

# WALTON COLLEGE

2011

## AACSB MAINTENANCE OF ACCREDITATION REPORT

### ACCOUNTING



UNIVERSITY OF  
ARKANSAS  
SAM M. WALTON  
COLLEGE OF BUSINESS

# **Accreditation Maintenance Report 2006 – 2010**

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University of Arkansas

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Professor James Myers  
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### **Associate Professor**

Professor Gary Peters

### **Assistant Professors**

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Professor Shawn Huang  
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Professor Juan Manuel Sanchez

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### **Full-Time Lecturer**

Mr. Dixon Cooper

### **Part-time Lecturers**

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### **Emeritus Professor**

Professor Deb Thomas

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## EXECUTIVE SUMMARY

The University of Arkansas encompasses more than 130 buildings on 345 acres and provides nearly 200 academic programs, more than some universities twice its size, and is still growing in spite of the state of the economy in both Arkansas and the nation. The nearly 23,000 students come from every county in Arkansas, multiple states throughout the country, and some 100 countries. Through the integration of teaching, research and service that places students first, the University of Arkansas is taking its place among the nation's greatest comprehensive academies. The scope of the University's operations is substantial. The University's total revenue for 2009-10 was \$597,274,515. The market value of the University's endowment at June 30, 2010, was \$673,119,723. During 2009-10, more than 41,650 donors contributed \$86.7 million to the University of Arkansas. Indeed, the enhanced position and increases in physical growth of the University provide a remarkable potential for the ever-improving Sam M. Walton College of Business.

We offer academic programs that are well-regarded nationally: According to the 2010 Public Accounting Report's Annual Professors' Survey, our undergraduate and graduate programs rank 11<sup>th</sup> and 18<sup>th</sup> among mid-level category II universities, respectively. The accounting program, following the example of the university, has seen an increase in population of our students who arrive here from within the state, nationally, and internationally. Our department is well-published in the top journals, and several of our faculty are editors and on the editorial boards of top journals.

The Department of Accounting (the "Department") has a rich history of educating leaders in the academic and practicing professions. Our faculty includes 14 full-time faculty members who effectively manage and achieve our mission: to offer and maintain outstanding, nationally recognized programs in accounting at the undergraduate, masters, and doctoral levels. To carry out this mission, faculty members must create new knowledge, disseminate knowledge both within the classroom and beyond, and carry out related activities that distinguish the University of Arkansas as a high-quality academic institution that is in part devoted to accounting scholarship. Our classrooms are equipped with state-of-the-art technology including: document cameras, smart boards, and more. Undergraduate and masters classes use the Blackboard Learning Management System to augment classroom content, provide lecture notes, and upload the students' assignments. This is beneficial to the students and professors adding convenience in submitting and processing assignments. Outside the classroom, students have 24-hour access to undergraduate and graduate computer labs provided by the College, as well as a separate M.Acc. Computer Lab provided by the Department; wireless access is also available in the Business complex. In addition to software and database access provided by the College, the Department provides access to accounting, auditing, and tax online databases. Students also have access to meeting and study areas provided by the College in the current Business Building and also have access to additional spaces for meeting and study in Walker Hall, which was completed in 2007. Walker Hall also contains a meeting room dedicated to M.Acc. students, a gift of the Roy and Christine Sturgis Charitable Trust. In addition, both graduate and undergraduate students, beginning in Fall 2011, will have access to the Sam M. Walton College of Business Writing Center.

## SITUATIONAL ANALYSIS

### Organizational Context

The University of Arkansas was founded in 1871 as the land-grant University of Arkansas. It exists today as the flagship university of the state with no other in-state university having either a similar mission or size. Its location in the northwest corner of the state, rather than in the centrally located state capital, Little Rock, is the result of a competitive site-selection process at the time. The Accounting Department is a unit of the Sam

M. Walton College of Business and the University of Arkansas. Within this organizational structure, the Department is heavily influenced by and, in turn, contributes significantly to the mission of these units.

The College of Business Administration, now the Sam M. Walton College of Business, was founded in 1926 and was first accredited by AACSB in 1931. Like the University, the College's primary focus for many years was the education of and services to the citizens of Arkansas with less concern for research and national prominence. Creating more balanced in the teaching, research, and service mission became a major emphasis in 1993 when Doyle Z. Williams was hired as Dean from the University of Southern California. Soon afterwards, the College embarked upon a strategic planning "journey" that was foundational to the College's current process. In 2005, Dean Dan Worrell was hired, and he has led the College with a greater emphasis on scholarship than in previous years. As part of its strategic planning process, the Walton College Executive Committee regularly reviews its competitive position, and its focus on strategy is almost continuous. The leadership, faculty, and staff remain confident in the bright future of the Walton College.

### Relative Advantages and Disadvantages

Advantages include the following:

- The University is in a better *competitive position* than those in states with several universities sharing similar missions:
  1. The University of Arkansas is the flagship, land-grant campus of the state with a large body of alumni both in and out of the state.
  2. No other university in the state (with the exception of the UA medical campus in Little Rock) has as extensive a research mission.
- The College has *consistently exceeded its fundraising goals*:
  1. Key to our success is the \$50 million naming gift from the Walton Family Charitable Support Foundation in 1998.
  2. Fiscal 2010 was charged with generating \$27 million in actual receipts; however, \$36 million was received.
  3. As of April 30, 2011, the College endowment was valued at \$121 million.
  4. In more recent years, while other states have seen dramatic cuts, our state budgets have been relatively stable, due in part to increasing enrollment.
  5. After two years with no salary increases, we had a general salary increase in Fiscal 2011.
- Private support has allowed a significant *increase in the number of endowed chairs and professorships*.
  1. The College has 39 such positions, almost half of the number of tenure/tenure-track positions.
  2. The Department has six chairs and two lectureships, equating to approximately \$8.2 million in market value as of March 2011.
- The Walton College is held in *high regard* within the University system, the state, the nation, and the world.
  1. We compete nationally with leading programs at all levels.
  2. The College is viewed as an entrepreneurially focused unit with sustained progress over the last 10 years.
  3. The national visibility and competitiveness of the College continues to increase, and this has aided in attracting students and faculty to the College in attracting employers to seek our

College's graduates. For example, Wal-Mart previously recruited MBAs from the Ivy League; Wal-Mart now also regularly recruits from the College.

4. We have maintained our position of 24<sup>th</sup> among public university programs in the *U.S. News & World Report* rankings of undergraduate business programs.
  5. Since our last accreditation, the MBA program has been ranked 25<sup>th</sup> among public graduate schools. While rankings have their shortcomings, this increased national prominence has been important and is a source of pride for our alumni and the corporate community.
- According to the most recent Public Accounting Report among mid-level category II universities, the Department of Accounting is well recognized nationally.
    1. Our undergraduate program is ranked 11<sup>th</sup>.
    2. Our master's program is ranked 18<sup>th</sup>.

We recognize that these rankings reflect perceptions and not necessarily program quality; however, the rankings do impact our ability to recruit students and faculty members and affect relationships with supporters and sponsors.

- The "Walton" brand and the *College's relationships with the business community* have continued to strengthen since our last accreditation.
  1. Over the last 20 years, vendor companies have increased their presence by opening offices in Northwest Arkansas to sustain their business dealings with Wal-Mart, Tyson Foods, and J.B. Hunt. Today more than 60 of the Fortune 500 companies and close to 1,000 others have done so.
  2. In addition to Wal-Mart, J.B. Hunt and Tyson Foods have headquarters close by and have strong relationships with the College and the University.
  3. Many major companies are involved with one or more of the College's dozen research/outreach centers. Prominently, these include:
    - a. The Center for Retail Excellence.
    - b. The Supply Chain Management Research Center.
    - c. The Information Technology Research Institute.
  4. These relationships have resulted in many opportunities for our College and Department, including:
    - a. Faculty research opportunities.
    - b. Employment and internships for students.
    - c. Practitioner involvement in the College's academic and executive education programs.
  5. The Walton name has opened many doors both nationally and abroad. As an example, we have approximately 400 business leaders representing 250 companies serving on advisory boards for the College.
- In its *teaching activities*, the Department engages with the College and the Graduate School in programs at the undergraduate, master, and doctoral levels. Thus, the Department's programs are influenced substantially by the policies of the College and Graduate School. While influential, these policies are not constraining; the Department is able to carry out its mission effectively in this administrative structure.
- In its *research creation activities*, the Department engages in practices that generally prevail in the College:
  1. Faculty members individually direct their research activities, with financial support provided by the Department and the College.
  2. College funding of faculty research support has improved during the past few years.
    - a. Currently, the College provides up to 25 percent summer-research support to chair holders

- and lectureship holders.
- b. Assistant professors generally have either guaranteed summer support (usually at 22 percent for the first three years) or are able to apply for 15 percent summer support from the College's summer support fund or from one of the outreach centers.
  - c. The College and the Department generally provide adequate funds for research travel, submission fees and research databases.
3. Research productivity also has increased significantly during the past several years. This increase is due, in part, to the effect of recruiting research-active faculty members to replace retiring faculty members whose research productivity had declined as their activities focused more on teaching and service.
- To a significant extent, *the Department relies on resources* provided by the College for its operations.
    1. All faculty and staff salaries are funded through the College.
    2. Most operating expenditures also are funded by the College. In the 2010 fiscal year, the Department operating budget totaled approximately \$2.5 million.
    3. To enhance its activities, the Department maintains certain endowment funds that provide financial support for faculty appointments (endowed chair positions), scholarships, and other activities.
    4. Cumulative contributions to endowments exceed \$7.5 million, with a market value of all endowments in excess of \$8.8 million in the 2010 fiscal year.
    5. Income from these endowments that is available to support chair holders is approximately \$355,000 per year.
    6. Income to support scholarships and fellowships totals approximately \$65,000 per year.
    7. In addition to endowment income, the Department receives approximately \$39,700 per year in annual contributions.
  - *The Department plays the primary role in the operation and administration* of the Master of Accountancy (M.Acc.) program.
    1. The M.Acc. program is designed as a two-semester program, with most students beginning the program in the Fall semester.
    2. The program is primarily composed of students who received their undergraduate degrees from the University of Arkansas.
    3. In addition, numerous students from universities other than the University of Arkansas are admitted each year.
    4. The program currently serves approximately 45 students per year. A typical class includes students from Arkansas and neighboring states, and a limited number of international students.
    5. The program predominantly serves students with undergraduate degrees in accounting; however, the program also welcomes students coming from other degree programs who complete the appropriate pre-requisites for graduate-level coursework.
    6. Tuition for the M.Acc. program, including all fees, totals approximately \$12,000 for in-state students and \$24,000 for out-of-state students.
  - Beginning the summer of 2011, the Department also *administers an Integrated M.Acc. program (IM.Acc.)*.
    1. The integrated program is a five-year program of undergraduate and graduate coursework that allows outstanding students to simultaneously earn their B.S.B.A. and Master of Accountancy (M.Acc.) degrees.
    2. The professional curriculum, which usually begins in the students' senior year, includes

specially designed accounting courses taught in relatively small classes by full-time faculty members.

3. Students are admitted into this program based upon the strength of their application and prior course work at the beginning of their senior year.
4. The program then takes approximately two years to complete, and students receive both an undergraduate degree and graduate degree at the end.

Disadvantages include the following:

- The Department faces *challenges in maintaining and enhancing the faculty*.
  1. In addition to the very competitive labor market for accounting scholars, the Department faces a budget challenge because new faculty members typically command substantially higher salaries and lower teaching loads than retiring faculty members.
  2. Because the College funds faculty positions out of its own funds, the challenge is largely addressed at that level.

### **Degree Programs Included in this Accreditation Review**

The Sam M. Walton School of Business offers a total of three accounting degree programs at the bachelor, master, and doctoral levels, all of which are included in this Maintenance of Accreditation review.

#### Degrees Awarded by Program for 2010/2011 Academic Year

Bachelor of Science in Business Administration (B.S.B.A.) in Accounting	121
Master of Accountancy (M.Acc.)	49
Ph.D. in Business Administration (Accounting)	3
<u>TOTAL</u>	<u>173</u>

#### BSBA/M.Acc. Integrated Program

The integrated program to the Master of Accountancy is a five-year program of undergraduate and graduate coursework that allows outstanding students to earn the B.S.B.A. and the Master of Accountancy (M.Acc.) degrees simultaneously. The professional curriculum, which usually begins in the students' senior year, includes specially designed accounting courses taught in relatively small classes by full-time faculty members. IM.Acc. students are expected to exhibit a high-level of self-motivation along with the personal qualities and intellectual capacity necessary to establish successful careers in public accounting, industry, not-for-profit organizations, and higher education.

#### Master of Accountancy

The Master of Accountancy program is a one-year (two-semester) program designed to provide rigorous preparation at the graduate level for students with aspirations to achieve success in their chosen career path in public practice, industry, or government. Our program is intended to assist students develop critical and analytical thinking as well as to reinforce strong technical skills required for CPA licensure. Because our faculty members are accomplished both on the academic side of business and in the practice of it, students experience the finest and most current thinking in management education today.

#### Ph.D. Program in Business with an Emphasis in Accounting

The Accounting Ph.D. program's goal is to help prepare students for successful and productive careers as faculty members at leading research-oriented universities. Currently, all of our doctoral students focus on

archival research with an emphasis on financial or audit-related topics.

## PROGRESS UPDATE ON CONCERNS FROM PREVIOUS REVIEW

Although the last review contained no items that were required to be addressed before this review, the previous review team expressed three concerns that they hoped would be addressed in future reports:

1. *“The Peer Review Team encourages the Department to remain vigilant in applying the assurance of learning standards. The Department should consider adding some formal components to the existing assessment program (a) to ensure that student learning occurs with respect to knowledge acquisition in addition to skills, and (b) to determine the effects of the assessment results on the courses and overall programs. The present assessment program focuses on skills, and the assessment results appear to be interpreted informally and by individual faculty.”*

Our response to point (a) Knowledge Acquisition:

Knowledge acquisition is formally assessed through course examinations so all accounting courses assess student knowledge acquisition. We believe that this is the most effective strategy to assess students’ knowledge acquisition. In addition, the many changes in course content that have been made during the past five years, changes that were the direct results of faculty members’ desire to improve students’ knowledge acquisition.

We maintain a continuous dialogue with our alumni and our employers, meeting with them formally each April. As a result of these discussions, along with some concerns from some of our accounting and finance faculty as well as students and alumni regarding the student knowledge acquisition in the financial accounting courses, these courses were completely restructured. The former courses have been replaced by more traditional Intermediate Financial Accounting I and II courses, increasing significantly the financial accounting content.

Also, as a result of key stakeholder feedback, the course ACCT 3013 Accounting Views was also completely restructured and replaced by Accounting Principles I. Additionally this course was moved from the junior level to the sophomore level and is now numbered ACCT 2013.

Similarly, the content of Operational Auditing was changed significantly, leading to a dramatic increase in the coverage of financial auditing.

Our response to point (b) Effects of assessment upon the courses:

Faculty members who perform the assessment of a specific skill are asked to provide an initial interpretation. Their input is valuable since they have been the most intimately involved in the teaching of that skill. Subsequently, the Accounting Undergraduate Program and Assessment Committee provides a formal interpretation of the assessment for the overall program. This interpretation is included in the four Departmental Assessment Reports created over the past five years.

