A. Progress in Meeting Annual Goals.

Our goals and the objectives related to those goals for 2013-2014 were:

1. Improve relationships with CPA firms and area businesses.
   a. Increase the number of firms participating in on-campus recruiting.

Accounting Career Fair

Invitations to the Career Fair went out form CACE in mid- to late August. Professor Monique Durant, our internship coordinator, provided CACE with contact information for 37 employers at firms and organizations that had accounting interns in the past years. Cathy Sylvester at CACE sent emails inviting them to participate in the accounting career fair.

The career fair was a topic at our first Faculty meeting in the fall. We encouraged all faculty to encourage their students to attend (students looking for jobs and internships and even students who may be a year away. Students should dress professionally (business casual at the very least for those who are a year away) and bring their resumes. The career fair took place October 2, 2013. The number of organizations participating increased by only one, but the number of firms seeking employees and/or interns, increased by two.

<table>
<thead>
<tr>
<th>Accounting Career Fair Participants</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firms and Government Agencies</td>
<td>16</td>
<td>14</td>
<td>10</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Employment Agencies</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Professional Organizations</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Schools and Continuing Ed. (e.g., CPA Review)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>19</td>
<td>15</td>
<td>15</td>
<td>16</td>
</tr>
</tbody>
</table>

On campus interview days

Three regional firms, BlumShapiro, CohnReznick, and McGladrey have had on-campus recruiting events in the past, and all three had on-campus recruiting events during 2013-14. Professor Monique Durant, our Internship Director, sought to increase the number of on campus recruiting opportunities for our students. She contacted all four Big 4 Accounting firms (KPMG, PWC, E&Y and Deloitte) as well as other national firms (Grant Thornton & McGladrey, LLP) offering to set-up days for them to recruit our students on campus. The Hartford office of KPMG and the Stamford office of Deloitte as well as McGladrey LLP, and regional firms BlumShapiro and CohnReznick held recruiting days on campus during 2013-4. Collectively the five on-campus interview days for firms resulted in 70 interviews, 1 job offer, 14 internship offers (3 of them non-credit post graduate internships) and 12 offers to participate in summer leadership programs.

CTCPA Interview Day

The CTCPA sponsored an interview day in Rocky Hill, Connecticut. They wanted to create an opportunity for smaller CPA firms without resources for HR and recruiting to be able meet with a number of candidates from multiple schools at a single event. Students would also benefit, with a chance to interview with multiple firms on a single day at a single location. Professor Monique Durant, our Internship Director, advised students on their resumes and coached them
on interviewing. Eleven students CCSU students had one or more interviews at the interview day. CCSU students had a total of 33 interviews with eleven different small firms.

b. **Establish clear lines of communication and coordination with the School of Business development officer on visits to accounting firms or accounting professionals.**

We need to establish a more formal standard notification format with the School of Business gifts officer Melody Avery and with a newly hired internship coordinator for the School of Business (Assistant Dean Sharon Braverman’s role in coordinating internships will be reduced or eliminated with the new hire) to ensure there are no communications breakdowns in our interactions with accounting firms. We only had informal discussions during 2013-14.

c. **Document and increase the number of interactions between accounting professionals and students.**

Another aspect of improving relationships and increasing students’ professional interactions with CPA firms, area businesses and accounting professionals is having professionals come speak to our classes (or have our classes go on site visits) or to the Accounting Society. The AC 421 class has had a factory tour and an on-site presentation by the CFO of Jacobs Vehicle Systems each of the last three years. Richard Finkel, Partner, Blum Shapiro was a guest speaker in the Fraud Examination class during the fall. Elizabeth McCartney, Financial Analyst, FBI New Haven Division was also a guest speaker in the fall Fraud Examination class, and she was joined by Benjamin Almodovar, Forensic Accountant, FBI New Haven Division as a guest speaker in the Fraud Examination class and in one section of AC 212 in the spring. We annually host one monthly meeting of the Hartford Chapter of the IMA on campus. The following table summarizes the speakers at Accounting Society meetings for the past three years.

<table>
<thead>
<tr>
<th>Accounting Society Speakers</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>From CPA firms or Industry</td>
<td>10</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>From professional organizations</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>From Schools and Continuing Ed. (e.g., CPA Review)</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>From employment agencies</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>From the VITA program</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>From CACE</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>21</strong></td>
<td><strong>26</strong></td>
</tr>
</tbody>
</table>

Assistant Dean Sharon Braverman has also organized SPA sessions to develop students’ professional skills. Many of the sessions are conducted by area professionals. The School of Business also offers Traveler’s Office Hours (coordinated by Professor David Fearon), where Traveler’s professionals offer one-on-one advice and mentoring to our students. We encourage Accounting majors to attend these sessions but we have not tracked their attendance.

d. **Re-establish an accounting department advisory board.**

We made no progress on this goal during 2013-14. It has become more important now that the School of Business has approval to restart our MBA program beginning in Fall 2014. The restarted program includes a concentration in accounting.
2. Increase student participation in internships and CO-Ops.

   a. Maintain clear lines of communication and coordination with CACE and with the School of Business Dean's office to ensure accurate and up-to-date information.

We have established the following protocol:

**Co-ops**

- Joe Zeoli or another CACE representative will speak to the Accounting society about Co-ops in a September meeting. [Joe actually spoke to the Accounting Society October 16th]
- We'll be open to having representatives speak briefly in classes (as used to happen) or alerting students to information about the Co-op program.
- Going forward, CACE will provide us with a list of Co-ops completed by Accounting Majors each year.
- If in our interactions with businesses, we come across firms interested in offering Co-ops, we'll invite them to contact Joe Zeoli, or if they're willing, we'll pass on their contact information to Joe Zeoli.

**Internships for Credit**

- If CACE receives information about any firm interested in offering accounting internships for credit, they will forward that information to Monique Durant.
- We have sent CACE details and forms related to our Accounting Internship course, so CACE will have a better understanding of the conditions and terms. As we update materials, Monique Durant will forward the updated Internship materials to CACE.

**Part-time or Full-time Job Offers**

- CACE and the Accounting Department will immediately share any information we receive about any part-time or full-time job offers, so the listings (including any criteria specified by the firms) can be posted by CACE and by the Accounting Department on the Accounting Society Facebook page. Listings will be sent to Joe Zeoli at CACE, and to Kevin Lim (copying the Department Chair) at the Accounting Department.

b. Increase the number of students participating in for credit internships and accounting co-ops (either non-credit or for credit) from 41 to 50.

The following table shows the participation in student internships and accounting co-ops for the past five years.

<table>
<thead>
<tr>
<th>Participation in Internships and Co-ops</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA Firm Internships</td>
<td>5</td>
<td>7</td>
<td>11</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Industry Internships</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Government &amp; Non-Profit Internships</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Internships</strong></td>
<td><strong>10</strong></td>
<td><strong>12</strong></td>
<td><strong>19</strong></td>
<td><strong>35</strong></td>
<td><em>41</em></td>
</tr>
<tr>
<td>Industry Co-ops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td><strong>(1)</strong></td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Government &amp; Non-Profit Co-ops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td><strong>(5)</strong></td>
<td>7</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Total Internships &amp; Co-ops</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>28</strong></td>
<td><strong>41</strong></td>
<td><strong>44</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
*The 2013-14 internship totals do not include three non-credit post-graduate internships offered to our students by Deloitte’s Stamford Office as a result of on-campus interviews.

**One student with an industry co-op and two students with co-ops at government agencies in 2012-13 were taking the accounting internship course using the co-op experience for their experiential learning. They are removed from the total because they have already been counted under internships.

3. Continue Curriculum Review and Improvement.
   
   b. Complete the program review of writing, presentation, spreadsheet, and other programming requirements across the curriculum. Have a Friday workshop to evaluate the results and identify changes needed.

We did not make progress on this effort during 2013-14. Our efforts were diverted by the need to develop curriculum and course descriptions for the new MBA program.

   b. Ensure an up-to-date master syllabus is available on the shared drive for each accounting course in the curriculum.

This was completed in 2013-14.

4. Use assessment data more effectively to inform and drive improvement.

   a. Follow the procedure we have established for completing assessment reports in a timely fashion.

There was some improvement in the timeliness of assessment reporting in 2013-14, but some faculty are still not making completion of assessment second only in importance to entering student grades for the semester. The entire School of Business will be working toward a less cumbersome and more effective assessment process, beginning with a workshop in Fall 2014.

   b. Have meetings during the first week of the semester with all full time and part time faculty teaching AC 211, 212, 300, 301, 313, 340 and 445 to be sure all faculty are aware of and fully understand their assessment responsibilities.

This was accomplished in 2013-2014. Some coordinators had virtual meetings or contacted part-time faculty separately.

   c. Update the assessment templates to reflect the new School of Business reporting format.

This was accomplished in 2013-14. The reporting may change substantially during 2014-15 as part of a complete restructuring of the School of Business assessment reporting system.

   d. Get results of the School of Business Alumni survey. Use the results in curriculum assessment.

We asked for and never received the results of the School of Business Alumni survey. Michael Gendron, who compiled the results of the survey, was on sabbatical during the fall, and did not
respond to requests for the survey data and results. When he returned from sabbatical in the spring, we were pre-occupied with work on the MBA program.

e. Analyze the results of CCSU alumni performance on the CPA exam. Use the results to assess the curriculum changes and to establish pass rate goals. See if similar data are available for the CMA exam.

CCSU alumni performance on the CPA exam has been disappointing the past two years. Our analysis tells us how performance lags, but not why. We need additional information on the reasons for poor performance in order to determine where and how to adjust our curriculum to strengthen student performance. Getting the results of the School of Business Alumni Survey should help, but we’d also like to conduct our own survey of accounting alumni.

5. Support and Increase faculty scholarship.
   
a. Seek access to financial accounting and securities databases to aid research efforts of current faculty and help attract qualified candidates for new openings.

In the past three years we have hired five new faculty members with interests in conducting financial accounting research using archival data in financial accounting and securities databases. A number of faculty in Finance are also interested in conducting research using archival financial accounting and securities price data. Numerous databases are available through WRDS (the Wharton Research Database System), which requires an annual fee with added fees depending on the number of databases to which researchers will have access. Two of the most commonly used databases Compustat and CRSP, could be acquired separately. We understand that Southern Connecticut State University has subscribed to Compustat and CRSP. These databases could also be used in upper level financial accounting classes.

We had access to Compustat (and CRSP, I believe) in the past, but when the financial crisis hit and subscription costs rose these were cut. The Dean cited low usage as well as cost, but at the time we did not have faculty conducting research using archival databases. Our faculty currently conducting financial accounting research using archival data must rely on contacts with colleagues at Universities that have access to the needed databases. Our inability to provide access puts CCSU at a disadvantage in attracting and retaining faculty conducting financial accounting research using archival data. We are already at a significant disadvantage acquiring and retaining faculty because our salary caps at each rank are well below the market rates for tenure track accounting faculty at teaching institutions. Lack of access to these databases also hampers the ability of our faculty in this area to develop the research records necessary for tenure. Financial accounting research using archival data is probably the most common form of financial accounting research in peer-reviewed publications. This becomes more important as we reinstate the MBA program. We need to maintain the more demanding research levels AACSB expects for schools with Masters programs.

b. Meet with SCSU faculty to discuss opportunities for research collaboration.

During the fall we met at SCSU, with our SCSU counterparts in Accounting. They are getting access to Compustat and CRSP. We inquired about the pricing and about the possibility of obtaining a system-wide license. System-wide licenses are not available. It was nice to get to
better know our colleagues at Southern, and we planned to meet again in Spring at CCSU but weather and pressing concerns with the MBA prevented us from finding a suitable date for a meeting. We plan to invite them to CCSU this fall. No research collaboration emerged out of that initial meeting.

c. Monitor and encourage faculty scholarship. Schedule Brown bag presentations of faculty research in progress if requested.

We also support faculty scholarship by providing financial assistance to support faculty attendance at the Northeast Regional meeting of the American Accounting Association, and we underwrite travel expenses for paper presentations beyond the support offered by the School of Business if funds are not available from the School of Business. Historically, the Dean of the School of Business has been very supportive of our faculty, supporting multiple presentations in a single year in several cases.

No faculty requested brown bag presentations. We monitor faculty scholarship through the entries in the Digital Measures Reporting System. The intellectual contributions by faculty in the Accounting Department are summarized in the table below:

<table>
<thead>
<tr>
<th>Creative activity</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-reviewed articles</td>
<td>(5)</td>
<td>(4)</td>
<td>(5)</td>
<td>(8)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other publications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refereed Presentations – Int. &amp; National</td>
<td>(3)</td>
<td>(4)</td>
<td>(7)</td>
<td>(10)</td>
<td>(11)</td>
</tr>
<tr>
<td>Refereed Presentations – Reg. &amp; Local</td>
<td>(6)</td>
<td>(7)</td>
<td>(11)</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Invited Presentations – Int. &amp; National</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invited Presentations – Reg. &amp; Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(21)</td>
<td>(25)</td>
<td>(26)</td>
<td>(33)</td>
<td>(24)</td>
</tr>
</tbody>
</table>

The total reflects each incidence of a single faculty member contributing. The numbers in parentheses are reduced to reflect collaboration among members of the department on single items. There was a significant drop in overall faculty research productivity in 2013-14, with total productivity falling below any for the last five years. This is partly due to having several new faculty members focusing on teaching as they get acclimated, a retiring faculty member not engaging in further research, two faculty members dealing with pressing family issues, and some faculty members working on longer-term projects and targeting higher quality journals. Seven full-time faculty members had at least one presentation or publication during 2013-14. Six full-time tenured faculty members did not have any presentations or publications during the 2013-14 academic year. This includes one full time faculty member who retired in June, one tenured faculty member (professionally qualified with no research reassigned time), and a
professionally qualified faculty member on an emergency appointment (with no research re-assigned time).

2013-14 Intellectual Contributions by Faculty in the Accounting Department


Roxas, M. (Presenter & Author), Roxas, J. (Presenter & Author), Marketing Edge Direct/Interactive Marketing Research Summit, "Degree of Penetration of Direct
Marketing Programs/Courses into Business Schools," Marketing Edge (formerly DMEF), Chicago, IL. (October 12, 2013).


B. Progress with Strategic Planning.

The Department of Accounting does not have a strategic plan. Our strategic planning is done in the context of the School of Business. In the context of the School of Business strategic plan, we select the annual departmental goals we believe will do the most toward supporting and realizing School of Business Goals. The 2011-16 Strategic Goals of the School of Business are shown below and the Department of Accounting annual goals directly and indirectly supporting those goals are listed beneath them.

1. Develop closer relationships with area businesses and organizations to better serve their needs and to better prepare our students to contribute to their communities.
   a. Directly supported by Department of Accounting Goals 1. Improve relationships with CPA Firms and area businesses, and 2. Increase student participation in internships and co-ops.

2. Enhance our students’ ability to innovate in the economy by making CCSU’s School of Business a center for entrepreneurial excellence.

3. Earn recognition for the quality of our programs and enhance our reputation by attaining and maintaining AACSB accreditation.
   a. Directly supported by Department of Accounting Goal 5. Support and increase faculty scholarship.
   b. Indirectly supported by Department of Accounting Goals 3. Continue curriculum review and improvement, and 4. Use assessment data to more effectively inform and drive improvement

4. Continually improve our programs and courses by systematically assessing learning outcomes and developing and implementing improvement activities.
   a. Directly supported by Department of Accounting Goals 3. Continue curriculum review and improvement, and 4. Use assessment data to more effectively inform and drive improvement.

5. Close the achievement gap between minority and disadvantaged students and the general student population.

C. Administrative Changes.

We began the 2013-14 academic year with 13 full-time faculty assigned to accounting, including two new tenure-track appointments and one emergency appointment. In December, a tenured professor announced her intention to retire at the end of the spring 2014 semester. We were able to hire a new Assistant Professor on a tenure-track appointment to replace her beginning
fall 2014. Our emergency appointment was renewed for a second year. The School of Business was authorized to search for two additional tenure track appointments with the pending approval for our re-starting the MBA program. Because the MBA will have a concentration in accounting, one of the lines was allocated for a candidate with an accounting background. We hired a tenure track Associate Professor on the line. A tenured Associated Professor accepted an Administrative assignment related to accreditation that will result in 6 load-credits of administrative re-assigned time annually. For 2014-15, we now have five tenured faculty (2 professors, 2 associate professors, 1 assistant professor), eight untenured tenure-track faculty (7 associate professors, 1 assistant professor) and one associate professor on the second year of an emergency appointment.

