Minutes of Faculty Meeting
January 26, 2015
11:30 a.m. – 2:00 p.m.
BusAd G-301

Attendees: Shirley Daniel, Roger Debreceny, Terri Fujii, Liming Guan, Robert Hatanaka, Boo Chun Jung, Manu Kaiama, Thomas Pearson, Hamid Pourjalali, Jenny Teruya, David Wang, John Wendell, Mary Woollen, David Yang, Jian Zhou, and Marlene Sagapolutele.

Minutes of December 1st meeting was approved (three abstained)

Acc 201 and Acc 202

One of the issues in Acc201 is related to the amount of coverage. If the required coverage is reduced, instructors can spend more time teaching the students basic knowledge.

As such it was proposed to have ACC 202 include a financial analysis project and emphasize use of library resources and get them thinking about real companies.
The motion passed (one abstained).

Financial Coverage ACC 321, 323 and 415:

The review of financial accounting series started for two main reasons: first that students are not doing as well in financial accounting topics in their undergraduate capstone course and second the continuous decline in CPA passing rates for SOA graduates. The following provides some of the discussion with regards to the problems observed what action(s) may help to remedy these problems:

- While students make good grades in their accounting courses they are not able to see the whole picture. For example, students cannot find missing remedial information. Instead of learning and understanding, students memorize only.
- Technology has changed and now plays a part in students learning and retaining of their knowledge.
- Students don't understand how a business works. As such they have no context in how accounting applies to a business.
- Students have no conceptual underpinning and still get debits and credits wrong at the 321 level. We cannot assume students are ready to get into more detailed material
- Many students have more than a one semester gap from ACC 201 to ACC 321. A contributing factor for lack of retention
- We have to rely on students to know the basics from ACC201 and ACC202. About 50% of ACC 321 is related to material already covered in ACC 201. No time to cover everything over again.
- International accounting topics are not as important. Many are not different from US GAAP and as intermediate textbooks cover some international we can integrate them into current intermediate courses.
- At another school, there is a one week boot camp for students that is optional. Students who took the boot camp performed better.

- We should be worried about turning away students from accounting major.
- You can tell which students are just getting by when they actually should fail. Some students take ACC 323 multiple times just to pass.
- Maybe what professional are complaining is related to the way the CPA exam is organized: students forget subject matter once they pass a specific section.
- We need to send the message of telling students to retain information and knowledge from ACC 201
- Must have the basic testing of ACC 201 in every section of ACC 321 and when students fail, we should give them some incentives to remediate themselves.
- We should not be concerned/worried about losing students. We have a lot of graduates at the moment.
- Students need to understand the basic framework. Adding more technicalities and details before students can grasp the basic concepts will overwhelm them.
- The list for ACC 321 does not suggest a holistic approach to transactions and how the information goes into financial statements. It seems too focused statement by statement and lacks integration.
- Concern about incorporating review into summer courses was raised.

The following were suggested to address the issues that mentioned above:

- National Taiwan University offers intermediate accounting as a three semester course. There are required sets of topics that students must know from one semester to another.
- The rigor in other Asian countries is greater. Sometimes about 50% of students fail in ACC 321.
- In ACC 201 and 202, basic transactions are covered. In ACC 321 and beyond, more complex transactions must be covered.
- Want to look at disclosures in more depth. Accounting policies, footnotes, etc. Get into more what things mean rather than just learning about debits and credits. More analysis type problems.
- ALEKS. Program of testing students before they get into intermediate accounting. But none of the top schools use ALEKS it. Yang plans to use it in the Fall semester.
- Woollen is using software called PKL in ACC 323. An attempt to get students to review accounting topics. It has ACC321 and ACC323 topics. Woollen has assigned topics from ACC 201 and ACC 321. The software is only 10 dollars. Students do it for points in class, so the incentive is present.
- College should create an introduction to business course. Make students learn and understand in general how a business works.
- Encourage faculty who haven't taught ACC201 in a while to teach. Might give more insight to what can be improved.
- Students do not utilize all resources available to them. Need to do better job of exposing students in earlier classes.

Discussion of the coverage in Acc 321, 323 and 415 resulted to the following decisions:

ACC 321 should include the following topics and the SOA webpage needs to be corrected accordingly:

- The accounting model
- Financial reporting: its conceptual framework
- Introduction of FASB's Codification Database
- Balance Sheet
- Income Statement (including Results from Discontinued Operations) and Statement of Comprehensive Income
- Income recognition and accumulated other comprehensive income
- Statement of cash flows
- Statement of changes in shareholders' equities
- Cash and receivables
- Inventories: cost measurement and flow assumption including LIFO, FIFO, Average Cost, Dollar Value LIFO methods
- Inventories: special valuation issues
- Property, plant and equipment and impairment of property, plant and equipment
- Depreciation and depletion
- Intangibles
- Disclosures and Notes to financial statements

Furthermore:

Requirement of software similar to PKL software for all ACC 321 sections. It must be completed within the first month (or first 25% of the class period in Summer) to review and show competency in ACC 201 topics.

ACC 323 Content and Prerequisites:

Acc 323 should include the following topics and the SOA webpage needs to be corrected accordingly:

- Current liabilities and contingencies
- Long-term liabilities
- Investments
- Contributed capital
- EPS and retained earnings
- Accounting for income taxes
- Accounting for postemployment benefits
- Employee compensation
- Accounting for leases
- Statement of cash flows
- Accounting changes and errors
- Disclosures

Proposal to change prerequisite to C+ to get into ACC 323 was rejected because of the need for consistency in the retake policy and prerequisite grade for every course. The following motion was passed and would affect ACC 201 and ACC 202, and ACC 321.

Change prerequisite grade back to C- to align with University retake policy (7 for, 3 abstained, 3 against).

Suggestion: An actual study for students who have C- in ACC 202 who go on to take ACC 321.

ACC 415 vs ACC 460:

ACC 415

Main issue is that ACC 415 is not mandatory for the undergrad major, but required for the MAcc. Less than ½ of undergrad accounting majors take 415 and we must communicate that ACC 415 is important if you want to work for a public company band pass CPA exam.

Many students are taking courses not helpful to their career to fulfill the 150 credit hour requirement for CPA.

Foreign currency transactions and translations could be taken out of ACC 415 if included in ACC 460. However, concern is that students who go into MAcc from another major will not get the material, because ACC460 is not required for MAcc students.

There is a need to cover fund accounting and not-for profit in ACC 415 in a slower pace and cover these topics in more depth. In ACC 635 students learn these topics in more substantive depth.

The following was decided:
Move derivatives from ACC 415 to ACC 460
Add foreign currency transaction topics to ACC 460
Keep foreign currency transaction and translation in ACC 415

ACC 460

ACC 460 should not be used to introduce new topics, but focused on integrating information at a higher level. It should help polish the students and follow a holistic approach so students learn how to integrate everything that they learned.

Students should learn or know how to draft a full set of financial statements with notes, as done in ACC 660. Grade students based on the process, thought and effort they put into it.

In the systems course, focus is more on the control and mechanics. Systems will include data analysis, case studies, assessment, etc. The package is not something you would use on the financial side of accounting. This is more audit specialist software.

Those who will teach ACC 460 will meet separately and decide in its structure and further details on its coverage.

Common Cheating Practices

Faculty were asked to review list of common cheating practices by Shidler students, drafted by a Shidler student.

Meeting adjoined at 2:00 p.m.