2. *The Peer Review Team also encourages the Department of Accounting faculty to consider adopting its own mission and set of peer and aspirational accounting programs. At present, the Department appears to rely completely on the College in these areas. Any reformulated mission should reflect the unique role the accounting discipline and profession play in society.*

As a Department, we devoted a significant amount of time in considering whether we wanted to develop our own mission statement. While we recognized that the accounting discipline and

profession play a unique role in society, we ultimately decided to keep the College mission statement as our own Departmental mission statement for two reasons:

1. To show support for the College's position and align our efforts with those of the College. The Department has been and continues to be deeply engaged in the overall strategic planning process for the Walton College.
  2. After extensive discussion among the faculty, we did not feel that a more specific mission statement would help us in our efforts to be a top quality program. In addition, both the targeted peer and aspirational peer business schools chosen at the College level are very high quality and are viewed as appropriate for benchmarking.
3. *The Peer Review Team encourages the Department to periodically conduct surveys of graduates who have been out of school for five to ten years to get suggestions for program improvements and to more systematically document their career successes. A more systematic effort should also go into capturing information about student placement around the time of graduation.*

We appreciate this feedback and have implemented two strategies to incorporate the Peer Review Team feedback.

1. We have begun a yearly process of surveying alumni who have been out of school for five to ten years. The program improvements included in our response to the peer review team's item number 1 above were the result of querying alumni via web survey (Qualtrics) and personal visits. We plan to continue our surveys each year as a means to continue to gather this feedback.
2. The Walton College Career Center now systematically gathers students' placement information around the time of graduation by attending M.Acc. and senior-level accounting classes near the end of the spring semester. The Career Center captures most of the placement information from in-class paper surveys. In Spring 2011, the Career Center staff visited 58 classes to capture data. We also collect data from employers following college recruitment workshops, from graduates at graduation via Walk-cards, and from Qualtrics surveys.

As an example of the information collected, below is our summary information for Spring 2011.

### **Undergraduate Degree in Accounting Fall 2010 – Spring 2011**

Of the 83 ACCT undergraduates who completed their degrees, information was gathered from 76 (92%). Thirty-seven students were seeking a full-time job. Of the 37 job seekers, 30, or 81% were employed by graduation. Forty-seven percent, of the total graduation class, were continuing their education. The average ACCT salary for Fall 2010- Spring 2011 undergraduates is \$47,797. Employing companies include: KPMG, BKD, ConocoPhillips, Wal-Mart, Stephen's Inc., Tyson Foods, Inc. and Arvest.

### **Master of Accountancy – Spring 2011**

Of the 44 M.Acc. graduates who completed their degrees, information was gathered from 41 (93%). Thirty-eight students were seeking a full-time job. Of the 38 job seekers, 35, or 92% were employed by graduation. The mean (median) MACC salary is \$50,772 (\$50,000). The high salary is \$75,000. The low salary is \$46,000. Employing organizations include: BKD, JPMS Cox, PricewaterhouseCoopers, KPMG, Hogan Taylor, Hudson Cisne, Grant Thornton, Wal-Mart, Ernst & Young, Department of the Treasury, ConocoPhillips and FedEx Freight.

# STRATEGIC MANAGEMENT

## Mission Statement

### Vision Statement

The Sam M. Walton College of Business is a nationally competitive business school that combines excellent student learning experiences with quality research serving Arkansas and the world.

### Core Values

- Excellence:** We strive for excellence in all we do.
- Professionalism:** We believe organizational practices must be built on an ethical foundation and high standards of professional behavior.
- Innovation:** We value creativity, innovation, and entrepreneurial spirit.
- Collegiality:** We believe in working together to examine situations and ideas from diverse perspectives.

### Mission Statement

The Walton College, the flagship business school of the state of Arkansas, has a three-fold mission:

- Teaching:** Educate a diverse population of students in bachelors, masters, and doctoral programs to be tomorrow's business, community, and academic leaders;
- Research:** Discover and disseminate knowledge through our research to support excellence and innovation in organizations; and
- Service:** Share our business expertise in support of our state, our professions, and the academic community.

Every ten years, the College updates its mission statement (as detailed in the College document). The mission statement was most recently updated in 2003.

## Strategic Management Planning Process

As a unit of the Walton College, the Department participates in the College's strategic management planning process. The College strategic plan is described in the College document and briefly summarized in the financial strategies section in section 5 of this report. Following key stakeholder input, the Strategic Initiatives define overarching priorities for all College programs and activities. The primary authors, the College Executive Committee, include the Dean, Associate Deans and all department chairs. The Dean's Executive Advisory Board, many faculty committees, the faculty collectively, and other external groups all participate in the planning process.

The College Executive Committee also provides a primary forum to discuss the strategic management of College resources. The matrix organization and natural "tension" between College academic program priorities and Department/faculty priorities provide an effective method to weigh the costs and benefits of alternative potential actions. Action priorities are determined by identifying alternatives consistent with goal attainment and College core values. Tradeoffs are openly discussed by the College Executive

Committee. The Department also engages in separate planning processes. For example, since 2007, we have had a long-term departmental goal to become a top 25 Public University Accounting Program. We carefully considered what we needed to achieve this goal, and we decided that we needed a top-quality M.Acc. program of sufficient size and strong research productivity. Our strategy relied upon achieving these two goals:

- 40-50 M.Acc. students.
- 2 to 3 A++ Research articles accepted each year and 5-6 other high quality journal articles accepted. (We defined A++ research articles as those appearing in *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Review of Accounting Studies*, *Contemporary Accounting Research* and *Accounting Organizations and Society* and other Financial Times listed top-tier journals.

We believe we are well on our way to achieving these goals and becoming a top 25 Public University Accounting Program. As detailed in the M.Acc. learning assurance section below, we have made substantial curriculum and other changes, and, in 2010-2011, we admitted a M.Acc. class of 48 students. In the process, we benchmarked against other accounting programs (specifically, UT-Austin and BYU) to begin an integrated M.Acc. program.

During the spring of 2009, champions were assigned to the areas of strategic focus. Working independently and with others, these champions developed more tangible action for the Walton College plans within these strategic areas with proposed timeframes. As a result of the strategic planning process, seven key strategic initiatives were developed and are as follows:

#### Global Impact

The College seeks to develop students and faculty for an increasingly competitive global business environment in which business is seen as having an increased social responsibility.

#### Research Impact

The College must continue to build upon recent success in research and scholarship. We will explore alternative leadership structures, including evaluation of the role of the College Research Committee with the objective of focusing on encouragement of researchers to publish high quality research. We must intently focus the College leadership toward research, reallocate existing staff, and establish appropriate incentives to generate top-tier research. We must also encourage research in College strategic priorities of retail, global, and interdisciplinary research.

#### Retail Leadership

The Walton College seeks to become the acknowledged preeminent university provider of retail research, education, and training through collaboration between academic scholars and business practitioners and their respective institutions that exemplifies the connection between scholarship and practice. To achieve this, we must clearly identify and implement College goals with a supporting infrastructure. In addition, we must identify, develop, and increase retail research within the College and identify and develop retail curriculum.

### Student Outcomes

Student success is the number one priority of the Walton College and is the ultimate measure of our own success. We must review our curriculum to ensure that it meets the needs of future graduates and ensure that student support processes meet student needs. Graduating students should be well prepared for employment in a rapidly changing world or to enter graduate school. We must embrace and reward great teaching and provide sufficient resources for improving student success. We must communicate more broadly the already impressive successes of recent students and explore new avenues of action to maintain and improve student placement.

### Diversity and Inclusion

Creating and maintaining a culture of diversity and inclusion is critical to improving both the workplace and the attitudes of the students who must be prepared to enter a very diverse global workplace. We must address not only how people perceive themselves, but how they perceive others. We will further increase inclusiveness of the Walton College curriculum and environment, enhance diversity recruitment and retention of students, faculty, and staff; increase related research; and develop supportive outreach activities.

### Acquiring and Stewarding Financial Resources

Acquiring financial resources is critical for moving the College further down the path of excellence. As we seek new resources, we must demonstrate good stewardship of existing resources through transparency, measures of efficiency, and reporting. We must evaluate processes to ensure that constituents are being served in the most effective and efficient manner. In addition to enhancing stewardship, we must improve private fundraising, increase program net revenue, increase corporate sponsored research projects, and continue to make the case for investment of state funds in the Walton College.

### Developing and Engaging Our People

The people of the Walton College are the enabling resource base from which all organizational achievements are realized. To develop and engage the faculty and staff of the Walton College, we must provide educational opportunities that strengthen capabilities. We will continue to strengthen our unique and rewarding culture by reinforcing beliefs, values, and attitudes at the core of College faculty, staff, and student behavior. We must also achieve a sustainable balance between professional and personal lives.

## **Intellectual Contributions**

We have also greatly increased our research output both by emphasizing the importance of research (primarily in the Department personnel document) and by hiring research-active faculty at the full professor, associate professor and assistant professor levels. In the past three years, 2009, 2010 and 2011, we have achieved our goal of publishing 2-3 top quality research articles in the *Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Review of Accounting Studies*, *Contemporary Accounting Research* and *Accounting Organizations and Society* and other Financial Times listed top-tier journals as well as 5-6 other high quality journal articles.

Faculty members within the Department of Accounting have also been recognized in the past five years in recent external reviews for their intellectual contributions. For example, James and Linda Myers won the American Accounting Association Financial Reporting Section best paper award in 2009.

## Financial Strategies

The College has financial strategies to address the forgoing challenges; some strategies address individual challenges and other strategies address challenges in the overall College:

- An ongoing general strategy for fund-raising that makes the best use of limited development resources is “friend-raising”: investing in activities that engage a large number of possible supporters and are self-funded to some extent. Examples include the Arkansas Business Hall of Fame and the Business Forecast Luncheon. We have now effectively leveraged this strategy to include the activities of the outreach centers that provide not only more fund-raising opportunities but also opportunities for students.
- Another general strategy is to provide a tuition structure that is aligned with the increased quality of our educational experience. In 1999 the College began charging a differential tuition to help offset the cost of hiring new and replacement faculty. Now generating over \$2.8 million per year, we expect to charge 17 percent undergraduate differential and 30 percent graduate differential tuition in 2012. Eighty percent of the differential goes to the College and 20 percent goes to the University. Approximately 80 percent of that part coming to the College supports faculty salaries.
- We continue to expand credit offerings that generate revenue for the College. This revenue has grown to \$1.7 million and can be used to meet critical needs on an ongoing basis. We expect to grow both credit and non-credit instruction as we move forward.

For more details, refer to the College-wide strategies referred to in the Sam M. Walton College Accreditation Maintenance Report 2006-2010.

## New Degree Programs

The Accounting Department had no new degree programs since the last maintenance of accreditation visit.

## PARTICIPANTS

### Students

In Fall 2010, the Department had a total of 366 undergraduate students, 50 master’s students, and 12 doctoral students were enrolled in the accounting programs. Of the 344 domestic undergraduates who reported their ethnic group, sixty-seven (10.7 percent) were classified as minority students by the University, a decrease from 14.8 percent in the Fall of 2005. There were also 26 international students and 1 national student who did not report their ethnic group; however, of the 50 M.Acc. students who reported their ethnic group, nine of those students (18 percent) are classified as minority by the University; moreover, 3 were international students.

The following table shows the number of degrees awarded by the Department and by the College:

<b>Accounting Degrees Awarded</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
BSBA	85	90	85	62	86	96	121
M.Acc.	23	21	27	18	23	37	49
Ph.D.	2	2	3	2	1	1	3
Total for Department	110	113	115	82	110	135	173
Total for College	813	796	763	656	755	794	880
Department as Percent of the College	13.5%	14.1%	15%	12.5%	12.5%	17%	19.6%

## **Faculty**

The Accounting Department Personnel Document, included in Appendix A, summarizes the faculty management policies including recruitment, hiring, mentoring, evaluation, and reward systems. Also, the Walton College Accreditation Maintenance Report 2006-2010 summarizes the criteria guiding the development of intellectual contributions, participating and supporting status, and academic and professional qualifications.

In support of the AACSB standards for faculty status and qualifications, the following documents are available in Appendix C: AACSB Table 9-1, AACSB Table 10-1, and AACSB Table 10-2.

## **ASSURANCE OF LEARNING**

### **Assessment Tools, Procedures, and Results**

The Accounting Department faculty has designed, developed, and implemented assessment of learning tools and procedures for the undergraduate, masters, and doctoral programs. These activities were coordinated with College initiatives but are often implemented differently. This parallel development is to be expected because of accreditation standards that pertain only to accounting programs. The Accounting Department undergraduate program committee and M.Acc. program committee developed learning goals for each program. In both programs, the faculty decided to employ course-embedded assessment tools, and the M.Acc. program committee also employed elements of an examination that is administered to all M.Acc. students prior to graduation. Four Departmental Assessment Reports were performed over the past five years, but only the results of the most current assessment are reported and reflected on here. The other assessment reports are included in the appendix. At the doctoral level, the disciplines that make up the Ph.D. in Business have developed a similar approach. The following three subsections describe the assessment tools, procedures, and results for each degree program.

### **Undergraduate Accounting Program**

#### Mission Statement and Program Objective

The Department of Accounting's mission statement and the undergraduate accounting program objectives and the undergraduate business program learning goals form the basis for the assessment of the learning process. The department's mission statement (as stated in the University Course Catalog) is as follows:

The *mission* of the Department of Accounting is to cultivate an environment of educational excellence. We do so by pursuing the following endeavors:

- Providing a learning environment in which students interact with others and solve accounting and business problems.
- Developing and disseminating knowledge that has the potential for significant impact on accounting, business, and education.
- Interacting with the accounting profession, the business and academic communities, and the community at large.

Within the context of the department's mission statement, the undergraduate accounting program objective (as stated in the University Course Catalog) is the following:

The *objective* of the undergraduate accounting curriculum is to provide students with a broad overall education, solid grounding in the common body of knowledge of business administration, and exposure to accounting in sufficient depth to help them achieve entry-level competence for pursuit of a career in industry.

## LEARNING GOALS

### Business Program Learning Goals

The learning goals for the undergraduate accounting program are derived from the program's objective and are informed by the learning goals for the undergraduate business program. In a sense, because the undergraduate accounting program is an area of specialization within the undergraduate business program, the learning goals for the undergraduate accounting program expand on and emphasize certain aspects of the undergraduate business program learning goals.

The undergraduate business program learning goals are as follows:

1. *Communication*: Graduates will be able to effectively *communicate* business information so that it can be understood by individuals with diverse backgrounds, capabilities, and interests.
2. *Interpersonal*: Graduates will be able to effectively work in teams and *interact* with persons from a variety of backgrounds, interests, and roles in order to accomplish business-related goals and objectives while fostering an atmosphere of tolerance and fairness.
3. *Critical Thinking/Problem Solving*: Graduates will be able to make and develop support for strategic business decisions based on a systematic and objective consideration of the problems, the issues, and the relative merits of feasible alternatives using appropriate *critical thinking* and *problem solving* skills.
4. *Technology Utilization*: Graduates will be able to effectively use, apply, and implement prevalent business-related *technology* while interpreting the various benefits, costs, and risks associated with its use.
5. *Professionalism*: Graduates will display attitudes and develop behaviors consistent with the current *professional character* and standards of the business community, as well as the norms of the environment in which they interact. They will incorporate objectivity, integrity, ethical behaviors and sensitivity to cultural issues in their business dealings.
6. *Business Processes*: Graduates will understand the integrative, interdisciplinary and international nature of *business processes* and be able to incorporate theories and techniques from the business core courses.