D. Special Initiatives.

Mary McCarthy has been involved in the School of Business’s Insurance and Financial Services special initiative, a targeted program to prepare students for careers in the insurance and financial services industries.

E. Significant Accomplishments.

The School of Business received approval to reinstate a revised MBA program on May 12, 2014. The revised MBA includes a concentration in accounting.

Student Achievement: Scholarships and Awards Received by students during 2013-14.

- Danielle Pennoyer – Departmental Honors Award
- Kathryn Dobbins – Accounting Education Scholarship
- Austin Craig – Frank D. Cannata Scholarship
- Cynthia Calderon – Michael J. Witty Scholarship
- Claudia Cassarino – Harper & Whitfield Scholarship
- Megan Talbott – BlumShapiro Scholarship
- Liudmilla Martinez – CTCPA Award of Merit
- Sarah Smith – CTCPA Junior Award
- Mark Wawszkiewicz – IMA Scholarship
- Sarah Jones – SNE Institute of Internal Auditors Outstanding Student Award
- Marcos Santiago – Accounting Department Service Award
- Tuyen Ho – CPA Excel Video Gold Medal (CPA Review Course)

Community Outreach: Student participation in the VITA Program

- CCSU’s VITA Program 2013 Tax Season Training Workshop was held on campus in the Robert C. Vance Academic Center on January 31, 2014, 9:30 AM - 4:30 PM. Twenty-eight students attended the VITA Training Workshop. After training, students who successfully passed the IRS’ VITA exam were certified to conduct tax return preparation and e-filing for low income individuals and families (<$53,000) in the greater New Britain area. Laura O’Keefe (Village for Families & Children, VITA Coordinator and Trainer) and
Maura Cook (Senior Community Engagement Manager, United Way of Central and Northeastern Connecticut) conducted the training and was assisted by Professor Cheryl Crespi who was the faculty sponsor. All students were certified for basic tax preparation during the training session and were deployed at various sites throughout the state, primarily in the Greater Hartford and New Britain areas. Many students went on to complete secondary and advanced certification in tax return completion. The students provided free tax assistance for low-income taxpayers at a number of locations throughout central Connecticut.

Teaching

- John Rasimas, Adjunct Instructor in Accounting, was a finalist for CCSU’s 2013-14 Excellence in Teaching Award.
- Monique Durant, Associate Professor of Accounting, was a semi-finalist for CCSU’s 2013-14 Excellence in Teaching Award.

Research

- Cheryl Crespi received the Hall of Honor Gold Award for “Controversies in aircraft use tax,” a paper presented at the Mid-Atlantic Regional Conference of the American Accounting Association, April 2014.
- Lawrence Grasso received the Silver Award for “Teaching lean accounting with a manufacturing simulation,” a paper he co-authored with Gerald DeBusk (Associate Professor North Carolina, Wilmington) and Clay Moerland published November 2013 in Accounting Instructors Report.
- Mary McCarthy and her coauthor won the 2013 Meritorious Paper Award at the November 2013 Information Systems Educators Conference for their paper, “Social Perception of Social Media as a Course Tool.”

G. Assessment.

See the following appendices:

Appendix G1 Acct Interim AOL report 2012-13.pdf.

II. Planning for 2014-2015

A. Goals.

Our goals and the objectives related to those goals we will work on in the coming year are:

1. Improve relationships with CPA firms and area businesses.
   a. Re-establish an accounting department advisory board.
   b. Increase the number of firms participating in on-campus recruiting.
c. Document and increase the number of interactions between accounting professionals and accounting students (e.g., classroom visits, Accounting Society meetings and other campus events. Field visits by accounting students).

2. Increase student participation in internships and CO-OPS.
   a. Increase the number of students participating in for credit internships and accounting co-ops (either non-credit or for credit) from 44 to 50.

3. Continue Curriculum Review and Improvement.
   a. Complete the program review of writing, presentation, spreadsheet, and other programming requirements across the curriculum. Have a Friday workshop to evaluate the results and identify changes needed.
   b. Ensure an up-to-date master syllabus is available on the shared drive for each accounting course in the curriculum.

4. Use assessment data more effectively to inform and drive improvement.
   a. Get results of the School of Business Alumni survey. Use the results in curriculum assessment.
   b. Analyze the results of CCSU alumni performance on the CPA exam. Use the results to assess the curriculum changes and to establish pass rate goals. See if similar data are available for the CMA exam.

5. Support and Increase faculty scholarship.
   a. Seek access to financial accounting and securities databases to aid research efforts of current faculty and help attract qualified candidates for new openings.
   b. Meet with SCSU faculty to discuss opportunities for research collaboration.
   c. Monitor and encourage faculty scholarship. Schedule Brown bag presentations of faculty research in progress if requested.

B. Needs.

We need access to Accounting and Securities databases to increase research output, support our recently hired tenure-track faculty, and to increase our likelihood of attracting qualified faculty as current faculty retire. This is becoming more critical, as several of our recent hires conduct research that requires access to archival databases of financial reporting and stock market information. We also need to maintain or increase our research profile now that we have AACSB accreditation and we have restarted the MBA program.
The Accounting Department has identified four learning objectives for Accounting Majors. The following is a summary of the progress during 2012-13 on the action items we established in Spring 2012.

Learning Objective 1 – **Determine and apply the appropriate accounting standard(s) for a business event or a given set of circumstances.**

Action items:
1) Determine a uniform assessment exercise or exercises to apply across all course sections. **Completed Spring 2013.**
2) Revise the first lease transaction used on the exam assessment tool as it is overly complicated. **Completed Spring 2013.** The proportion of students performing below acceptable fell from over 22% in Fall 2012 to under 10% in Spring 2013.
3) Topic coverage in the financial reporting sequence AC300/AC312/AC313 was rebalanced and realigned to allow more practice and depth of coverage on more difficult topics. A phased implementation across three semesters was begun in Fall 2012 to be completed in Fall 2013.

Learning objective 2 – **Evaluate an accounting system for control strengths and weaknesses.**

Action items:
For AC 340 Accounting Information Systems
1) More practice problems involving evaluation of computerized accounting information systems were added to the AIS course in Fall 2012. Students performing below acceptable declined from 44% to 27%.
2) The AIS course was taught by a new instructor who was inadequately coached on the assessment process. As a result the assessment assignments were not consistent. Spring 2013 results suggest a more challenging instrument is needed to drive continuous improvement.

For AC 445 Auditing
1) The primary instructor for Auditing visited the class of the adjunct Audit instructor and consulted on approaches to covering internal control evaluation and preparing the students for the assessment assignment requirements. Fall 2012 results were poor owing to the illness of the primary instructor. A new instructor was coached by the retiring Auditing professor and the proportion of students with below acceptable performance improved from 12% in Fall 2012 to 9% in Spring 2013.

Learning objective 3 – **Solve complex (financial and managerial) accounting problems.**

Action items
For AC 301 Cost Management Systems:
1) Ensure that all course sections are using the critical thinking mini-case for assessment and have multiple mini-case assignments requiring critical thinking and analysis. **Completed Fall 2012.**
2) Provide examples of a good analysis and bad analysis on practice assignments clarify expectations for students. **Completed Fall 2012.** Despite completing both action items in Fall 2012 and achieving excellent results. The Spring 2013 assessment results were poor. Performance below acceptable doubled to almost 22%. This may have been partly a
function of the topic assessed, but there was also a noticeable decline in student effort on the practice assignments.

For AC 313 Financial Reporting II:
1) Develop a practice set of exercises for the students. **Not completed.** The instructors chose to adopt a new book with phase-in beginning Fall 2012. Developing practice sets to supplement the problematic on-line homework (solutions can be found on line by those who wish to cheat, hand writing journal entries may improve retention) is so far being left to individual instructors.
2) Survey students to see which topics they find more challenging and would like to focus more time. **Completed in Fall 2012.** Results will be used to design course AC 313 as rebalancing is phased in.
3) Comparing Spring 2012 results with Fall 2011 did not lead to any useful insights. There were too many differences in assessment administration for meaningful comparisons.
4) Topic coverage in the financial reporting sequence AC300/AC312/AC313 was rebalanced and realigned to allow more practice and depth of coverage on more difficult topics. A phased implementation across three semesters was begun in Fall 2012 to be completed in Fall 2013.

**Learning objective 4 – Transform from a student to an accounting professional (i.e. professionalism and ethical conduct).**

**Action items:**
1) Ask students to translate standards for professionalism and ethical conduct to their activities as students. **Not completed.** Instead, the instructors focused on increasing the rigor of the assignments and providing more course coverage on fraud and ethical misconduct in actual practice, having students explore the causes and consequences of the misconduct. This was implemented in Spring 2013.
2) Continue seeking feedback from firms interviewing our students on the level of professionalism they demonstrate in terms of communication and demeanor. Adjust the class to address any weaknesses identified. This has been done only on an ad hoc basis, not systematically.

**Program-wide action items:**
1) The need for practice prior to assessment to reinforce learning and to ensure students are clear on expectations is emphasized at all department meetings covering curriculum and assessment.
2) Beginning in Spring 2013, we distributed templates for assessment reporting well in advance of the end of the semester. Beginning in Fall 2013 we instituted a policy of providing assessment assignments and rubrics, the most recent AOL report and a model syllabus to all faculty when they are assigned to teach a course involving assessment. We have designated a contact person to coordinate assessment in courses with multiple sections, and we have that person meet or call each instructor to discuss the assessment process at the beginning of the semester.
3) Document graded writing assignments throughout the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written communication demands of a career in accounting. **Not completed.** We have designated this as an action item for 2013-14.
4) Document graded Excel Spreadsheet assignments across the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written
communication demands of a career in accounting. **Not completed.** We have designated this as an action item for 2013-14.

5) Further integrate opportunities for oral presentations within the accounting curriculum. Oral presentations were added to AC 300 in Spring 2013. We need to evaluate presentations across the curriculum in 2013-14.

**In Lieu of Section 6 of the Full Assessment Report**

The Accounting Department was not required to complete a full assessment report. We were subject to external review in spring 2012. The report were asked to prepare for external assessment made no mention of a five-year assessment, nor had we ever been asked to develop such a plan prior to spring 2012. We continued to follow our practice of incremental action based on semester by semester assessment results.

The Accounting Department has identified four learning objectives for Accounting Majors. The following are our action items for 2012-13 for each learning goal and for the overall program.

**Learning Objective 1 – Determine and apply the appropriate accounting standard(s) for a business event or a given set of circumstances.** The ability to prepare accounting reports that apply the appropriate accounting concepts and standards and properly account for the underlying business events or circumstance. This outcome is focused on financial accounting and tax accounting, though identifying and using appropriate techniques is also important for managerial accounting. Assessment occurs in AC 313 (Financial Reporting II), taken in the first or second semester, senior year.

**Action items:**
1) Determine a uniform assessment exercise or exercises to apply across all course sections.
2) Revise the first lease transaction used on the exam assessment tool as it is overly complicated.
3) Re-align the AC300/AC312/AC313 material – Currently AC300 covers the first five chapters of the textbook, AC312 covers nine chapters, and AC 313 covers 10 chapters. If the financial reporting material is re-balanced this would permit more time in AC313 to review complex accounting issues. (Note: The instructors responsible for AC300/AC312/AC313 discussed course content coverage in the three Financial Reporting core courses and have re-distributed the course material.)

**Learning objective 2 – Evaluate an accounting system for control strengths and weaknesses.** The ability to evaluate accounting reports for fair presentation of financial position and operating results and to evaluate the control strengths and weaknesses of accounting systems used to prepare the financial reports. This outcome is focused primarily on accounting information systems and auditing. Assessment occurs in both AC 340 (AIS), and AC 445 (Auditing). These courses are typically taken sequentially beginning in the second semester junior or first semester senior year.

**Action items:**
For AC 340 Accounting Information Systems
1) Incorporate more practice problems involving evaluation of computerized accounting information systems into the AIS course. Focus more on the duties of different types of employees working with computerized accounting information systems, and how segregation of duties applies to computerized systems.
2) Evaluate the AIS assessment problem for level of complexity prior to administering the
problem. Be consistent with the assessment. Either always use a timed test setting, or always have it completed as an individual assignment outside class with access to references.

For AC 445 Auditing
1) Compare Auditing classroom activities and assignments on control assessment with spring and fall 2011 coverage. Look for causes of performance above expectations as well as for performance below expectations.

Learning objective 3 – **Solve complex (financial and managerial) accounting problems.** The ability to solve complex accounting problems, including the analysis and use of financial accounting information to support financing and investing decisions, the use of managerial accounting information to support business decisions, the use of tax reporting requirements and consequences to support business decisions, and determining how to design accounting information systems or improve existing systems. This is assessed in AC 301 (Cost Management) typically taken in the first semester junior year and AC 313 (Financial Reporting II) typically taken in the senior year.

Action items
For AC 301 Cost Management Systems:
1) Ensure that all course sections are using the critical thinking mini-case for assessment and have multiple mini-case assignments requiring critical thinking and analysis.
2) Provide examples of a good analysis and bad analysis on practice assignments clarify expectations for students.

For AC 313 Financial Reporting II:
1) Develop a practice set of exercises for the students. Currently, students can easily access the answers to the textbook problems through the internet. An alternative is using WileyPlus. However, WileyPlus does not reinforce the learning (retention) by writing down the journal entries, worksheets, schedules etc. If a set of exercises is developed similar to the pension worksheet exercise, the students may retain more by actually writing out the requirements. In WileyPlus there are “drop-down boxes” from which the students select accounts. The students need more practice writing the entries down.
2) Survey students to see which topics they find more challenging and would like to focus more time. (Note: Students in AC 313-01 were surveyed.)
3) Compare spring 2012 results with fall 2011 to see if an explanation for the higher proportion of students performing above expectations can be found.
4) Re-align the AC300/AC312/AC313 material – Currently AC300 covers the first five chapters of the textbook, AC312 covers nine chapters, and AC 313 covers 10 chapters. If the financial reporting material is re-balanced this would permit more time in AC313 to review complex accounting issues. (Note: The instructors responsible for AC300/AC312/AC313 discussed course content coverage in the three Financial Reporting core courses and have re-distributed the course material.)

Learning objective 4 – **Transform from a student to an accounting professional (i.e. professionalism and ethical conduct).** Students must demonstrate awareness of and a willingness and ability to follow the ethical standards and norms for proper business behavior required of accounting professionals. This is assessed in AC 300 typically taken in the first semester, Junior year.

Action items:
1) Ask students to translate standards for professionalism and ethical conduct to their activities as students.

2) Continue seeking feedback from firms interviewing our students on the level of professionalism they demonstrate in terms of communication and demeanor. Adjust the class to address any weaknesses identified.

Program-wide action items:

1) Where student performance is below goal, ensure that students have more practice in the competencies being assessed using assignments similar in form those used in the assessments.

2) Ensure coordination and consistency of assessment in sections of the same course taught by different instructors.

3) Document graded writing assignments throughout the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written communication demands of a career in accounting.

4) Document graded Excel Spreadsheet assignments across the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written communication demands of a career in accounting.

5) Further integrate opportunities for oral presentations within the accounting curriculum.
Major Level Reporting – based on Fall 2012 data

Department: Major-Accounting

Preamble: Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

Section One – Learning Outcomes and Numeric Results.

As evidence that they possess the competencies and skills needed for entry and advancement in the accounting profession, we expect students to be able to:

1. **Determine and apply the appropriate accounting standard(s) for a business event or a given set of circumstances.** The ability to prepare accounting reports that apply the appropriate accounting concepts and standards and properly account for the underlying business events or circumstance. This outcome is focused on financial accounting and tax accounting, though identifying and using appropriate techniques is also important for managerial accounting.

