

The Accounting Education Change Commission Grant Experience: A Summary

Chapter 13 UNIVERSITY OF VIRGINIA McIntire School of Commerce

Type, Size and Mission of Accounting Program

The accounting program at the University of Virginia is composed of a Master of Science in Accounting degree program and an undergraduate "concentration" (our term for "major") leading to a Bachelor of Science degree in Commerce. Our school has been at a "steady state" student body for several years—approximately 600 undergraduate students in their third and fourth years of study at the University and about 50 students in the graduate program in accounting. Of the total number of undergraduates, about 100 are in accounting, with the others distributed among Finance, MIS, Marketing, Management, and International Management. Students are admitted to our school following two years of study in the College or Arts & Sciences or at other universities. Roughly 70 percent of a new class comes from within the University. Average SAT scores are usually about 1200. There is no evening or part-time program and almost no adjunct faculty.

The Accounting Area mission statement, which follows below, guides the direction of the program.

The accounting area — consisting of faculty, curriculum and staff — is an integral component of the McIntire School of Commerce and the University of Virginia. It is dedicated to the professional practice of accounting and to advancing the art of organizational administration. Thus, the area recognizes four independent sets of responsibilities, namely, to the:

- Accounting Area
- McIntire School of Commerce
- University of Virginia
- Accounting profession and other sectors where accounting and financial management are practiced

As such, the accounting area is obliged to assist in carrying out the School's and the University's missions and in achieving their goals, and to contribute to the welfare and progress of external constituencies that rely on our efforts with respect to teaching, research and service. In addition, we are committed to continual improvement in our work and contributions and service to students, colleagues, the School, the University, and other constituencies.

Accounting concentrators complete a core business curriculum and a set of accounting courses. Prior to our AECC grant work, the accounting curriculum consisted of one year each of Introductory and Intermediate Accounting, and Commercial Law. One semester courses were also required in Cost Accounting & Cost Management, Auditing, Accounting Theory, and Taxation. As such, the curriculum was not significantly different from many others across the country.

Characteristics of the Program Before the Grant

The curriculum did not provide sufficient flexibility for some students while at the same time it allowed other students to focus too closely on accounting studies. Classes rarely required writing assignments. Virtually all classes were based on problem solving—both in lectures and homework assignments—dedicated to the learning and application of rules. Team projects were seldom employed. Classes were administered with rigor and high expectations of student performance and a highly motivated and disciplined student body responded accordingly. These students were, and

continue to be, highly sought after by firms recruiting at the School.

Central Objectives of the Grant

We set forth certain objectives for ourselves and our curriculum. These were:

1. To attract a student to the accounting area of concentration who is interested in a broader-based education, and thus, will take advantage of the expanded number of electives that have been made available in our revised curriculum. To produce a more broadly educated individual.
2. To make professional accounting education a "five-year" curriculum.
3. To attract a student who is different in personality from those who now, and in past years, have elected to major in accounting. Past students have had a low tolerance for ambiguity and uncertainty and possessed a "right answer" mentality. They have also had a lower tolerance for other personality types and alternative points of view.
4. To promote a greater awareness of the need for creativity in problem-solving, and to develop this quality in our students. A concomitant feature of improved problem-solving skills is good judgment, a quality we hope to better develop in our students.
5. To cultivate in our students an appreciation of the need for "learning to learn."
6. To develop students' writing, presentation and interpersonal skills.

Key Means of Accomplishing Grant Objectives

A senior member of the accounting faculty began by drafting a model for discussion purposes that would serve as a springboard for the faculty's deliberations. The model was influenced by the Bedford Committee Report and the "Big Eight" white paper, as well as by the changes that were taking place in the profession, such as the 150 hour education requirement. With draft paper, the accounting faculty held meetings in which changes and refinements were made and which led to a final proposal to the AECC. Our initial proposal was not accepted, thus leading to second round of drafting and discussions — finally culminating in a proposal that was accepted.

During the grant period we also met with the Finance Area faculty — which had been most vocal in voicing their concerns — and spelled out in detail what changes would be made and how they would affect the School. We brought the project to the total School faculty and carefully explained what would happen and asked for their approval of the changes. These "open air" sessions with faculty were very important in winning their concurrence and enabling our agenda to successfully move onward.