## Accounting Program Learning Goals

Based on the undergraduate accounting *program objective*, and within the context of the undergraduate business goals, the accounting faculty has adopted the following five program learning goals:

1. *Oral Communication*: Students will be able to effectively *present* and *discuss* financial and other relevant information so that it can be understood by individuals with diverse backgrounds, capabilities, and interests.
2. *Written Communication*: Students will be able to effectively *communicate* financial and other relevant information in *writing* so that it can be understood by individuals with diverse backgrounds, capabilities, and interests.
3. *Interpersonal skills*: Students will be able to effectively *work in teams* with persons from a variety of backgrounds, interests and roles in order to accomplish business-related objectives.
4. *Decision Modeling*: Students will be able to develop support for business decisions based upon a systematic and objective consideration of the problems, the issues, and the relative merits of feasible alternatives using appropriate *decision-modeling* techniques.
5. *Leveraging Technology*: Students will be able to use and apply prevalent *business-related technology*. They will be able to articulate the benefits, costs, and risks associated with the use of technology and make appropriate recommendations about the management of technology.

There is a close similarity between the undergraduate business and the undergraduate accounting learning goals. The accounting learning goals of oral and written communication, interpersonal skills, and leveraging technology represent both extensions of its respective business goals and a specific focus on aspects of those goals that are most relevant to the accounting profession. This will be illustrated in an upcoming section as the accounting learning goals are further specified.

These goals focus on students' *skills* rather than students' *knowledge*. This reflects the faculty's belief that student knowledge is properly assessed through the midterm and final examinations that are an integral part of every accounting course. This doesn't mean that the faculty considers knowledge less important than skills, but rather that exam scores, combined with the exams themselves, already provide a realistic assessment of students' *knowledge* achievement. The assessment committee does realize that some knowledge coordination issues exist across sections of courses that are taught by different faculty members. This is currently addressed through a sharing of syllabi among instructors and, in the case of one course, by having a designated faculty coordinator monitor content coverage across sections.

## Program and Curriculum Management

The Faculty of the Department of Accounting is responsible for the undergraduate program accounting curriculum. The curriculum is describable in terms of courses, prerequisite structures, course topic content and depth of coverage of topics, and delivery modes. Management of the undergraduate curriculum requires regular review of all of these aspects of the curriculum; furthermore, periodic measurement of the learning takes place as a result of the decisions made on these design dimensions.

The Department manages the curriculum by using two main approaches:

1. The Undergraduate Program Committee's review of the content and structure of the curriculum.
2. A Course-embedded assessment of student learning in the curriculum.

Responsibility for undergraduate curriculum management rests with the Department's Undergraduate Accounting Program and Assessment Committee. The charge to that committee is as follows:

Collect assessment data from faculty and committee exit surveys of graduating seniors; analyze program-wide results and prepare an annual report; assess curriculum and student placement and suggest change.

## Learning Goal Measurement and Assessment

The five undergraduate accounting learning goals listed above describe general behaviors, and as such, are difficult to use as benchmarks for assessment. Consequently, we have attempted to define *specific behavioral elements* that make up each learning goal. In doing so, the accounting faculty decided to follow the guidelines of the *Core Competency Framework* developed by the American Institute of Certified Public Accountants (AICPA). In adopting this framework, we are assured of identifying behaviorally defined skills that have been validated by the accounting profession that our students are preparing to enter. Moreover, we hope that the adoption of this Core Competency Framework will also facilitate future comparisons with other institutions of higher learning that have adopted this framework as well.

The four tables in Appendix D define the specific components of the five undergraduate accounting learning goals. (The Core Competency Framework combines oral and written communication into a single "communication" competency). The components are categorized into four levels of achievement, ranging from "level 1" (beginning skills) to "level 4" (accomplished skills).

The "levels" that make up each learning goal form the basis for the development of assessment exercises and assignments as well as the corresponding grading rubrics and guidelines used to assess student achievement.

## Course-Embedded Assessment

The primary philosophy underlying the assessment plan presented is that of course-embedded assessment (as opposed to stand-alone assessment activities). By integrating assessment activities into specific courses, three major advantages are achieved: 1. Assessment activities are part of the course and included in the course grade. 2. Assessment activities will be applied in future years. 3. Assessment activities aid the Professors with time efficiency. Course-embedded assessment moves assessment from being an "add-on" to becoming an integral part of the course.

## Other Assessment Measures

Although course-embedded assessments provide the core of the assessment data, several other instruments complement the assessment picture. Every other year, all graduating seniors enrolled in *Operational Auditing* during the spring term are invited to participate in an exit survey. Virtually all students participate, receiving some bonus points for their participation.

## Assessment Plan

Assessment of these program-learning goals is the responsibility of the entire faculty of the Department of Accounting; consequently, the assessment of specific learning goals has been distributed across the accounting curriculum. All but one undergraduate accounting course has been charged with the assessment of one or two specific learning goals. This assignment has been made so that each learning goal is preferably assessed twice: typically once at the beginning of the accounting program and once at the conclusion. We have assessed the students four times since the last accreditation, but only the most recent results are included in this report. For a complete listing of the results, visit the Blackboard site accessed at <http://learn.uark.edu>.

**Figure 1** located in Appendix E demonstrates which particular learning goals are assessed in each required accounting course. The left side of the figure displays the program learning goals. The top displays the courses. Each cell provides the name of the faculty member responsible for that assessment in the 2010-11 academic year.

The learning goals as shown in the figure:

- *Oral Communications* is assessed in the junior year in ACCT 3723: *Intermediate Accounting I*, and in the senior year in ACCT 4963: *Auditing and Assurance Services*.
- *Written Communications* is assessed in the junior year in ACCT 3613: *Managerial Uses of Accounting*.
- *Interpersonal Skills* is assessed in the junior year in ACCT 3723: *Intermediate Accounting I*, and in the senior year in ACCT 4963: *Auditing and Assurance Services*.
- *Decision Modeling* is assessed at the junior level in ACCT 3533: *Accounting Technology*, and at the senior level in ACCT 4673: *Product, Project and Service Costing*.
- *Leveraging Technology* is assessed at the junior level in ACCT 3533: *Accounting Technology*, and at the senior level in ACCT 4673: *Product, Project and Service Costing*.

Most AICPA competency elements (levels) are included in the assessment. Emphasis is placed on those elements that receive significant attention in the accounting curriculum.

### Assessment Results

This section summarizes the results of the assessment activities. The faculty uses a standard reporting format to report their results. We adopted the standard reporting format to improve comparability across courses and over time. It also reduces faculty preparation time since it identifies in advance the specific issues that need to be addressed in their reports. The reporting format requires the following information:

- Specific learning goal being assessed.
- Achievement goal.
- Changes from last year's assessment (if applicable).
- Measurement items (the specific measurement instruments used, such as survey, scoring rubric, exam question, etc.).
- Participants (faculty, instructors, students) involved in the assessment.
- Semester of assessment.
- Qualitative outcomes.
- Quantitative outcomes.
- Areas of opportunity for assessment improvement (how can we assess this skill better).
- Areas of opportunity for improvement in meeting the objectives (how can we better achieve this program learning objective).

Complete assessment reports submitted by the faculty (including copies of assessment assignments and grading rubrics or guidelines) are provided in an accompanying volume. The main results are summarized in the following pages, organized by learning goal.

### Oral Communication

*Learning goal: Students will be able to effectively present and discuss financial and other relevant information so that it can be understood by individuals with diverse backgrounds, capabilities, and interests.*

Oral communication is assessed twice: the first assessment is given in ACCT 3723: *Intermediate Accounting I*, at the beginning of the junior year, and the second assessment is given in ACCT 4963: *Auditing and Assurance Services*, which is a senior level course. Both courses are required for accounting majors. The two assessments examine different aspects of oral communications skills. The first assessment consists of a short informal presentation of limited, 5-minute, duration. The second assessment is a formal, 25-minute team presentation (students are evaluated individually). The two assessment exercises employ different grading rubrics.

### Assessment 1

The first assessment required students to present a homework problem-solution to the class. Students were scheduled in advance and must prepare a 5-minute presentation, which involved an explanation of calculations as well as the conceptual theory behind the solution.

The oral communication learning goal was divided into two subsidiary learning goals: (1) *Language, Logic and Organization*, and (2) *Presentation of Ideas and Audience Appropriateness*.

The instructor assessed each goal by grading ten specific aspects on a numerical scale: 0 (poor), 1 (adequate), and 2 (good).

Aspects for *Language, Logic, and Organization* included (amongst others):

- Presenting ideas cogently—Organizing them logically.
- Using sentences with proper structure.
- Using business terms appropriately.
- Presenting a clear, effective introduction and conclusion.
- Practicing concise English sentences.

Aspects for *Presentation of Ideas and Audience Appropriateness* included (amongst others):

- Supporting ideas with effective examples, references and details.
- Demonstrating effective focus, organization, style and content.
- Maintaining appropriate level of formality.
- Practicing appropriate posture and delivery.
- Maintaining appropriate eye contact with audience (throughout the room).

Scores for the ten aspects for each learning sub-goal were added and scaled down to a summary score on a ten-point scale, from 0 (low) to 10 (high). The instructor identified successful performance as achieving a score of 8 (or better) out of 10. The goal was to have at least 80 percent of the students succeed on each of the two sub-goals.

The most recent assessment took place in the spring of 2011 in one of two sections of ACCT 3723, *Intermediate Accounting I*. Forty-nine students participated in the assessment.

The following table presents a summary of student achievement on the two sub-goals:

Sub-goal:	Average score	Target score	Below expectations	Met or exceeded expectations
<u>Language, Logic, and Organization</u>	8.67	8	5 students 10.2%	44 students 89.8%
<u>Presentation of Ideas and Audience Appropriateness</u>	9.08	8	7 students 14.3%	42 students 85.7%

Conclusion: The goal of having at least 80 percent of the students succeed has been met. Given the importance of oral communication skills, the more practice the students get, the better prepared they will be for their careers. While some students, such as those active in Beta Alpha Psi, receive many speaking opportunities, other students do not. We will continue to strive to create opportunities for students to speak both in the classroom and outside of it.

### Assessment 2

The second assessment occurred in ACCT 4963: *Auditing and Assurance Services*. Students formed groups of 4-5. Each group was required to complete a research project, prepare a written report, and present its findings in a formal 25-minute oral presentation. Students' oral communication skills were evaluated individually.

We assessed the oral communication learning goals along three dimensions: *Organization*, *Delivery*, and *Eye contact*. We scored each dimension on a scale that ranged from 0 to 3 points. The following is the scoring rubric for *Organization*:

- 3 points: Presented information in a logical and an interesting sequence which audience could follow.
- 2 points: Presented information in a logical sequence which audience could follow.
- 1 point: Members of the audience had difficulty following presentation because organization was disjointed.
- 0 points: Members of the audience could not understand presentation because there was no sequencing of information.

Similar rubrics were developed for *Delivery* and *Eye contact*. (Complete rubrics are provided in an accompanying volume.) For the purposes of this assessment, a score of 2 represented satisfactory performance. The goal was to have at least 80 percent of the students meet or exceed that score.

The assessment took place in the Spring 2011 section of ACCT 4963: *Auditing and Assurance Services*. This is one of three sections that are offered throughout the year. Twenty-seven of the 29 enrolled students participated in the assessment (two students had extenuating circumstances which prevented them from participating in the presentation).

The following table presents a summary of student achievement on the three dimensions:

Dimension:	Average score	Target score	Below expectations	Met expectations	Exceeded expectations
Organization	2.26	2	3 students 11.1%	14 students 51.9%	10 students 37.0%
Delivery	1.67	2	13 students 48.1%	9 students 33.3%	5 students 18.5%
Eye contact	1.70	2	11 students 40.7%	11 students 40.7%	5 students 18.5%

Conclusion: The percentage of students who met or exceeded acceptable performance is as follows: Organization – 88.9 percent; Delivery – 51.8 percent; Eye contact – 59.2 percent. These results indicate that students are fairly adept at organizing material in a logical sequence and that this ability facilitates audience understanding. However, there is room for improvement in students’ abilities to deliver their findings in an effective and interesting manner and in their ability to engage the audience through eye contact.

The instructor commented as follows: “In future semesters, I plan to emphasize the importance of delivery and eye contact early in the semester (before the presentations). Based on my observations of this and prior group presentations, the students appear to believe that the use of note cards is an acceptable way to make a presentation. In some cases, the note cards appear to provide a complete script of the student’s remarks. I intend to make clear that this approach is not acceptable before next year’s group presentations.”

### **Written Communication**

*Learning goal: Students will be able to effectively communicate financial and other relevant information in writing, so that it can be understood by individuals with diverse backgrounds, capabilities and interests.*

### Assessment

Written communication is assessed in ACCT 3613: *Managerial Uses of Accounting Information*, a required accounting course, which is typically taken at the beginning of the junior year. All students enrolled in Acct 3613 during Fall 2010 were required to participate.

The assessment process consisted of two practice-writing assignments followed by the actual assessment task. The first practice assignment gave students the opportunity to write professionally. Students were prompted to write a letter to a potential employer telling him/her about a personal experience in which the student performed cost-benefit analysis. The students received individual feedback on this assignment and were encouraged to meet with the teaching assistant to receive more detailed guidance / feedback. In addition, those with many errors or writing problems were encouraged to rewrite this practice assignment so that they could receive additional feedback.

The second writing assignment gave students the opportunity to practice professional writing (but not in the first person) and to apply concepts covered in class. Students were prompted to write a letter to a potential employer, explaining how various factors affect the relationships between costs, volume, and profit. The professor provided feedback to the students.

The third writing assignment required students to write a short essay for a potential employer illustrating their understanding of the accounting profession. Students were asked to address the following specific questions:

- How does management accounting differ from financial accounting?
- How do the jobs performed by management accountants and cost accountants differ?
- How do tax accountants and auditors contribute to organizations?

This was an individually graded assignment.

Assignments were graded for the following: (1) content, (2) overall structure, (3) grammar and spelling, and (4) efficiency and appropriateness of the written communication. The grammar and spelling category was sub-divided into subject/verb agreement and consistent verb tenses; proper use of articles; active voice; correct spelling; acceptable word choice; and sentence structure. (See the following table for relative scoring weights.) A grading rubric was used by the evaluators. The goal was to have at least 80 percent of the students earn at least a B grade (80%).

The grades received on each component are as follows:

Component	Mean	Median	Range	Std. dev.	Goal*	Actual**
Report Content (/10)	9.68	10	8 – 10	0.72	80	100
Overall structure (/10)	9.43	10	7 – 10	0.92	80	94
Subject/verb agreement and consistent verb tenses (/5)	4.48	5	3 – 5	0.66	80	91
Proper use of articles (/5)	4.77	5	4 – 5	0.43	80	100
Active voice (/5)	5.00	5	5 – 5	0	80	100
Correct spelling (/5)	3.97	4	2 – 5	1.12	80	66
Acceptable word choice (/5)	3.31	3	2 – 5	0.58	80	31
Good sentence structure (/5)	3.57	3	2 – 5	0.78	80	40
Communicates in an efficient and appropriate manner (/10)	8.6	9	7 – 10	0.77	80	94
Overall grade (/60)	52.83	53	46 – 59	3.08	80	91

\*Goal is the desired percentage of students earning a grade of B or higher.

\*\*Actual is the percentage of students earning a grade of B or higher.

### Conclusion

Overall, the students scored quite well in writing quality; Ninety-one percent met or exceeded satisfactory overall performance. However, students scored far below acceptable performance in several areas.

Classroom discussions that preceded the first practice assignment appear to have helped. They provided clear illustrations of common writing problems and allowed the students to better understand the form that business writing should take. Also, students who made many careless errors during the practice seemed to take the final assessment more seriously and scored well (perhaps because the assignment was worth 5 percent of their course grade).