2. **Evaluate an accounting system for control strengths and weaknesses.** The ability to evaluate accounting reports for fair presentation of financial position and operating results and to evaluate the control strengths and weaknesses of accounting systems used to prepare the financial reports. This outcome is focused primarily on accounting information systems and auditing.

3. **Solve complex (financial and managerial) accounting problems.** The ability to solve complex accounting problems, including the analysis and use of financial accounting information to support financing and investing decisions, the use of managerial accounting information to support business decisions, the use of tax reporting requirements and consequences to support business decisions, and determining how to design accounting information systems or improve existing systems.

4. **Transform from a student to an accounting professional (i.e. professionalism and ethical conduct).** Students must demonstrate awareness of and a willingness and ability to follow the ethical standards and norms for proper business behavior required of accounting professionals.

The table on the following page summarizes the Fall 2012 assessment results for the four learning outcomes.
Major Level Reporting – based on Fall 2012 data

<table>
<thead>
<tr>
<th>Learning Outcomes</th>
<th>Course(s) Where Measured</th>
<th>Number Of Students Measured</th>
<th>Number Of Sections Measured</th>
<th>Number of Students Above Acceptable</th>
<th>Number of Students Acceptable</th>
<th>Number of Students Below Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Determine and apply appropriate accounting standard for the circumstance</td>
<td>AC 313</td>
<td>66</td>
<td>3</td>
<td>16 (24%)</td>
<td>35 (53%)</td>
<td>15 (23%)</td>
</tr>
<tr>
<td>2) Evaluate accounting system for strengths and weaknesses</td>
<td>AC 340, AC 445</td>
<td>71, 73</td>
<td>3, 3</td>
<td>21 (30%)</td>
<td>31 (44%)</td>
<td>19 (26%)</td>
</tr>
<tr>
<td>3) Solve complex accounting problems</td>
<td>AC 301, AC 313</td>
<td>70, 66</td>
<td>3, 3</td>
<td>43 (62%)</td>
<td>19 (27%)</td>
<td>8 (11%)</td>
</tr>
<tr>
<td>4) Transform to a member of the accounting profession (knowledge and ethics)</td>
<td>AC 300</td>
<td>94</td>
<td>4</td>
<td>39 (42%)</td>
<td>49 (52%)</td>
<td>6 (6%)</td>
</tr>
</tbody>
</table>

Section Two – Findings

**Learning outcome 1** – Determine and apply the appropriate accounting standard(s) for a business event or a given set of circumstances – is designed to reflect the students’ critical thinking and analytical reasoning abilities as well as their knowledge of accounting standards.

Learning outcome 1 was evaluated using two different assessment tools in the Fall 2012 semester. Two sections of the course were evaluated using exam problems provided later in the semester. One section used a problem during a quiz early in the semester. In total, 77% of the students performed at an acceptable level or above, slightly below the 80% target. In the Spring 2012 semester 85% performed at an acceptable or above level however, comparison to the prior semester is not relevant as two of the three sections in the Spring 2012 semester used a completely different assessment tool (i.e., a homework assignment).

**Learning outcome 2** – Evaluate accounting system for [internal control] strengths and weaknesses – is designed to reflect the students’ critical thinking and analytical reasoning abilities as well as their knowledge of internal controls for accounting and reporting systems. This knowledge is important for system design as well as for internal and external auditing services.

In AC 340, Accounting Information Systems, a new instructor taught all three sections of the course. The instructor was told about the learning goals and assessment requirements, but the results of previous assessments and the Spring 2012 assessment report, while available for review, were not specifically discussed with the instructor. The instructor was told she could prepare a new assignment for assessment, as a different control case has been used each semester for assessment in this class.

Students were given control assessment assignments throughout the semester. One of the later assignments was selected for assessment. The assignment given was after a class discussion on controls and was to be completed individually by the students outside of class. The directions in
Major Level Reporting – based on Fall 2012 data

the assignment gave the students a minimum number of controls to discuss (6) from the discussion or case submitted with the assignment. This differed from the Spring 2012 instrument, which did not specify the number of control weaknesses to be discussed.

The proportion of students with performance rated below acceptable was 27%. The target of 80% of students at acceptable level or above was not achieved, but the performance was a significant improvement over Spring 2012 when 46% of students were below acceptable.

In AC 445, Principles of Auditing, students were assessed using an individual project. The students used “Auditing Alchemy Company” materials prepared by PricewaterhouseCoopers to learn about the company, the internal control system in place in operations, walk-through materials to help assess the internal control system. There were also videos of interviews with employees and of the machine and how it was operated, and a presentation on CAViaR (Completeness, Accuracy, Validity, and Restricted Access) (internal control requirements). Performance was above the goal with 88% of students performing at an acceptable level or better, but this was a decrease from Spring 2012, when all but two students out of 77 (97%) performed at an acceptable level or above, and 77% were above acceptable.

Learning outcome 3 – Solving complex accounting problems – is designed to assess students’ technical knowledge of accounting and problem solving ability. In AC 301 the assessment is conducted using a different mini-case each semester. In Fall 2012, the mini-case involved preparing a cash budget and identifying two significant operating problems revealed by the budget. In AC 313 students were given a comprehensive exam problem requiring students to create a pension worksheet and demonstrate their understanding of that worksheet by applying the results to financial reporting.

In the cost management systems course (AC 301), 89% of students performed at an acceptable level or above, with 62% above acceptable, exceeding the 80% target. The proportion of students performing at an acceptable level or above was almost identical to Spring 2012 when 88% of students were acceptable or above. However, the proportion of students achieving above acceptable levels of performance increased from 33% in Spring 2012 to 62% in Fall 2012.

In AC 313 (Financial Reporting II) 89% of students performed at an acceptable level or above, exceeding the target of 80%. This is the same percentage performing at acceptable or above as in Spring 2012. Sixteen percent of the students were rated above acceptable, down 7% from Spring 2012 performance of 23%.

Learning outcome 4: Transform to a member of the accounting profession (knowledge and ethics) – is designed to ensure that students are aware of the implications demands and expectations associated with entering the accounting profession. This outcome assesses students’ awareness and understanding of expectations and demands in five areas critical to success as an accounting professional: (1) Ethical conduct, including awareness of the codes of ethics associated with accounting professional organizations, (2) professional demeanor and dress/appearance, (3) professional communication, (4) being responsible, time management and team work, including meeting deadlines, and (5) competence, meeting educational standards, technically knowledgeable, exercising due care, and providing full disclosure.

During the Spring 2012 semester the assessment assignment was changed from an essay on the
Major Level Reporting – based on Fall 2012 data

ethical responsibilities of accountants worth $\frac{1}{2}$ of 1% of the course grade to a comprehensive project (fraud case) covering a writing assignment, developing an outline, preparing a powerpoint presentation, oral presentation, and evaluation of the team. The fraud case was 10% of the students’ grade. Each student was required to research an assigned company whose management had committed fraud and write an essay on the fraud including what accounting principles were violated, what the proper accounting treatment should have been, who were the key players, and what the consequences were of the accounting treatment for the key players. The students then developed an outline for their oral presentation and created a powerpoint slide presentation. Additionally, each student in the on-campus sections was required to give a 5-10 minute oral presentation. Lastly, students evaluated their group’s performance.

In Fall 2012 only six of 92 students were below acceptable, 49 students performed at an acceptable level, and 39 students performed above expectations. Overall, 93% performed at an acceptable level or above. Althought there was a grading rubric, the distinction among the three categories is clearly subject to the faculty member’s interpretation of the criteria for meets, exceeds or is below expectations. The results were virtually identical to those reported in Spring 2012, the first semester the expanded assignment was used to assess learning outcome 4.

Section Three – Analysis

Learning outcome 1: Two class sections in Fall 2011, one class section in Spring 2012, and two class sections in Fall 2012 used embedded exam questions for assessment. The remaining class sections in Fall 2011 and two class sections in Spring 2012 used a financial accounting research assignment from the textbook. The assignment was completed outside the class for assessment. This assignment had been used in all sections prior to Fall 2011. As the textbook answers were easily available from the internet, the coordinator for the class changed the assessment tool to be embedded exam questions. The adjunct professor chose to continue using the previous assessment instrument. The Fall 2012 third class section used an in-class quiz solely devoted to the assessment problem misunderstanding that it was to be used with the exam covering both Learning Outcomes 1 and 3 for AC 313. The closed-book quiz assessment tool was somewhat similar to the lease exam problems given on the exam.

The primary differences included:

1. The quiz tested the consequences of using both a guaranteed and unguaranteed residual value rather than the bargain purchase option.
2. The quiz tested whether the lessee should use its incremental borrowing rate or the lessor’s rate implicit in the lease.
3. The quiz tested both the lessor and lessee’s calculations and journal entries using a single problem.
4. The quiz required completion of two years of a lease amortization schedule rather than five-years in the interest of conserving quiz time.
5. The quiz tested calculation of partial year’s interest and the journal entry effects
Major Level Reporting – based on Fall 2012 data

6. Students were given 35 minutes to take the quiz compared to the exam assessment tool which included both lease problems and a pension worksheet problem and was administered over 75 minutes.

The proportion of students achieving above acceptable, acceptable, and below acceptable performance are summarized in the table below.

<table>
<thead>
<tr>
<th>Performance level</th>
<th>Assessment</th>
<th>Fall 2011</th>
<th>Spring 2012</th>
<th>Fall 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above Acceptable</td>
<td>HW / Quiz</td>
<td>(15) 63%</td>
<td>(30) 52%</td>
<td>(1) 6%</td>
</tr>
<tr>
<td></td>
<td>Exam</td>
<td>(13) 28%</td>
<td>(12) 40%</td>
<td>(15) 31%</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>(28) 39%</td>
<td>(42) 48%</td>
<td>(42) 24%</td>
</tr>
<tr>
<td>Acceptable</td>
<td>HW / Quiz</td>
<td>(7) 29%</td>
<td>(24) 42%</td>
<td>(14) 78%</td>
</tr>
<tr>
<td></td>
<td>Exam</td>
<td>(19) 40%</td>
<td>(8) 27%</td>
<td>(21) 44%</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>(26) 37%</td>
<td>(32) 37%</td>
<td>(32) 53%</td>
</tr>
<tr>
<td>Below acceptable</td>
<td>HW / Quiz</td>
<td>(2) 8%</td>
<td>(3) 6%</td>
<td>(3) 16%</td>
</tr>
<tr>
<td></td>
<td>Exam</td>
<td>(15) 32%</td>
<td>(10) 33%</td>
<td>(12) 25%</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>(17) 24%</td>
<td>(13) 15%</td>
<td>(15) 23%</td>
</tr>
</tbody>
</table>

For students assessed using embedded exam questions, improvement over the prior semesters was exhibited with 75% of the students performing at an acceptable or above acceptable level compared to 67% and 66% for the Spring 2012 and Fall 2011 semesters, respectively. The improved performance may be attributable to eliminating the requirement of two full years of accounting entries as well as reversing entries. The exclusion of these entries permitted more time for the students to provide their responses. Exam problems required the students to describe the accounting criteria for capitalizing a lease and to analyze and apply the appropriate accounting treatment for two different accounting transactions. For the first transaction, the students were required to determine the nature of the lease to the lessee and explain why, prepare a complete amortization schedule, and then provide one full year of journal entries. The second transaction required the student to analyze the nature of the lessor transaction, including determination if the lease was a direct-financing lease or sales-type lease and provide the appropriate journal entries for the initial period.

The class section assessed using a quiz had 84% of students performing at an acceptable level or better. This exceeds the performance of students on the embedded exam questions but is lower than the performance on the untimed out-of-class assignments used in Spring 2012 and Fall 2011. If the quiz problem had been part of an interim examination with at least two other problems, more students might have failed to achieve an acceptable level score. The fact that the quiz, while mandatory, was for extra credit may explain why only one student achieved an above acceptable performance. Top students may not have been as motivated to perform on the quiz as they would be on an exam.

For the out-of-class assignments, students performed at an acceptable or above acceptable level 94% and 92% for the Spring 2012 and Fall 2011 semesters, respectively. The high levels may be attributed to the easy access to textbook answers, students potentially could share their work, and the students were not subjected to a time limit. Hence, the decision was made to change to a more demanding assignment.
Learning outcome 2:

In Spring 2012, AC 340 students were assessed on a mini-case given as part of an in-class exam, and 46% performed below acceptable. The Spring 2012 assessment case involved a computerized system, while the previous assessments involved a simple manual system. Analyzing the performance of Spring 2012 students who had below acceptable performance a common error was found. Many students did not correctly identify the job of the person in the case and how segregation of duties applies to that particular job, applications developer. Instead, most of the students who fell below the acceptable performance level gave a generic or incorrect statement about segregation of duties and did not take into consideration the job of the person in the case. The Spring 2012 results were not specifically reviewed with the new instructor, and the Fall 2012 instructor assessed control strengths and weaknesses related to disaster recovery generally, not fraud prevention in a sample computerized system described in a case as in Spring 2012. Thus we cannot use the Fall 2012 results to assess whether the particular weakness revealed in Spring 2012 (lack of familiarity with segregation of duties within a computerized system environment, was addressed with changes in the Fall instruction.

The table below shows Fall 2012 AC 340 assessment results across course sections. Across the three classes assessed it was surprising to see 40% below acceptable in the second class of the day with the other two classes posting only 20% below acceptable. Above acceptable performance was highest in the evening class. It is possible that variation in the discussion when introducing the assignment may account for some of the difference in outcomes across sections. However, the instructor does not believe there was a major difference in the discussion of the case assignment.

<table>
<thead>
<tr>
<th>FALL 2012</th>
<th>Courses where measured</th>
<th>Number of students measured</th>
<th>Number of students above acceptable</th>
<th>Number of students acceptable</th>
<th>Number of students below acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>FALL 2012</td>
<td>AC 340-01</td>
<td>30</td>
<td>8</td>
<td>27%</td>
<td>16</td>
</tr>
<tr>
<td>FALL 2012</td>
<td>AC340-70</td>
<td>25</td>
<td>5</td>
<td>20%</td>
<td>10</td>
</tr>
<tr>
<td>FALL 2012</td>
<td>AC340-71</td>
<td>16</td>
<td>8</td>
<td>50%</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Learning Objective 2- Evaluated accounting system for internal control strengths and weaknesses</th>
<th>AC340 3 sections measured</th>
<th>Number of students above acceptable</th>
<th>Number of students acceptable</th>
<th>Number of students below acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71</td>
<td>21</td>
<td>31</td>
<td>19</td>
</tr>
</tbody>
</table>

Many of the problems with submissions may reflect lack of clarity in the instructions, especially because this assignment had a different format than the control analysis problems previously assigned. Clearer written instructions and assigning other problems following the same format prior to the problem used in assessment should eliminate problems due to student confusion about the requirements and it should reduce the number of below acceptable submissions.
Major Level Reporting – based on Fall 2012 data

Although performance on the Auditing Alchemy assignment was above goal, this was the second semester of declining performance. Some of the increase in below acceptable performance may be due to random variation because we are dealing with a small number of students. However, the proportion of students with above acceptable performance is also down significantly. Health issues of the instructor for two of the course sections may have reduced time spent preparing students for this assignment and that may have affected student performance.

Learning outcome 3: In assessing the ability to solve complex accounting problems in Cost Management Systems, we have students solve a mini-case and critically analyze or explain the significance of their results. Performance improved each semester, with the proportion of students below acceptable now remaining steady at 11-12% while the proportion of students with above acceptable performance reached 62%. This semester an introduction to the assignments was prepared and the grading rubrics were available before students completed the assignments. Students were encouraged to look at them and added clarity about expectations may account for the increase in above acceptable performance, particularly because the second mini-case students complete is used for assessment. Students did very well on the analytical aspects of the case. The high level of above acceptable performance may in part be attributable to the mini-case used for assessment being a budgeting case, and students complete an extensive budgeting project for assessment in Introductory Managerial Accounting (AC 212). Student performance was poorest in identifying operating problems.

