



# Communicator

American Accounting Association

Two-Year College Section

Spring/Summer 2006

## Message from the Chair

Carol Yacht

I want to thank the Two-Year College section for asking me to be their representative. I have enjoyed my stint, starting as Secretary/Editor of the *Communicator*, then being Vice Chair whose primary duty was program liaison for last year's Annual Meeting in San Francisco, and now as Chair. Representative at Large is next. I like my TYC section board membership and encourage you to be active, too.

The 2006 Annual Meeting is in Washington, D.C. from August 6–9 (<http://aaahq.org/>). The TYC section includes a slate of excellent presentations. Please plan to attend the annual meeting and our Two-Year College luncheon and business meeting. Here is list of our panels and luncheon/business meeting during AAA 2006.

### MONDAY, AUGUST 7

10:15 – 11:45 am

#### Ph.D. Programs for the Working Professional

Panelists:

Julie Gentile, Glendale Community College  
Diane Pattison, University of San Diego  
Linda Tarrago, Hillsborough Community College

Moderator:

Christine Kloezeman, Glendale Community College

#### TYC Section Luncheon and Business Meeting

12:00 noon – 1:45 pm

Speaker: Syham Sunder, AAA President-Elect

2:00 – 3:30 pm

#### Current Trends in Managerial Accounting

Panelists:

Susan Crosson, Santa Fe Community College  
Dawn Hansen, Oklahoma State University  
Peter Brewer, Miami University  
James Jiambalvo, University of Washington

Moderator:

Christine Kloezeman, Glendale Community College

### TUESDAY, AUGUST 8, 2006

2:00 pm – 3:30 pm

#### Technology Panel: Using Software in First Year Courses and Beyond

Panelists:

Pat Bille, Highline Community College  
Maria Mari, Miami, Dade CC  
Joann Segovia, Minnesota State University Moorhead  
Carol Yacht, Computer Accounting Resources

Moderator:

Linda Tarrago, Hillsborough Community College

I look forward to seeing you in Washington, DC from August 6-9, 2006. What a great opportunity to combine our annual meeting with a visit to our nation's capital.

Carol Yacht, Chair  
Two-Year College Section  
[carol@carolyacht.com](mailto:carol@carolyacht.com)

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## Two-Year Section Website

**Tim Nygaard**

Did you know that the Two-Year Section has a website? It does, and we are asking you to help us make it better. We are asking for your submissions to the AAA presentations page. If you have given any presentations that you would like to share on our web site, submission is simple. Attach your presentation to an email addressed to [tim.nygaard@kctcs.edu](mailto:tim.nygaard@kctcs.edu). In the Subject bar, type "two-year presentation submission." In the body of the email, please state what you would like the link to say (i.e., "Presentation on Web-Enhanced Learning" by Tom Smith, Jones University). Include a link to your college's website if you wish.

## Communicator NEWS

The *Communicator* is primarily available on line. If you would like a hard copy, please print it out from the website at <http://aaahq.org/TwoYear/communicator.htm>. Or, if you can not access this document, e-mail Linda Tarrago at [ltarrago@hccfl.edu](mailto:ltarrago@hccfl.edu), and she will attach a copy to a return email or mail you a hard copy.

Please share the *Communicator* with your colleagues. This issue has a message from our Section's Chair, information about the Association's Annual Meeting in Washington, D.C., interesting articles, and publisher advertisements.

## Upcoming AAA Annual Meetings

<b>2007</b>	Chicago, IL	August 5–8
<b>2008</b>	Orange County, CA	August 3–6
<b>2009</b>	New York, NY	August 2–5



## AMERICAN ACCOUNTING ASSOCIATION

5717 Bessie Drive ■ Sarasota, Florida 34233-2399  
Phone: (941) 921-7747 ■ Fax: (941) 923-4093  
Email: [Office@aaahq.org](mailto:Office@aaahq.org) ■ <http://AAA-edu.org>

### AAA Executive Director

Tracey E. Sutherland  
5717 Bessie Drive  
Sarasota, FL 34233-2399  
Phone: (941) 921-7747—ext. 311  
Fax: (941) 923-4093  
Email: [Tracey@aaahq.org](mailto:Tracey@aaahq.org)

### Administrative Office Staff

#### Assistant Director for Logistics

Debbie Gardner—ext. 303  
[Debbie@aaahq.org](mailto:Debbie@aaahq.org)

#### Office Manager

Barbara Brady—ext. 301  
[Barbara@aaahq.org](mailto:Barbara@aaahq.org)

#### Fulfillment Coordinator

Joe Barciniak—ext. 316  
[Joe@aaahq.org](mailto:Joe@aaahq.org)