Based on the results, the students appear to be weakest in terms of choosing acceptable words for business communication. Some common problems are the incorrect use of accounting terminology, the use of slang or extraneous words (too much ‘fluff’), and the use of a familiar tone for the situation at hand. In addition, students show weaknesses in sentence structure and spelling. One possible solution for remedying this might be to provide students with writing samples that contain these common errors and ask them, in groups or individually, to correct these errors. In addition, the College has recently opened a writing center that we plan to use as a resource in both the business core courses as well as in the accounting courses. We will continue to draw on the writing center to address our written communication skills. Also, the undergraduate course, ACCT 2013, has added a writing component to increase the writing instruction and practice for accounting students.

### **Interpersonal Skills**

*Learning goal: Students will be able to effectively work in teams with persons from a variety of backgrounds, interests and roles, in order to accomplish business-related objectives.*

Interpersonal Skills are assessed twice. The first assessment takes place in the junior year in ACCT 3723, *Intermediate Accounting I*, and the second assessment takes place in ACCT 4963, *Auditing and Assurance Services*, which is a senior level course. Both courses are required for accounting majors. Both courses assess

interpersonal skills through peer evaluations. The two assessments examine different (but overlapping) aspects of interpersonal skills and use two complementary measurement approaches.

### Assessment 1

The first assessment was conducted in the context of a team activity that required students to prepare a professional report and presentation at the end of the semester. Each team member evaluated the other team members in terms of their “value during, and contribution to” the project. The evaluation procedure forced students to differentiate among team members. Students were given a fixed “dollar budget” to distribute (an average amount of \$100 per student not including themselves), and were required to have at least a \$5 difference in dollar assignments between any two team members.

A peer evaluation score was computed for each student by taking the average of the scores he/she received from his/her group members. Successful performance was identified by the instructor as achieving a score of at least 90 points (given a forced average of 100 points per student). The goal was to have at least 80 percent of the students meet or exceed that score. The assessment took place in the fall semester of 2010 in two of the three sections of ACCT 3723, *Intermediate Accounting I*, taught by the main instructor. Forty-six students participated in the assessment.

The following table presents a summary of student achievement:

Goal:	Average score	Target score	Standard Deviation	Below expectations	Met or exceeded expectations
<u>Value during and contribution to the project</u>	97.6	90	18	11.6%	88.4%

### Conclusion:

The goal of having at least 80 percent of the students succeed has been met. The mean score of 97.6 suggests that the majority of students made significant contributions to their group projects. Suggestions for further improvement include providing more guidance throughout the semester and providing more assistance to help students resolve miscommunication and conflict among their team members.

### Assessment 2

The second assessment occurred in ACCT 4963: *Auditing and Assurance Services*. This assessment, like the first, was conducted in the context of a team activity that required students to prepare a professional report and presentation at the end of the semester. In this case, each student was required to complete a peer evaluation form in which he or she assessed his or her own performance on the project along with that of each group member. Assessments were made for each of the following two dimensions:

*Communication/Professionalism:* Extent to which the group member communicated effectively with other group members and the instructor, completed group assignments on time, was available for and participated in group meetings, etc.

*Overall Contribution:* Extent to which the group member performed his/her fair amount of the work. Once group roles were defined, the group member performed all tasks required of his or her role, contributing to the overall success of the project.

Assessments were made according to the following scale:

1 = unacceptable | 2 = below average | 3 = average | 4 = above average | 5 = exceptional

For each dimension, the student's "score" is the percentage of possible points received (calculated as the total points received divided by the total possible points [5 \* the number of students in the group]).

The instructor identified successful performance as a score of at least 90 percent of the possible points. The goal was to have at least 80 percent of the students meet or exceed that goal. The assessment took place in the spring 2011 section of ACCT 4963: *Auditing and Assurance Services*. This is one of three sections that are offered throughout the year. There were 29 students enrolled in that section, and all are included in this assessment.

The following table presents a summary of student achievement on the two dimensions:

Dimension:	Target score	Below expectations	Met or exceeded expectations
<u>Organization / Professionalism</u>	90%	4 students 13.8%	25 students 86.2%
<u>Contribution</u>	90%	5 students 17.2%	24 students 82.8%

#### Conclusion:

In general, the assessment results indicate that students communicate with their group members in an effective manner and that the group workload is distributed fairly. However, because the results indicate that a small number of students do not meet the acceptable threshold, there is room for additional improvement in this area.

The instructor commented as follows: "In future semesters, I will continue to stress the importance of being a responsible group member during in-class discussions of the project leading up to the due date. Based on my experience, students are reluctant to confront the problem of an irresponsible group member (yet some are willing to report such problems to me after the project has been completed). I will continue to encourage students to: 1) make an attempt to address the problem within the group, and 2) come talk to me (as soon as possible) to discuss a potential solution to the problem if the group's approach is not working."

#### **Decision Modeling**

*Learning goal: Students will be able to develop support for business decisions based on a systematic and objective consideration of the problems, the issues, and the relative merits of feasible alternatives using appropriate decision-modeling techniques.*

Decision-modeling skills are assessed twice. The first assessment takes place in the junior year in ACCT 3533: *Accounting Technology*. The second assessment takes place in ACCT 4673: *Product, Project and Service Costing*, which is a senior level course. Both courses are required for accounting majors. The two assessments look at different (but overlapping) aspects of decision modeling skills.

#### Assessment 1

The first assessment used an Excel assignment in which students were required to follow a series of decision-modeling steps: a) to write a macro to move a relatively large amount of data from one place to another; b) to properly identify inputs (cash inflows and outflows) into a discounted cash flow (DCF) model; c) to apply the proper analytical tool (e.g., net present value and internal rate of return calculation) to evaluate a potential investment project using the DCF approach; and d) to present a logical decision based on their analysis. This was an individually graded assignment.

Decision-modeling skills were measured on an 11-point scale. The instructor identified successful performance by a score on the assignment of at least 8 out of 11 points. The goal was to have at least 80 percent of the students meet or exceed that target. The participants in this assignment were the two Spring 2011 sections of ACCT 3533: *Accounting Technology*, for a total of 80 registered students: seventy-two students completed the assignment.

A grading rubric was used which identified four broad measurement items (phrased in terms of “mistakes”):

- a) Improper Arrangement of Data.
- b) Improper Identification of Inputs (inflows vs. outflows) into the decision model (DCF).
- c) Incorrect Application of Analytical Tool (e.g., NPV/IRR).
- d) Incorrect Decision Based on Faulty Modeling Process.

Below is a table summarizing the measurement items (mistakes) and the number of points students lost as a result of each mistake. The table captures 45 students (out of 72) who missed at least one point.

Explanation of Mistake	Number of Students	Points deducted
Improper Arrangement of Data	3	5
Improper Identification of Inputs (inflows vs. outflows) into the Decision Model (DCF)	8	2
Incorrect Application of Analytical Tool (e.g., NPV/IRR)	45	2
Incorrect Decision Based on Faulty Modeling Process	6	2

The table illustrates that the majority of students who missed at least one point are in the “Incorrect Application of Analytical Tool (e.g., NPV/IRR)” category.

The following table presents a summary of overall student achievement on decision modeling:

Learning Goal:	Average score	Target score	Max score	Below expectations	Met or exceeded expectations
<u>Decision Modeling</u>	9.2	8	11	15 students 20.8%	57 students 79.2%

### Conclusion:

Seventy-nine percent of all students met or exceeded the threshold of acceptable performance. This is within one percent of the target of 80 percent of the students. As mentioned above, it appears that the majority of students missed at least one point in the “Incorrect Application of Analytical Tools (e.g., NPV/IRR)” category, a far higher number than all other types of mistakes combined. These results reflect a content area requiring follow-up and additional effort in subsequent semesters.

### Assessment 2

The second assessment occurred in ACCT 4673, *Product, Project and Service Costing*. Students were required to construct an Excel spreadsheet to solve a process costing case. In their analysis of the data, the students were required to determine the applicable modeling techniques that would perform the intermediate calculations of the following data: direct material and conversion costs, the requisite equivalent units of direct material costs and conversion costs, and the final allocations to goods transferred out to finished goods and the ending inventory costs. Incorporated into the decision-modeling process was the requirement that the students apply the proper accounting treatment of process-cost determination under both the weighted-average method and the FIFO method. Students also were required to write a memo analyzing the relative

strengths and weaknesses of the weighted-average and FIFO methods and justifying the preferred method for the assigned case analysis.

The instructor used a grading rubric to score individual student decision-modeling performance. Four intermediate decision-modeling steps were identified for each of the two methods: (weighted-average and FIFO): the determination of equivalent units; the calculation of the units for which the spreadsheet must account; the determination of various costs; and the calculation of equivalent unit costs. In addition, an accompanying memo was evaluated on the basis of both logic and writing quality. This resulted in ten criteria, each evaluated on a 5-point scale. The total assignment was worth 50 points. (The grading rubric is included in an accompanying volume).

The instructor evaluated success by achievement of a score of at least 80 percent of the possible points (40 out of 50 points). The goal was to have at least 80 percent of the students meet or exceed that goal. The assessment took place in the Spring 2011 section of ACCT 4673: *Product, Project, and Service Costing*. This is one of three sections that are offered throughout the year. There were 23 students enrolled in that section; twenty students completed the assessment assignment.

A majority of the students performed well in addressing the intermediate decision-modeling steps. The average scores for the quantitative criteria ranged from 4.60 to 4.95 out of 5.00 in the weighted-average section of the rubric and from 4.05 to 4.80 out of 5.00 in the FIFO section of the rubric. These averages are significantly higher than the average scores that the students earned on the qualitative (memo) section of the assignment. The averages ranged from 3.30 to 3.35 out of 5.00 for the two qualitative criteria.

The following table presents a summary of student achievement on the decision-modeling task:

Learning Goal:	Average score	Target score	Min score	Max score	Below expectations	Met or exceeded expectations
<u>Decision Modeling</u>	43.40	40	33	50	3 students 15%	17 students 85%

#### Conclusion:

The goal of having at least 80 percent of the students succeed has been met. However, a number of students exhibited inadequate decision modeling skills. There is a need for more individual decision modeling assignments with varying degrees of difficulty across the accounting curriculum. Topic areas that should be considered include budgeting, process costing, job-order costing, activity-based costing, and overhead allocation.

Also, given the significantly lower scores on the qualitative (writing) section of this assignment, it is recommended that more emphasis be placed on students' written communication abilities. Some students failed to coherently express their thoughts in proper English.

#### **Leveraging Technology**

*Learning goal: Students will be able to use and apply prevalent business-related technology. They will be able to articulate the benefits, costs, and risks associated with the use of technology and make appropriate recommendations about the management of technology.*

Leveraging Technology is assessed twice: the first assessment takes place in the junior year in ACCT 3533: *Accounting Technology*, and the second assessment takes place in ACCT 4673: *Product, Project and Service Costing*, which is a senior-level course. Both courses are required for accounting majors. The two assessments examine different (but overlapping) aspects of decision-modeling skills.

## Assessment 1

The first assessment used an Excel assignment in which students had to do the following: a) write a macro to move a relatively large amount of data from one place to another; b) conduct a number of calculations (e.g., stock return, net present value, internal rate of returns) using Excel functions to evaluate a potential investment project (using discounted-cash-flows-approach (DCF)); c) arrive at a decision based on their analysis. This was an individually graded assignment.

Skills were measured on a 15-point scale. Successful performance was identified by the instructor as achieving a score of at least 12 out of 15 points. The goal was to have at least 80 percent of the students meet or exceed that target. The participants in this assignment were the two Spring 2011 sections of ACCT 3533: *Accounting Technology*, for a total of 80 registered students. Seventy-two students completed the assignment.

A grading rubric was used which identified two broad measurement items:

- a) Incorrect Application of Analytical Concept (e.g., calculation of stock return).
- b) Incorrect Application of Function in Excel.

Each item consisted of several sub items, shown in the table below. The table below summarizes the measurement items (mistakes) and the number of points students lost as a result of each mistake. The table corresponds to 45 students (out of 72) who missed at least one point.

Explanation of Mistake	Number of students	Points deducted
<b><i>Incorrect Application of Analytical Concept (e.g., calculate stock return)</i></b>		
Incorrect calculation of stock returns	8	1
Calculated cash inflows/outflows incorrectly	8	2
Calculated standard deviation on values other than daily returns	12	1
<b><i>Incorrect Application of Function in Excel</i></b>		
Standard deviation formula incorrect or missing	4	1
Failed to adjust the discount rate for the number of periods in the NPV calculation	10	4
Used monthly rate for NPV calculation	3	4
Incorrect application of IRR function	33	2

The table suggests that the majority of students who missed at least one point fall into the “Incorrect Application of Function in Excel” category. In particular, students seem to have failed to recognize the proper application of the IRR function.

The following table presents a summary of overall student achievement on decision modeling:

Learning Goal:	Average Score	Target Score	Max Score	Below expectations	Met or exceeded expectations
<u>Leveraging Technology</u>	12.8	12	15	11 students 15.3%	61 students 84.7%

#### Conclusion:

The goal of having at least 80 percent of the students succeed has been met. Approximately 85 percent of all students met or exceeded the threshold of acceptable performance. The instructor attributes the relatively high achievement rate in this assignment to the several examples that were provided to the students and the various exercises that were conducted in class. At the same time, it appears that a fair number of students missed at least one point in the “Incorrect Application of Function in Excel” category. This highlights a content area requiring follow-up and additional effort in subsequent semesters.

#### Assessment 2

The second assessment occurred in ACCT 4673, *Product, Project and Service Costing*. Students were required to construct an Excel spreadsheet to solve a process-costing case. Students first had to develop a conceptual model that was capable of providing the required solutions. (This part of the assignment was covered in the decision-modeling section of this report.) Next, students created Excel spreadsheets that would perform the necessary calculations to assign costs using the weighted-average and FIFO methods applicable to process costing. Included in the design of these spreadsheets were the necessary formulas required to provide the intermediate data necessary: equivalent units, costs in beginning inventory, and the percentages of completion for both direct costs and conversion costs in both the beginning and ending inventories. A key feature in the assignment was the requirement that the formulas in the Excel documents must accurately provide the requisite sensitivity to changes in input.

A grading rubric was used to score each individual student’s Excel performance. Three and six intermediate decision-modeling steps were identified for the weighted-average and FIFO methods, respectively. Examples were the determination of equivalent units, the calculation of the units for which the spreadsheet must account, the determination of various costs, and the calculation of equivalent unit costs. In addition, an overall evaluation of the Excel project was given. This resulted in ten criteria, each evaluated on a 5-point scale. The total assignment was worth 50 points. (The grading rubric is included in an accompanying volume.)

Successful performance was defined by the instructor as achieving a score of at least 80 percent of the possible points (40 out of 50 points). The goal was to have at least 80 percent of the students meet or exceed that score. The assessment took place in the Spring 2011 section of ACCT 4673: *Product, Project and Service Costing*. This is one of three sections that are offered throughout the academic year. There were a total of 23 students enrolled in that section; 20 students completed the assessment assignment.

A majority of the students performed well in the design of their spreadsheets in terms of addressing the intermediate steps. They tended to perform slightly better on the weighted-average method component than they did on the FIFO method. This result was probably to be expected, since the principles and procedures followed in the FIFO method tend to be more complex than the weighted-average method. The average scores for the questions for the entire group of students ranged from 4.00 to 4.65 out of 5.00 in the weighted-average section of the rubric and from 3.95 to 4.90 out of 5.00 in the FIFO section of the rubric.

