**SOA Financial Accounting Committee**

**Undergraduate Program Curriculum Review Meeting**

**Monday October 12, 2020 at 10am**

Attendees: Mary Woollen (Chair), Shirley Daniel, Terri Fujii, Manu Ka’iama, Hamid Pourjalali, Jenny Teruya, and David Yang

**Summary of Chart Detailing Undergraduate Financial Accounting Courses at 22 Schools**

**(see text box notations for courses similar to ACC 321, 323 & 401; also noted other common topics)**

* 20 “good” schools were selected for comparison review
* 5 of the 20 schools do not have undergraduate accounting programs
* Indiana University is most similar to UH with required 321 & 323 & elective 415
* Boston College is also similar to UH with required 321 & 323 & elective 415 but also has two other electives: financial statement analysis and FV accounting
* 4 schools require advanced financial accounting (Illinois, Pennsylvania, Ohio, & Cornell) and of these only the Illinois advanced course is not obviously similar to UH ACC 415
* Georgetown requires 321 & 323 with a financial statement analysis elective
* Notre Dame requires 321 & 323 & financial statement analysis (although it is unclear if “321” is comparable to UH)
* 6 schools require at least one financial statement analysis course (Texas, Brigham Young (2), Notre Dame, Pennsylvania, New York (3), & Cornell)
* 4 schools offer at least one elective financial statement analysis course (USC, Ohio, Boston, & Georgetown)
* 3 schools offer only 321 & 323 as required courses without any financial accounting electives (Florida, Missouri, Texas A&M)

**Committee Meeting Highlights**

The two most striking differences in terms of financial accounting course work for an undergraduate degree in accounting at UH and at the 15 comparative schools which were examined in our review involve an advanced financial accounting course (ACC 415 at UH) and a financial statement analysis course. Each of these differences is addressed separately below.

Ideally ACC 415 would be a required undergraduate course for accounting majors. The course content is tested on the CPA exam and many graduating accounting majors both sit for the CPA exam and enter the public accounting profession. There are several reasons ACC 415 is not currently a required undergraduate course. First, the University is emphasizing a need for students to graduate on time. There are already 6 required courses for accounting majors so it is not feasible to add another one and expect students to graduate on time. Second, the State Board of Accountancy has not been willing to increase the educational requirement from 18 to 24 credits which would effectively make a case for including ACC 415 as a required course. The School of Accountancy has made repeated presentations to the State Board encouraging the board to increase the educational requirement as a way to address the currently low CPA exam pass rate for Hawaii candidates. These efforts by the School have thus far not been successful.

The current approach the School is taking is to encourage undergraduate students to enroll in the 3/2 MAcc program. The School believes this is most cost effective way for a student to master all the course material that will be tested on the CPA exam. Enrollment in the MACC program is low because tuition for the program is relatively high compared to student budgets, and unfortunately, financial aid is not available for graduate students. Currently many students are double majoring in order to extend their financial aid opportunities and take more elective courses. Many of these students are currently taking ACC 415 as an elective.

The prevalence of a separate course on financial statement analysis was remarkable in our 15 comparison schools. The two constraints which were mentioned above also play a role in the fact that we do not currently offer an entire course focused on financial statement analysis. Instead, we include some analytical tools and coverage of the topic in several other undergraduate courses including ACC 200 and ACC 321. Students also have an opportunity at Shidler College to take courses in the Finance department which cover this topic. Additionally, a majority of the employers which hire our accounting graduates are CPA firms and they indicate it is more important to them that our students be skilled at preparing financial statements rather than analyzing them.

Suggested Motion: No change in financial accounting courses in undergraduate program is necessary.