For AC 313 (Financial Reporting II), 89% of the students scored at an acceptable or above acceptable level. This matches the Spring 2012 performance of 89% however the above acceptable performance dropped in the Fall 2012 semester to 16% from 23% in the Spring 2012 semester. No obvious explanation exists for the decrease. An interesting note is there were 21 fewer students enrolled in AC313 in the Fall 2012 semester.

Two sections of AC 313 required students to prepare a pension worksheet and demonstrate their understanding of that worksheet by applying the results to financial reporting. The instrument was tested along with Learning Outcome 1 in a 75 minute exam. Overall, 67% of the students achieved an acceptable or above acceptable level. Students reviewed several pension worksheet problems, had pension worksheet WileyPlus (online homework tool) problems, and prepared an Excel pension worksheet problem that was submitted for 5% towards the student’s grade. The submitted excel assignment was very similar to the exam problem. However, one explanation for the decrease compared to Spring 2013 may be due to class time dedicated to the pensions topic was reduced from three classes to two classes. The decreased class coverage was caused from inclement weather causing cancelled classes and more class time dedicated to revenue recognition.

One section of AC313 used a similar pension problem as the assessment tool and was administered in a 20 minute closed-book quiz. Some differences between the quiz and the exam problem included:

1. The quiz used an employment and retirement table familiar to the instructor and taught by the instructor in the classroom while the exam format used the pension worksheet demonstrated in the course textbook.
Major Level Reporting – based on Fall 2012 data

2. The quiz required balance sheet presentation.
3. The quiz used a different grading scale.

For the section of AC 313 that administered the quiz, 84% of the students achieved an acceptable (78%) or above acceptable (5%) level.

Learning outcome 4: Transform to a member of the accounting profession (knowledge and ethics). This learning outcome is designed to ensure that students are aware of the implications, demands, and expectations associated with entering the accounting profession.

In the Spring 2012, a new instrument was developed that included evaluation of the individual students’ soft skills (written, oral, presentation tools, teamwork, leadership, time management), as well as research and technical skills (including ethics and accounting issues). This instrument was continued in evaluating the Fall 2012 students. Student performance by class section is shown in the table below:

<table>
<thead>
<tr>
<th>Course(s) Where Measured</th>
<th>Number Of Students Measured</th>
<th>Number Of Sections Measured</th>
<th>Number of Students Above Acceptable</th>
<th>Number of Students Acceptable</th>
<th>Number of Students Below Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2012 AC 300-01</td>
<td>18</td>
<td>12 (67%)</td>
<td>5 (28%)</td>
<td>1 (5%)</td>
<td></td>
</tr>
<tr>
<td>Fall 2012 AC 300-02</td>
<td>24</td>
<td>13 (54%)</td>
<td>8 (33%)</td>
<td>3 (13%)</td>
<td></td>
</tr>
<tr>
<td>Fall 2012 – online AC 300-CO1</td>
<td>24</td>
<td>7 (29%)</td>
<td>15 (63%)</td>
<td>2 (8%)</td>
<td></td>
</tr>
<tr>
<td>Fall 2012 AC 300-70</td>
<td>28</td>
<td>7 (25%)</td>
<td>21 (75%)</td>
<td>0 (0%)</td>
<td></td>
</tr>
<tr>
<td>4) Transform to a member of the accounting profession (knowledge and ethics)</td>
<td>AC 300</td>
<td>94</td>
<td>4</td>
<td>39 (41%)</td>
<td>49 (52%)</td>
</tr>
</tbody>
</table>

AC 300-CO1 and AC 300-70 sections had a higher percentage of students in the “Above Acceptable” category. This is due to the likelihood that more mature students were in the evening and online sections. Mature students tend possess better research and presentation skills.

Areas where students need improvement include their writing skills (e.g., grammar errors, poor transitions, not plagiarizing). As expected, most students were uncomfortable speaking in front of the class, and tended to read from their notes rather than speaking to the class. Continued practice in their coursework will help alleviate this uneasiness and better prepare them for the industry. Overall, the students worked well in their groups and demonstrated an awareness of ethical and accounting issues. All of the instructors were pleased with the level of awareness of professional responsibilities demonstrated by our AC 300 students.

Section Four – Use of Results

Learning Objective 1 – Applying the appropriate accounting standard for the circumstance.

Action items from prior semester (Closing the loop):
1. Students were surveyed on some of the more challenging topics in the course. As noted
Major Level Reporting – based on Fall 2012 data

in item 3 below, topic coverage in has been rebalanced in the AC 300/312/313 course sequence to allow more time to be devoted to the more complex topics.

2. The lease transaction problems were revised to include only 1 year of entries and exclude reversing entries.

3. Re-align the AC300/AC312/AC313 material – In past years, AC300 covered the first five chapters of the textbook, AC312 covered nine chapters, and AC 313 covered 10 chapters. The financial reporting material has been re-balanced permitting more time in AC313 to review complex accounting issues. (Note: Due to the transition time, AC 313 will not be impacted by the re-balancing until the Fall 2013 semester.)

Action Items Still in Process

1. Develop a practice set of exercises for the students. Currently, students can easily access the answers to the textbook problems through the internet. An alternative is using WileyPlus. However, WileyPlus does not reinforce the learning (retention) by writing down the journal entries, worksheets, schedules etc. If a set of exercises is developed similar to the pension worksheet exercise, the students may retain more by actually writing out the requirements. In WileyPlus there are “drop-down boxes” from which the students select accounts. The students need more practice writing the entries down.

This action item is extremely time consuming and should be assigned to the individual who plans to be the primary responsible person for AC313 courses. Again, uniformity of course coverage and consistency with following the layout and presentation of the book will ensure our students are receiving stable, reliable and dependable content coverage which in turns aids in our evaluation of the learning outcomes.

Learning objective 2 – Evaluate accounting system for strengths and weaknesses.

Action items:

For AC 340 Accounting Information Systems

1. Adopt a case for assessment more similar to the case used in Spring 2012 (analyzing control weaknesses in a computerized system. Utilize directions similar in word and format to those used in Spring 2012. Remove any directive listing an actual number of control weaknesses that should be found.

2. Incorporate action items from the Spring 2012 AOL report.

   2.1. Incorporate more practice problems involving evaluation of computerized accounting information systems into the AIS course. Focus more on the duties of different types of employees working with computerized accounting information systems, and how segregation of duties applies to computerized systems.

   2.2. Evaluate the AIS assessment problem for level of complexity prior to administering the problem. Be consistent with the assessment. Either always use a timed test setting, or always have it completed as an individual assignment outside class with access to references.

3. Clarify directions within the instrument used and rely less on verbal directions.
Major Level Reporting – based on Fall 2012 data

1. Have examples presented either within the assignment or prior to assigning the instrument utilizing the proper response format and content.

For AC 445 Auditing

1.1. Review preparation for students receive for the Auditing Alchemy Case with the prior instructor and the two current instructors. Establish best current practice.

Learning objective 3 – Solve complex accounting problems.

Action items

For AC 301 Cost Management Systems:

1. Increase emphasis on problem identification, and on using information prepared to identify and solve problems.
2. Provide examples of a good analysis and bad analysis on practice assignments clarify expectations for students.

For AC 313 Financial Reporting II: See Learning objective 1

Learning objective 4: Transform to a member of the accounting profession (knowledge and ethics).

All of the instructors were pleased with the level of awareness of professional responsibilities demonstrated by our AC 300 students.

Action items:

1. Further integrate opportunities for oral presentations within the accounting curriculum.
2. Continue to integrate ethics cases in advanced accounting courses
3. Continue seeking feedback from firms interviewing our students on the level of professionalism they demonstrate in terms of communication and demeanor. Adjust the class to address any weaknesses identified.

Program-wide action items:

1. Find ways to improve problem solving and retention of technical knowledge covered throughout our courses. (All faculty).
2. Formalize a process that ensures that the AOL measures are consistently administered regardless of who is teaching the course. Identify roles of the department chair, lead coordinator, and faculty. This remains an area subject to miscommunication and lack of coordination. The problem was particularly acute in Fall 2012 when we had three new full time faculty members and a number of full time and part time faculty members changing teaching assignments. (L. Grasso, and lead coordinators for each course).
3. Assessments must be given higher priority by all faculty. The assessments must be completed by established deadlines. All instructors teach a course section involved in assessment are required to administer the assessment assignment and complete the assessment template with thoughtful consideration given to findings, analysis, and improvement actions. Full time faculty not teaching course sections involved in assessment should be responsible for reviewing draft submissions. Input from part-time
Major Level Reporting – based on Fall 2012 data

faculty not teaching course sections involved in assessment will be welcome but not required. Low priority for assessment reports and their late submission is a primary cause of the failure to coordinate across sections and fully implement recommended action items. (L.Grasso & FT Faculty, & all PT Faculty teaching course sections involved in assessment).

4. Make receipt and review of past AOL reports a part of the process for any faculty member receiving a teaching assignment in a course involved in program assessment. (L.Grasso and lead coordinators for each course).

5. All assessment instruments and rubrics being used during a semester should be available at the beginning of the semester and should be included with the AOL reports and master syllabus in a package to all instructors assigned to teach a course involved in assessment. If assessment assignments or rubrics are under revision, and explanation of the nature of the revisions and a target completion date (no later than one month into the semester) should be included in the package distributed to instructors. (L. Grasso & lead coordinators for each course).

6. Where student performance is below goal, ensure that students have more practice in the competencies being assessed using assignments similar in form those used in the assessments. (All instructors in the relevant courses).

7. Document graded writing assignments throughout the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written communication demands of a career in accounting. (All faculty provide input, M. Durant to summarize results).

8. Document graded Excel Spreadsheet assignments across the accounting curriculum. Assess the adequacy of the level of practice available to students in preparation for written communication demands of a career in accounting. (All faculty provide input, M. Durant to summarize results).

9. Further integrate opportunities for oral presentations within the accounting curriculum. (All faculty provide input, M. Durant to summarize results).
Appendix: Instruments and Rubrics

Learning outcome 1) Determine and apply appropriate accounting standard for a business event or circumstance.

AC 313-01 & 70

Capitalization Criteria
Describe the accounting criteria for capitalizing a lease by a lessee.

Rubric:
4 criteria each worth 3 points = 12 points

Lessee Accounting
The following facts pertain to a non-cancelable lease agreement between Jameson Leasing Company and Axel Company, a lessee.

- Inception date: May 1, 2010
- Annual lease payment due at the beginning of each year, beginning with May 1, 2010: $18,218.66
- Bargain purchase option price at end of lease term: $3,780
- Lease term: 5 years
- Economic life of Leased Equipment under Capital Leases: 10 years
- Lessor's cost: $60,700
- Fair value of asset at May 1, 2010: $75,700.00
- Lessor's implicit rate: 12%
- Lessee's incremental borrowing rate: 12%

The collectibility of the lease payments is reasonably predictable, and there are no important uncertainties surrounding the costs yet to be incurred by the lessor. The lessee assumes responsibility for all executory costs.

PV of annuity due = 4.03735
PV of $1 = 0.56743

a) How should the lease be accounted for by Axel Company? Why?
b) How should the lease be accounted for by Jameson Company? Why?
c) Prepare a lease amortization schedule for Axel Company for the 5 year term.
d) Prepare the journal entries on the lessee's books to reflect the signing of the lease agreement and to record the payments and expenses related to this lease for the years 2010 and 2011. Axel’s annual accounting period ends on December 31. Reversing entries are used by Axel Company.

Rubric:
- a) 1 point
- b) 1 point
- c) Lease liability calculation = 1 point/amortization schedule = 14 points
- d) Journal entries = 17 points
Appendix: Instruments and Rubrics

**Lessor Accounting**

On January 1, 2011, Greenspan Corporation, a machinery dealer, leased to Geitner Inc. a machine that cost $127,000 to manufacture. The lease agreement covers the 6-year useful life of the machinery and requires 6 equal annual payments of $39,200 payable each January 1, beginning January 1, 2011. An interest rate of 11% is implicit in the lease agreement. Collectibility of the rentals is reasonably assured, and there are no important uncertainties concerning costs. Prepare Greenspan’s January 1, 2011, journal entries. Present value factor is 4.69590 for an annuity due and the present value factor for an ordinary annuity is 4.23054.

**Rubric:**

3 entries @ 4 points each = 12 points

Scoring

> 50 – Above acceptable
36 – 49 – Acceptable
< 35 – Below acceptable

**AC 313-71**

Nelson Enterprises (lessee) leases a sports arena from the Hill Finance Corporation (lessor) on January 1, 2012 under the following terms:

1. The noncancelable lease agreement has a term of five years, requires five equal payments of $4,640 due at the beginning of each year starting January 1, 2012 and includes a guaranteed residual value of $1,050.
2. The lease agreement specifies that ownership of the arena will be turned over to Nelson Enterprises at the end of the lease term and contains no bargain purchase option.
3. The fair market value of the arena and, therefore, the implicit interest rate (internal rate of return) of 9% is known to the lessee whose incremental borrowing rate is 10%.
4. At the inception of the lease agreement, the arena has a fair market value of $20,356 and an estimated economic life of six years. The lessee depreciates similar assets using the straight-line method.

**Required:**

a. **Describe in complete sentences** why Nelson Enterprises must account for this agreement as a capital lease. Your answer must include references to all 4 lessee criteria along with relevant numerical support. Round to the nearest dollar for all calculations.

b. Prepare all lessee journal entries for 2012.

c. Assume the lessor accounts for this agreement as a **sales type lease** and that the arena cost the lessor $16,000. Prepare all lessor journal entries for 2012.

d. Present all lease related accounts found on the lessor's balance sheet at the end of 2013.

e. Assume the $1,050 residual value is unguaranteed. Prepare the initial journal entry for the lessee and lessor (i.e., a sales type lease) on January 1, 2012 (i.e., before receipt of first payment).
Appendix: Instruments and Rubrics

Optional Lease Amortization Table: Subsequent Present Values

<table>
<thead>
<tr>
<th>Date</th>
<th>Annual Cash Payment</th>
<th>Interest Expense/Interest Revenue</th>
<th>Change in PV of Asset/Liability</th>
<th>Balance of Lease Asset/Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/01/12</td>
<td></td>
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<tr>
<td>01/01/13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/31/13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Solution to AOL Lease Quiz

a. This transaction must be accounted for as a capital lease because at least one of the four criteria has been met (Points = 2, 1, 3, 3).
   1. The lease agreement specifies that title to the arena will be turned over to the lessee at the end of the lease term. Thus, this lease agreement transfers ownership of the property to the lessee at the termination of the lease (see #2).
   2. The agreement doesn’t contain a bargain purchase option (see #2).

Since Criterion 1 (an “in form” criterion) is met, the leased asset is depreciated over its economic life rather than amortized over the lease term.

3. The 5-year lease term equals or exceeds 75% of the arena’s 6-year economic life making it an “in substance” capital lease. That is, $5/6 = 83.3% > 75$

4. Below, the present value of future cash flows equals or exceeds 90% of the arena’s fair value. Thus, the $20,356 present value is 100% of the property’s fair value.