The following table presents a summary of student achievement on the leveraging technology task:

Learning Goal:	Average score	Target score	Min score	Max score	Below expectations	Met or exceeded expectations
<u>Leveraging technology</u>	42.80	40	31	50	5 students 25%	15 students 75%

#### Conclusion:

The goal of having at least 80 percent of the students succeed was almost met. While many students demonstrate excellent Excel spreadsheet skills, a number of students still exhibit inadequate skills. There is a need for more individual Excel assignments with varying degrees of difficulty across the accounting curriculum. Topic areas that should be considered include budgeting, process costing, job order costing, activity-based costing, and overhead allocation.

Also, it is recommended that the Walton College change the process of verifying the Excel proficiency of its entering students. Even though students are able to get past the gatekeeper and secure certification of computer competency in their freshman year, it appears that many of them have significant difficulty in designing spreadsheets and writing formulas using Excel, even at the senior level.

#### **Exit Survey Results**

In addition to the course-embedded measures reported above, an Exit Survey was administered to graduating seniors. All students who were enrolled in ACCT 4963: *Auditing and Assurance Services*, during the Spring semester of 2010, and who were scheduled to graduate that year, were asked to participate. Since students received a small number of bonus points for completing the survey in class, all eligible students complied. Thirty-two surveys were completed. A copy of the exit survey is included in the appendix.

Since this report focuses on the assessment of learning goals that address specific *skills*, it is highly relevant to examine the students' views of how, and to what extent, they think that their skills have improved. *Question 3* of the survey asked, "Which specific skills have you improved during the program?" and *Question 4* asked, "What specific skills would you like to have practiced more in the program?" The following are the responses provided by the graduating senior accounting students. Since many students listed multiple skills, there are more than 32 responses to each question.

Student responses indicated that the skills that they had shown the *most improvement* were the following:

- a) *Analytical/problem solving skills* (11 out of 52 responses).
- b) *(Technical) accounting skills* (11 out of 52 responses).
- c) *Interpersonal skills* (including team skills, leadership skills, and listening skills), (9 of 52 responses).
- d) *Communication skills* (oral and written), (7 out of 52 responses).
- e) *Study/learning skills* (3 out of 52 responses).

Other skills that received at least two responses included the following: Excel skills, math skills, time-management skills, and attention to detail.

These students' comments reinforce the course-embedded results. When asked what skills they had most improved, students spontaneously identified many of the specific skills that had been selected as the key program learning goals for the undergraduate program in accounting, specifically oral and written communication and interpersonal skills. Moreover, there is significant overlap between what the students describe as their improvement in analytical/problem solving skills and the decision-modeling and leveraging-technology learning goals described in this report.

When asked what skills they would have liked to practice more, students cited these most frequently:

- a) *Communication skills* (about evenly divided between written and oral communication), (9 out of the 43 responses).
- b) *Real-world applications* (7 out of 43 responses).
- c) *Accounting skills* (6 out of 43 responses).
- d) *Tax skills* (6 out of 43 responses).
- e) *Technology/quantitative skills* (3 out of 43 responses).

Other skills that received at least two responses included: analytical skills, interpersonal skills, and research skills.

It is noteworthy that communication skills are included on both the list of “most improved” skills and the skills students “would have liked to have more of.” Students acknowledge that they have made significant progress in acquiring these skills, but having experienced this improvement, they wish for more. The emphasis on real-world applications is perhaps not surprising considering that these students are about to graduate. They have considerable anxiety about their upcoming transition from college to the professional world, and they don’t feel quite ready “to leave the nest.” This anxiety is also reflected in their desire for more accounting and tax skills. It is unclear whether students feel unprepared to *apply* their accounting and tax knowledge to real world problems, or feel lacking in accounting and tax *knowledge*.

### Closing The Loop

Reflecting on the results of the assessments, it appears that most, but not all, program-learning goals were achieved. In *oral communication*, the results were mixed. This learning goal was achieved in the first assessment but was met only partially in the second assessment, in which students failed to meet the achievement goals for “delivery” and eye contact.” This result suggests two recommendations for improvement: First is the need for additional, specific instruction in delivery and eye contact. This should be done early in the accounting curriculum rather than in the last semester of the program. Moreover, there should be numerous opportunities for students to develop their oral presentation skills throughout their program. Second, while it is illustrative to assess different types of oral presentations, it is also important to integrate the different grading rubrics used to evaluate those skills. The Undergraduate Program and Assessment Committee will direct the development of the integrated grading rubrics to be used so that oral presentation skills are assessed consistently throughout the program.

In *written communication*, the achievement goal was met, as reflected by the overall score. However, there were three sub-areas in which students were found lacking. The recommendation is to strengthen those areas by providing additional instruction and practice. This should not necessarily be done in the current course since it already contains a significant amount of writing instruction. Other options that need to be explored include expanding formal writing instruction and practice to other accounting courses and strengthening the writing instruction in the business core. The College has recently opened a Writing Center that we plan to use as a resource in both business core courses and in accounting courses. We will continue to draw on the writing center to address our written communication skills. The undergraduate course, ACCT 2013, has also added a writing component to increase writing instruction and practice.

The achievement goals for *interpersonal skills* were met in the first assessment, but in the second assessment, the desired target was not quite met. This suggests the same two recommendations for improvement as were made for oral communication. One is to strengthen instruction in interpersonal skills. Frequent practice in working in teams is critical, but it is not sufficient. Students also need to receive continued instruction in how to interact with others and work in teams. In addition, an appropriate support system must be in place to deal

with team problems and conflicts. Problems and conflicts are great learning opportunities, but only if faculty support is available. Second, while it is important to assess different aspects of interpersonal skills, it is also important to integrate the different grading rubrics used to evaluate those skills. The Accounting Department Undergraduate Program and Assessment Committee will be charged with developing a set of integrated grading rubrics, which can be used to measure interpersonal skills consistently throughout the program.

In *decision modeling*, the achievement objectives were met in one assessment and almost met in the other assessment. Nevertheless, faculty commented that there still are a significant number of students who exhibited inadequate decision-modeling skills, even at the end of their undergraduate accounting program. Although decision-modeling exercises exist throughout the undergraduate program, in many cases these involve team projects. This enables students to free-ride on another team member's decision modeling skills. It is recommended that individual decision-modeling exercises be required throughout the undergraduate program. Second, while it is illustrative to assess different aspects of decision-modeling skills, it is also important to integrate the different grading rubrics used to evaluate those skills. The Accounting Department Undergraduate Program and Assessment Committee will create a set of integrated grading rubrics that will aid in consistently measuring decision-modeling skills throughout the Accounting program.

In *leveraging technology*, the achievement goal was met in the first assessment but not met in the second assessment. While many students demonstrate excellent Excel spreadsheet skills, there still are a significant number of students who exhibit inadequate skills. There is a need for more individual Excel assignments with varying degrees of difficulty across the accounting curriculum. It is recommended that a formal sequence of individual Excel assignments be introduced into the undergraduate accounting curriculum. In addition, it is recommended that the College changes the process of verifying the Excel proficiency of its entering students. Even though students are able to get past the gatekeeper and secure certification of computer competency in their freshman year, it appears that many of them have significant difficulty in designing spreadsheets and writing formulas using Excel. Many students are lacking the very skills that they were certified to possess.

Finally, while it is illustrative to assess different aspects of leveraging-technology skills, it is also important to integrate the different grading rubrics used to evaluate those skills. It is important to get formal faculty agreement regarding the type and level of technology skills that students need to possess upon graduation. The Undergraduate Program and Assessment Committee will be charged with generating such a list of required skills and with directing the development of integrated grading rubrics to ensure that leveraging technology skills are consistently assessed.

We also note that, as a result of assurance of learning processes and discussions with key stakeholders, including faculty, alumni and employers, we have made major modifications to our Intermediate Financial Accounting series, increasing significantly the financial accounting content, and completely restructured our Accounting Principles and Auditing courses.

## **Master of Accountancy**

### **Program Administration and Curriculum Management**

The Master of Accountancy (M.Acc.) Program is administered by the Director of the M.Acc. program and a Program committee composed of members of the faculty who teach graduate accounting courses for M.Acc. students.

The Director of the M.Acc. Program chairs the M.Acc. Committee; the Director also has primary responsibility for advising M.Acc. students, organizing orientation and special events, evaluating applications, administering financial aid for M.Acc. students, and developing program publications and

catalog updates. The M.Acc. Committee operates as an arm of the College's Master Programs Committee; the Academic Director serves as a member of the College's Master Programs Committee. The M.Acc. Committee usually meets formally once per semester to discuss operating and curriculum matters and to make related decisions and recommendations to the Department Chair and to the Department faculty. The M.Acc. Committee, in conjunction with the Program Director, provides for approval of admission decisions and financial aid awards. The Department faculty approve curriculum initiatives.

The Graduate College of Business staff assists operations of the program (including student recruiting, student records, and event logistics). Development and management of the Master of Accountancy Program is guided by the University's Graduate School policies, the Graduate School of Business objectives and guidelines, and the description of the program within the Graduate Catalog as approved by the Accounting Department faculty and the College's Master Programs Committee.

The Graduate School of Business has as its objective the advancement and dissemination of knowledge in the business and organizational disciplines through scholarly research and excellence in its graduate management education. The Master of Accountancy program provides rigorous preparation at the graduate level for students to achieve success in their chosen career paths in public practice, industry, or government.

### **Desired Learning Goals and Program Requirements**

The program objective for the Master of Accountancy program, as adopted by the accounting faculty, is as follows: "The Master of Accountancy (M.Acc.) program provides rigorous preparation at the graduate level for students to achieve success in their chosen career paths in public practice, industry, or government. Students entering the program are expected to have an undergraduate degree or significant background in accounting. Building on the knowledge developed as an undergraduate, the M.Acc. courses broaden, extend, and integrate the student's knowledge." A key aspect of our program is the strong employer constituencies and placement opportunities for our students in both public practice and industry.

Based on the overarching program objective, the accounting faculty has specified a number of program *learning goals* that provide further specification. In addition to continued development of the skills acquired in the undergraduate program, students, upon completion of the Masters of Accountancy program, will have developed the following *skills*:

1. **Research:** Students will be able to access, assess, and apply the appropriate standards, regulations, or other information needed to address accounting and business problems.
2. **Risk Analysis:** Students will be able to analyze how business risk affects decisions and be able to create strategies to mitigate risk.
3. **Problem Solving and Decision Making:** Students will be able to discover problems, consider alternative solutions, analyze the pros and cons of each alternative, and support their conclusions.
4. **Written Communications:** Students will be able to effectively communicate financial and other relevant information so that it can be understood by individuals with diverse backgrounds, capabilities and interests.

Eighteen semester hours of graduate level accounting coursework are required, with 12 hours specified as follows:

- ACCT 5413: Advanced Financial Accounting.
- ACCT 5433: Fraud Prevention and Detection.
- ACCT 5953: Audit Standards.
- ACCT 5873: Advanced Taxation.

Within these core courses, the M.Acc. program places an emphasis upon the accounting profession's technical roles of developing, measuring, analyzing, validating, and communicating accounting information. The program also encourages the development of an expanded understanding of professional accounting responsibilities, ethical standards, and strategic roles of accounting in business.

In addition to the specified accounting courses, the program utilizes the following graduate-level accounting electives:

- Individual Tax Planning.
- IT Audit and Control.
- Advanced Financial Analysis.
- Accounting Ethics.
- Accounting Theory.

A minimum of six semester hours of the student's program must be non-accounting electives. Students are required to complete 30 semester hours of course work beyond the baccalaureate degree, at least 21 semester hours of which must be in courses reserved exclusively for graduate students. In addition to the required accounting courses and electives, the program also offers access to MBA courses. A cumulative grade-point average of 3.00 is required on 1) graduate work taken for the degree and 2) all accounting courses (both undergraduate and graduate) taken for the degree. At least 75 percent of the graduate credit hours submitted for the degree must be "A" or "B" grades.

In addition to the traditional Master of Accountancy Program, the Department now offers an integrated five-year program (IM.Acc.) of undergraduate and graduate coursework that allows outstanding students to earn the B.S.B.A. and the Master of Accountancy degrees at the same time. Students accepted into the integrated degree program (IM.Acc.) may concurrently enroll in undergraduate and graduate level courses, allowing a student to work on his or her senior year and M.Acc. year coursework consecutively. At the end of the fifth year, the student is then awarded both undergraduate and master degrees.

Students interested in this program must have completed 90 credit hours of study towards the baccalaureate degree (including ACCT 2013, ACCT 3533, ACCT 3613, ACCT 3723) by the June 1 deadline. Acceptance into the integrated program is based upon the discretion of the M.Acc. admissions committee. The committee considers the overall quality of the applications including the overall grade-point average, the grades in ACCT 2013, ACCT 3533, ACCT 3613, ACCT 3723 and the Graduate Management Admission Test (GMAT) score, as well as other relevant examples of academic ability and leadership. Students are expected to make continuous progress toward the degree by completing the required accounting coursework each semester. Students who fail to meet the requirements for the M.Acc. program must choose another major of study or finalize their B.S.B.A. in Accounting. Students are required to maintain the same level of academic performance as that of the M.Acc. Degree throughout their integrated program.

### **Learning Goal Measurement and Assessment**

Similar to the undergraduate program, learning goals for the M.Acc. program focus on skills rather than knowledge. This reflects the faculty's belief that student knowledge is properly assessed through midterm and final exams that are an integral part of every accounting course. This doesn't mean that the faculty members consider knowledge less important than skills, but rather that exam and assignment scores, combined with the course requirements themselves, provide a realistic assessment of students' knowledge achievement.

For the MAcc program assessment, we employ course-embedded assessment instead of stand-alone assessment. We believe that by making assessment activities a graded activity of the course, the students will take assessment seriously. Second, once assessment activities are integrated into a course, they are much more likely to continue to be applied in future years. Third, making assessment a part of the course involves nearly all the faculty with learning assessment, creating a realization that learning assessment is a crucial responsibility of all faculty, thereby, closing the loop to subsequently improving that learning.

Similar to the undergraduate assurance of learning program learning, we have defined specific behavioral elements that make up each learning objective. In doing so, the accounting faculty has decided to adapt the guidelines of the Core Competency Framework developed by the AICPA.

The following tables define specific components of each learning objective assessed within the M.Acc. Program. The components are adapted from the AICPA Core Competency Framework and are categorized into four levels of achievement, ranging from "level 1," beginning skills, to "level 4," accomplished skills:

<b>RESEARCH:</b> Students will be able to access, assess and apply the appropriate standards, regulations or other information needed to address accounting and business problems.	
Level 1	Accesses relevant standards, rules, and other information.
Level 1	Identifies relevant information such as industry trends, internal performance history, benchmarks, and best practices.
Level 2	Articulates assumptions and reasoning associated with application of existing rules to a given problem.
Level 3	Develops and uses reasonable guidelines for drawing conclusions in light of conflicting or ambiguous data.

<b>RISK ANALYSIS:</b> Students will be able to analyze how business risk affects decisions, and create strategies to mitigate risk.	
Level 2	Identifies risks of negative outcomes (including fraud) for particular scenarios.
Level 3	Communicates the impact of identified risks and recommends corrective action.

<b>PROBLEM SOLVING:</b> Students will be able to discover problems, consider alternative solutions, analyze the pros and cons of each alternative, and support their conclusions.	
Level 2	Makes valid and reliable evaluations of information, including the significance of evidence or facts for problem definition and solution.
Level 2	Analyzes the impact, pros, and cons of potential solutions or actions.
Level 3	Reasons carefully and thinks effectively in abstract terms.
Level 3	Identifies when to follow directions, question plans, or seek help.
Level 4	Strategically considers contingencies and future developments.

