MGMT330 Production and Operations Management.....3sh MGMT495 Business Policy.....3sh MKTG320 Principles of Marketing3sh QBUS215 Business Statistics.....3sh

Major: Accounting (1)	27	Major: Accounting (1)	27
Required Courses:		Required Courses:	
ACCT301 Intermediate Accounting I.....3sh		ACCT303 Financial System Analysis.....3sh	
ACCT302 Intermediate Accounting II.....3sh		ACCT304 Intermediate Accounting I.....3sh	
ACCT311 Cost Accounting.....3sh		ACCT305 Intermediate Accounting II.....3sh	
ACCT321 Federal Taxes.....3sh		ACCT311 Cost Accounting.....3sh	
ACCT401 Advanced Accounting.....3sh		ACCT321 Federal Taxes.....3sh	
ACCT412 Advanced Cost Accounting.....3sh		ACCT401 Advanced Accounting.....3sh	
ACCT431 Auditing.....3sh		ACCT431 Auditing.....3sh	
Controlled Electives:		Controlled Electives:	
Two courses from this list:	6sh	Two courses from this list:	6sh
ACCT422, ACCT435, ACCT441, ACCT451, ACCT461, ACCT471, BLAW336		ACCT412, ACCT422, ACCT432, ACCT441, ACCT451, ACCT461, ACCT471, BLAW336	
Other Requirements:	0	Other Requirements:	0
Free Electives:	8-10	Free Electives:	8-10
Total Degree Requirements:	124	Total Degree Requirements:	124

(1) Students must meet the grade prerequisite(s) listed in the course description section of the Undergraduate Catalog prior to advancing to the next course

B. List of Course Changes

<u>Old Program</u>	<u>New Program</u>
ACCT301 Intermediate Accounting I	ACCT303 Financial System Analysis (new required course)
ACCT302 Intermediate Accounting II	ACCT304 Intermediate Accounting I (number change and revised required course)
ACCT311 Cost Accounting	ACCT305 Intermediate Accounting II (number change and revised required course)
ACCT412 Advanced Cost Accounting	ACCT311 Cost Accounting (revised required course)
ACCT435 Internal Auditing	ACCT412 Advanced Cost Accounting (program reclassification from required course to controlled major elective)
	ACCT432 Forensic and Internal Auditing (new major elective course)
	(major elective course deletion)

3. Rationale for Change

The primary change in the accounting core curriculum will result from the creation of a new required course in financial system analysis (ACCT303) and the reclassification of ACCT412 Advanced Cost Accounting from a required to a controlled elective course offering. This change will result in a direct substitution from requiring the old ACCT412 course and replacing it with the new ACCT303 Financial System Analysis course. No change in total required hours within any component of the accounting major curriculum will result from this requirement substitution.


ACCT303 – Financial System Analysis (NEW REQUIRED COURSE – 3 hours)

One part of this course would be devoted to expansion of fundamental financial statement preparation techniques introduced in ACCT201 Accounting Principles I, along with introduction of more complex financial reporting areas such as leases; pensions; deferred income taxes; purchase commitments; research and development costs; discontinued operations; and extraordinary events. Also, construction of the statement of cash flows will be introduced.

Another section of this course will focus on financial statement analysis and interpretation. Financial measurements of short-term liquidity, earnings coverage, long-term solvency, return on invested capital, and profit performance will be emphasized. The purpose of this section will be to introduce the usefulness of financial statements for a variety of economic and operational decisions to a diverse group of business students, rather than emphasizing particular applications for specific disciplines. Specific applications would be reserved for upper-level core courses within each business major.

A third major instructional area contained in this course will be the integration of financial accounting software packages throughout the course to demonstrate the functions and usefulness of such software in financial statement preparation, along with business analysis and decision-making. Familiarity with common financial reporting software systems presented in this course will help students to become more familiar with similar programs that are currently utilized in many business environments.

The combination of these three curricular approaches will simultaneously allow for better preparation of accounting majors for more rigorous upper-division accounting coursework, along with providing incremental instructional coverage in financial analysis and technological applications currently demanded by the academic and business communities.

 This course will become a required course for accounting majors and minors. The prerequisite for this new course for accounting majors and minors would be achievement of a "C" or better in ACCT202 – Accounting Principles II. A similar prerequisite standard ("C" or better in ACCT202) would also be considered an appropriate prerequisite for outside majors enrolled in ACCT303.

It is believed that the new ACCT303 course would fulfill an assortment of needs within the College of Business.

- 01-14
1. Accounting majors would receive critical reinforcement of fundamental accounting techniques introduced in Accounting Principles I while also presenting new financial reporting topics that will be elaborated further in intermediate accounting courses. That format would produce students who would be better prepared for the rigor of advanced financial reporting topics covered in intermediate accounting. It would also allow students to devote more time to these complex accounting areas by shifting the focus from basic financial statement fundamentals to the new financial statement analysis.