Timeline For Lessee:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$-4,640</td>
<td>1-5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-$1,050</td>
</tr>
<tr>
<td>0</td>
<td></td>
<td>IRR = 9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IBR = 10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Calculation of Initial Present Value:

Since the lessee knows both the property’s FV and the lessor’s IRR of 9%, it must record the lease asset and lease liability at the present value of its future cash flows using an interest rate of 9%. The calculation below is required:

\[
PVA_{5B} + PV_{5E} = [R_{4E} (PVAIF) + PV_0] + PV_{5E} = [$4,640 (3.24) + $4,640] + $1,050 (.65)\]

\[
= $4,640 (3.24 + 1.0) + $1,050 (.65) = $4,640 (4.24) + $1,050 (.65)
\]

\[
= 19,673.60 + 682.50 or $20,356.10
\]
Appendix: Instruments and Rubrics

Lessee Journal Entries: (Points = 3, 2, 4, 4)

1/01/12  Leased Asset (Present Value = Fair Value)  20,356
          Lease Liability                             20,356

          Lease Liability                             4,640
          Cash (Given)                                 4,640

12/31/12  Depreciation Expense  \[\frac{(20,356 - 1,050)}{6}\]  3,218
          Accumulated Depreciation                    3,218

          Interest Expense  \[\frac{(20,356 - 4,640) \times .10}{\text{Lease Liability}}\]  1,414

C. Lessor Journal Entries: (Points = 3, 2.5, 1.5, 3)

1/01/12  Lease Receivable (Arena FV)  20,356
          Sales Revenue (FV)                          20,356

          Cost of Goods Sold                         16,000
          Inventory                                  16,000

          Cash                                       4,640
          Lease Receivable                           4,640

12/31/12  Lease Receivable  1,414
          Interest Revenue  \[\frac{(20,356 - 4,640) \times .09}{\text{Lease Liability}}\]  1,414

D. Present Value at 1/1/2011                        $20,356
Less: Lease Receipt                                  4,640
Present Value After 1st Receipt (1/1/2011)         $15,716
Add: Interest Revenue (15,716 \times .09)          1,414 (rounded)
Present Value at 12/31/2011                         $17,130
Less: Lease Receipt (1/1/2012)                      4,640
Present Value After 2nd Receipt (1/1/2012)         $12,490
Add: Interest Revenue (12,490 \times .09)          1,124 (rounded)
Present Value at 12/31/2012                         $13,614

Presentation of Lessor’s Balance Sheet (12/31/2):

Assets:

Lease Receivable \[\frac{(20,356 - (2 \times 4,640) + (1,414 + 1,124))}{\text{Lease Liability}}\]  $13,614
Appendix: Instruments and Rubrics

Lease Amortization Table: Subsequent Present Values

<table>
<thead>
<tr>
<th>Date</th>
<th>Annual Cash Payment</th>
<th>Interest Expense/Interest Revenue</th>
<th>Change in PV of Asset/Liability</th>
<th>Balance of Lease Asset/Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/11</td>
<td></td>
<td></td>
<td></td>
<td>$20,356</td>
</tr>
<tr>
<td>01/01/11</td>
<td>$4,640</td>
<td></td>
<td>$(4,640)</td>
<td>15,716</td>
</tr>
<tr>
<td>12/31/11</td>
<td></td>
<td>1,414</td>
<td>1,414</td>
<td>17,130</td>
</tr>
<tr>
<td>01/01/12</td>
<td>$4,640</td>
<td></td>
<td>(4,640)</td>
<td>12,490</td>
</tr>
<tr>
<td>12/31/12</td>
<td></td>
<td>1,124</td>
<td>1,124</td>
<td>13,614</td>
</tr>
</tbody>
</table>

e. Lessee Journal Entry: 3 Points

1/01/1
Leased Asset ($4,640 x 4.24) 19,673.60
Lease Liability 19,673.60

Lessor Journal Entry: 7 Points

1/01/1
Lease Receivable (FV) 20,356.00
Cost of Goods Sold ($16,000 - $682.50) 15,317.50
Sales Revenue (FV)
($20,356 - $682.50 or $46,475 x 4.24) 19,673.50
Arena Inventory (Given) 16,000.00

Grading Rubric by Part (50 Total Points):

Part a. Essay on Lease Criteria: 9 points
Part b. 2012 Lessee Journal Entries (JE’s): 13 points
Part c. 2012 Lessor JE’s: 10 points
Part d. Lessor’s Balance Sheet Presentation: 8 points
Part e. Lessee/Lessor JE’s (unguaranteed residual value): 10 points
Appendix: Instruments and Rubrics

Learning outcome 2) Evaluate accounting systems for internal control strengths and weaknesses.

Instrument AC 340:

CASE 2: AIS AT WORK – CONSULTING WORK FOR CPAs (50pts)

Business and government entities have always been concerned about disaster recovery or continuity planning. However, the events of September 11, 2001, and Hurricane Katrina made everyone even more aware of the necessity of preparing for disaster. Auditors can help. Continuity planning is an internal control devised to ensure that operations, including IT functions, can continue in the event of a natural or man-made disaster, including terrorism and acts of nature. IT-especially Internet technologies-is vulnerable to man-made attacks, such as viruses and worms. An online retailer, for example, cannot afford to compromise system availability. The absence of a continuity plan is a reportable condition under Statement on Auditing Standards No. 60, Communication of Internal Control Related Matters Noted in an Audit.

A CPA can help a business to draw up a business continuity plan. As noted in a recent article in New Accountant, some Fortune 500 companies will pay $40,000 or more for such a disaster recovery planning engagement. These plans include sections on backup and recovery procedures for all IT, offsite locations for data storage, and information about hot (fully equipped for immediate use) or cold (leased facilities that do not include hardware and software) sites available for use should current physical facilities become inaccessible or damaged. The plans also include contact information for the management recovery team. Copies of the plan, of course, must be stored off-site themselves. Ideally, each member of the management recovery team has at least one copy at their home or in another easily accessible location off-site.

A disaster recovery plan is of no use if it is not tested regularly. Such testing is vital to learn where there may be weaknesses. As an example, during an early Internet worm crisis, many managers found that they were actually storing information regarding who to contact in a systems emergency on their own computers! Naturally, when the computers went down, so did this vital information. Full-blown testing of a disaster recovery plan is expensive and time consuming. Sometimes it is difficult for managers to understand the importance of it because they can’t see a direct link to enhancing their income. The auditor may need to make the case. Unfortunately, there are many, many examples available to use for this purpose.

<table>
<thead>
<tr>
<th>What are some of the potential issues discussed in this article? Identify at least 6 issues</th>
<th>Can they be eliminated? How? If not can the threat be reduced? How?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ASSESSMENT

- Above Acceptable (45-50pts) listed 6 or more potential control issues with explanations whether each countermeasure can be reduced or eliminate and how that can be accomplished.
- Acceptable (35-44pts) listed 4-5 potential control issues had individualized explanations whether each (or a majority of each) countermeasure can be reduced or eliminated and how that can be accomplished.
Appendix: Instruments and Rubrics

- Below Acceptable (<35pts) listed fewer than 4 control issues were listed and/or no more than three controls had individualized explanations whether each (or a majority of each) countermeasure can be reduced or eliminated and how that can be accomplished.

Instrument: AC 445 Auditing Alchemy Internal Control Assessment Case
Developed by PriceWaterhouseCoopers

Assessment rubric AC 445 – Project Assessment
Evaluate Accounting System for Strengths and Weaknesses
(applied separately to weaknesses and recommended solutions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above acceptable</td>
<td>Identified five or more major control weaknesses and five or more recommended solutions</td>
</tr>
<tr>
<td>Acceptable</td>
<td>Identified three or four major control weaknesses and three or four recommended solutions</td>
</tr>
<tr>
<td>Below Acceptable</td>
<td>Identified two or fewer control weaknesses and two or fewer recommended solutions</td>
</tr>
</tbody>
</table>
CRITICAL THINKING 2

CASH BUDGET

You are a staff accountant at Collegiate Seminars (CS) which is a nonprofit organization that sponsors a wide variety of management seminars throughout the Northeast. In addition, it is heavily involved in research into improved methods of teaching and motivating college administrators. The seminar activity is largely supported by fees, and the research program is supported by membership dues. Your boss has asked you to write a memo with the following:

a. A budget of the annual cash receipts and disbursements for 2010.
b. A cash budget for CS for each month of 2010.
c. Using the information developed in parts (a) - (b), identify two important operating problems of CS.

CS operates on a calendar-year basis and is finalizing the budget for 2010. The following information has been taken from approved plans, which are still tentative at this time:

SEMINAR PROGRAM

Revenue—The scheduled number of programs should produce $12,000,000 of revenue for the year. Each program is budgeted to produce the same amount of revenue. The revenue is collected during the month the program is offered. The programs are scheduled during the basic academic year and are not held during June, July, August, and December. Twelve percent of the revenue is generated in each of the first five months of the year and the remainder is distributed evenly during September, October, and November. Direct expenses—The seminar expenses are made up of three types:

• Instructors’ fees are paid at the rate of 70 percent of seminar revenue in the month following the seminar. The instructors are considered independent contractors and are not eligible for CS employee benefits.

• Facilities fees total $5,600,000 for the year. They are the same for each program and are paid in the month the program is given. (12% in each of the first five months etc)

• Annual promotional costs of $1,000,000 are spent equally in all months except June and July when there is no promotional effort.

RESEARCH PROGRAM

Research grants—The research program has a large number of projects nearing completion. The main research activity this year includes feasibility studies for new projects to be started in 2011. As a result, the total grant expense of $3,000,000 for 2010 is expected to be paid out at the rate of $500,000 per month during the first six months of the year.

SALARIES AND OTHER CS EXPENSES

The following costs were

• Office lease—annual amount of $240,000 paid monthly at the beginning of each month.

• General administrative expenses—$1,500,000 annually or $125,000 per month. These are paid in cash as incurred.

• Depreciation expense—$240,000 per year.

• General CS promotion—annual cost of $600,000, paid monthly.

• Salaries and benefits are as follows:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Total Annual Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 50,000</td>
</tr>
</tbody>
</table>
Appendix: Instruments and Rubrics

| 3 | 120,000 |
| 4 | 120,000 |
| 15 | 375,000 |
| 5 | 75,000 |
| 22 | 220,000 |
| 50 | $960,000 |

Employee benefits amount to $240,000 or 25 percent of annual salaries. Except for the pension contribution, the benefits are paid as salaries are paid. The annual pension payment of $24,000, based on 2.5 percent of total annual salaries, is due on April 15, 2010.

OTHER INFORMATION

Membership income—CS has 100,000 members who each pay an annual fee of $100. The fee for the calendar year is invoiced in late June. The collection schedule is as follows: July, 60 percent; August, 30 percent; September, 5 percent; and October, 5 percent. Capital expenditures—The capital expenditures program calls for a total of $510,000 in cash payments to be spread evenly over the first five months of 2010. Cash and temporary investments at January 1, 2010, are estimated at $750,000.

(CMA adapted)

Rubric Detail

<table>
<thead>
<tr>
<th>Levels of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
</tr>
<tr>
<td>ANNUAL REC/DISB</td>
</tr>
<tr>
<td>MONTHLY</td>
</tr>
<tr>
<td>2 OPERATING PROBLEMS</td>
</tr>
<tr>
<td>ORGANIZATION/GRAMMAR</td>
</tr>
</tbody>
</table>

Instrument: AC 313 Solving Complex Accounting Problems

Learning outcome 3: Solving complex accounting problems.

AC 313 – 01 & 70

On January 1, 2012, Cunningham Company has the following defined benefit pension plan balances.

Projected benefit obligation $4,503,000
Fair value of plan assets 4,217,500

The interest (settlement) rate applicable to the plan is 10%. Other data related to the pension plan are as follows.

<table>
<thead>
<tr>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service costs $168,000</td>
</tr>
<tr>
<td>Prior service costs amortization -0-</td>
</tr>
<tr>
<td>Contributions (funding) to the plan 245,000</td>
</tr>
<tr>
<td>Benefits paid 212,100</td>
</tr>
<tr>
<td>Actual return on plan assets 267,200</td>
</tr>
<tr>
<td>Expected rate of return on assets 6%</td>
</tr>
</tbody>
</table>

Instructions

(a) Compute the pension expense for the year 2012.
(b) Prepare a pension work sheet inserting January 1, 2012, balances and showing December 31, 2011, balances.
(c) Prepare the journal entry recording pension expense.
Appendix: Instruments and Rubrics

Rubric: (50 points - points are noted in the blue circle)

<table>
<thead>
<tr>
<th>Cunningham Co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Worksheet -2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items</th>
<th>General Journal Entries</th>
<th>Memo Record</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Pension Expense</td>
<td>Cash</td>
</tr>
<tr>
<td>Balance, January 1, 2012</td>
<td></td>
<td>(285,500)</td>
</tr>
<tr>
<td>Service cost</td>
<td>168,000</td>
<td>(168,000)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>450,300</td>
<td>(450,300)</td>
</tr>
<tr>
<td>Actual return</td>
<td>(267,200)</td>
<td>267,200</td>
</tr>
<tr>
<td>Unexpected Gain</td>
<td>14,150</td>
<td>(14,150)</td>
</tr>
<tr>
<td>Contributions</td>
<td>(245,000)</td>
<td>245,000</td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td>212,100</td>
</tr>
<tr>
<td>Journal Entry</td>
<td>365,250</td>
<td>(245,000)</td>
</tr>
<tr>
<td>Balance, Dec. 31, 2012</td>
<td>(14,150)</td>
<td>(391,600)</td>
</tr>
</tbody>
</table>

Settlement rate 10%

<table>
<thead>
<tr>
<th>Entry:</th>
<th>Pension Expense</th>
<th>365,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>245,000</td>
<td></td>
</tr>
<tr>
<td>Pension asset/liability</td>
<td>106,100</td>
<td></td>
</tr>
<tr>
<td>OCI gain/loss</td>
<td>14,150</td>
<td></td>
</tr>
</tbody>
</table>

Scoring:
- > 43 → Above acceptable
- 31 – 43 → Acceptable
- < 31 → Below acceptable

AC 313-71

January 1, 2012, Cunningham Company has the following defined benefit pension plan balances (all expressed in thousands):

- Projected Benefit Obligation (PBO) $4,500
- Fair Value of Plan Assets (PA) 4,220

The interest rate on the pension liability (also known as the settlement rate or discount rate) is 10%. Other information related to the pension plan and expressed in thousands is as follows:

<table>
<thead>
<tr>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Costs (SC)</td>
</tr>
<tr>
<td>Funding (Contributions to the Pension Plan)</td>
</tr>
<tr>
<td>Retiree Benefits Paid</td>
</tr>
<tr>
<td>Actual Return on Plan Assets</td>
</tr>
<tr>
<td>Expected Rate of Return on Assets</td>
</tr>
</tbody>
</table>
Appendix: Instruments and Rubrics

Required: Round your answers to the nearest thousand and provide complete numerical support for numbers not provided.

a. Fully complete the pension table provided on the next page with the information provided.

b. Show the balance sheet presentation of the funded status of the pension plan at both January 1, 2012 and December 31, 2012.

c. Provide documentation for a pension plan gain or loss if one applies.

d. Prepare the journal entry recording pension expense. Provide numerical support wherever necessary.

Grading Rubric by Part (50 Total Points):

Part a. Employment and Retirement Section: 24 points

- 6 points for correct calculation of 2012 Plan Assets (i.e., actual return is used)
- 4 points for correct calculation of 2012 Projected Benefit Obligation
- 4 points for correct calculation of 2012 Pension Expense
- 2 points for correct Expected Plan Asset Return
- 1 point for any item given in problem

Part b. Balance Sheet Presentation: 8 points

Part c. Gain or Loss on Plan Assets: 8 points (4 points for expected plan asset return of $253)

Part d. Journal Entry (either version was acceptable): 10 points
Appendix: Instruments and Rubrics

Solution to AOL Pension Quiz

a. Employment & Retirement Section:

<table>
<thead>
<tr>
<th>End of Year</th>
<th>Service Cost</th>
<th>Interest Cost</th>
<th>Expected Plan Asset Return</th>
<th>Amortization of Prior SC</th>
<th>Pension Expense</th>
<th>Projected Benefit Obligation</th>
<th>Funding</th>
<th>Retiree Benefits (Payments)</th>
<th>Plan Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$168</td>
<td>$450</td>
<td>$253*</td>
<td>N/A</td>
<td>$365</td>
<td>$4,906</td>
<td>$245</td>
<td>$212</td>
<td>4,520</td>
</tr>
<tr>
<td>2012</td>
<td>$168</td>
<td>$450</td>
<td>$253*</td>
<td>N/A</td>
<td>$365</td>
<td>$4,906</td>
<td>$245</td>
<td>$212</td>
<td>4,520</td>
</tr>
</tbody>
</table>

* Actual gain of $267 increases Plan Assets

b. Balance Sheet Presentation:

<table>
<thead>
<tr>
<th>Change in Pension Liability</th>
<th>January 1, 2012</th>
<th>December 31, 2012</th>
<th>Change in Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Benefit Obligation</td>
<td>$4,500</td>
<td>$4,906</td>
<td>$406</td>
</tr>
<tr>
<td>Fair Value of Plan Assets</td>
<td>4,220</td>
<td>4,520</td>
<td>300</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$280</td>
<td>$386</td>
<td>$106</td>
</tr>
</tbody>
</table>

Net Pension Liability

$c_1$ = $14$

c. Gain or Loss on Plan Assets:

Actual Return of $267 less Expected Return of 253 ($4,220 x .06) = Gain of $14

d. Pension Expense Journal Entry:

<table>
<thead>
<tr>
<th>Pension Expense</th>
<th>365</th>
<th>Pension Expense</th>
<th>365</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pension Liability</td>
<td>106</td>
<td>Plan Assets ($267 + $245 - $212)</td>
<td>300</td>
</tr>
<tr>
<td>Cash (Funding)</td>
<td>245</td>
<td>PBO ($168 + $450 - $212)</td>
<td>406</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Income from Gain on Pension Assets</td>
<td>14</td>
<td>Cash (Funding)</td>
<td>245</td>
</tr>
<tr>
<td>($267 - $253)</td>
<td></td>
<td>AOCI: from Gain on Plan Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>($267 - $253)</td>
<td>14</td>
</tr>
</tbody>
</table>
Appendix: Instruments and Rubrics

Learning outcome 4: Transform from a student to an accounting professional (i.e. professionalism and ethical conduct).