<b>WRITTEN COMMUNICATION :</b> Students will be able to effectively communicate financial and other relevant information so that it can be understood by individuals with diverse backgrounds, capabilities and interests.	
Level 1	Expresses information and concepts with conciseness and clarity when writing.
Level 3	Organizes and effectively displays information so that it is meaningful to the receiving party.
Level 3	Receives and originates direct and indirect messages as appropriate when listening, reading, and writing.

The relationship between the four overarching learning goals and the courses in which they are assessed is outlined in the following table:

<b>Learning Goal</b>	<b>Location Within Curriculum</b>
<i>1. Research: Students will be able to access, assess, and apply the appropriate standards, regulations, or other information needed to address accounting and business problems.</i>	<i>Throughout the curriculum, but this goal is assessed and strongly emphasized in ACCT5953: Audit Standards, which is required of all M.Acc. students.</i>
<i>2. Risk Analysis: Students will understand business risk, how it affects decisions, and how to create strategies to mitigate risk.</i>	<i>Throughout the curriculum, but this goal is assessed and strongly emphasized in ACCT5433: Fraud Detection and Prevention, which is required of all M.Acc. students.</i>
<i>3. Problem Solving and Decision Making: Students will be able to identify problems, consider alternative solutions, analyze the pros and cons of each alternative and support their conclusions.</i>	<i>Throughout the curriculum, but this goal is assessed and strongly emphasized in ACCT 5413: Advanced Financial Accounting, which is required of all M.Acc. students</i>
<i>4. Written Communications: Students will be able to share findings through written communication.</i>	<i>Throughout the curriculum, but this goal is assessed and strongly emphasized in ACCT5433: Fraud Detection and Prevention, which is required of all M.Acc. students.</i>

These courses are required for all students in the Master of Accountancy program. In addition to the *direct* assessment data generated from course-embedded assessment activities, the M.Acc. Program also collects *indirect* data on an annual basis through the use of student advisory groups and use of exit interviews.

### **Assessment Results and Closing The Loop**

This section of the M.Acc. report summarizes the feedback and results of the program changes instituted since the last AACSB review. Given the anticipated changes in course offerings and content that would result from the curriculum review that resulted after the 2006 AACSB review, the Assessment Committee decided to temporarily suspend the collection of course-embedded assessment data for the Masters of Accountancy Program until 2010. However, the Committee continued with the collection of student feedback. The committee collected exit survey data during the spring of 2008 and student focus group data during 2009 and 2010. Subsequent to various curriculum changes, the collection of detailed course-embedded assessment data was resumed in 2010. The following discussion, therefore, focuses on the result of a) the last AACSB review; b) the ongoing program reviews; and c) course embedded learning assurance activities. In general, we believe that the M.Acc. Program is solidly on track with respect to its learning goals.

## Responses to Prior AACSB M.Acc. Observations Concerning M.Acc. Growth:

Subsequent to the last AACSB report, the Department recognized the need to develop the M.Acc. program in response to the emerging national standard in accounting education and the opportunities to enhance student placement and career opportunities and contribute significantly to enhancing the University's reputation. Among other initiatives, this would include the need to become more proactive in recruiting students both within the College and from other schools. Associate Professor Gary Peters, who became M.Acc. Program Director effective July 1, 2006, and his M.Acc. Program Committee committed to a goal of increasing enrollment to at least 35 students per year within five years.

As noted in the 2006 AACSB report, the Department faced the challenge of finding a way to overcome the funding hurdle that out-of-state students who attend the University of Arkansas faced when they stayed for the M.Acc. program. During the undergraduate program, students from the six contiguous states receive University support to reduce their tuition to the in-state level; however, for the M.Acc. year, that support disappeared, and the cost per credit hour increased. As a result of the need to expand the program and the tuition challenges of our out-of-state students, the prior AACSB Peer Review Team encouraged the University and the College:

- *To consider reducing the M.Acc. tuition for the six states contiguous to Arkansas in a manner similar to what it currently does for undergraduate students.*
- *To use all available sources of assistantship money to benefit the largest number of students. If feasible, "split assistantships" are encouraged.*
- *To do a better job of informing its BS in accounting students earlier in their academic programs about the Arkansas M.Acc. program.*
- *To consider the advisability of admitting to M.Acc. courses only those students who have been properly admitted to the M.Acc. program.*

In response, the M.Acc. Program adopted a number of initiatives, which have contributed to the growth of the Program:

First, in working with the staff in our Graduate School of Business, we have made specific efforts to inform students about the M.Acc. program and the national trends in accounting education norms early in their undergraduate degree program. This has entailed making distinct presentations within early-level courses such as Intermediate I and Managerial Accounting.

Second, when advising undergraduate students, we have strived to improve the students' awareness of the risks of pursuing 150 hours requirements through means other than a Master degree. For example, in the past many students would pursue additional credit hours through the use of correspondence courses from accredited programs. However, students would also vastly underestimate the difficulty of completing these courses in a timely manner while going to school or working full-time. We also noted that there were times when undergraduate students would simply not be able to take additional courses, such as graduate-level coursework, simply due to the unavailability of seats. While we are sensitive to working with members of our student population for whom a graduate degree is simply not feasible, we also make them aware of the priority status that graduate students receive for registration in graduate courses.

Third, the M.Acc. program initiated the strategic use of Graduate Assistantship lines to reach more students. Beginning in 2007, we started strategically "splitting" assistantships to benefit a larger number of M.Acc. students.

Fourth, with the implementation of the Integrated M.Acc. program, we were able to extend the in-state tuition

benefits received by some of our out-of-state students who are accepted into the IM.Acc. program and defer the receipt of their undergraduate degree until the culmination of their graduate degree.

Fifth, we were recently given eight new fall semester Graduate Assistantship lines beginning Fall 2013. This will help us continue to attract top, diverse candidates to our program.

These initiatives took several years to put into place. In the past three years we have seen the M.Acc. program grow from a low of 18 awarded degrees in 2008, to 23, 37, and 48 awarded degrees in 2009, 2010, and 2011, respectively. For Fall 2011, we currently have 45 students enrolled in the M.Acc. program.

While the M.Acc. program has grown, this has not been at the expense of the quality of the admitted students. The average GPAs and GMATs for our program have remained steady and slightly improved at 3.43 and 583, respectively.

### **Ongoing Program Reviews:**

#### 2008 Reviews

In May 2008, students completed exit interviews with one of the members of the M.Acc. Program Committee. Due to the relatively small graduating class and thus the small number of interview respondents, the evaluation of the interview results primarily focused on general trends and differences from prior years. This interview focused on specific aspects of the M.Acc. program, such as what skills the students improved most, and what courses they liked most/least. Among other questions, the interviewer asked, “*Which skills have you improved during the program?*” Consistent with previous interview results, students responded that their greatest improvement came in oral communication skills, writing skills, and time management skills. Other skill improvements identified by students include the following: work ethic, research, the ability to see the big picture, critical thinking/analytical reasoning skills, and technical auditing/tax skills. Students spontaneously identified many of the specific skills that had been selected as M.Acc. program learning objectives.

When asked *what skills they would have liked to practice more*, students gave three skills multiple votes. The single largest issue identified by the students was the desire for more practice with technical and applied accounting content: CPA exam preparation skills, financial accounting, and auditing topics. Prior students commonly expressed these concerns. This is partially attributed to the pressure students face to successfully pass the CPA exam, a general focus on short-term milestones, and a general expectation that the priority of the M.Acc. program should be to train them to pass the CPA exam. Although the M.Acc. program’s objectives extend beyond the CPA exam, certain changes are being implemented to address this area of concern (described in following sections).

Students were also asked which accounting course they liked the most. Unlike prior years, the “most-liked” course mentioned most often was ACCT 5443: Asset Management (previously a required course). Students commented on the nature of the course’s approach and focus on decision/judgment issues. In prior years students often have expressed a dislike for this course, which was primarily attributed to the course’s topical content. It appears that many of the positive expressions of the course were linked to instructor-specific choices in the current semester with regard to topical content, course approach, and grading rubric. Other courses commonly mentioned included ACCT 5953: Assurance Services (now known as Audit Standards), ACCT 5883: Individual Tax Planning, and ACCT 5433: Fraud Detection and Prevention. These courses were generally associated with stronger career relevance and personal interest.

In addition, the exit interviewer also asked students to identify a course they took that they would not recommend to others. ACCT 5463: Advanced Financial Statement Analysis was mentioned most often. The common theme among the comments was that there was too much repetition of familiar material. The particular course in question was the first offering of this course within the M.Acc. program. This course was introduced due to a perceived opportunity to increase critical and analytical skill improvement in the M.Acc. program. Although the topic was generally well received by the students, the primary drawback seems to be related to the lack of difficulty of the course (resulting from the unintentional inclusion of previously covered material). *ACCT 5413 Accounting for Restructurings (now listed as Advanced Financial Accounting)* was also often mentioned. Students identified the lack of career relevance or practical application as reasons.

The students' primary "suggestions for improvement" for the program confirmed the general nature of the comments described above. Their suggestions commonly identified a desire for more CPA Exam application or training, changing the mix of required vs. elective accounting courses, and including additional accounting credit hours as a part of the M.Acc. degree. Finally, when asked about the "best thing" about the M.Acc. program, most responses identified fellow students and faculty. Students very much appreciate the camaraderie with their fellow classmates and the close, supportive relationships that students have with the faculty.

### Changes for 2009

In response to the continued concerns expressed about the CPA exam, the department decided to begin working with a CPA Exam Review provider. This step was designed to help facilitate the offering of such information in the local area (independently of the M.Acc. program). It was not seen as an addition or replacement to any material currently offered in the M.Acc. program. Rather, it was seen as an important step to help students acclimate to an environment where they are expected to take personal and professional responsibility for such activities. An initial effort was made to facilitate the presence of CPA Review offerings during the spring semester; however, this proved to be an unfeasible solution. Due to the timing of the CPA Exam dates available to the M.Acc. students and low student interest, the department determined that a different approach would be necessary. Additional changes were incorporated in 2011 (see additional discussion below).

The ACCT 5463: Advanced Financial Statement Analysis course was also changed in response to the early feedback. Course content was updated to increase the rigor and reflect incremental advancements to material previously seen by students. Moreover, attributes of some of the course content were incorporated from the ACCT 5443: Asset Management course (no longer offered).

An additional key change to the M.Acc. program was the expansion of the opening orientation session. In the past, orientation was essentially a half-day administrative exercise for enrolling in classes and becoming aware of graduate school policies. The expanded orientation included several panel sessions covering the importance of developing not only technical knowledge but also vital professional skills. The Panel Sessions and Orientation included 17 professional representatives from 10 different employers. The following Panels Sessions were presented:

- Teams in the Workplace (How Teams are Used, Membership Roles, and Membership Skills).
- Career Tracks and Competencies – Managing Your Career.
- Millennial Success – Adapting and Succeeding in Workplace Culture.
- Communication Skills (Good, Bad, Ugly): Personal, Professional, Verbal, Written, and Electronic.
- Managing Time and Assignments – Getting the Job Done (and everything else).

The expanded orientation session was well received by the students and professional participants. For example, one of our professional participants commented:

*"...often, the characteristics that best distinguish successful individuals from the rest of the pack are communication skills and attitudes. It is refreshing to see these attributes being stressed along with student's technical education."*

Finally, plans were established to revisit the curriculum content and means of entering the M.Acc. program. A fact-finding trip was conducted at the University of Texas-Austin to better understand alternative approaches for organizing curriculum content and for bringing people into the program. As a result of the visit, a curriculum review committee began deliberating potential changes to the M.Acc. program.

### 2009 Reviews

In lieu of exit interviews, focus-group discussions were conducted several times throughout the academic year. At the beginning of the academic year, six students were nominated and selected to participate on a Student Advisory Board. The mix of students was determined by backgrounds, career objectives, and leadership potentials. The students met twice during each fall and spring semester with the director of the M.Acc. program and representatives of the Graduate School of Business. The general intent of the advisory board was to provide timely feedback from the collective M.Acc. students concerning their overall experiences and specific issues arising over the course of the year.

Meetings included open-ended questions reflective of prior exit interviews, as well as opportunities for the students to raise their own concerns or observations. Many of the concerns raised in prior exit interviews were also expressed during the advisory board meetings; however, a few notable items did result from the collective meetings.

During the fall semester, a common frustration was raised with the ACCT 5413: Accounting for Restructurings course. In general, the students expressed reservations about the course's topical application and its general inclusion of unstructured cases. However, the program's employer constituencies praise both of these elements and the general trends in the accounting profession also support them. Some of the dissatisfaction expressed by the students was attributable to the adjustments required for students entering graduate-level coursework. However, plans include an increased inclusion of common technical guidance materials and topics (see discussion of 2010 changes below).

The advisory group also expressed a strong appreciation for the expanded orientation program. It was perceived that the orientation program made great strides in preparing the students for what would be expected of them within the upcoming year. The expanded orientation also seemed to successfully convey the importance of a professional mindset upon entering the program while providing an opportunity to interact with professionals at the beginning of the program. The students also requested that a portion of the orientation be spent to develop/assign student teams/groups that could be utilized at the beginning of the semester within their required Accounting courses.

During the spring semester, the advisory group responded most positively to the restructured ACCT 5463: Advanced Financial Statement Analysis course. Note that this course was perceived as one of the weaker experiences in the prior year. As a result of the prior feedback, changes were made to the course to add new material, new tasks and challenges. In addition, a number of the learning elements praised in the prior year's ACCT 5443: Asset Management course were incorporated into the expanded ACCT 5463: Advanced Financial Statement Analysis course. In general, the students responded most negatively to the increased time demands of the course. There were also some concerns expressed about the professional applicability of some of the case tasks. Furthermore, discussions revealed that many of the concerns were attributed to unsuccessful

communication about the connection between the learning objectives and professional applicability. Adjustments were made throughout the semester to address the concerns. A review of the course's assignments by several faculty resulted in a very positive assessment of the course.

### Changes for 2010

As result of the information gathered from the curriculum review committee and continued feedback from current and prior students, the M.Acc. program instituted the following changes:

Given the changes in the accounting profession and the typical career paths of our students, it was decided that *ACCT 5443: Asset Management and Contemporary Accounting Issues* did not belong in the required M.Acc. core. The content was considered non-essential as core required coursework (despite being value-added as electives) by faculty and prior students. Thus, we removed *ACCT 5443: Asset Management and ACCT 5463 Contemporary Accounting Issues* (previously titled) from our required set of courses.

The vast majority of our students pursue career paths that require CPA licensure as a minimum professional requirement. Our primary employer constituencies value the CPA licensure. Advanced career opportunities are often contingent upon achievement of licensure. Additional coursework related to Assurance Services and Advanced Taxation were seen as crucial for preparing for professional licensure. In response to student concerns we are adding *ACCT 5953 Assurance Services* (now know as *Audit Standards*) and *ACCT 5873 Advanced Taxation* as required courses to the M.Acc. core. In the past, these courses were offered strictly as electives.

We are finding that our M.Acc. applicants are increasingly coming from other business fields. Thus, we are working to provide flexibility in the M.Acc. program so that students can increase the amount of accounting coursework utilized for program credit hours. In addition, the changes in elective hour requirements allow students additional flexibility in specializing their degrees toward their specific professional objectives. The changes include increasing the number of credit hours of accounting electives from 6-9 to 6-12 hours. Alumni consistently expressed interest in having the option to expand their accounting coursework beyond the maximum of nine elective accounting credit hours (which, in addition to the 12 credit hours of the accounting core, limited the maximum accounting credits to 21). The changes will essentially increase the maximum of accounting hours to 24 graduate credit hours.