The analytical skills anticipated to be emphasized in this course correspond directly to those advocated for entry-level accounting graduates by the American Institute of Certified Public Accountants (AICPA Core Competency Framework for Entry into the Accounting Profession, 1999), the American Accounting Association (Objectives of Education for Accountants: Position Statement No. 1, 1990) and the Institute of Management Accountants (Counting More, Counting Less: Transformations in the Management Accounting Profession, Management Accounting Quarterly, Fall 1999, pp. 29-34). Copies of these seminal accounting education articles can be found at the conclusion of this program revision section.

2. Accounting minors and other students within the Eberly College of Business (such as business education majors) who currently must take Intermediate Accounting I would be allowed to substitute the new ACCT303 course to fulfill their accounting requirements. Most of these students are not required to complete the intermediate accounting series (I and II) and therefore may be exposed to only a fragment of advanced financial reporting issues. The proposed financial system analysis course would provide a much more balanced overview of financial reporting topics along with practical applications for business decision-making. The new ACCT303 course would also significantly reduce the necessity of these students to master complex journal entries and calculations traditionally taught in intermediate accounting courses.
3. ALL Eberly College of Business (ECOB) majors would benefit from taking this new ACCT303 course. Future business professionals should possess the fundamental ability to read and interpret financial statements for internal review and operational decision-making. These future managers should also understand how their decisions are reflected in financial statements that are constantly scrutinized by the investment community. These financial analytical skills become especially relevant for students enrolled in the MGMT495 – Business Policy capstone required for all senior IUP business majors.

Furthermore, finance majors should become more comfortable working with financial statement data that they will often be asked to evaluate throughout their professional careers.

This course would also prove beneficial to criminology majors who may consider specializing in white-collar criminal investigations (e.g., fraud, embezzlement, money laundering).

In short, every ECOB graduate should graduate from IUP with some basic knowledge of financial statement reporting and its usefulness as they pursue their business careers.

ACCT304 – Intermediate Accounting I (NUMBER CHANGE AND REVISED REQUIRED COURSE - 3 hours)

ACCT305 – Intermediate Accounting II (NUMBER CHANGE AND REVISED REQUIRED COURSE - 3 hours)

The intermediate accounting series would include accounting majors and minors who had previously completed the new ACCT303 course as a prerequisite. Technical analysis of specific transactions associated with complex financial statement topics previously introduced in the new financial statement analysis course would dominate the contents of these courses.

ACCT311 – Cost Accounting (REVISED REQUIRED COURSE - 3 hours)

This course for accounting majors and minors will be redesigned to better coordinate with topics that are initially covered in ACCT202 – Accounting Principles II. In addition, new subjects such as accounting for quality costs, value-added efficiency analysis, transfer-pricing procedures, internal performance measurement, benchmarking, target costing, and variance analysis will be included in the revised course proposal.

ACCT412 – Advanced Cost Accounting (PROGRAM RECLASSIFICATION FROM REQUIRED COURSE TO CONTROLLED ELECTIVE - 3 hours)

This course will be reclassified from a required to controlled elective course within the accounting major core in order to accommodate the introduction of the new ACCT303 Financial System Analysis curriculum as a required major course without increasing total hours necessary for completion of the accounting degree.

Recent departmental-approved textbooks have placed greater prominence on fundamental cost accounting topics in ACCT202 – Principles of Accounting. The combination of ACCT202 cost accounting fundamentals and revised ACCT311 Cost Accounting curriculum will maintain the one-year exposure of cost accounting instruction previously given to all accounting majors under ACCT311 and ACCT412.

This change will balance coverage of accounting practice issues within the accounting core curriculum while providing accounting majors interested in pursuing corporate accounting employment with in-depth coverage of advanced cost (corporate) accounting areas by completing the elective ACCT412 course expected to be offered once per academic year.

As further evidence of the appropriateness of this approach, please refer to Tables 1 and 2 (pages 22-23) of the attached article entitled "Reforming an Accounting Program: Sailing the Ship Through the Academic Doldrums" by Long and McGuire for illustrations of the course content of traditional and alternative accounting programs. Under both circumstances, a single cost accounting is required for accounting majors, with an advanced cost accounting elective included in a traditional undergraduate accounting program. After senate approval of these program revisions, the IUP undergraduate accounting program will closely mirror the traditional accounting program displayed in Table 1, including the substitution of a required ACCT303 Financial System Analysis course for the ACCT412 Advanced Cost Accounting elective.