Instrument: AC 300 Professionalism Assessment

AC 300 Spring 2012 Fraud Cases: Group Project (10% of grade)

The Fraud Group Project will involve researching and presenting to the class fraud related to their assigned company. Remember, professionalism is a constant theme in this class. That being the case every group member is expected to do their fair share of the work involved. It is up to each group how the work shall be delegated however, everyone must participate in presenting the case to the class. Individuals, who do not participate fairly, will receive a zero for this project.

Each student will evaluate the group members. If you do not submit an evaluation, you will receive a 10 point deduction. The evaluation form will be discussed in a later class.

February 23rd – Groups created and companies assigned to each group.

March 6th – Each individual is required to submit an essay documenting the following information related to their company.

- Background of the company:
- Key players:
  - What position they held
  - What part they played
- What were the specific accounting issues
  - What was done, what should have been done
- Resolution:
  - Consequences (e.g., SEC actions, fines, violations)

Note: The essay should be well written and include an introduction, body (several paragraphs), and conclusion.

March 15th - Arrange to meet with group and start process of allocation of group responsibilities. The presentation should be 15 – 20 minutes (no less; no more). All group members should be actively involved and present some portion of the presentation. Presentations should include information from above plus any additional information noteworthy related to the fraud.

On the day of the presentation each Group is required to submit a hard copy of their presentation. During the presentation, you should dress professionally as if presenting to senior management of a company.

March 29th – Each Group submits a hard copy outline (in a Word document) of their presentation.

Presentations:

April 24th – Groups I, II, III, and IV
April 26th – Groups V, VI, and VII
May 1st – Submit Group member evaluations
Appendix: Instruments and Rubrics

Fraud Case assignments:
Group I: Enron
Group II: Waste Management
Group III: World Com
Group IV: Satyam Computer Services
Group V: Qwest Communications
Group VI: Tyco International

Fraud Case Rubric – 100 points

Learning Outcome – Transform to a member of the accounting profession (knowledge and ethics)

<table>
<thead>
<tr>
<th>Instrument</th>
<th>9-10</th>
<th>4 - 8</th>
<th>0-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud Essay (30 points)</td>
<td>- Uses a logical structure</td>
<td>- May have random organization, lacking</td>
<td>No appreciable organization; lacks</td>
</tr>
<tr>
<td></td>
<td>- Sophisticated transitional sentences</td>
<td>internal paragraph coherence</td>
<td>transitions and coherence</td>
</tr>
<tr>
<td></td>
<td>- Guides the reader through the</td>
<td>- Uses few or inappropriate transitions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>progression of ideas</td>
<td>- Paragraphs may or may not have topic</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>sentences or main ideas or may to too</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>general or too specific.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>3 - 4</td>
<td>0 - 2</td>
</tr>
<tr>
<td>Oral Presentation (30 points)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud Outline (10 points)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud Powerpoint (10 points)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork (20 points)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Spelling and punctuation
- Perfect or near perfect spelling and punctuation
- Minor spelling and punctuation errors
- Spelling and punctuation errors.
## Appendix: Instruments and Rubrics

<table>
<thead>
<tr>
<th>Essay answered the information correctly:</th>
<th>13 - 15</th>
<th>9 - 12</th>
<th>0 – 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Introduction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Background on the company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Key players</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Accounting issue identified</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- How should the accounting issue have been treated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Resolution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Closing/Summary paragraph</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fraud Outline – 10 points

<table>
<thead>
<tr>
<th>Outline format</th>
<th>9 - 10</th>
<th>5 - 8</th>
<th>0 - 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Provides a logical, general description of the presentation</td>
<td></td>
<td></td>
<td>- Does not provide a logical, general description of the presentation.</td>
</tr>
<tr>
<td>- Includes purpose</td>
<td>- Includes purpose</td>
<td>- Lacks purpose and main ideas.</td>
<td></td>
</tr>
<tr>
<td>- Main ideas</td>
<td>- Main ideas</td>
<td>- Not sufficiently detailed</td>
<td></td>
</tr>
<tr>
<td>- Sufficiently detailed</td>
<td>- Sufficiently detailed</td>
<td>- Does not possess the principles of parallelism, coordination, subordination, and division.</td>
<td></td>
</tr>
<tr>
<td>- Uses the principles of parallelism, coordination, subordination, and division.</td>
<td>- Uses some of the principles of parallelism, coordination, subordination, and division.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perfect or near perfect spelling and punctuation</td>
<td>- Minor spelling and punctuation errors</td>
<td>- Spelling and punctuation errors.</td>
<td></td>
</tr>
</tbody>
</table>
**Appendix: Instruments and Rubrics**

**Fraud Powerpoint – 10 points**

<table>
<thead>
<tr>
<th></th>
<th>9 - 10</th>
<th>5 - 8</th>
<th>0 - 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerpoint slides</td>
<td>- Professional looking</td>
<td>- Professional looking</td>
<td>- Spelling and punctuation errors</td>
</tr>
<tr>
<td></td>
<td>- Clearly communicates information</td>
<td>- Clearly communicates information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Font large enough to be read in the back of</td>
<td>- Font large enough to be read in the back of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the room</td>
<td>the room</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Uses key words and phrases</td>
<td>- Uses key words and phrases</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Perfect or near perfect spelling and</td>
<td>- Minor spelling and punctuation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>punctuation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Oral Presentation – 30 points**

<table>
<thead>
<tr>
<th></th>
<th>27 - 30</th>
<th>21 - 26</th>
<th>0 - 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual presentation</td>
<td>Appearance and dress is professional and</td>
<td>Some aspects of appearance and dress are</td>
<td>Not prepared</td>
</tr>
<tr>
<td></td>
<td>conservative</td>
<td>not professional and conservative.</td>
<td>Not professionally dressed</td>
</tr>
<tr>
<td></td>
<td>Exhibits poise and confidence during the</td>
<td>Lacks some aspects of poise and</td>
<td>Lacks confidence</td>
</tr>
<tr>
<td></td>
<td>presentation</td>
<td>confidence during the presentation.</td>
<td>No eye contact</td>
</tr>
<tr>
<td></td>
<td>Demonstrates eye contact with the audience</td>
<td>Does not always demonstrate</td>
<td>Reads presentation</td>
</tr>
<tr>
<td></td>
<td>Does not read presentation</td>
<td>contact with the audience.</td>
<td>Voice too soft</td>
</tr>
<tr>
<td></td>
<td>Stands still with good posture</td>
<td>May read some of the presentation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Speaks loudly and pace is not rapid</td>
<td>May not always stand still with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is well prepared</td>
<td>good posture.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Voice may be soft or speaks too fast.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Is prepared.</td>
<td></td>
</tr>
</tbody>
</table>
### Appendix: Instruments and Rubrics

**Teamwork – 20 points (based on feedback from team members; they will assess each other)**

<table>
<thead>
<tr>
<th>18 - 20</th>
<th>14 - 17</th>
<th>10 - 14</th>
<th>0 - 10</th>
</tr>
</thead>
</table>
| • Well prepared in advance  
• Takes a large part in setting group goals and agendas  
• Actively participates in discussion and asks questions  
• Listens actively and shows understanding by paraphrasing or by acknowledging and building on others’ ideas  
• Draws out ideas or concerns of others, especially those who have said little  
• Re-visits issues or ideas that need more attention  
• Helps the group stay on track  
• Summarizes group decisions and action assignments  
• Volunteers willingly and carries own share of the group’s responsibilities | • Well prepared in advance  
• Takes a large part in setting group goals and agendas  
• Actively participates in discussion and asks questions  
• Listens actively and shows understanding by paraphrasing or by acknowledging and building on others’ ideas  
• Volunteers willingly and carries own share of the group’s responsibilities | • Moderately prepared in advance  
• Takes some part in setting group goals and agendas  
• Participates in discussions, letting others provide the direction  
• Occasionally introduces information or asks questions  
• If likely to be absent or late, informs others ahead of time and arranges to cover own responsibilities | • Little or no advance preparation  
• Lets others set and pursue the agenda  
• Observes passively and says little or nothing  
• Responds to questions  
• Gives the impression of wanting to be somewhere else  
• Attendance record is haphazard and inconsistent; may be absent or late without notice |

**Scoring:**

- 90-100 – Above acceptable
- 70-89 – Acceptable
- less than 70 – Below acceptable
Section One – Goal, Learning Outcome and Numeric Results

Goal: Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

Learning Outcome: (LO 1) Determine and apply appropriate accounting standard for the circumstance

Totals – Sections Measured: 3; Students Measured: 64; Where Measured: AC313

Section Two (A)- Current Findings

Current Semester: Numeric Results

<table>
<thead>
<tr>
<th></th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>6 (9%)</td>
<td>39 (61%)</td>
<td>19 (30%)</td>
</tr>
</tbody>
</table>

Current Semester: Description Results

In the spring 2013 semester 91% of the students performed at an acceptable or above acceptable level, well above the 80% target. This was a significant improvement compared to 77% for the fall 2012 semester.

Sections Two (B) - 5 Year Trended Findings

Trend: Numeric Results

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2010</td>
<td>AC313</td>
<td>60</td>
<td>2</td>
<td>6.67%</td>
<td>18.33%</td>
<td>75.00%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC313</td>
<td>88</td>
<td>3</td>
<td>6.82%</td>
<td>18.18%</td>
<td>75.00%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC313</td>
<td>71</td>
<td>3</td>
<td>23.94%</td>
<td>36.62%</td>
<td>39.44%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC313</td>
<td>87</td>
<td>3</td>
<td>14.94%</td>
<td>36.78%</td>
<td>48.28%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC313</td>
<td>66</td>
<td>3</td>
<td>22.73%</td>
<td>53.03%</td>
<td>24.24%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC313</td>
<td>64</td>
<td>3</td>
<td>9.38%</td>
<td>60.94%</td>
<td>29.69%</td>
</tr>
</tbody>
</table>

Description of Trend

It is difficult to analyze the trend in performance. Much of the variation can be attributed to differences in assessment instruments and administration. This is the first semester since spring 2011 that the same assessment tool was used for all three sections. In spring 2010 and fall 2011, students were assessed using a take home problem. In the 2011-12 academic year, a take home problem was used in some sections and embedded exam questions. In fall 2012 embedded exam questions were used in two sections and a dedicated in-class quiz was used in another section. In spring 2013 all three sections used embedded exam questions. In general, student performance on embedded exam questions was below that on the take-home assignment so spring 2013 results were a significant improvement compared to the fall 2011, spring 2012, and fall 2012 semesters.

Section Three - Analysis of Results

Student performance increased significantly from 77% in the fall 2012 semester to 91% in the spring 2013 semester. This is the first time since the spring 2011 semester that the same assessment tool was used in all three sections. In the past three semesters, two of the three sections evaluated students using the same instrument in the fall 2012 semester and in previous two semesters the same instrument but the second lease problem required two years of entries plus reversing entries. Based on lack of time to complete the exam, the second problem was modified to require only one year of entries. The table below shows the results based on two sections in the previous three semesters.
Significant improvement was shown in fall 2012. This can be attributed to modification of the second problem. In the spring 2013 the results again jumped from 80% to 91%. Possible reasons for the change in student performance may be that an additional class period was dedicated to leases. Another possible explanation is that the students put forth more effort in their preparation for the exam. The instructor of two of the three sections administered the instrument during the third exam (three exams plus a cumulative final). The class averages on the problem section on the exams were 61% for the first exam, 72% for the second, and 80% for the third exam.

**Section Four (A) - Use of Results**

The current semester results were noteworthy. Areas where some students struggled were in the inclusion of the bargain-purchase option in the minimum lease payments and identifying the third problem as a sales-type lease. A large percentage of the students were able to correctly identify the capital lease criteria and prepare an amortization schedule. The instructors should continue to focus on how to account for the guaranteed and non-guaranteed residual values and bargain-purchase options. It is also recommended that the lease problems be changed as students may be sharing with other students that the second problem contains a bargain-purchase option and the third problem is a sales-type lease.

**Section Four (B) - Changes to Assessment**

We are satisfied with the embedded test assignments currently being used. We plan no changes to the assessment method.

**Section Five – General Education**

*Not applicable to school of business courses*

**Section Five – Assessment Plan**

We plan to apply the current assessment consistently across all sections and use the results to identify curricular changes needed to address any student deficiencies.

**Appendix**

Student ability to determine and apply the appropriate accounting standard(s) for a business event or a given set of circumstances was assessed using three problems in an exam. The problems and scoring rubrics are presented below. Overall scores less than 30 below acceptable, scores between 30 and 44 acceptable, and scores 45 or better above acceptable.

### AC 313-01 & 70

**Lessee Accounting**

The following facts pertain to a non-cancelable lease agreement between Jameson Leasing Company and Axel Company, a lessee.

<table>
<thead>
<tr>
<th>Inception date:</th>
<th>May 1, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual lease payment due at the beginning of each year, beginning with May 1, 2012</td>
<td>$18,218.66</td>
</tr>
<tr>
<td>Bargain purchase option price at end of lease term</td>
<td>$3,780</td>
</tr>
<tr>
<td>Lease term</td>
<td>5 years</td>
</tr>
<tr>
<td>Economic life of Leased Equipment under Capital Leases</td>
<td>12 years</td>
</tr>
<tr>
<td>Lessor's cost</td>
<td>$60,700</td>
</tr>
<tr>
<td>Fair value of asset at May 1, 2012</td>
<td>$75,700.00</td>
</tr>
<tr>
<td>Lessor's implicit rate</td>
<td>12%</td>
</tr>
<tr>
<td>Lessee's incremental borrowing rate</td>
<td>12%</td>
</tr>
</tbody>
</table>

The collectibility of the lease payments is reasonably predictable, and there are no important uncertainties surrounding the costs yet to be incurred by the lessor. The lessee assumes responsibility for all executory costs.

\[
\text{PV of annuity due} = 4.03735 \\
\text{PV of } S_1 = 0.56743
\]
d) Prepare the journal entries on the lessee's books to reflect the signing of the lease agreement and to record the payments and expenses related to this lease for the year 2012.

**Rubric:**

a) 1 point  
b) 1 point  
c) Lease liability calculation = 1 point/amortization schedule = 14 points  
d) Journal entries = 17 points

**Capitalization Criteria**

Describe the accounting criteria for capitalizing a lease by a lessee.