#### Office Administrator

Peggy Turczyn—ext. 314  
[Peggy@aaahq.org](mailto:Peggy@aaahq.org)

#### Office Administrator

Pat Stein—ext. 302  
[Pat@aaahq.org](mailto:Pat@aaahq.org)

#### Office Administrator

Arlene Oliver—ext. 318  
[Arlene@aaahq.org](mailto:Arlene@aaahq.org)

#### Director of Finance and Administration

Roland LaTulip—ext. 310  
[Roland@aaahq.org](mailto:Roland@aaahq.org)

#### Financial Coordinator

Mary Cole—ext. 304  
[Mary@aaahq.org](mailto:Mary@aaahq.org)

#### Accounting/Administrative Assistant

Renie Knights—ext.327  
[Renie@aaahq.org](mailto:Renie@aaahq.org)

#### Assistant Director for Information Systems

James Szelmanski—ext. 312  
[Jim@aaahq.org](mailto:Jim@aaahq.org)

#### Associate Director for Communications

Beverly Harrelson—ext. 309  
[Beverly@aaahq.org](mailto:Beverly@aaahq.org)

#### Publications Production Director

Diane Hazard—ext. 307  
[Diane@aaahq.org](mailto:Diane@aaahq.org)

#### Web Development Specialist

Kathy Casper—ext. 306  
[Kathy@aaahq.org](mailto:Kathy@aaahq.org)

#### Office Administrator

Judy Cothorn—ext. 305  
[Judy@aaahq.org](mailto:Judy@aaahq.org)

#### Meetings Coordination (Subcontractor)

DSE, Inc. c/o Dee Strahan  
1223 Oxbow Lane  
Winter Springs, FL 32708  
Phone: (407) 366-9855 Fax: (407) 366-9856  
Email: [dstrahan@atlantic.net](mailto:dstrahan@atlantic.net)

#### Association Administrative Services

(Subcontractor)  
Deirdre Harris—ext. 319  
[aaa@aaahq.org](mailto:aaa@aaahq.org)

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the Annual Meeting this Year  
Mark your Calendars NOW  
for Chicago in 2007!**



# ACCOUNTING—A GOOD ELECTIVE

by Rosalie C. Hallbauer, Ph.D., CMA

The first edition of a text, written over seventy-seven years ago and used by many two-year colleges for their beginning accounting courses stated:

With the growing complexity of business and the constantly increasing difficulty of the problems of management, it has become essential that everyone who aspires to a position of responsibility should have a knowledge of the fundamental principles of accounting (McKinsey, p. 3).

This sentiment is still appropriate. Some arguments are presented below that might be utilized to convince non-business majors of the usefulness of accounting knowledge to their major, their future career, and their daily life as well.

This often is a hard sell to non-business majors (e.g. the engineer, the musician, the psychologist, the philanthropist, the educator). How can accounting concepts help them? Once convinced, the school/college should consider setting up a course just for non-business majors.

## Uses of Accounting

There is one overriding issue—accounting is a specialized language and without some background in the language, it is difficult to comprehend any documents using it.

People use, or are exposed to, accounting in their personal lives from the simple tasks of using a checking account and preparing a bank reconciliation to personal financial planning (current and retirement), loans, car and/or mortgage payments, and income taxes. For example, financial accounting information is part of the package of information requested by loans officers.

Rather than relying solely on advice from others, basic financial accounting knowledge enables an individual investor to do the analyses necessary to develop an investment portfolio that meets his/her goals of income and/or growth. At a minimum, an investor needs to be able to understand the information from his/her professional financial advisor and to ask questions.

Regardless of their original major, most graduates will end up working for a business or going into business for themselves. For the non-business major, one of the most important aspects of managerial accounting relates to budgeting. It is a necessary and important activity for many reasons, including: “[1] It forces one to think about and plan for the future. [2] It is a written formal plan of expectations communicated to all involved individuals. [3] It forewarns of impending problems before it is too late to react (Lee, p. 301).” A beginning college student might do well to develop a personal financial/cash budget for the academic year in order to avoid problems.

This is an era of part-time, home-based businesses. Businesses need a business plan that includes some type of budget as it will be needed for any loan application. In addition, there is a need to keep the business accounting records

and assets separate from the owner’s personal records and assets. They also need to keep payroll tax, sales tax, and other local and federal tax information as well.

## Conclusion

What the above is getting at is that college students should include as an elective or additional “personal development” course an accounting course or two covering financial and managerial accounting, preferably a combined financial-managerial accounting course specifically for non-business majors. Generally such courses tend to look beyond the bookkeeping technicalities and aim toward the uses of the information (See Figure 1 for additional information).