ACCT432 – Forensic and Internal Auditing (NEW MAJOR ELECTIVE COURSE – 3 hours)

This course will include extensive coverage of forensic audit procedures for controlling and investigating fraudulent activities within business organizations. Also, operational audits for adherence to organizational policies are also introduced in this course revision. Along with accounting majors, this course could prove to be particularly beneficial to criminology majors desiring additional accounting training for investigating white-collar criminal activities.

ACCT435 – Internal Auditing (MAJOR ELECTIVE COURSE DELETION)

This course will be eliminated to reflect updated emphasis on internal auditor responsibilities regarding fraud prevention, detection, and prevention presented in ACCT432 – Forensic and Internal Auditing.

SUMMARY

Accounting majors in this modified curricular framework will be required to complete the SAME number and total hours of required core courses as under the present curricular format. Liberal Studies and business core requirements will not change with this revision. Total semester hours required for earning a bachelor of science in accounting will not change. Accounting majors will still receive at least one year of managerial/cost accounting instruction after the implementation of the revision. Most importantly, accounting majors and minors, along with other ECOB graduates, will be exposed to a significant analytical function (financial system interpretation and analysis) and technological business applications commonly included in traditional undergraduate accounting programs but previously not directly addressed within the IUP accounting curriculum.

III. Implementation

- 1. After university approval of the attached program changes, incoming accounting majors will be required to follow the revised curricular format, including completion of the new ACCT303 as part of the accounting major core curriculum. Accounting majors already enrolled in the program prior to this revision approval will be permitted to continue to follow previous curricular requirements effective in their year of acceptance into the program by taking ACCT412 Advanced Cost Accounting and completing six hours of additional accounting elective coursework. However, these transition accounting majors will also be permitted to participate in the revised curricular format by taking the new ACCT303 course to substitute for ACCT412 as major elective. As previously mentioned and illustrated, total program courses and hours will remain the same under the old and new curricular requirements for all undergraduate accounting majors.**
- 2. Because total course and hour requirements will remain identical under the old and new accounting curricular programs, teaching loads are not expected to be affected by these changes.**
- 3. Resources are expected to be adequate within the Eberly College of Business. However, it is expected that increased computer lab access will be necessitated by the integration of financial accounting software applications throughout the ACCT303 Financial System Analysis course.**
- 4. As previously mentioned, the department expects some increment in total student and major enrollments from the revival of the associate degree in business with accounting concentration program during the 1999-2000 academic year. However, this increment is independent of this curricular changes presented in this proposal. Because of the overall consistency in total course and hour requirements under the old and new accounting program formats, little change in accounting enrollments is expected directly from proposed program changes. Any minor incremental increases should be covered through existing faculty complement.**

IV. Course Proposals

Course proposals detailing the accounting curriculum changes follow this program revision summary.



Honoring Yesterday
Creating Tomorrow

Indiana University of Pennsylvania

Department of Finance and Legal Services
Eberly College of Business
664 Pratt Drive
Indiana, Pennsylvania 15705-1087

724-357-4818
Fax: 724-357-7520
Internet: <http://www.iup.edu>

Date: October 19, 1999

To: Thomas Pressly, Chair
Department of Accounting

From: Karen Duhala, Chair
Department of Finance and Legal Studies
Curriculum/Program Committee

Subject: Curriculum Revision for Bachelor of Science -
Accounting Major

The Department of Finance and Legal Studies supports the proposed program revision for the Bachelor of Science in Accounting. In particular, we welcome the introduction of AG301 Financial System Analysis. This course will be especially useful to Finance majors who are in need of a more solid background in understanding and using financial statements, and we plan to include it in our list of controlled electives.



Indiana University of Pennsylvania

Department of Technology Support and Training
Eberly College of Business
664 Pratt Drive
Indiana, Pennsylvania 15705-1087

724-357-3003
Fax: 724-357-3013
Internet: <http://www.iup.edu>

Honoring Yesterday
Creating Tomorrow

TO: Thomas Pressly
Chair of Accounting Department

FROM: K. Virginia Hemby *KVH*
Dawn E. Woodland *DW*
Co-Chairs, Technology Support and Training Curriculum Committee

SUBJ: Support for Accounting Curriculum Modifications

DATE: September 13, 1999

Please be advised that the Department of Technology Support and Training wholeheartedly supports the modifications of the Accounting curriculum. The Program will continue to support these courses as fulfilling part of the Business Education major.

If there is any further information that you would like to have from the Curriculum Committee, please let us know.

cc: Robert Camp, Dean
members of TST Curriculum Committee

REFORMING AN ACCOUNTING PROGRAM:

*Sailing the Ship
through the*

**ACADEMIC
DOLDRUMS**

BY **DEWEY J. LONG, J.D., LL.M., CPA, AND**

BRIAN L. MCGUIRE, CMA, CPA, PH.D.