**Rubric:**

4 criteria each worth 3 points = 12 points

**Lessor Accounting**

On January 1, 2012, Greenspan Corporation, a machinery dealer, leased to Geitner Inc. a machine that cost $127,000 to manufacture. The lease agreement covers the 6-year useful life of the machinery and requires 6 equal annual payments of $39,200 payable each January 1, beginning January 1, 2012. An interest rate of 11% is implicit in the lease agreement. Collectibility of the rentals is reasonably assured, and there are no important uncertainties concerning costs. Prepare Greenspan’s January 1, 2012, journal entries. Present value factor is 4.69590 for an annuity due and the present value factor for an ordinary annuity is 4.23054.

**Rubric:**

3 entries @ 4 points each = 12 points

**Other Comments**
Section One – Goal, Learning Outcome and Numeric Results

Goal: Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

Learning Outcome: (LO 2A) Evaluate accounting system for strengths and weaknesses

Totals -- Sections Measured: 3; Students Measured: 75; Where Measured: AC340

Section Two (A) - Current Findings

Current Semester: Numeric Results

<table>
<thead>
<tr>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>0 (0%)</td>
<td>12 (16%)</td>
</tr>
</tbody>
</table>

Current Semester: Description Results

The target of 80% or more of students was met with no students submitting below acceptable work. In fact, over 80% of students performed at an above acceptable level.

Sections Two (B) - 5 Year Trended Findings

Trend: Numeric Results

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2009</td>
<td>AC340</td>
<td>60</td>
<td>3</td>
<td>6.67%</td>
<td>50.00%</td>
<td>43.33%</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>AC340</td>
<td>87</td>
<td>3</td>
<td>26.44%</td>
<td>44.83%</td>
<td>28.74%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC340</td>
<td>71</td>
<td>3</td>
<td>19.72%</td>
<td>54.93%</td>
<td>25.35%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC340</td>
<td>77</td>
<td>3</td>
<td>6.49%</td>
<td>29.87%</td>
<td>63.64%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC340</td>
<td>68</td>
<td>3</td>
<td>44.12%</td>
<td>33.82%</td>
<td>22.06%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC340</td>
<td>71</td>
<td>3</td>
<td>26.76%</td>
<td>43.66%</td>
<td>29.58%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC340</td>
<td>75</td>
<td>3</td>
<td>0.00%</td>
<td>84.00%</td>
<td>16.00%</td>
</tr>
</tbody>
</table>

Description of Trend

After a trend of improved performance in spring and fall 2011, spring 2012 performance dropped dramatically when the assessment case focused on computer controls and segregation of duties in a computerized environment rather than on a manual system. A new instructor took over the course for the 2012-13 academic year. She was provided with inadequate information on the goals of assessment and selected an assessment problem substantially different from those previously used – making it difficult to compare performance. For spring 2013, however, she reverted to the assignment that had been used in spring 2012. The improved student performance from spring 2012 to spring 2013 is remarkable.
1. Much greater emphasis on control in computerized systems in the course.

2. Students had 2 prior assignments prior to submission of this assignment. In the prior semester (Fall 2012) the students did not have consistency in assignments as each assignment either specified the exact number wanted or relied on personal experiences.

3. Using a specific response format for each of these assignments showed them exactly what was wanted. This helped to almost eliminate the problem last semester of students being too general/vague regarding either weaknesses or control activities. It also almost entirely eliminated the problem of students grouping their control activities to “fix” multiple, and many times unrelated, weaknesses.

**Section Four (A) - Use of Results**

To continue this trend into future classes the following steps are recommended:

1. Continuing to use multiple case scenarios to reinforce and practice the skills of looking for weaknesses.

2. Using a consistent answer format so that for each case students are listing both problems and solutions for each assignment (one assignment this past semester just asked for a listing of weaknesses).

3. Allowing more discussion time for weaknesses and controls specific to each of the primary activities of an accounting information system (Input, processing, output, and storage).

4. Allowing more discussion time for implementation methods and reasons for the 6 basic control activities (isolation, redundancy, comparison, assistance, oversight and accountability).

**Section Four (B) - Changes to Assessment**

Accounting Information Systems (AC 340) leads into Auditing (AC 445) and this learning objective is assessed in both courses. The faculty teaching both courses should get together and review the assessment instruments and assessment rubrics used in each course to ensure they are properly calibrated to the demands of the profession.

**Section Five – General Education**

Not applicable to school of business courses

**Section Five – Assessment Plan**

The assessment of this learning outcome in AC 340 should identify student weaknesses that can be addressed by curricular change in AC 340 and in AC 445. It should also provide a baseline assessment of students’ ability to analyze an accounting system for control strengths and weaknesses as students enter the Auditing class.

**Appendix**

Student performance on the controls mini-case given to students as a take home homework assignment was assessed using the following rubric:

<table>
<thead>
<tr>
<th>Rubric AC 340</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluating Accounting System for Strengths and Weaknesses</td>
</tr>
<tr>
<td>Above acceptable: Identified four or more major control weaknesses and countermeasures</td>
</tr>
<tr>
<td>Acceptable: Identified three major control weaknesses and countermeasures</td>
</tr>
</tbody>
</table>
Instrument AC 340: Evaluating Accounting System for Strengths and Weaknesses

For the following case, identify control weaknesses that would allow an employee to carry out the acts described. Then, for each weakness identified, give control activities that would prevent and/or correct the problems. Put a heading “control weakness” and number your answers. Then, put a heading “control activities” and number your answers.

On April 15, John Cannan, an applications developer employed by Harding Co., was given 2 weeks’ notice following some trouble in the information services department. During those 2 weeks, Cannan managed to modify the payroll programs so that after entry of a processing date after May 1, no deductions would be made from employee paychecks. He also modified the billing programs to destroy the format of all invoices printed by the computer. He deleted master file records of a number of the organization’s largest customers and deleted the files storing the documentation as well. He then proceeded to download several expensive software packages.

Not satisfied with his “work,” Cannan went back to the company one night early in May and damaged several pieces of computer hardware and stole two portable computers. A police investigation, conducted some time later, revealed that Cannan had two previous convictions for employment-related crimes.

Other Comments
Section One – Goal, Learning Outcome and Numeric Results
Goal: Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.
Learning Outcome: (LO 2B) Evaluate accounting system for strengths and weaknesses

Totals -- Sections Measured: 3; Students Measured: 68; Where Measured: AC445

Section Two (A)- Current Findings
Current Semester: Numeric Results

<table>
<thead>
<tr>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>6 (9%)</td>
<td>17 (25%)</td>
</tr>
</tbody>
</table>

Current Semester: Description Results
Overall the performance was above goal with 91% of students performing at an acceptable level or better. The results were better than Fall 2012 but were more moving towards Spring 2012 figures. This could be due to the health of the delivery instructor, which was declining during the Fall 2012 but was back for delivery in the Spring 2013, no significant developments were noted in the night class.

Sections Two (B) - 5 Year Trended Findings
Trend: Numeric Results

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2009</td>
<td>AC445</td>
<td>27</td>
<td>1</td>
<td>33.33%</td>
<td>44.44%</td>
<td>22.22%</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>AC445</td>
<td>56</td>
<td>2</td>
<td>12.50%</td>
<td>7.14%</td>
<td>80.36%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC445</td>
<td>55</td>
<td>2</td>
<td>0.00%</td>
<td>5.45%</td>
<td>94.55%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC445</td>
<td>60</td>
<td>2</td>
<td>0.00%</td>
<td>1.67%</td>
<td>98.33%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC445</td>
<td>76</td>
<td>3</td>
<td>2.63%</td>
<td>19.74%</td>
<td>77.63%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC445</td>
<td>73</td>
<td>3</td>
<td>12.33%</td>
<td>34.25%</td>
<td>53.42%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC445</td>
<td>68</td>
<td>3</td>
<td>8.82%</td>
<td>25.00%</td>
<td>66.18%</td>
</tr>
</tbody>
</table>

Description of Trend
Only the sections of the class taught by a full time faculty member were included in the assessment until spring 2012. There was a drop off in student performance at all levels in fall 2012 that was partially reversed in spring 2013. Student performance has exceeded the goal of 80% or more having performance at acceptable level or above since spring 2010.

Section Three - Analysis of Results
It is noted that most of the students who scored below acceptable during Spring 2013 did not fully understand the instructors which included identifying internal control deficiencies and recommending improvements, as they only identified internal control weaknesses. Any prior period patterns identified in the students that did not perform at an acceptable level were not addressed with the new instructor.

One of the action items noted in the Fall 2012 was to review the preparation of the Auditing Alchemy Case. The Fall 2012 instructor presented the materials in the Spring 2013 with the new instructor observing for future continuity of the delivery approach. This should ensure the future presentation of the materials should remain consistent with prior periods.

Section Four (A) - Use of Results

In spring 2013, we made a transition to a new instructor for the course. We need to ensure that classroom techniques that have proven effective in the class in the past are maintained. Evidence from spring 2013 suggests we have maintained best practices.

Section Four (B) - Changes to Assessment

It appears as though the ability of this project to work as an assessment to drive continuous improvement may have peaked in the Fall 2011. This combined with the spring 2013 results from AC 340 suggest that a thorough review of assessment of this learning goal should be conducted in the 2013-14 academic year.

Section Five – General Education

Not applicable to school of business courses

Section Five – Assessment Plan

Accounting Information Systems (AC 340) leads into Auditing (AC 445) and this learning objective is assessed in both courses. The faculty teaching both courses should get together and review the assessment instruments and assessment rubrics used in each course to ensure they are properly calibrated to the demands of the profession.

Appendix

In AC 445, Principles of Auditing, students were asessed using an individual project. The students used materials prepared by PriceWaterhouseCoopers, “Auditing Alchemy Company” to learn about the company’s operations and, the internal control system through a series of walk-throughs and interviews with company personnel to help assess the internal control system. The presentation started with the CAViaR (Completeness, Accuracy, Validity and Restricted Access) internal control framework. The assessment was delivered to the day students by the prior instructor so there was no change in the delivery of the assignment. The delivery for the night class remained consistent between Fall 2012 and spring 2013 as there was no change in instructor. Students were already familiar with internal controls through prior classes and material presented in this class. This assignment took the materials to a ‘real world’ scenario where students needed to sort through all data given to assess only the relevant information. They were then asked to develop suggested improvements based on their own knowledge of strong internal controls. For assessment, the student responses were evaluated using the rubric below.

Instrument: AC 445 Auditing Alchemy Internal Control Assessment Case
Evaluate Accounting System for Strengths and Weaknesses
(applied separately to weaknesses and recommended solutions)

Above acceptable: Identified five or more major control weaknesses and five or more recommended solutions

Acceptable: Identified three or four major control weaknesses and three or four recommended solutions.

Below Acceptable: Identified two or fewer control weaknesses and two or fewer recommended solutions.

AC 445 AUDITING – APPENDIX – ASSESSMENT ASSIGNMENT

PwC INTERNAL CONTROL PROJECT – AUDITING ALCHEMY, INC.

PROJECT REQUIREMENTS

Background: Auditing Alchemy, Inc., is a new client of the firm. The first step in the Audit Program is to assess the internal control system in place at the company. Then we must assess how well management understands the system and how well they believe it operates.

Materials Provided:
1. Documents:
   a. #11 Management Drawing
   b. #9 Alchemy Company Background
   c. #08 Walk through document
   d. #14 Audit Committee Policy
   e. #12 Management Control Matrix
   f. #18 Internal Audit Report
   g. #19 Appendix A
   h. #20 File Memorandum
2. Videos
   a. #6 Discussion of CAVR
   b. #16 Machine Simulation
   c. #17 Machine Operator Interview
   d. #23 Shipping Clerk Interview
   e. #24 Receiving Clerk Interview
   f. #21 Internal Auditor Interview
   g. #22 CEO Interview
   *Please watch interviews in order specified.

Directions:
1. Read background information as instructed.
2. Print out the Management Drawing
3. Print out the Walk Through Document
4. Print out the Management Control Matrix
5. Use the above materials to get acquainted with the company's operating processes (the numbering scheme on the Management Drawing should correspond with the other two internal control documents above.
6. While watching the videos identify areas where you believe internal control is weak and write down any potential recommendations you have for improvement.
7. Arrange your findings in groups of similar weaknesses.
   a. Five groups is the ideal number
   b. The topic (title) of each group is up to you
   c. Arrange weaknesses by topic and then prioritize weaknesses
8. Prepare an outline of your findings
9. Prepare six (and only six (6)) power point slides which you would present to the Audit Committee of the Board of Directors discussing the weaknesses.
**Section One – Goal, Learning Outcome and Numeric Results**

**Goal:** Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

Learning Outcome: (LO 3A) Solve complex accounting problems

Totals -- Sections Measured: 3; Students Measured: 64; Where Measured: AC301

<table>
<thead>
<tr>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>14 (22%)</td>
<td>37 (58%)</td>
</tr>
</tbody>
</table>

**Current Semester: Description Results**

The proportion of students with below acceptable performance in spring 2013 was nearly double that in fall 2012. In addition the proportion of students performing above acceptable dropped from a high of 61% in fall 2012 (more than double any previous semester) to 20%.

**Sections Two (B) - 5 Year Trended Findings**

**Trend: Numeric Results**

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2009</td>
<td>AC301</td>
<td>82</td>
<td>3</td>
<td>43.90%</td>
<td>46.34%</td>
<td>9.76%</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>AC301</td>
<td>93</td>
<td>3</td>
<td>24.73%</td>
<td>45.16%</td>
<td>30.11%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC301</td>
<td>36</td>
<td>2</td>
<td>33.33%</td>
<td>36.11%</td>
<td>30.56%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC301</td>
<td>66</td>
<td>4</td>
<td>10.61%</td>
<td>65.15%</td>
<td>24.24%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC301</td>
<td>76</td>
<td>3</td>
<td>13.16%</td>
<td>57.89%</td>
<td>28.95%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC301</td>
<td>70</td>
<td>3</td>
<td>11.43%</td>
<td>27.14%</td>
<td>61.43%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC301</td>
<td>64</td>
<td>3</td>
<td>21.88%</td>
<td>57.81%</td>
<td>20.31%</td>
</tr>
</tbody>
</table>

**Description of Trend**

The spring 2013 performance was a dismal departure from the previous three semesters when the proportion of students with below acceptable performance was relatively steady in the 10%-14% range, while the proportion of students with above acceptable performance was rising. The rise in above acceptable performance was from spring 2012 to fall 2012 was dramatic, and the drop from fall 2012 to spring 2013 was even more dramatic. Overall performance in spring 2013 fell short of the goal of at least 80% of students performing at acceptable level or better. The proportion of students with above acceptable performance in spring 2013 was the lowest since mini-case assessments were adopted in spring 2010.

**Section Three - Analysis of Results**

Each semester, the mini-case used for assessment differs both in specific information and in accounting concepts covered. The spring 2013 case focused on the accounting treatment for joint costs when reporting income and on analyzing alternatives for further processing in the presence of joint costs. Some of the variability in student performance may be due to students finding a
particular topic or case more or less difficult. However the dramatic difference from fall 2012 to spring 2013 cannot be attributed to differences in difficulty of the assessment mini-case.

Additional instructional materials were developed to explain the nature of critical thinking and these assignments. A first assignment was given with feedback about how to improve and examples of excellent student work were provided. However, this semester many students did not respond and did not discuss their analysis or support their recommendations. The question that remains is how to motivate students to put forth the required effort as the courses get more difficult so that they will be ready for the work force.

Section Four (A) - Use of Results

Fall 2013 performance will be monitored closely to see if the spring 2013 results were an anomaly or part of a disturbing trend. We will consult with instructors in other classes for ideas on how to motivate students to complete assignments. We will explore the possibility of getting outside speakers from industry to make students aware of the importance of the material and of industry expectations for entry-level accountants.

Section Four (B) - Changes to Assessment

We will consider re-using mini-cases assigned in prior semesters (not necessarily as the mini-case used in assessment) with some modification of given information to enable clearer comparisons of student performance. However, there have to be sufficient time lapse between uses and sufficient differences in information so that students will not be able to find and copy responses from prior semesters.

Section Five – General Education

Not applicable to school of business courses

Section Five – Assessment Plan

We will use the assessment results in AC 301 (a course typically taken early in the junior year) to identify student deficiencies we need to address in our program. We will use the assessment of the same learning outcome in AC 313 (a course typically taken late in the senior year) to determine how successfully we have addressed student deficiencies.