We also identified an opportunity to utilize the *ACCT 5413: Accounting Issues of Restructurings* course to include an expanded set of technical topics. Subsequently, we expanded the topical content of this course and changed the name to *ACCT 5413: Advanced Financial Accounting*.

In order to smooth the integration of students who are entering the M.Acc. program but attended other universities as undergraduates, we introduced a Buddy system to match these students with incoming M.Acc. students who previously attended the University of Arkansas as undergraduates. Students were paired at the beginning of the summer so that they could begin to communicate and exchange information, creating a support system, "buddies".

The professional orientation was also altered to help those students who transferred to the University of Arkansas. The morning of the first day was reserved for transfer students and their paired "buddy." The morning was spent assimilating the transfer students to campus. The afternoon was then spent with the entire group with activities to help the students get to know one another and to establish teams that they would use at the start of the semester among their required accounting courses. The courses would then utilize the option to rotate team memberships on subsequent projects. The second day kept a focus on the professional panel sessions.

Plans were put into place to facilitate the presence of a CPA review provider for the summer following the M.Acc. year. Students were encouraged to think of the M.Acc. program as a year-long experience that includes professional events, coursework, degree culmination, subsequent CPA review, and exam planning.

In anticipation of larger number of M.Acc. students, split sections of the M.Acc. courses will also be offered.

Based upon the success of the first student advisory group, the program will continue its use as a feedback mechanism in the future.

### 2010 Reviews

Similar to 2009, throughout the academic year, a student advisory board met several times throughout the academic year with the director of the M.Acc. program and representatives from the Graduate School of Business. At the beginning of the academic year, six students were nominated and selected to participate on a Student Advisory Board. The mix of students was selected based upon their backgrounds, career objectives, and leadership potential. More notable observations are summarized below.

Early in the Fall, the Advisory Board commented very favorably on the system of pairing incoming M.Acc. transfer students with resident University of Arkansas students. The transfer students commented that this made the transition much easier and was beneficial in obtaining student-oriented insights about life on campus. The students also commented that it was good to already have another student to interact with when they immediately arrived on campus. The team-building assignments were also positively viewed.

The students commented that they believed that some version of the Professional Panel sessions should be presented at the beginning of the student's senior year to better prepare them for the expectations of internships and the recruiting season.

With respect to curriculum issues, the students commented on what seemed to be occurrences of topical overlap within the Advanced Tax course and the Audit Standards course in regards to the undergraduate course counterparts. Adjustments were made in the Advanced Tax course to accelerate the coverage of material and inclusion of new topics. The feedback in the Audit Standards course is consistent with the changes that have been culminating within the undergraduate audit course. As a result, the Audit Standards course will be undergoing a revision in the Fall of 2011.

In order to better manage their course schedules, students suggested that the required accounting courses be split between the Fall and Spring semester (currently offered all in the Fall). This was also seen as a means of potentially offsetting the likelihood that a required course would conflict with an attractive limited offering elective course.

With respect to "student life," the Board commented on the positive environment that is encouraged during the M.Acc. program. Students initiated a M.Acc. holiday party that was hosted by one of the students with around 40 in attendance. Students also commented on the perceived willingness of the faculty to provide instruction that was specifically aimed toward the benefit of the students. To the extent that frustrations were expressed, they typically involved the common pressures of grading schemes, such as more breadth of material, desires for more structure in some of the special topics courses, a desire for additional elective course offerings, and misunderstandings about MBA vs. M.Acc. program initiatives.

### Changes for 2011

Beginning July 1, 2011, applications will be received for the first full class of "M.Acc. students." A one-day orientation at the beginning of the semester is planned for these students. The program will include

counseling on planning for internships, study abroad options, and coursework track specialization. In addition, panel sessions on preparing for internships and career planning will be offered.

As of May 2011, the Becker FastPass CPA Review was made available to the M.Acc. group on campus (Becker administers the course separate from the University). Student feedback will be gathered to assess the success and reservations of the CPA review experience.

For Spring 2012, Advanced Financial Accounting will be offered. This change was made to allow students a wider selection of electives in the Fall, including the Accounting Ethics Special Topics course taught by Dr. Karen Pincus. Currently Pincus's Ethics course is the only Ethics course in Arkansas that Texas recognizes for its CPA requirements. Many of our students are placed within the Dallas/Fort Worth area; therefore, this course offering is seen as a particularly important option for our students, in addition to the importance of the subject matter.

Dr. Gary Peters, along with three incoming M.Acc. students, joined the China Study Abroad course in July/August 2011. Traditionally, this course has only been subscribed by MBA students. Efforts are being made to make this experience of greater interest to our M.Acc. students.

### Course Embedded Learning Assurance Activities

As the curriculum was undergoing numerous changes, course embedded learning assurance measurement was temporarily suspended until Fall 2010. Below is a summary of the Learning Goal measurement activities during 2010:

<u>Data</u>	<u>Learning Goal</u>	<u>Where Measured</u>	<u>How Measured</u>	<u>When Measured</u>
Direct	1. <i>Research</i>	<i>ACCT 549V – IT Audit</i>	Course Embedded - Assignment	<i>Spring 2011</i>
	2. <i>Risk Analysis</i>	<i>ACCT 5433 – Fraud</i>	Exam Problem	<i>Fall 2010</i>
	3. <i>Problem Solving and Decision Making</i>	<i>ACCT 5413 – Adv Fin</i>	Exam Problem	<i>Fall 2010</i>
	4. <i>Written Communications</i>	<i>ACCT 5433 – Frauds</i>	Exam Problem	<i>Fall 2010</i>

*Learning Goal 1: Research: Students will be able to access, assess and apply the appropriate standards, regulations, or other information needed to address accounting and business problems.*

#### Measurement:

In order to assess the learning goals related to Research skills, a course embedded assignment in ACCT 549V: IT Audit and Control was used to assess the relative skill levels of the students as well as the topical matter covered in the course. The assessed population was a sample of the students in the M.Acc. program who enrolled in the course for elective credit. Twenty-eight of the current 48 M.Acc. students were enrolled in the course (26 students completed the assignment). Specifically the following skill levels were assessed:

<b>RESEARCH:</b> Students will be able to access, assess and apply the appropriate standards, regulations or other information needed to address accounting and business problems.	
Level 1a	Accesses relevant standards, rules, and other information.
Level 1b	Identifies relevant information such as industry trends, internal performance history, benchmarks, and best practices.
Level 2	Articulates assumptions and reasoning associated with application of existing rules to a given problem.
Level 3	Develops and uses reasonable guidelines for drawing conclusions in light of conflicting or ambiguous data.

Students were given an assignment to prepare a research memo from the perspective of an external financial statement auditor that justifies the use of IT Audit assistance from a client's internal audit department for a specific engagement. The memo needed to address the factors that should be considered before utilizing assistance from the Internal Audit department's IT Audit personnel. For example: What conditions would warrant the appropriateness of relying on the Client's IT Auditor assistance? Do the financial statement audit standards and guidelines provide specific examples of how the Internal Audit Department's IT Auditors could be used? Are there any complementary standards or guidelines related to IT Auditing that could help justify the evaluation of the quality of the IT audit assistance? The students were instructed to research and identify with specific citations the applicable standards of guidelines (including those potentially from AICPA, PCAOB, ISACA, IIA). In formulating their answers, students were instructed to delineate between those standards that the external auditor would be held accountable to and those that would help support their general decision to rely on the IT audit assistance.

### Summary Measures for Learning Goal 1:

Level	Skill	Action	Assessment	Outcome
1a	Accesses relevant standards, rules, and other information	Evaluate if student cites relevant standards, rules, and other information	0: Does not meet expectation 1: Meets Expectation 2: Exceeds Expectations	0: 7.7% 1: 77% 2: 15.3%
1b	Identifies relevant information such as industry trends, internal performance history, benchmarks, and best practices	Distinguishes between the application of regulated standards and guidelines, and professional standards and practices.	0: Does not meet expectation 1: Meets Expectation 2: Exceeds Expectations	0: 23% 1: 61.6% 2: 15.4%
2	Articulates assumptions and reasoning associated with application of existing rules to a given problem	Evaluate whether student reasonably communicates how regulatory and voluntary standards or guidelines complement a proposed solution or position.	0: Does not meet expectation 1: Meets Expectation 2: Exceeds Expectations	0: 7.7% 1: 73% 2: 19.3%
3	Develops and uses reasonable guidelines for drawing conclusions in light of conflicting or ambiguous data	Evaluate whether student considers the business case for the interpretation of relevant standards, in light of the uncertainties associated with the problem.	0: Does not meet expectation 1: Meets Expectation 2: Exceeds Expectations	0: 11.6% 1: 73% 2: 15.4%

The 'Outcomes' are defined as follows:

0 = Does not meet expectations

- 1 = Meets expectations
- 2 = Exceeds expectations

Either a '1' or a '2' were considered to be a positive learning outcome for assessment purposes, but are shown separately in the above chart to add richness to the information presented.

#### Assessment:

*For Level 1a*, out of all the students participating, only 7.7 percent failed to properly provide evidence of utilizing applicable standards. Although the students' arguments were generally sound and consistent with the general positions of auditing standards, it was not clear that students understood how to access appropriate audit standards to support an audit position. The remaining students clearly displayed evidence of being able to identify and cite relevant auditing standards in formulating a position. Conclusion: Assessment standard achieved this semester.

*For Level 1b*, the criteria evaluated whether the students were able to distinguish between the obligatory application of regulated standards and guidelines, the professional standards and practices, or any other information in a specific scenario. For those students who adequately identified relevant standards, they also were able to adequately identify the source of such standards. However, it was not clear from the students' proposed solutions, that they always understood the varying stringent obligatory nature (vs. guiding) of the different sources of audit standards to the external audit. Twenty-three percent of the students failed to distinguish between the sources for which professionals have a dutiful responsibility to comply vs. standards or guidelines that simply provide complementary support for a given decision. Conclusion: Improvement is needed in helping students understand, given a specific scenario, the need to differentiate (or at least communicate) the strictness/requirement upon a professional imposed by the source of the relevant standards and guidelines.

*For Level 2*, students were required to adequately interpret the identified standards and guidelines in a manner that supports a proposed solution. The students clearly displayed evidence of being able to interpret and apply the identified relevant auditing standards in formulating a position. Only 7.7 percent of the students failed to adequately interpret the standards and guidelines in a technically correct manner. These students overlapped with those that failed to adequately identify the relevant standards in *Level 1a*. Thus, all students who adequately identified relevant standard and guidelines also correctly interpreted the standards and guidelines. Conclusion: Assessment standard achieved this semester.

*Level 3*, a higher-level application of the research skill set is represented. Students were evaluated whether they considered the business case for the interpretation of relevant standards, in light of the uncertainties associated with the problem. Although students may have been able to identify and interpret standards, it is also important that they are able to view and utilize research skills in ways that bring value to a given business proposition by the application of the standards and guidelines (What value is added? What risks are avoided? What opportunities are created? What efficiencies are gained?). In general, students were able to communicate the benefits of following or utilizing the relevant auditing standards to support a position or proposed solution. Only 11.6 percent of the students failed to adequately make the business case for following identified guidelines or standards, even though they may have applied the standards in a technically correct manner. Seventy-three percent and 15.4 percent met or exceeded the expectation. Conclusion: Assessment standard achieved this semester. (See Appendix B)

*Other Comments:* The research skill set was measured in the semester following the completion of the required Audit Standards course. In future assessments, this skill set will be assessed at the time of and in coordination with the Audit Standards course. This will allow the M.Acc. program to increase the likelihood of obtaining a more broad representation of the students. This will also allow the students to research not only a given area of audit standards and guidelines but also the need to potentially research relevant financial accounting standards or guidelines to support a specific audit problem or position.

*Learning Goal 2: Risk Analysis: Students will be able to analyze how business risk affects decisions and create strategies to mitigate risk.*

Measurement:

An Exam Case within ACCT 5433: Fraud Detection and Prevention was utilized to assess the learning goals related to *Risk Analysis*. This course is a required course within the M.Acc. curriculum which allows for the assessed population to be all of the students in the M.Acc. program. Specifically, the following skill levels were assessed:

<b>RISK ANALYSIS:</b>	
Level 2	Identifies risks of negative outcomes (including fraud) for particular scenarios.
Level 3	Communicates the impact of identified risks and recommends corrective action.

Students receive a short case and are asked to write responses to questions involving risk analysis. Writing is done in class during a 90-minute exam period (this is the only question on the exam, so students have time to think before they write). Responses are evaluated against the objectives using a 4-point scale: Not at all, Sometimes, Most of the Time, and Consistently. The target is 80 percent or better, meeting each objective *most of the time or consistently*.

Assessment:

Target exceeded for all areas of risk analysis: A) risk identification (83 percent), B) outcomes assessment (89 percent), and C) recommendation of corrective action (85 percent). Conclusion: Assessment standard achieved this semester.

*Learning Goal 3. Problem Solving and Decision Making: Students will be able to identify problems, consider alternative solutions, analyze the pros and cons of each alternative and support their conclusions.*

Measurement:

In order to assess the learning goals related to problem solving and decision making skills, the final exam of Advanced Financial Accounting (ACCT 5413) was designed so that the last multi-part problem could be used to assess these skills as well as the topical matter covered in the course. The assessed population was all of the students in the M.Acc. program. This is a required class and a required final exam, so all of the students in the M.Acc. program were a part of the assessment population. Specifically, the following skill levels were assessed:

<b>PROBLEM SOLVING:</b>	
Level 2a	Determines valid and reliable evaluations of information, including the significance of evidence or facts for problem definition and solution.
Level 2b	Analyzes the impact, pros, and cons of potential solutions or actions.
Level 3	Reasons carefully and thinks effectively in abstract terms or generalizations.
Level 3	Recognizes when to follow directions, question plans or seek help.
Level 4	Strategizes and Considers contingencies and future developments.

The question assessed on the final exam involved three parts in analyzing a foreign currency translation. The students were given a situation and asked to complete conversions and analysis of which currency would be most beneficial to utilize as the base currency. Also, the students were to consider other options, such as hedging, that might be utilized.

Parts ‘a’ and ‘b’ of the problem (shown as Appendix A) require the students to first select the appropriate pieces of information to use to solve each part of the problem; however, this infers that they also reject the information inappropriate to the solution of each segment of the problem, which relates to level 2a skills from the AICPA Skill Level chart shown above.

The students must then correctly solve the problem, which tests the 2b skill of analyzing the impact, pros, and cons of potential solutions. Implied in this solution process is a test of the students’ abilities to follow the instructions on the exam and seek help if they do not understand the requirement, thus fulfilling skill level 3. Students who did not do what was asked of them in the “required” section of the exam would not have fulfilled level 3.

If the students correctly completed parts ‘a’ and ‘b’ of the problem, then they would have, in their answers, the information necessary to complete part ‘c’ of the problem. This part is where skill level 4 is assessed. The students must use the information from their earlier answer to make an evaluation of the best course of action to take. This is an assessment of the students’ abilities to strategically consider contingencies and future developments based on the circumstances of the problem situation

Note that the pool of students who could be assessed regarding skill level 4 (strategically considers contingencies and future developments) was slightly smaller because only the students who got the first part of the question correct were able to validly choose between options. Those who missed the first part of the problem did not have the appropriate information to make this assessment; therefore, the population tested for 4 consisted of the students who successfully completed 2a, 2b and 3.