The four major accounting groups (IMA, AAA, AICPA, and Big 5 professional services firms) recently undertook a project that produced a report titled *Accounting Education: Charting the Course through a Perilous Future*.¹

This report is the latest in a number of calls for reform of accounting curricula. A summary of this report was presented in the Fall 2000 issue of *Management Accounting Quarterly*, and the entire report is available on IMA's website at www.imanet.org.²

Its title visualizes the accounting profession as a fleet of ships on the high seas, sailing into uncharted territories ripe with dangers of shipwreck and capsizing. The winds of technological change blow at gale force, and novice sailors need new and different skills to stay afloat and on course.

Just as the merchant marine must have struggled with the advent of the steam and internal combustion engines, the accounting profession is struggling in the age of information technology. Like those sailors who had to learn to pilot ships without sails, accountants increasingly have to learn to provide professional services without examining accounts.

ACCOUNTING EDUCATORS HAVE HEARD THE CALLS FOR REFORM

This latest call for drastic change to the content and teaching methods typically found in accounting programs comes as no surprise to most accounting educators. It has been 15 years since the AAA's Bedford Committee first reported that the profession was changing drastically and that accounting programs would have to change drastically to remain effective.³ Since the Bedford Committee report was published, there have been multiple accounting education reform initiatives. In addition, most accounting departments have faculty members who have read the "Big 8 White Paper" and remember the creation of the Accounting Education Change Commission (AECC).⁴

The position statements of the AECC and the results of the AECC grants are routinely given out for free at American Accounting Association (AAA) conferences.⁵ The 150-hour requirement has been adopted and implemented in most states, resulting in faculty review of the content and design of existing accounting programs. With so many initiatives pushing for change, the question arises, "Why hasn't more change occurred?" Accounting educators are sailing in the academic doldrums. The winds of change blow without much force in the harbors

where educators sail. Here we will discuss why the faculty in many university accounting programs have resisted change and offer steps necessary to chart a course toward meaningful accounting education reform.

THE TRADITIONAL ACCOUNTING PROGRAM

The Bedford Committee found that a typical undergraduate accounting program in 1986 required approximately 30 semester hours of accounting.⁶ This model included a sequence of elementary, intermediate, cost, auditing, and tax courses. Information systems courses were identified as recent additions in many programs at the time.

Master of accountancy programs typically required 30 graduate semester hours, with 50% of those hours required to be in accounting courses. Most graduate programs either offered specialization in specific accounting areas or provided a generalized track based primarily on the undergraduate core. The Committee described the teaching process as one based on lecture with routine problem solving. Class discussion took the form of teachers asking the students questions. The primary focus of the teaching process was the acquisition of the knowledge needed to pass professional examinations.

Many of today's accounting programs are still similar to those described by the Bedford Committee report. There are several reasons why faculty members have resisted change or have remained unconvinced that change is really necessary.

DANGER THAT CAN SHIPWRECK CHANGE

Faculty members' opinions on curricula are often shaped by their academic and professional experiences. Faculty have little, if any, formal training in the field of education. For the most part, they learn to teach by trial and error and from the example of their professors during their own academic training. In addition, accounting faculty have very specialized education and work experiences, so it is only natural that many accounting educators view their discipline as one requiring the dissemination of specialized knowledge. Many faculty members have continued their narrow focus by choosing continuing education on those same technical accounting issues.

Similarly, their research may also be very complex and narrow in scope. An accounting educator's work experience may go back to an earlier management style that relied less on team decisions. When the

educator was an accountant, he or she may have served as an expert on financial reporting but not on general business decisions. In addition, some faculty work experience may go back many years before the Bedford Committee report. All of these factors make it harder for some faculty members to accept the fact that the role of the accountant is changing.

Here are several other barriers to change.

Compensation and Reward Structures

At research institutions, the focus has traditionally been on scholarship, not teaching. Furthermore, educators focusing on research often do not see the importance of curricular reform. Their primary reward structure may be built around the old adage "publish or perish."

Even at teaching institutions, the reward structure may be weighted toward the *delivery* of curricula rather than the *development* of curricula. If professors are rewarded for their teaching (in the form of high evaluations), there is little motivation for them to change. Also, traditional students are not in a position to judge whether course content will be relevant after they graduate, and department chairs and personnel committees may not be qualified or willing to make that judgment either.

Professors may not be willing to take risks with courses that appear to be functioning well. If they do not think the course is "broken," then educators are not going to fix it. Furthermore, if those professors are tenured, it may be even harder to convince them of the need to change. Their department chair and dean may have little actual power over their teaching methods and course content decisions. Faculty may see reforming their accounting programs as all risk and virtually no rewards.