Major Changes from Pre-Grant Conditions and Circumstances

The AECC grant project did result in many major changes to our accounting program and the School. For example, a stepped up interest in **using information technology** occurred. The introductory financial accounting course, which had never employed computer assignments in the past because of the large enrollment, introduced computer homework assignments (Lotus-based and General Ledger package based). Several courses are using multi-media and presentation packages as well as videos.

A second change of substance has been the introduction of what might be called **new educational activities and expectations for students**. Techniques such as "think-pair-share" are now commonly used, as well as student team projects and presentations. We expect students to learn a great deal on their own and in concert with their peers — for example, team homework is encouraged or required in many classes. A greater willingness to experiment and to question the conventional wisdom of accounting education has developed among the faculty. Faculty enthusiasm and pride in our new approaches remain high.

As a result of curriculum restructuring and our internal efforts to advise students on the merits of a fifth year of studies, we have witnessed a gradual **growth of interest in the M.S.** in Accounting program.

With the reduced number of classes required for concentration, we are seeing an unexpected increase in the number of students designing **new "double concentrations"** which involve coupling accounting with MIS, finance or other areas of study. We are also witnessing more accounting students completing a "minor" in the College of Arts and Sciences (e.g., languages).

Still another major change, described above, is the use of trained and carefully monitored **graduate students to deliver most introductory accounting courses.** Were it not for the emergence of a willingness to try something new, this bold experiment would not have been attempted. After the fall 1995 semester, applications to our School jumped 25% — an effect generally attributed to the excellent experience these students had in the Introductory Financial Accounting course.

The curriculum changes that were made at the undergraduate level caused **the accounting area to become more like the other areas** (Marketing, Finance, etc.), thus assuaging a source of minor irritation that had existed for years. In the past, Accounting was perceived as being different, a fact that was explained and justified on the grounds that we had to do certain things to satisfy CPA exam requirements.

The last major change from pre-grant conditions and circumstances focuses on the CPA firms. By instituting the changes we and others have made in response to the call of the largest public accounting firms, we felt confident that the new curriculum would be enthusiastically received. Thus, we expected a very positive reaction that could have been manifested in numerous ways. Instead, we were met at the local level with no support and no recognition of the changes we had forged. The initiative started at the executive office level was literally being subverted by local office recruiters who advised our students that it wasn't necessary to stay in school for a fifth year. The major change came in **our attitude and anticipations.**

Once grant work began, we concentrated on making these changes, which are overlapping but, nonetheless, separate in thrust.

1. Modifying our pedagogical approach.
2. Restructuring the curriculum.
3. Revamping course content of our program.

Modifying Pedagogical Approach

The accounting faculty were in agreement on trying to teach in a different way; no one resisted. A main thrust of the grant project was to modify the pedagogy employed by our faculty and create new learning materials. We decided to:

1. Give up a "cover all the material attitude."
2. Place greater reliance on student self-learning.
3. Adopt the case approach as much as possible.
4. Expect students to develop judgment, communication skills, ability to deal with uncertainty, and finally, to work toward broader based education.

Curriculum Restructuring

The major curriculum restructuring changes that were made as a result of the AECC grant work were:

1. Reducing undergraduate credit requirements in accounting. The undergraduate accounting concentration was reduced to nine credits and a limit established of three accounting elective courses.

2. Resequence some courses. For example, moved Commercial Law to second year; shifted Intermediate Accounting to one semester later in the third year to better integrate the subject matter with Corporate Finance.
3. Resequence the subject matter of the Cost Management class (which now became our "lead-off course" in the concentration) to better complement the subjects studied in Corporate Finance.
4. Several courses were transferred from the undergraduate to the graduate curriculum and renumbered: Advanced Accounting, Accounting Policy, Attestation, Auditing Seminar, and Not-for-Profit-Accounting. These structural changes were designed to create a fifth year professional accounting program within which "technical content" courses would reside and to provide undergraduate students with a liberal accounting concentration. The latter would include only a few accounting courses and would limit the number of accounting courses that could be taken as electives so that students would have to take a fifth year of studies if they contemplated sitting for the CPA exam.
5. Prior to the last year of the grant project, we also designed two new courses for the graduate program which would complement the other changes we had undertaken. A three person team has been teaching "Global Competition" and a course in "Professional Practice Management," drawing upon partners from a number of accounting firms, has been offered. These were initial steps in a strategy designed to allow our program to better compete with MBA programs — the latter being a new focal point of recruiting for partner-caliber talent by CPA firms.
6. The accounting area coordinator was one of three faculty members making up a subcommittee which recommended to the faculty that all Commerce School students study a foreign language for two years. That recommendation had been included in the proposal that was originally submitted to the AECC. It was passed by the faculty and is a new requirement that strengthens our purpose of offering a broad-based liberal foundation of studies for accounting concentrators. A new core course, *International Business*, was also added as a School requirement at the same time.
7. An early admission policy was adopted allowing undergraduate students to secure early admission to the M.S. in Accounting program, thereby relieving much of the uncertainty that might otherwise have existed for them.

