

## **Managerial Accounting Case and the AICPA Core Competency Framework**

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The purpose of this paper is to examine a managerial accounting analysis case project, which incorporates more than one-half of the competencies (elements) recommended in the AICPA Core Competency Framework [Framework]. The project exposes the students to elements of all three categories of the Framework (functional, personal, and broad business perspective) and integrates these elements into the undergraduate introductory managerial accounting course.

This case exposes students enrolled in the introductory managerial accounting course to managerial information found in publicly traded company annual reports and/or the SEC 10-K reports. This case involves each team analyzing two competing companies within the same industry (e.g., Goodyear and Cooper Tire) for the two most recent years. The project permits the students to develop or refine necessary AICPA core competency strategies and techniques while preparing, writing, and presenting this case. The case gives the students an opportunity to experience teamwork, prepare written reports, make oral presentations, and evaluate other students. This case presents an active learning technique that requires undergraduate managerial accounting students to participate in the learning process by obtaining, locating, analyzing, and organizing information for a team report/presentation as recommended by the Accounting Education Change Commission (AECC).

In this case the students prepare a written team report. The team report consists of three parts. First, the team will be required to calculate ten managerial accounting ratios (e.g. gross margin percentage). Also, the students are required to use the financial statement/managerial accounting ratio analysis results as the basis for answering a set of questions. For example, “Which company has the more favorable inventory turnover trend?” Finally, for the most recent year, the team is required to answer another set of questions related to each company’s annual report and SEC 10-K report. The managerial accounting topics are emphasized in this section of the team report. For example, “Based on your companies’ operations, identify two committed fixed costs and two discretionary fixed costs.”

The students are required to write an individual report (one-page) giving their opinions as to the firm they would select for investment purposes based on the team report data. Also the team is required to present their data orally to the other classmates. The oral presentations are peer reviewed by the classmates. A summary of the peer reviews is given to each student.

This written/oral active learning case should encourage students to “learn to learn.” In preparing this case the students are active participants in the learning process as suggested by the AECC.