School of Business and Management
Accounting Outcomes #1
Spring 2012

An Accounting major should be able to prepare and interpret a set of general-purpose financial statements.

Means of Assessment
As an outcome of Principles of Accounting - Financial, Principles of Accounting - Managerial, and Intermediate Accounting I (AC205, AC206 and AC335, respectively), the student will be required to assemble a set of general-purpose financial statements as a project in AC335. The assembly project is multi-part with each part graded separately. The individual parts measure the students’ ability to properly classify a preliminary trial balance of accounts, identify and calculate period end adjustments, post the adjustments to a worksheet, prepare a balance sheet and income statement, prepare a statement of cash flows, and calculate certain performance ratios based on amounts presented in the financial statements.

Criteria for Success
Competency in assessment criteria will be demonstrated by the successful completion of 75% or more of the total project expectations.

Results of Assessment Tool
Twelve Accounting majors were listed as graduating in the Spring 2012 Commencement Program. Of the twelve, one student transferred into the program after AC 335 so he was not subject to the requirement. On other student was out-of-sequence in that they did not take AC 335 in the Fall 2010 semester, but rather was enrolled in AC 335 in the Fall 2011 semester. Of the ten in-sequence students who were subject to the project in the Fall 2010 semester, all (100%) of the students completed the requirements successfully. The lone out-of-sequence student who was subject to the assessment also successfully completed the requirement when he took AC 335 in the fall semesters of 2011. Thus, in total, eleven of the eleven (100%) students subject to the assessment listed students met the criteria when they took the course.

Future Use of the Outcome
The outcome is currently, and will always be, very relevant. One of the fundamental functions of accounting is the capturing, adjusting, and summarizing of financial information for consumption by internal and external users. For communicating with external stakeholders the dissemination of information takes the form of general purpose financial statements. These financial statements (balance sheet, statement of income and comprehensive income, statement of changes in stockholders’ equity, and statement of cash flows) are critical to external stakeholders in the capital markets. Without such statements it would be impossible to appropriately measure an entity’s current performance in meeting its goals of liquidity and profitability; further, such statements
are key to evaluating an entity’s ability to meet its future liquidity needs in order to continue as a going concern. Consequently, an accounting student must not only be familiar with the process of assembling financial statements, but must also be capable of adjusting accounts and preparing a set of general purpose financial statement in conformity with Generally Accepted Accounting Principles (GAAP). Since the project is broken down into several individually graded components or phases, the performance of the students on the various phases indicates areas of the curriculum that need more emphasis. For instance, if many students struggle in the project with the preparation of the statement of cash flows, then the next time the course is taught additional emphasis and time will be spent in that area.

**Assessment Adjustments**

It was noted prior to the use of assessment tool in AC335 in the Fall 2007 for the anticipated Spring 2009 graduates that changes in accounting pronouncements and the shifting of coverage of a topic between AC335 and AC336 would require modifications to the comprehensive project. A new comprehensive project was crafted was implemented in its first iteration in the Fall 2010 semester for anticipated Spring 2012 graduates; this version of the comprehensive problem was also utilized in the Fall 2011 semester to cover one out of sequence student who graduated in the Spring of 2012 and for the students anticipated to graduate in the Spring of 2013. This new integrated comprehensive problem has not yet addressed an issue previously identified, i.e. the issue of giving more context to the project. The last phase of the project requires the students to calculate certain analytic ratios without interpretation. The new project could be enhanced by requiring some interpretation of the meaning of the results of the calculations. As an option some historical ratios or hypothetical industry ratios could be given to the students for utilization in the analysis. Consideration will be given to further “tweaking” the problem for its Fall 2012 iteration.

After this review the accounting faculty maintains that the outcome assessed is very relevant and the means and manner of assessing it, although temporarily modified, appear to be reasonable and appropriate and does not require further adjustments, other than those already identified and under consideration, at this time.
An Accounting major should understand the external audit process including planning, risk assessment, evidence, audit procedures, and reporting, as well its inherent limitations, all within the context of ethical behavior and legal liability.

Means of Assessment
As an outcome of Auditing (AC428), the student will complete four semester exams covering the concepts of the audit process, planning an audit, auditors’ responsibilities, and applying auditing procedures; the semester examinations will specifically include issues of ethics, legal liability of auditors, and auditors’ reports on general purpose financial statements.

Criteria for Success
Competency in assessment criteria will be demonstrated by scoring an average of 75% or higher on the examinations.

Result of the Assessment Tool
Twelve Accounting majors were listed as graduating in the Spring 2012 Commencement Program. Of the twelve, one was out-of-sequence in that he did not take AC 428 in the Spring 2012 semester. Of the eleven in-sequence students who were subject to the assessment in the Spring 2012 semester, ten of the eleven students (90.9%) met the criteria. The out-of-sequence student failed to meet the criteria in 2011 attaining an average of only 57.1 on the four tests in 2011. One in-sequence student (9.1%) failed to meet the criteria attaining an average of 71.0 on the four tests in 2012. Thus, in total, ten of the twelve (83.33%) listed students met the criteria when they took the course while two (16.67%) did not.