“In summary, who uses accounting information? Everyone does, or at least should.” (Albrecht, p. f12)

Without accounting information, many important financial decisions would be made blindly; ... [there is a] pervasive use of accounting throughout our economic, social, and political institutions. When accounting information is used effectively as a basis for making economic decisions, limited resources are more likely to be allocated efficiently. From a broad perspective, the result is a healthier economy and a higher standard of living (Albrecht, p. f17).

**FIGURE 1**

**Majors Enrolled in Beginning Accounting Course (ACG3024) for Non-Business Majors at Florida International University (2003-2004)**

Unit	No. of Major Programs	Different Majors Enrolled in ACG 3024
Architecture	2	2
Arts and Sciences	34	17
Business	2	0
Education	20	5
Engineering	8	6
Health and Urban Affairs	9	6
Hospitality and Tourism Management	2	1
Journalism and Mass Communication	6	5
Undecided		4

## References

- Albrecht, W. Steve, Stice, James D., Stice, Earl K., and Skousen, K. Fred (2002). *Financial Accounting*, 8th edition. Cincinnati, OH: South-Western.
- Lee, John W. (1999). *Managerial Accounting*. Santa Fe Springs, CA: Hampton House.
- McKinsey, James O. (1929). *Accounting Principles*. Cincinnati, OH: South-Western.

# Science and Business: An Intimate Relationship

by Maria C. Mari, CPA (Miami-Dade College, Miami, Florida)

For years, my students have been shocked that I have a knowledge and understanding of science. They ask if science was a prior major. I say “no”. My knowledge of science comes from the courses taken in high school and college but my understanding of science comes from my years in the business world. Yet, I worried that my students do not see the connection between their courses in science and their use in business. I brought this concern to a friend of mine in the Chemistry Department. She voiced her concern that science majors do not understand the role of business in scientific research and advancement.

Together, we developed an interdisciplinary course titled: “The Economic Effects of Scientific Discovery”. The goal of the course was to educate students that scientific discoveries are used by businesses to open new markets and create new products. The profits from these discoveries led to positive economic effects in the country involved. Science students were required to research and present information on

major scientific discoveries in France and England. The business students researched the economic effects of these discoveries. In class, students discussed the information from both points of view.

The capstone of this course was an eight day trip to Paris and London. Our students were able to visit sites of major scientific discoveries and the underlying economic effect to the city. One excellent example is the research conducted by Madame Curie. Her discoveries led to the creation of the Curie Institute. Today, the Institute is a leading site for the investigations into cancer treatment and cures.

At the end of the semester, we found that connections were made. Science students came to realize that without businesses to finance and manage their discoveries, monies would not be available for current and future research. Business majors realized that with a knowledge of science, they could understand how their businesses could lead in the marketplace.

## A Few Questions for Accounting Educators

by Linda Tarrago, CPA MSM (Hillsborough Community College – Tampa, FL)

What is it that attracts students toward a major in accounting? What can be done from the very beginning to increase the number of students electing to major in accounting? These are questions that are currently plaguing accounting professors and practitioners. Sure Enron and Sarbanes-Oxley have breathed some new life into accounting programs, but the numbers of promising accountants is markedly lower than expected.

It appears that students with high aptitudes in math and language skills tend to elect other majors (e.g. engineering, medicine, marketing) than accounting. What is it about the academic programs, American culture, or accounting profession that is causing this deficit?

First, let us look at the programs. In order to find the solution to any problem it is best to look within ourselves. Are our programs attractive to the students? Are the teaching styles being used in the classrooms matching the students’ learning styles? Are we teaching relevant information or “old stuff”? Are our methods of testing truly evaluating the skills of the students or do they just facilitate the awarding of a grade? Do the concepts being taught in the classroom relate to the students’ understanding of the business world? Can the students’ understand the concepts’ relevance and applications?

Second, what is the impact of current American culture? In this day of extreme personal debt and excessive lifestyles, do the students have the basic financial skills necessary to understand the importance of accounting concepts such as budgeting and cost control? For generations whose parents

grew up during the Great Depression, budgeting and saving were taught at home. In dramatic contrast today’s youth have credit cards, new cars, cellular telephones, and other luxuries that seem to directly oppose good financial practices. How can these students understand the value of accounting when many of them have never been accountable for their personal spending? Another issue is the expectations and goals of the students’ parents. What are their views about accountants, educational achievement, and finances? Many parents, who help fund their children’s higher education, and the students themselves still view accountants as “geeky” and timid—not assertive and successful.

Finally, how is the accounting profession doing marketing itself to these students? Granted the American Institute of Certified Public Accountants (AICPA) and the state accountancy associations are trying to update their advertising campaigns. However, there is still room for improvement. Do the students understand the diversity of the accounting profession – corporate, government, private, public, and education opportunities? Are the accountants still being viewed as “geeky” or has the profession been able to personify accountants as “cool”? Are the salaries attractive and are they publicized? Are there plenty of jobs in desirable locations? Does the profession have a sense of affinity?