Revamping Course Content

The introductory courses (Financial and Managerial) began using group work and group testing, and refocusing the subject matter to put greater emphasis on management uses of information. The introductory financial accounting class, which was offered in a mass lecture format, proved to be an unsatisfactory medium for group work and testing, and that experiment was dropped. Work on a new textbook emphasizing a management approach to financial accounting continues. The second course (Managerial Accounting) has been successful and continues today. A new experiment in the Introductory Accounting class, however, has proved very successful. A two credit graduate course called "Teaching Practicum" was first developed during the summer of 1995 and then offered in the three weeks just before the start of the fall semester. The enrolled (11) graduate students had been hand picked and would ultimately teach small sections of the Introductory Accounting class. The class met five days a week, from nine a.m. to five p.m. to study teaching methods and philosophy. An extensive set of Power Point presentation slides was developed to guide the delivery of classes. All students followed a uniform syllabus and took identical examinations, which were designed by a senior member of the faculty who also taught two sections of the course.

The "Intermediate courses" focus on a large number of accounting issues which have been given a situational context through the use of a "master case" written by a member of our faculty and supporting multi-media software. The advanced cost-managerial courses are using case work which has developed by the faculty. Similarly, Attestation (formerly Auditing) and Accounting Information Systems faculty have developed case materials and are integrating the two courses. Case development was also a significant aspect of the work done for the Accounting Policy course — a course which integrates subject matter from all of the subsets of accounting and relies heavily on

group work.

Methods of Achieving Support

Initially we spoke with the Dean about the prospective project and grant proposal and gained his enthusiastic support. He assisted us in gaining the support of the Provost, who represented the central administration. A project director was selected. Our plans were laid out in terms of strategic objectives, a timetable, and budgetary requirements. During the grant period we also met with the Finance Area faculty — which had been most vocal in voicing their concerns — and spelled out in detail what changes would be made and how they would affect the school. We brought the project to the total faculty and carefully explained what would happen and asked for their approval of the changes. These "open air" sessions with the faculty were very important in winning their concurrence and enabling our agenda to successfully move onward. A central argument used in persuading all of the interested parties that our project was necessary was the 150-hour requirement that had already become law in many states.

Changes That Worked

We envisioned changes that could not be made and, therefore, were never attempted. We attempted other things that did not work and were abandoned. We tried many new things that worked reasonably well, but which had to be adjusted, and will keep on being adjusted in the future. Virtually nothing that we attempted turned out to be perfect the first time. Any faculty contemplating change should realize that they will have to continually make modifications and adjustments. Hoping to open up a box containing someone else's program to find a perfect model that only needs to be plugged into an electrical outlet like a new TV set is wishful thinking. Every school is in a different setting, dealing with slightly different circumstances — all of which should be taken into consideration when designing a new curriculum.

With those words of caution in mind, we think that what we have done overall is a decided improvement. There are schools — particularly urban institutions and schools with part-time programs — that will have extreme difficulty using group work. Some of the things we have developed will not work with large classes having enrollments of more than about 45 undergraduate students (e.g., case work, computer systems projects). The effect of shifting the accounting program emphasis from the undergraduate to the graduate level will have an effect on resource development. Most changes we and other schools have instituted have made a faculty member's work different and more intensive as they become the "guide on the side" instead of "the sage on the stage."