Faculty Satisfaction with the Traditional Model

A curriculum is very important to most educators, and they feel uniquely qualified to decide what content and methods are incorporated in their courses. The faculty members that create courses have very strong opinions about what makes for an excellent course, and the curriculum is intricately tied to their job satisfaction. Educators put a lot of themselves into their courses, and a change in teaching methods or content has the potential to change how students react to their courses.

Faculty members who teach courses that make students feel uncomfortable have to cope with stu-

dent dissatisfaction. At many teaching institutions, student dissatisfaction, as voiced through student evaluations, results in lower raises and slower promotions. Therefore, given the importance of curricula to faculty members, it becomes clearer why faculty members prefer to proceed cautiously with curricular reform.

Faculty Opinion that Reform Is Not Necessary

Defining "effective teaching" is a difficult task, and determining what constitutes the best accounting curriculum is a matter of judgment. While it may appear obvious to accounting practitioners that today's entry-level accountant needs to possess certain skills (such as communication, technology, team, leadership, and critical-thinking skills), faculty opinion can be divided on the importance of skill building in an accounting curriculum. Whether skills are more appropriately and effectively taught after graduation by employers or before graduation by educators is still a subject of debate. Some faculty members argue that students are not ready to develop certain skills until they have matured through their work experiences. In addition, some accounting educators believe that practical skills can be accomplished through employee training and that accounting theory and concepts are more appropriately taught in accounting programs.

The recommendations of the various committees, task forces, and commissions that call for curricular reform are all based on educated opinions. Some faculty members are quick to discount those opinions as not being applicable to their specific accounting programs and those constituencies served by their accounting programs. The argument quickly becomes one of "large employers" versus "small employers" and "national employers" versus "local employers." Many faculty members are unwilling to change without proof that reform is better for their specific educational stakeholders.

Accounting Faculty Receive Mixed Messages

In some cases, the call for reform has been one of mixed or conflicting messages. The recommendations of AECC have generally called for a broader undergraduate accounting education with an emphasis on the development of skills that allow lifelong learning. However, the AECC did not call for a modification of the content of the professional examinations to reflect this change in val-

ues. Instead, the AECC recommended a "decoupling" of academic studies from professional examinations.

This situation is perplexing for some accounting faculty because accounting undergraduate students typically assume their accounting program will prepare them to have the skills and knowledge necessary for their entry-level positions in the profession. Good students also routinely expect that they are prepared to pass the leading professional examinations (such as the CMA and CPA examinations) after completing an appropriate review course. Given that companies often condition continued employment on the successful completion of professional examinations, these are reasonable assumptions.

The adoption of a 150-hour requirement by the AICPA and not by the IMA adds to the complexity of curricular review. This raises several questions. Do public accountants and industry accountants have the same educational needs? What should the first four years of an accounting curriculum accomplish, and what should the fifth year accomplish (if anything at all)?

The AECC issue statement recommends that students review and sit for professional examinations only after they complete all their degree requirements. This statement can be interpreted broadly as a recommendation that accounting programs should be designed without any thought concerning professional examinations. In practice, the AECC approach only "decouples" professional examinations from the last semester of the students' accounting programs.

This approach does not remove the students' expectations that accounting programs will adequately prepare them for their professional examinations, but it does create dissension among accounting faculty as to the appropriateness of trying to accomplish that goal. Some faculty conclude that a university's accounting programs should be designed to reflect the differences in the careers and professional certifications of accountants in public practice and industry. Other faculty argue that accounting programs should prepare all accounting students with one general accounting education that will serve students in either public or industry careers.

INTERNAL DIVISIONAL POLITICS

Even when a majority of accounting faculty is convinced that a program should be reformed, there are

still institutional barriers to overcome. Different departments compete for students and resources. At many business schools, each department has little accountability to the overall success of their school. The finance and information technology departments may find the accounting department's enrollment losses are their enrollment gains. Faculty members of one department may have little incentive to agree to changes that will improve another department.

Under the faculty governance structure at most universities, course modification and program modifications have to be approved by university faculty at several levels of committees. Even a business school dean may have little reason to care whether students choose accounting over another business discipline because the enrollment for the business school remains the same. In addition, attempts to merge accounting with other departments may cause personality conflicts and disruption of faculty relationships in other departments. Curricular proposals may rekindle past conflicts between individual faculty and various departments. Therefore, faculty pursuing curricular change must rely on the professionalism and goodwill of their business school colleagues to get their new programs approved.