Although difficulty in meeting the standard had been seen in the 2009, 2010, and somewhat in the 2011 cohorts, this was not as manifest in the 2012 cohort. Over the past several years the students were generally good at answering questions that tested specific recall, but had much more difficulty with required reasoning and analyzing. The same tests have been used for several years so that the issue of variability in test difficulty has been eliminated. It was also noted in 2009 through 2011 that some of the students had difficulty with the more formal and technical professional language used in the material and tests. In some cases during this period the issue involves the fact that English was not the students’ first language which may have contributed to his not meeting the standard. However, among the students who were subject to the assessment in the Spring 2012 semester, two were English as a second or third language students and neither had any difficulty meeting the standard; in fact, the one student who failed to meet the standard with an average of 71.0, and the next two lowest scores that barely met the standard (75.9 and 77.6 respectively), were English as a first language students. As a result the content and the language of the test will continued to be reviewed and modifications may be
considered. The language issue bears further watching. In addition, efforts will continue
to be made in the presentations to demonstrate and reinforce a logical progression in reasoning to encourage more analytical thought.

Future Use of the Outcome
The role of the certified public accountant (CPA) as an attester of financial information constitutes a significant and crucial function within the accounting profession. The main purpose of the attestation function provided by external auditors is to provide assurance to the users of the financial statements that those statements are not materially misstated relative to Generally Accepted Accounting Principles (GAAP). The recent audit failures at Enron, Worldcom, Tyco, et. al. resulted in serious damage to the capital markets in that the very integrity and transparency of the information utilized was now suspect. The resultant multiple revisions of Generally Accepted Auditing Standards (GAAS) has increased the body of knowledge required to plan and perform an audit. In addition the public and the financial community are also more aware of the inherent limitations in the audit process.

Consequently, it is crucial for an Accounting student to understand the audit process, including its limitations, regardless of their career path; even if they do not pursue a career in auditing themselves, they will most likely find themselves in a position that interacts with auditors or utilizes their output. Given the increasing depth of the body of knowledge relative to auditing, an assessment based on multiple in-depth examinations appears appropriate.

The use of multiple exams allows the faculty to identify areas of particular difficulty for students both by section of the course and within a section. For example, a poor showing in the part of the testing related to audit reporting would lead to modification of the way the material was presented in the next iteration of the course.

Assessment Adjustments
During the eight prior assessment periods the assessment has been based on the average of the four semester examinations as opposed to being based on one final examination as was previously done. New auditing standards and revisions of existing standards are added annually to the course. The multiple test form of assessment continues to be representative of the depth and breadth of the student’s knowledge since the multiple test format allows for focused testing of the relevant areas. Further, the use of multiple tests allows for identifying possible specific areas of weakness in the students’ comprehension. Consequently, no further adjustment to the mechanics is contemplated at this time.

The issue of the test language will continue to be considered over the next several cycles. On the one hand simplifying the language may help to raise the grades on the students’ tests, but it may actually do them a disservice. The students are about to embark into a professional work environment where the use of such professional language is the norm. Further, some will be taking professional examinations such as the CPA exam where the language used is often even more difficult than that used in the semester tests; consequently, it may be in the students’ best interests to challenge them now.
School of Business and Management  
Accounting Outcomes #3  
Spring 2012

An Accounting major should be able to prepare a comprehensive and complex personal income tax return using appropriate software.

Means of Assessment  
As an outcome of Taxation 1 (AC419), the student will prepare a complex tax return using appropriate software. The tax return project is the final examination for the course.

Criteria for Success  
Competency in assessment criteria will be demonstrated by the successful completion of 75% or more of the total project expectations.

Results of the Assessment Tool  
Taxation I (AC 419) is offered in the Spring semester of even years, thus the Accounting majors graduating in the Spring of 2012 would be expected to have taken the course in the Spring 2012 semester. Twelve Accounting majors were listed as graduating in the Spring of 2012 Commencement Program. Of the twelve, none were out-of-sequence in that they did not take AC 419 in the Spring 2012 semester. All (100%) of the students who were subject to the project in the Spring 2012 semester, completed the requirements successfully.

Future Use of the Outcome  
The outcome is currently, and will probably always be, very relevant. Taxation of individuals and businesses is an unavoidable fact of life impacting both individual and business entity decision making. Whether an accounting student pursues a career in public accounting and is involved in the preparation of tax returns is not necessarily relevant. What is relevant is that as a member of our society, functioning as either an individual or as part of management of a business entity, the Accounting student will be expected to understand not only the basic revenue processes (assessment, reporting, and collection) of the tax system to best serve their own and/or employer’s interests, but also to understand the implications of taxation as an instrument of social policy. The faculty member teaching the course reviews the deficiencies in the students’ work to identify areas of the tax course that need more emphasis in the next iteration of the course.