Appendix

Learning outcome 3 – Solving complex accounting problems – is designed to assess students’ technical knowledge of accounting and problem solving ability. In AC 301 the assessment is conducted using a different mini-case each semester. The following rubric was applied to evaluate the mini-case used in the assessment. A grade of 18 – 20 points was above acceptable, 14 – 17 points was acceptable, and grades 13 or below were unacceptable (rounding to the nearest whole point).

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Levels of Achievement</th>
<th>Proficient</th>
<th>not attempted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Novice</td>
<td>Competent</td>
<td></td>
</tr>
<tr>
<td>organization</td>
<td>1.8 Points</td>
<td>2.4 Points</td>
<td>3 Points</td>
</tr>
<tr>
<td>grammar</td>
<td>1.8 Points</td>
<td>2.4 Points</td>
<td>3 Points</td>
</tr>
<tr>
<td>final sales value</td>
<td>1.8 Points</td>
<td>2.4 Points</td>
<td>3 Points</td>
</tr>
<tr>
<td>pounds</td>
<td>2.4 Points</td>
<td>3.2 Points</td>
<td>4 Points</td>
</tr>
<tr>
<td>constant gross margin</td>
<td>2.4 Points</td>
<td>3.2 Points</td>
<td>4 Points</td>
</tr>
<tr>
<td>further process X</td>
<td>0.6 Points</td>
<td>0.8 Points</td>
<td>1 Points</td>
</tr>
<tr>
<td>further process y</td>
<td>0.6 Points</td>
<td>0.8 Points</td>
<td>1 Points</td>
</tr>
<tr>
<td>profitability</td>
<td>0.6 Points</td>
<td>0.8 Points</td>
<td>1 Points</td>
</tr>
</tbody>
</table>
To: Consultant
From John Smith, President
Subject: Profitability and Operations

Tolland Meat Packers is a new company. We raise organic beef and slaughter cows to create three main products – X (steak), Y (stew), and Z (ground beef) and a byproduct B (spare parts).

Below are the operating statistics (see table below) for our joint meat cutting process during March 2012, its first month of operations. The costs of the joint process were direct material, $20,000; direct labor, $11,700; and overhead, $5,000. Products X, Y, and Z are main products; B is a by-product.

The company’s policy is to recognize the net realizable value of any by-product inventory at split-off and reduce the total joint cost by that amount. Neither the main products nor the by-product require any additional processing, although management may consider additional processing.

<table>
<thead>
<tr>
<th>Products</th>
<th>Weight In</th>
<th>Sales Value at Split-Off</th>
<th>Units Produced</th>
<th>Units Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>4,300</td>
<td>$66,000</td>
<td>3,220</td>
<td>2,720</td>
</tr>
<tr>
<td>Y</td>
<td>6,700</td>
<td>43,000</td>
<td>8,370</td>
<td>7,070</td>
</tr>
<tr>
<td>Z</td>
<td>5,400</td>
<td>11,200</td>
<td>4,320</td>
<td>3,800</td>
</tr>
<tr>
<td>B</td>
<td>2,300</td>
<td>2,300</td>
<td>4,600</td>
<td>4,000</td>
</tr>
</tbody>
</table>

I would like to know how profitable the company is in total if the selling and administrative costs are $50,000. I am considering 3 methods of allocating the joint costs to products (1) final sales value; (2) pounds; and constant gross margin method. Can you calculate the joint cost distribution, gross profit and inventory value under each method and discuss the advantages and disadvantages of each method for financial reporting purposes. Please make a recommendation as to which method to use and why.

I am also considering the following:

A. Further processing X the steak products into XX beef wellington. It could be sold for $30 per unit but the additional processing would be $34,000. Would you recommend this and explain why.
B. Further processing Z ground beef into ZZmousaka. It could be sold for $7 per unit but additional processing would be $3,500. Would you recommend this and explain why.
C. Please calculate the profitability of the company under each option.

Other Comments
Section One – Goal, Learning Outcome and Numeric Results

Goal: Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

Learning Outcome: (LO 3B) Solve complex accounting problems

Totals -- Sections Measured: 3; Students Measured: 64; Where Measured: AC313

Section Two (A)- Current Findings

Current Semester: Numeric Results

<table>
<thead>
<tr>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>8 (13%)</td>
<td>38 (59%)</td>
</tr>
</tbody>
</table>

Current Semester: Description Results

In the spring 2013 semester 87% of the students performed at an acceptable or above acceptable level, exceeding the 80% target, however slightly below the fall 2012 and spring 2012 semesters (89% and 88%). The percentage of students above acceptable jumped from 16% in the fall 2012 semester to 28% in spring 2013 semester.

Sections Two (B) - 5 Year Trended Findings

Trend: Numeric Results

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2009</td>
<td>AC313</td>
<td>36</td>
<td>2</td>
<td>75.00%</td>
<td>19.44%</td>
<td>5.56%</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>AC313</td>
<td>60</td>
<td>2</td>
<td>10.00%</td>
<td>76.67%</td>
<td>13.33%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC313</td>
<td>88</td>
<td>3</td>
<td>10.23%</td>
<td>75.00%</td>
<td>14.77%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC313</td>
<td>71</td>
<td>3</td>
<td>4.23%</td>
<td>50.70%</td>
<td>45.07%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC313</td>
<td>87</td>
<td>3</td>
<td>11.49%</td>
<td>65.52%</td>
<td>22.99%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC313</td>
<td>66</td>
<td>3</td>
<td>10.61%</td>
<td>72.73%</td>
<td>16.67%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC313</td>
<td>64</td>
<td>3</td>
<td>12.50%</td>
<td>59.38%</td>
<td>28.13%</td>
</tr>
</tbody>
</table>

Description of Trend

It is difficult to analyze the trend in performance. Much of the variation can be attributed to differences in assessment instruments and administration. This is the first semester since spring 2011 that the same assessment tool was used for all three sections. Through fall 2011, students were assessed using a take home problem. In the 2011-12 academic year, a take home problem was used in some sections and embedded exam questions in others. In fall 2012 and spring 2013, all sections used an embedded exam problem (a pension worksheet) to assess student performance. The below acceptable performance increased slightly from fall
better. The proportion of students achieving above acceptable performance was substantially higher in spring 2013 than in fall 2012.

**Section Three - Analysis of Results**

In the spring 2013 semester 87% of the students performed at an acceptable or above acceptable level slightly below the fall 2012 and spring 2012 semesters (89% and 88%). No obvious explanation exists for the decrease from 89% to 87%. The small difference is probably random variation. Eight students were below acceptable in the spring 2013 semester compared to 7 students in the fall 2013 semester. The percentage of students above acceptable jumped from 16% in the fall 2012 semester to 28% in spring 2013 semester. The total number of students in the above acceptable and acceptable levels was 56 students in the spring 2013 compared to 59 students in the fall 2012 semester. Possible explanations for the increase in above acceptable level (16% to 28% or 11 students to 18 students) may be due to many students doing poorly on the first exam and putting forth more effort on the third exam. Also, the instructors spent more time on covering the relationship of the pension expense components to the pension assets and obligation. Of note, for the current academic year 130 students were assessed compared to 158 students in the previous academic year.

**Section Four (A) - Use of Results**

The areas where students seemed to lose points on the pension worksheet were putting a heading on the worksheet (2 points), writing the journal entry (8 points), and understanding the difference between expected return and actual return and which return amount to use in the pension expense calculation. The textbook shows two different ways to show the returns in the worksheet. Next semester more time will be spent with the students on expected and actual return.

**Section Four (B) - Changes to Assessment**

We are satisfied with the embedded test assignments currently being used. We plan no changes to the assessment method.

**Section Five – General Education**

*Not applicable to school of business courses*

**Section Five – Assessment Plan**

We plan to apply the current assessment consistently across all sections and use the results to identify curricular changes needed to address any student deficiencies.

**Appendix**

To assess student ability to solve complex financial accounting problems, students in AC 313 were given a comprehensive exam problem requiring students to create a pension worksheet and prepare the pension expense journal entry. The pension worksheet is adapted from P20-1 in the textbook. The grading rubric is presented below. Scores 45 or better were above acceptable, scores from 30-44 were acceptable, scores below 30 were below acceptable.
## Cunningham Co.

### Pension Worksheet -2012

<table>
<thead>
<tr>
<th>Items</th>
<th>General Journal Entries</th>
<th>Memo Record</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Pension Expense</strong></td>
<td><strong>Cash</strong></td>
<td><strong>OCI-G/L</strong></td>
</tr>
<tr>
<td>Balance, January 1, 2012</td>
<td>(285,500)</td>
<td>(4,503,000)</td>
</tr>
<tr>
<td>Service cost</td>
<td>168,000</td>
<td></td>
</tr>
<tr>
<td>Interest cost</td>
<td>450,300</td>
<td></td>
</tr>
<tr>
<td>Actual return</td>
<td>(267,200)</td>
<td></td>
</tr>
<tr>
<td>Unexpected Gain</td>
<td>14,150</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>(245,000)</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td>212,100</td>
</tr>
<tr>
<td>Journal Entry</td>
<td>365,250</td>
<td>245,000</td>
</tr>
<tr>
<td>Balance, Dec. 31, 2012</td>
<td>(14,150)</td>
<td>(391,600)</td>
</tr>
<tr>
<td>Settlement rate</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

**Entry:**
- Pension Expense: 365,250
- Cash: 245,000
- Pension asset/liability: 106,100
- OCI gain/loss: 14,150

### Other Comments

ADaM Data Collection From
 Accounting - Spring 2013
 Learning Outcomes and Goals Can be found at: http://www.ccsu.edu/business
**Section One – Goal, Learning Outcome and Numeric Results**

**Goal:** Students who graduate from the Accounting Major should possess competencies and skills needed for entry and advancement in the accounting profession.

**Learning Outcome:** (LO 4) Transform to a member of the accounting profession (knowledge and ethics)

Totals – Sections Measured: 4; Students Measured: 58; Where Measured: AC300

**Section Two (A)- Current Findings**

<table>
<thead>
<tr>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students</td>
<td>6 (10%)</td>
<td>46 (79%)</td>
</tr>
</tbody>
</table>

**Current Semester: Description Results**

As shown in the table above over 89% of students performed at an acceptable level or above. This is above target, but the ten percent of students performing below acceptable is an increase from prior semesters. The proportion of students performing at an above acceptable level was 10% compared with over 40% in fall 2012.

**Sections Two (B) - 5 Year Trended Findings**

**Trend: Numeric Results**

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Where Measured</th>
<th>Number of Students</th>
<th>Number of Sections</th>
<th>Below Acceptable</th>
<th>Acceptable</th>
<th>Above Acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2009</td>
<td>AC300</td>
<td>80</td>
<td>3</td>
<td>0.00%</td>
<td>10.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>AC300</td>
<td>104</td>
<td>0</td>
<td>1.92%</td>
<td>14.42%</td>
<td>83.65%</td>
</tr>
<tr>
<td>Spring 2011</td>
<td>AC300</td>
<td>104</td>
<td>4</td>
<td>1.92%</td>
<td>14.42%</td>
<td>83.65%</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>AC300</td>
<td>77</td>
<td>4</td>
<td>1.30%</td>
<td>23.38%</td>
<td>75.32%</td>
</tr>
<tr>
<td>Spring 2012</td>
<td>AC300</td>
<td>92</td>
<td>4</td>
<td>6.52%</td>
<td>52.17%</td>
<td>41.30%</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>AC300</td>
<td>94</td>
<td>4</td>
<td>6.38%</td>
<td>52.13%</td>
<td>41.49%</td>
</tr>
<tr>
<td>Spring 2013</td>
<td>AC300</td>
<td>58</td>
<td>4</td>
<td>10.34%</td>
<td>79.31%</td>
<td>10.34%</td>
</tr>
</tbody>
</table>

**Description of Trend**

Performance on this assessment has exceeded the goal of 80% or more students performing at an acceptable level or better for the entire period. The trend is marked by two drops in performance: the increase in below acceptable performance from under two percent prior to spring 2012 to between 6 and 7 percent in spring and fall 2012, and the further increase in below acceptable performance to ten percent in spring 2013. Both of these changes accompanied changes in the assessment assignment, increasing its rigor and holding students to a higher standard.

**Section Three - Analysis of Results**

This project was worth 6% of the course grade with each oral presentation worth 3% and each written paper worth 3%. It is believed that the reduced performance from Spring 2012 is attributable to two reasons. Not only did the assignment demand more open-ended analysis by the student but it was also graded more rigorously (three of the four sections were taught by a new faculty member). For example, in Spring, 2012, only six of 92 students were below acceptable, 48 students performed at an acceptable level, and 38 students performed above expectations. Overall, 93% performed at an acceptable level or above. The instructors are confident the past semester’s results will much improve.
ADaM Data Collection From
Accounting - Spring 2013
Learning Outcomes and Goals Can be found at: http://www.ccsu.edu/business

The lead instructor developed the assignment with input from the adjunct instructor and both used the same rubric. AC300-01 and AC300-02 sections had a higher percentage of students in the “Above Acceptable” category. That performance was consistent with other measures of the student’s accounting knowledge collected over the semester.

Areas where students need improvement include their writing skills (e.g., lack of tense agreement, and failure to properly match singular subjects and verbs and plural subjects and verbs, poor transitions, and failure to properly proofread). As expected, many students were uncomfortable speaking in front of the class and tended to read from their notes rather than speaking to the class. Having observed these shortcomings, both instructors should be able to help students avoid them. Overall, the students worked well in their groups and demonstrated an awareness of both the internal control weaknesses and the ethical standards that were violated both in the accounting profession and the greater society.

Section Four (A) - Use of Results

Instructors will hold a brief discussion each week to help students better understand what they have read. During spring 2013, no discussions were held because both instructors were teaching a course that had been substantially modified. Additional financial reporting topics had been added to course coverage as well as additional coverage of fraud and ethical misconduct. Given the added material being covered for the first time, faculty could not find time to provide such feedback to the students. Now that they have been through the course once, it is expected they’ll find the extra time needed.

Section Four (B) - Changes to Assessment

Faculty will begin the project earlier in the semester and insert intermediate targets for completing the work.

Section Five – General Education

Not applicable to school of business courses

Section Five – Assessment Plan

We will continue to use this assessment to evaluate students’ understanding of the ethical responsibilities of the profession. We also plan to use this to informally to identify weaknesses in written communication and presentation skills.

Appendix

During Spring 2013, the assignment was drawn from Financial Shenanigans, a required book. Each student was assigned to a four-member team that selected one of 13 financial shenanigans (fraudulent manipulations) described in the book and then selected a well-known company guilty of that specific fraud. Each team member was assigned to make an oral presentation and also handed in a written version of their oral presentation. The focus was on having the student carefully craft their oral and written work to provide only the most essential information to the audience.

In particular, presentations three and four below corresponded most closely to the outcomes shown above.

I Describe the Facts That Apply to This Case of Fraud (Financial Shenanigan)

   A. Identify the fraud from the thirteen individual frauds described in the book.
   B. Identify a well-known company that committed this fraud.
   C. Describe the specific consequences to the company of perpetrating this fraud.

II Describe the Financial Effects of this Fraud

   *A. What was the proper accounting treatment?
   *B. What accounting principle(s) was/were violated?
   C. Explain the fraud’s effect on earnings and other key financial measures.

III Evaluate Your Company’s Internal Control Weaknesses.

   *A. Using “Warning Signs” from your chapter, describe the internal controls that were compromised. Use a financial accounting text to review internal control.

   *B. What specific steps should the CFO have taken to prevent this fraud?

IV Describe the Ethical Standards That Were Violated.
This project was worth 6% of the course grade. Each oral presentation was worth 3% based on 15 content points and 15 delivery points. Likewise each written paper was worth 3% based on 15 content points and 15 written expression points. The lead instructor developed the assignment with input from the adjunct instructor. Both used the following rubric. The term “acceptable” was defined as follows:

Above Acceptable = a score of 27 or higher
Acceptable = a score from 24 to 26
Below Acceptable = a score below 24