### Summary Measures for Learning Goal 3:

Level	Skill	Action	Assessment	Outcome
2a	Valid and reliable evaluations of information – significant evidence of facts	Evaluate if student uses correct information to calculate settlement in U.S. dollars	0: no compliance 1: partial compliance 2: full compliance	0: 6.1% 1: 12.2% 2: 81.6%
2b	Analyzes impact/pros/cons of potential solutions/actions	Evaluate whether student considers the implications/consequences of choosing different currency denominations	0: no compliance 1: partial compliance 2: full compliance	0: 12.2% 1: 12.2% 2: 75.6%
3	Knows when to follow directions or ask questions	Verify that the student performs calculations and evaluate if they fully answer the problem	0: no compliance 1: partial compliance 2: full compliance	0: 4.1% 1: 4.1% 2: 91.8%
4	Strategically considers contingencies	Evaluate whether student strategically considers options, including hedging, and gives strong explanation	0: no compliance 1: partial compliance 2: full compliance	0: 20.4% 1: 4.1% 2: 75.0%

The ‘Outcomes’ are defined as follows:

- 0 = Does not meet expectations (an incorrect answer or a partial credit answer that is materially incorrect)
- 1 = Meets expectations marginally (a partial credit answer that is substantially correct)
- 2 = Exceeds expectations (a perfect or near perfect answer)

Either a ‘1’ or a ‘2’ were considered to be a positive learning outcome for assessment purposes, but are shown separately in the above chart to add richness to the information presented.

#### Assessment:

*For Level 2a*, out of all the students participating only 6.1 percent failed to utilize the information correctly in their calculations. 81.6 percent were completely correct in their decisions. 93.9 percent showed understanding of the given information’s significance. Conclusion: Assessment standard achieved this semester.

*For Level 2b*, the criterion evaluated whether the students analyzed the impact of their previous calculations. Nearly 88 percent of students attempted to analyze the possible solutions/outcomes and 86 percent of those were correct in their analysis. Conclusion: Assessment standard achieved this semester.

*For Level 3*, in a master level class, it is expected that students should be able to interpret and follow directions correctly. The results indicate that 95.9 percent of the students performed the calculations and provided answers to the questions asked. Of those students, the majority (95.7 percent) were completely correct in their responses. Conclusion: Assessment standard achieved this semester.

*For Level 4*, this is a higher-level criterion evaluating if students successfully looked at the problem from a strategic standpoint and considered other options. Students that missed the calculations or analysis in previous parts are likely to miss defining other solutions. Seventy-nine percent of students considered other options to the situation given, and, of those, 94.9 percent gave strong explanations to their options. Since not all students were successful in previous parts, this still shows a strong understanding of strategic analysis. Conclusion: Assessment standard achieved this semester. (See Appendix B)

*Other Comments:* The Advanced Financial Accounting course is designed to challenge Master level students in higher-level technical skills. During the semester, the course continually touches on more difficult material. Students must focus on refining their technical skills as well as considering the strategic decisions available in handling accounting issues. This assessment was designed to test both the students' technical abilities and analytical strengths through the problem solving/decision making criteria of the AICPA. This was a very select group of individuals containing all Masters of Accountancy students in one section.

*Learning Goal 4: Written Communications: Students will be able to effectively communicate financial and other relevant information so that it can be understood by individuals with diverse backgrounds, capabilities and interests.*

Measurement:

An Exam Case within ACCT 5433: Fraud Detection and Prevention was utilized to assess the learning goals related to *Written Communication*. This course is a required course within the M.Acc. curriculum which allows for the assessed population to be all of the students in the M.Acc. program. Specifically, the following skill levels were assessed:

<b>WRITTEN COMMUNICATION:</b>	
Level 1	Expresses information and concepts with conciseness and clarity when writing.
Level 3	Organizes and effectively displays information so that it is meaningful to the receiving party.
Level 3	Receives and originates direct and indirect messages as appropriate when listening, reading, and writing.

Students received a short case and were asked to write responses to questions involving risk analysis. Writing was done in class during a 90- minute exam period (this was the only question on the exam so students had time to think before they write). Responses were evaluated against the objectives using a 4-point scale: Not at all; Sometimes; Most of the Time; and Consistently. The target was 80 percent or better meeting each objective *most of the time* or *consistently*.

Assessment:

In general, lower performance than expected happened on logic/argumentation, writing, and using appropriate professional language. These targets were met in the last two assessment periods but were not met this time. Targets were *not met* for all areas of written communication: Reasoning (70 percent), Concise Writing (78 percent) and professional language (63 percent).

The drop off this year was unexpected. In previous periods (Fall 2004), assessment in undergraduate classes failed to meet the 80 percent target for writing and use of professional language by a slight margin (both 77 percent). However, adding writing exercises in the ACCT 5433 class was sufficient to bring the class well over target in these areas for later periods.

One possible contributing factor is that the undergraduate courses have dropped writing assignments in some ACCT classes that previously had them. Some students noted that they had not had any undergraduate accounting courses with grades based partially on writing.

Other Comments:

After this assessment was conducted, the Walton College hired a writing specialist to provide writing support for students across the college. This presents another opportunity for the M.Acc Program to consider how to develop our students' written communication skills. This opportunity is likely to increase in importance as the M.Acc Program continues to grow, attract students from other majors and universities, and attract an increasing number of international applicants.

**Closing the Loop for Course-Embedded Learning Assurance Activities**

The M.Acc. Program Committee met on April 17, 2011, to review and analyze the Assurance of Learning data presented in this report and to decide on action steps indicated by the data. In general, we believe that the M.Acc. Program is solidly on track with respect to its learning goals. The overall assessment results met or exceeded the set standards, and the faculty is pleased with the outcome. Instructors in the future will use these results to focus on improving student learning and analysis skills. The program requires students to maximize their abilities.

*Action Steps: With respect to the Research assessment*, the IT Audit Special Topics course included a large proportion of the M.Acc. class. Moreover, the students who took the course were a good reflection of the skill sets and interests of the general M.Acc. population. However, moving forward it is planned that the Research Assessment will take place in the Audit Standards course. Since the Audit Standards course is a required core course of the M.Acc. program, this will enable the assessment to provide a broader sample of the M.Acc. population at a common point in time. Moving the assessment will also allow the course-embedded task to incorporate financial accounting standards, in addition to various audit-related standards.

*With respect to the Problem Solving assessment*, the instructor is considering the addition of a case on foreign currency transactions to complement the textbook material for the spring of 2012 (when the course is next taught) to increase the learning of all of these levels of the AICPA Skills, particularly the level 4 item discussed earlier.

*With respect to Written Communication*, possibilities for the faculty to consider the following: (1) Consider the need to reevaluate the appropriateness of learning assurance goals to be accomplished in the M.Acc program; (2) If M.Acc program targets remain the same, consider adding writing components and assessment to a Spring M.Acc. course to further assess progress during the M.Acc. program; (3) consider adding a course on business writing as an elective or required course.

**Ph.D. in Business Administration, Accounting Emphasis**

The Walton College has two Ph.D. programs – one in Business Administration with an emphasis in each functional area, and one in Economics. Within the College, these programs coordinate certain activities, including collaboration in the assessment of the learning process to establish common goals for the programs.

Mission Statement:

The primary mission of the Ph.D. programs in the Walton College is to prepare students for faculty careers in higher education. A small percentage of doctoral graduates also secure positions in business and industry.

## Learning Goals:

At the doctoral level, our objective is to engage our students in scholarship and to provide an environment in which they learn the conceptual and methodological tools necessary to conduct independent research and also gain the knowledge and experience to teach effectively in institutions of higher learning. This objective is accomplished by the faculty working jointly with Ph.D. students to help the students to achieve the following:

1. Understand the evolution and current state of the academic accounting literature.
2. Learn to apply research tools by performing scholarly research.
3. Develop the teaching skills necessary to teach accounting in institutions of higher learning.

Our monitoring mechanisms for each of these three goals are detailed in the section below.

## **Monitoring Mechanisms**

1. Accounting Ph.D. students understand the evolution and current state of the academic accounting literature through our Ph.D. curriculum and colloquium series. Accounting Ph.D. students take at least five required doctoral seminars offered by the Department. The topics covered include an introduction to research, research methods, disclosure research, auditing research, financial accounting / capital markets research, and compensation and governance research. The instructor of each seminar has an excellent opportunity to observe the individual learning that has taken place in the seminar and to report a measure of that learning in the grade assigned. Doctoral students are also required to pass written comprehensive examinations.
2. The Department offers a weekly colloquium (see the schedule presented in the Appendix) where research papers are presented and discussed with research faculty and Ph.D. students. Ph.D. students are expected to prepare by reading the papers before the colloquium session, so that they can ask questions of / make suggestions to the presenters. This forum provides a powerful mechanism for faculty to observe Ph.D. students understanding of the papers being presented and to observe the maturation of the students over the years during which the student is in the program.
3. Accounting Ph.D. students learn to apply research tools by performing scholarly research. In addition, Ph.D. students are required to present two summer papers at the Departmental colloquium: one in the Fall of the second year and another in the Fall of third year. Students receive written feedback on these presentations and on their summer papers from research-active faculty.
4. Accounting Ph.D. students develop the teaching skills necessary to teach accounting in institutions of higher learning. All Ph.D. students are required to take a teaching seminar offered by the College. This course (WCOB 6111) exposes students to technology issues, planning for the course, teaching philosophies, academic integrity policies, best practices (through award-winning guest speakers), course management (testing, group work, managing large classrooms, encouraging participation), and of course the overarching theme of balancing the role of a teaching/research responsibilities in being a doctoral student. In addition, Ph.D. students are assigned to teach undergraduate accounting courses depending on the staffing needs of the Department. All students teach at least twice during the program. Ph.D. students also are appointed as research assistants to department faculty, so that they can learn both research and teaching skills. These assignments begin in the first semester of the first year and continue until graduation. Students who are teaching two sections in a given semester

do not work as research assistants during that semester. Accounting Ph.D. students who come from countries where English is not the native language are required to achieve the University-specified score on the TOEFL speak test before teaching.

For a detailed listing of the Fall 2010 and Spring 2011 Accounting Research Colloquium presenters and their affiliations, see Appendix F.

### **Placement of Ph.D. Students**

One way to assess whether we have been successful in meeting our objectives is to consider where our Ph.D. students have been placed. A list of Ph.D. graduates and their first placements is available for review in Appendix G.

### **Closing The Loop: Recent Changes to the Ph.D. Program in Accounting**

In the past three years, we have made a number of substantial changes to the Ph.D. Program in Accounting. These changes came as a result of our hiring a large number of very research-active-faculty from well-respected schools (specifically, University of Michigan, Missouri, Texas A&M, and University of California at Irvine) and conversations with those faculty members about what we could do to improve the quality of education and student placements. Our current faculty members have published in a variety of leading accounting journals in recent years. These journals include: *The Accounting Review*; *Journal of Accounting and Economics*; *Journal of Accounting Research*; *Contemporary Accounting Research*; *Review of Accounting Studies*; *Journal of American Taxation Association*; *Auditing – A Journal of Practice and Theory*; *Journal of Accounting, Auditing, and Finance*; *Journal of Accounting and Public Policy*; *Journal of Business, Finance, and Accounting*; and *Journal of Information Systems*. The Ph.D. Program Director and Ph.D. Program Committee draw on the advice of the research-active-faculty when considering improvements to the program.

Because our current faculty specializes in archival research, we have completely restructured our course offerings in the past three years to focus on our strengths. We now offer at least two accounting research seminars each year and students are able to take at least five accounting research seminars while in the program. Specifically, students take a series of accounting research seminars. The typical sequence is as follows: In Fall Semester, Year 1: Both a colloquium-based seminar (introduction to research) and an overview of accounting research with an emphasis on archival research methods and disclosure choice and consequences. In the Spring Semester, Year 1: Overview of accounting research with an emphasis on auditing and governance research. In the Fall Semester, Year 2: Overview of accounting research with an emphasis on capital markets (stock price reactions, market anomalies, time-series properties of earnings, valuation, and analyst forecasts). In Spring Semester, Year 2: Overview of accounting research with an emphasis on agency theory, executive compensation, corporate governance, and earnings management/earnings quality. All seminars are now taught by faculty members, who have recent publications in top accounting journals. These seminars typically require students to present and discuss research papers, write and present original research proposals, and prepare mock referee reports (evaluating unpublished papers). Their performance is evaluated regularly by research-active-faculty. In addition, in order to help students make progress on research projects, in Fall 2011, we began offering an optional seminar to students who have written their comprehensive examinations. This seminar focuses on their specific research interests and the goal of the seminar is to help students make substantive progress towards completing their dissertations and/or working papers while in the program.

In addition, in the last few years, we have instituted a more regular weekly accounting colloquium series. These sessions now focus exclusively on current accounting research. We invite at least three distinguished outside speakers to present annually; recent outside speakers include Wayne Thomas, Russell Lundholm,

Marlys Lype, Greg Miller, Theodore Sougiannis, and Chris Hogan. Currently scheduled speakers for 2011/12 are Joe Brazel, Karen Nelson, Tom Omer, and Doug Skinner. In addition, our senior research faculty may choose to present at colloquium; all untenured research faculty must present at least once annually. Finally, all Ph.D. students in 1<sup>st</sup> and 2<sup>nd</sup> years of the program are required to present a summer paper (which may be coauthored with faculty).

While in the program, students develop and improve their research skills by serving as research assistants to faculty, by working on summer papers (which may be coauthored), and some choose to work on additional research projects with faculty. These papers and projects can result in coauthored publications and working papers. We assess these skills by having students present their summer papers at our weekly colloquium and by including research-based questions on the comprehensive exam. Students are also required to propose their dissertations at the weekly accounting colloquium and receive input from research faculty.

As a result of the recent changes to our program, we have been able to attract high-quality Ph.D. students in recent years. Most current students have GMAT scores over 700 and have at least a few years of work experience. Importantly, each year, the Ph.D. Director prepares an annual evaluation of each student's progress in consultation with the Ph.D. Program Committee. The Program Director meets with each student to discuss this evaluation, and the document is shared with the Department Chair. The evaluation informs the advisory process for each student and, ultimately, reflects whether the student may continue in the program. In addition, the Ph.D. Program Director meets with students regularly to discuss course selection, research assistantships, and to give feedback on summer papers and comprehensive examinations.

Based on placements and the changes outlined above, the faculty believes that the learning goals and the processes employed have significantly improved quality in recent years and will continue to advance as the initiatives detailed in our "closing the loop" section become fully implemented. The Ph.D. Program Director and Program Committee will continue to monitor student progress and institute changes to the program as deemed necessary.

## CONCLUSION

The Department of Accounting and the Walton College faculty, staff, and students are proud of what we've accomplished since our last accreditation visit. We have increased our M.Acc. enrollment, made critical changes in our curriculum (primarily due to our assurance of learning efforts), and we have a new, stronger research focus. In addition, we have been ranked nationally for the first time. We believe these changes are not only strategic in nature but also highly positive and sustainable. This is the direction that we as a Department want to move in (with critical support from the Dean and College). We have accomplished all of these things despite the national economic crisis, and we believe that our progress will continue as the economy improves. We believe that we contribute to the Walton College's mission – to strive for excellence in order to strengthen its position as a leading business school, serving Arkansas and the world. We also believe that we are well positioned for the future. The College stakeholders support our strategic initiative plans and our next steps are to continue to prioritize the action items within these plans by assigning faculty and staff members to teams that will enact our plans.

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