The changes we have made in the following courses should work elsewhere, with the noted qualifications:

Introductory Accounting must have computer resources and students must be able to work as teams on homework and projects.

Our Intermediate Accounting courses will work at other schools with a bright student body that is capable of doing substantial amounts of independent work and self-learning. Small classes are necessary (ours average 25 to 30 students).

Cost Management Accounting employs cases and computer assignments.

Attestation and Accounting Information Systems are highly coordinated and the subject matter is apportioned differently than in conventional course divisions. Students are required to do team assignments, including computer systems projects.

Several courses invite many speakers to address the students on specific subjects — particularly at the graduate level. Access to an available pool of skilled people is essential.

Software such as Lexus, Nexus and other data bases is employed in many classes.

Faculty will have to be available outside of class to a much greater extent than may have been true in the past for student guidance and counseling. Student grading and evaluation will take far more

time than before in most cases.

Activities That Did Not Work

Group work in large classes is almost impossible to control and, consequently, many students become dissatisfied. The same thing is true of group tests. We abandoned group testing in our introductory accounting class. Recently, we abandoned mass lecture classes because we felt they were inconsistent with quality education.

We expected that success with our new program, which would bring with it increased enrollments at the graduate level, would be met with additional resources from the administration. Unfortunately, this proved to be wrong. Resources actually lessened and we found a bias against graduate education building in state government that continues to this day. As we move closer to the year 2000 and the exigencies of a 150 credit requirement become more immediate, pressures will build and may require us to make compromises.

Unexpected Benefits

We have enjoyed many benefits from the work we have done and the AECC grant. However, none were unexpected.

Measurement of the Effect of Changes Accomplished

Our curriculum restructuring was completed and is now reflected in the University Record and other school references.

An important objective we had was to promote and cultivate the skill of "learning to learn." At the start of the spring 1995 semester, students who had just completed the Intermediate Accounting sequence were given a test on a subject they had not studied before (concerning FAS Standard 115). They were given six hours to read the case and the Standard and write their answer. Their papers were graded and the resultant mean was 91 percent. The control group consisted of fourth year students who had completed the former, traditional intermediate accounting course the year before. The control group only scored a mean of 58 on a comparable test. Average SAT scores of both classes were approximately the same, suggesting that the innate ability of the two groups was not different. The faculty's personal observations support the test results indicating that the new pedagogy does develop a learning-to-learn skill.

Our ongoing assessment process involves:

1. Contemporaneous student feedback obtained from mid-semester questionnaires, daily feedback notes, and weekly meetings with quality control groups of students.
2. Student feedback questionnaires administered at the end of the semester to every student in every class.
3. A special assessment luncheon with a group of 10 to 12 graduate students, the area coordinator, and the School's Director of Graduate Studies where the students are given the opportunity to tell about their experiences and we can ask them questions in a confidential, non-threatening atmosphere.
4. A special luncheon with recruiters from major accounting firms and corporations to get their feedback on our graduates and the accounting curriculum.
5. One of our accounting classes has held a day at the end of the semester when student group presentations are made to a panel of judges from outside firms. These professional people give us another form of feedback on student performance, including public speaking ability.

We have no data as yet on whether student personality types will change because the new curriculum attracts a different kind of student. Intuitively, we now think it will not — but that is no

longer important. We believe that many skills can be taught to virtually any student and that the curriculum will deal with the propensity of those who gravitate to accounting to want one right answer.

Perpetuation Plans

Our new curriculum, pedagogy and enthusiasm for experimentation and questioning the conventional wisdom, is so woven into the institutional fabric that we cannot imagine doing anything else. Is there a possibility that the program and faculty will slip back into its former mold? Absolutely not! No one here would tolerate it. We believe that a significant "shake out" of accounting programs across the country is coming and that the pioneers that add value in new ways will be the survivors. Schools that can't or won't change are going to be tomorrow's academic "buggy whips."

Dissemination

Over the past several years we have received many written requests for assistance from other schools. Almost every one of these was unique and different, being tantamount to a customized product. Another factor which makes replies difficult is that things are continuously being refined and improved, making it difficult to capture everything on paper. Thus, we suggest to those seeking assistance that they make a visit to our school and observe classes and discuss the issues in which they are interested with the instructors. To arrange a visit, contact our area coordinator.