SETTING SAIL TOWARD REFORM

Given all the reasons that accounting faculty have to resist accounting education reform, it is important to identify the areas that will make meaningful reform possible. These areas include developing processes for continuous improvement, following processes for reform, and obtaining sufficient buy-in from stakeholders to proceed. Other areas include creating models of the proposed programs, getting stakeholder feedback concerning the best program for your institution, and convincing other faculty to support the new program.

Developing Processes for Continuous Improvement

It is helpful to the reform effort when a business school and accounting department have already put processes in place for continuous improvement. In its accreditation standards, the AACSB requires that continuous improvement processes be in place to ensure faculty development, high-quality curricula, intellectual contributions, and appropriate instructional resources. These processes require that faculty assess their programs and periodically make

Table 1: Traditional Accounting Program

Business Core		IUP (Proposed)
ACCT201	Principles of Accounting I	ACCT201 3
ACCT202	Principles of Accounting II	ACCT202 3
<u>Accounting Courses in Business Core</u>		<u>6</u>
Accounting Core		
ACCT303	Intermediate Accounting I	ACCT303 3
ACCT304	Intermediate Accounting II	ACCT304 3
ACCT311	Federal Taxation of Individuals	ACCT311 3
ACCT315	Cost Accounting I	ACCT315 3
ACCT401	Advanced Accounting	ACCT401 3
ACCT413	Accounting Information Systems	ACCT413 3
ACCT415	Auditing Theory and Practice	ACCT415 3
BLAW484	Business Law	BLAW484 3
<u>Accounting Core Total</u>		<u>24</u>
Accounting Major Electives (Choose one course)		
ACCT412	Income Taxation of Business Entities	ACCT412 3
ACCT416	Advanced Cost Accounting	ACCT416 3
ACCT417	International Accounting	ACCT417 3
<u>Accounting Elective Total Hours</u>		<u>3</u>
Total Undergraduate Accounting Program Hours		33
MSA program		
Accounting Core Courses		
ACCT601	Management Accounting	3
ACCT602	Seminar in Financial Accounting	3
ACCT603	Seminar in Taxation	3
ACCT604	Seminar in Accounting Information Systems	3
ACCT605	Seminar in Auditing	3
<u>Total Accounting Core Hours</u>		<u>15</u>
Business Core Courses		
BLAW618	Business Law	3
FIN601	Financial Management	3
<u>Total Business Core Hours</u>		<u>6</u>
Elective Courses		
Nine hours of electives from the MBA program		9
Total MSA Program		30

corrections to ensure a continuous level of quality.

In addition, the standards for accounting accreditation require that accounting faculty demonstrate professional interaction and relevant practical experience. These two requirements are especially critical to keep faculty current with changes in the accounting profession. For example, a faculty internship experience may do more to convince faculty of the need for reform than anything that may be said by other professors.

Other processes should also be in place for continuous improvement. For example, employer and student advisory groups may serve as a source of valuable external information on what is relevant in an existing curriculum. Reviews of syllabi and surveys by faculty can help keep educators aware of the teaching methods used and the content taught in the program. Intellectual contributions on curricular and pedagogical issues can help keep faculty current in those areas where that type of scholarship is consistent with the program's mission.

Processes that monitor the instructional resources used in a program may help identify whether physical resources are inadequate to support skill-building assignments. For example, if classrooms are not designed for team or group work, this may have to be corrected to facilitate reform that includes an emphasis on skill building.

Following Processes for Reform

An accounting department considering the type of change recommended in *Charting the Course* may overcome these obstacles by taking certain steps. The first thing to do is to review the accounting literature and positions of the various accounting organizations. It is difficult to rely on external calls for reform unless you are familiar with them. While some ambiguity may exist in the various positions of accounting organizations, some consistency exists as well. For example, there has been concern among accounting practitioners about the number and quality of accounting students for nearly a decade. This is not a new phenomenon brought about solely because of the 150-hour requirement.

Several schools that received AECC grants adopted a "user approach" in their principles of accounting courses. Given that today's technology can perform the "debits and credits," accountants now are more involved in using the accounting information than creating it. Therefore, by giving potential accounting majors the impression that accounting is