Assessment Adjustments  
The assessment was modified to utilize the most current version of TurboTax acquired by the students as part of their course materials. The use of the tax software allows the course to be even more current than the textbooks since the textbooks are always a year behind in the material; textbooks to be used in Fall 2011/Spring 2012 would have been published in early 2011 based mostly on the tax law in effect in 2010. The project was
further adjusted for the 2006 and again the 2008 courses to include more “gray area”
questions and ethical issues to present the students with some issues that are frequently
encountered in the tax preparation arena.

The assessment was modified in the past to accommodate a team approach. Because
AC419 is open to both accounting and non-accounting majors (a testament to the
relevancy of the course), teams have been formed by combining an accounting major
with a non-accounting major. Although the team approach was reflective of what many
would encounter in the “real world”, the mix of traditional and nontraditional students at
times made the sharing of the information and access to the software difficult. When AC
419 was offered in the Spring 2010 semester the presence of a smaller class, consisting of
mostly accounting students, led to a reversion to individual efforts to avoid issues of
miscommunication and access when entering project data.

In addition the use of one big project at the end of the semester reduced the opportunity
for feedback to the students. Consequently, in the Spring 2010 version of the project,
rather than utilize one large project distributed in the last week of the course, the
assessment tool was split into several smaller pieces distributed to the students over the
last four weeks of the course. The students’ work on the smaller pieces was evaluated and
feedback provided to the student prior to getting the piece of the project. The new
distribution method lessened the chance for procrastination on the students part and work
overload in the last week of the course; the new method also benefited the instructor by
allowing for timely identification of issues or concepts that are not well understood.

The modifications listed in the preceding paragraph were also utilized in the 2012 version
of the project. In addition, a large increase in the number of students in the class led to
students being given the option to work in a team of two or on an individual basis.
An Accounting major should possess an integrated understanding of the other major areas of business: management, economics, finance, marketing etc.

Means of Assessment
As an outcome of their School of Business and Management courses outside of the accounting discipline, each Accounting major will participate along with the Management program students in taking the National ETS test for Business, administered through the MG 449 capstone course.

Criteria for Success
Competency in this area will be demonstrated by attaining the national mean overall score for the test.

Results of the Assessment Tool
Twelve Accounting majors were listed as graduating in the Spring 2012 Commencement Program. Of the twelve, two were out-of-sequence in that they did not take MG 449 in the Spring 2011 semester. Of the two out-of-sequence students, one took MG 449 in the Spring 2011 semester and the other took it via independent study in the Fall 2011 semester. Neither of these students participated in the assessment test. Of the ten in-sequence students who were subject to the assessment in the Spring 2012, seven students (70%) attained the national mean overall score or higher, while three students (30%) did not. Thus, in total, seven of the twelve (58.3%) listed students met the criteria when they took the course, while three of the twelve (25%) did not, and two of the twelve (16.7%) did not participate in the assessment. It was interesting to note that among the three students that did not meet the criteria, was one of the best business students in the class of 2012. The student is a double major (Accounting and Management with a Finance concentration) and has a GPA in the high 3.9’s, yet the student’s score of 139 was well below the national average of 152.4

Future Use of the Outcome
The outcome should continue to be relevant. Rightly or wrongly the last major revision of the CPA exam shifted some focus away from the pure accounting to other business topics in response to criticism that new CPA candidates entering the profession did not have a sufficient understanding of the other functional areas of an organization. For students embarking on a career in managerial accounting the broad exposure to the other functional areas is even more critical to their comprehension of the interrelationship of their specialty to the organization as a whole. Given that the Management program also uses the ETS test, improvement to courses in that program that are common to Accounting should also benefit our students.
However, a major concern noted by the accounting faculty is that since the test has no direct impact on a student’s grade in MG 449, there may not be sufficient motivation for the student to put forth their best efforts when completing the assessment. If the students are not “really trying”, then inferences being drawn from the results may be faulty.

Assessment Adjustments
The assessment tool was first used in the Spring 2007 semester and there is little prior data to compare to (eight Accounting majors graduated in the Spring of 2007, none in the Spring of 2008, six in the Spring of 2009, seven in the Spring of 2010, and five in the Spring of 2011). Consequently, no adjustments will be contemplated until the tool has been used for at least seven years to have suitable back data to compare current performance to. When such data is available and comparisons can be made modifications to the program curricula, if needed, can be coordinated with the Management program. The issue noted about the lack of impact of the assessment test on the student’s grade in MG 449, and subsequent lack of motivation to put forth their best efforts may lead to the discontinuance of this assessment given that the results may be tainted.