In conclusion, it is important that the accounting education and practitioner communities continue to ask the questions presented. In as much as we tout Total Quality Management (TQM) and continuous improvement to our students and clients, are we practicing what we preach?

## TWO-YEAR COLLEGE SECTION REPRESENTATIVES

### Chairperson and Council Representative

Carol Yacht  
 Author/Consultant  
 Computer Accounting Resources &  
 Online Learning  
 P.O. Box A  
 Jerome, AZ 86331  
 Phone: (928) 634-0603  
 Fax: (928) 634-9006  
 Email: carol@carolyacht.com

### Secretary/Editor

Linda Tarrago  
 A.S. Technical Programs  
 Accounting & Business  
 Hillsborough Community College  
 P.O. Box 30030  
 Tampa, FL 33630-3030  
 Phone: (813) 253-7497  
 Fax: (813) 259-6017  
 Email: ltarrago@hccfl.edu

### Vice-Chairperson

Christine Kloezeman  
 Business Division, Accounting Department  
 Glendale Community College  
 1500 North Verdugo Road  
 Glendale, CA 91208  
 Phone: (818) 240-1000, ext. 5524  
 Fax: (626) 799-5012  
 Email: ckloezem@glendale.edu

### Coordinator of Regional

Representative Officer-at-Large  
 William Harvey  
 Department of Business and Economics  
 Henry Ford Community College  
 Dearborn, MI 48128  
 Phone: (313) 845-9694  
 Fax : (313) 845-9778  
 Email: wharvey@hfcc.net

## REGIONAL REPRESENTATIVES

If you would like to volunteer as a Regional Representative, please contact Linda Tarrago.

### Mid-Atlantic Region

Alfred R. Michenzi  
 Department of Accounting  
 Sellinger School of Business &  
 Management  
 Loyola College in Maryland  
 4501 N. Charles Street  
 Baltimore, MD 21210-2699  
 Phone: (410) 617-2386  
 Fax: (410) 617-2006  
 Email : amichenzi@loyola.edu

### Ohio

Kenneth Snead  
 Department of Accounting/MIS  
 College of Business Administration  
 Bowling Green State University  
 Bowling Green, OH 43403-0262  
 Phone: (419) 372-8160  
 Fax: (419) 372-2875  
 Email: ksnead@cba.bgsu.edu

### Midwest Region

Ranjani Krishnan  
 Department of Accounting  
 Eli Broad Graduate School of  
 Management  
 Michigan State University  
 East Lansing, MI 48824-1122  
 Phone: (517) 353-4687  
 Fax: (517) 432-1101  
 Email : krishn15@pilot.msu.edu

### Southeast Region

George F. Klersey  
 Birmingham Southern College  
 BSC Box 549023  
 Birmingham, AL 35254  
 Phone: (205) 226-4809  
 Fax: (205) 226-3080  
 Email: gklersey@bsc.edu

### Northeast Region

David Schwarzkopf  
 Assistant Professor  
 Bentley College  
 175 Forest Street  
 Waltham, MA 02452  
 Phone: (781) 891-2783  
 Fax: (781) 891-2896  
 Email: dschwarzkopf@bentley.edu

### Southwest Region

Michael K. Shaub  
 School of Business and  
 Administration  
 St. Mary's University  
 One Camino Santa Maria  
 San Antonio, TX 78228-8607  
 Phone: (210) 431-2036  
 Fax: (210) 431-2115  
 Email: mschaub@stmarytx.edu

### Western Region

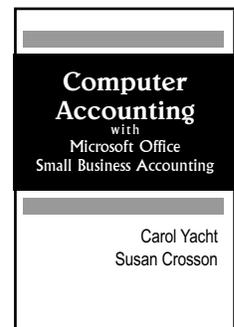
Wendy J. Bailey  
 A. Gray Anderson Graduate School  
 of Management  
 University of California, Riverside  
 Riverside, CA 92521  
 Phone: (909) 787-2898  
 Fax: (909) 787-3970  
 Email: wendy.bailey@ucr.edu

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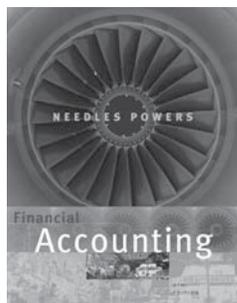
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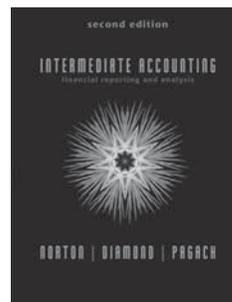
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