Table 2: Alternative Accounting Program—Tracks

Business Core	
ACCT201 Uses of Accounting Information I	3
ACCT202 Uses of Accounting Information II	3
<u>Accounting Courses in Business Core</u>	<u>6</u>
Accounting Core	
ACCT203 Introductory Accounting Lab	1
ACCT303 Intermediate Accounting	3
ACCT315 Cost Accounting I	3
ACCT412 Introduction to Federal Taxation	3
ACCT413 Accounting Information Systems	3
ACCT415 Auditing Theory and Practice	3
<u>Accounting Core Total Hours</u>	<u>16</u>
Accounting Program Tracks	
(Students must complete one of the three tracks that follow)	
Finance Track	
FIN343 International Finance	3
FIN361 Financial Institutions	3
FIN433 Principles of Investments	3
FIN461 Financial Management	3
<u>Finance Track Total Hours</u>	<u>12</u>
Information Systems Track	
CIS367 Data Communications	3
CIS375 Systems Analysis and Design	3
CIS377 Database Concepts	3
CIS454 Managing Information Technology	3
<u>Information Systems Track Total Hours</u>	<u>12</u>
Management Accounting Track	
FIN461 Financial Management	3
DSCI445 Production and Operations Management	3
ACCT416 Advanced Cost Accounting <i>ACCT 412</i>	3
ACCT418 Special Topics (Consolidations & International)	3
<u>Management Accounting Track</u>	<u>12</u>
Total Undergraduate Accounting Program Hours	34

MSA program

Accounting Core Courses

ACCT601 Management Accounting	3
ACCT602 Seminar in Financial Accounting	3
ACCT603 Seminar in Taxation	3
ACCT604 Seminar in Accounting Information Systems	3
ACCT605 Seminar in Auditing	3
<u>Total Accounting Core Hours</u>	<u>15</u>

Business Core Courses

BLAW618 Business Law	3
FIN601 Financial Management	3
<u>Total Business Core Hours</u>	<u>6</u>

Elective Courses

Nine hours of electives from the MBA program	9
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Total MSA Program 30

grams in a relatively fast and efficient way. For example, publications like the *US News Online* rankings of business schools make it easy to review other programs because it is so easy to contact any of the hundreds of universities listed and linked on this type of online publication. In some cases, individual faculty web pages may be accessible to provide very specific information on individual courses. Student workers may be used to find and bookmark web pages for later study by accounting faculty.

While a review of other institutions may not help build a case that reform is necessary, it is possible to find many programs that follow the traditional model. It can also serve as a tool for developing proposed models for discussion with the stakeholders of your institution. However, it will probably be necessary to look at accounting programs that received AECC grants and other leading institutions to see programs that have adopted new models.

Obtaining Sufficient Buy-in from Stakeholders

It is probably best to discuss *Charting the Course* with your employer advisory boards and accounting faculty. In this way, you can obtain initial feedback on whether the type of change described in the report is actually being experienced by those accounting

more about journal entries than decision making, accounting programs just contribute to the recruitment problem.

Another step in the process is to review accounting programs at other institutions. The Internet makes it possible to study other accounting pro-

practitioners closest to your program. At this point, a decision should be made about bringing students into the process.

The PowerPoint presentation by the authors of *Charting the Course* is a good vehicle with which to start a discussion of the relevant issues. If the employer advisory board (and a significant number of your accounting faculty) supports the concept of redesigning the accounting program to broaden the curriculum, then it is time to develop models for further discussion.

Creating Models of Proposed Programs

The models should be designed so that the undergraduate programs (and graduate programs, if applicable) will prepare accounting graduates for their careers. Several models should be developed to ensure the best approach is identified for your specific institution. For example, providing graduates with a broader education can be accomplished in the undergraduate program or in the graduate program (or both programs). The traditional program that your department is offering is the default model. It typically involves a very specialized program at the undergraduate level and allows students to become exposed to broader topics at the graduate level in an MBA or MSA program (assuming that students pursue a graduate degree). An example of a traditional program is provided in Table 1, p. 22.

A second model might include some combination of management accounting, finance, or information systems "tracks" in the undergraduate accounting program. In this type of program, students will only be exposed to certain specialized topics (such as Business Law, Taxes II, and Advanced Accounting) if they take them as electives or as part of a graduate program. An example of this model is provided in Table 2, p. 23.

The advantage to this model is that it provides students with a fundamental base of accounting knowledge but allows them flexibility to "specialize" in other areas of interest. For example, a student who eventually wants to sit for the CMA examination could take the "management accounting" track. Another student who eventually wants to sit for the CFM examination could take the "finance" track.

One additional consideration is the AACSB accounting accreditation standards and how the finance and information systems faculty will impact the adherence to the accounting accreditation stan-

Table 3: Reasons Accounting Faculty Have Resisted Reform

- ◆ Faculty Satisfaction with Traditional Model
- ◆ Faculty Opinion that Reform Is Not Needed
- ◆ Faculty Education and Experience Are Strongly Tied to the Past
- ◆ Risks to Faculty Outweigh Rewards and Compensation
- ◆ Internal Divisional Politics Hampers Reform

dards. However, this issue is only relevant to those programs seeking AACSB accounting accreditation. Furthermore, the issue may not be a concern if the finance and information systems faculty teaching in the accounting program can demonstrate that they meet the accounting standards.

A third model could include selected courses in accounting, finance, and information systems as part of a required accounting program for all undergraduate accounting students. This model could be structured in numerous combinations, depending on the emphasis of the various topics offered. These models are merely illustrative of the issues involved, but the actual model that your department designs will be based on the resources and mission of your specific institution.

Getting Stakeholder Feedback as to the Best Program

You should discuss the models that you develop with the stakeholders of your program. As mentioned previously, these "stakeholders" would normally include employers, students, and faculty. Employer and student accounting advisory groups

Table 4: The Accounting Program Reform Process

- ◆ **Research the Literature**
- ◆ **Meet with Stakeholders and Discuss Reforming Curriculum**
- ◆ **Obtain Feedback and Initial Support from Stakeholders on Approach**
- ◆ **Develop Models Consistent with Stakeholder Feedback**
- ◆ **Meet with Stakeholders and Discuss Models**
- ◆ **Select Model and Develop Specifics of Accounting Program**
- ◆ **Disseminate Proposed Model to Stakeholders to Generate Specific Feedback**
- ◆ **Discuss Proposed Model with Department Chairs and Affected Faculty Members**
- ◆ **Make Adjustments Consistent with Feedback**
- ◆ **Vote on Proposed Accounting Program at Department Level and Seek Approval at School and University Levels According to Bylaws**

are good groups with whom to consult. This step is necessary to ensure that you can properly assess the needs of these important constituencies. It also provides you an opportunity to choose the array of courses that will best serve these important groups. In situations where some faculty members are vocal against redesigning the curriculum, these faculty may try to build support among employers to try to block any movement to reform the programs. Finally, one additional consideration is that the broader the audience that has contributed to the model, the more credibility the ultimate decisions will command with other faculty.

Convincing Other Faculty to Support the New Program

After the department has worked out a model that has support among employers and acceptance among student groups and accounting faculty, it is time to discuss the model with other faculty. As we said, faculty members are often the most difficult group to convince. Assuming that the department chooses a program where finance and information systems faculty are needed to teach various courses, you must consider faculty resources.

It is typically not feasible to hire finance and systems faculty for the accounting program and department. For example, if the program is going to need four finance courses, four information systems courses, and two management courses, there is no practical way to hire new faculty to teach all those courses. Furthermore, other departments are not likely to transfer their best faculty to your department.

At some schools, it may be possible to reorganize departments so that accounting, finance, and systems are in the same department or educational unit. This may or may not be possible at your school. Therefore, accounting departments are usually going to have to make use of existing courses taught by instructors from other departments.

Getting the finance and information systems faculty to support this new accounting program when it goes through the school curriculum committee (and through the school of business voting process) is crucial to the program's success. However, reforming an accounting program to include more finance and information systems courses could result in an unusual situation. The accounting department will be asking other departments to allow accounting students to enlarge their courses, and these other departments can greet this situation in either a posi-

tive or negative manner. It really depends on whether the faculty members teaching those courses want to make the case to the administration of the need for additional faculty in their departments.

In addition, the accounting department may lose student hours and possibly have less of a need for new faculty positions. In a world where "bigger is better," this may be another obstacle in convincing accounting faculty to support the new program. It may be necessary to convince other faculty that the adoption of the new accounting program is to their advantage and then convince the accounting faculty that this new program is the best for future accounting students. Equally important is the need to convince accounting faculty that this will create an accounting undergraduate program designed to survive and prosper for decades. It amounts to trying to find a "win-win" situation for all faculty members. Most of all, this situation requires accounting faculty with strong leadership skills and a willingness to put their students' needs above their own.

THE CHALLENGE TO REFORM

Getting the accounting faculty to support a broader education for accounting students will be the greatest challenge. Table 3, p. 24, provides several reasons why faculty may be resistant to change.

Just as sailors must have thought that they could not really be sailors without learning every type of wind, wave, sail, and knot, accounting educators find it hard to believe that someone can be an accountant without learning every debit, credit, and financial accounting pronouncement. It may not be surprising, then, that the types of processes the AACSB promotes (to ensure continuous improvements) are the same tools needed to educate accounting faculty that this type of change is really necessary. For example, AACSB promotes student and employer advisor groups, faculty professional interaction, and faculty professional development. In addition, there are numerous other processes that can facilitate the accounting program reform process. Table 4, p. 25, provides an overview of the various steps in this process.

In order to convince faculty that accounting students need a broader undergraduate education, accounting faculty need the interaction with stakeholders that the AACSB processes encourage. The more faculty that see and hear the changes that are taking place in the accounting profession, the more likely they will be willing to see that changes in

accounting programs are inevitable. Once they see that change is here, the issue will shift from "whether to change" to "how to change their accounting programs in order to survive." ■

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