

## Proposed Master of Accountancy (M.Acc.) Program

The accounting department proposes to reinstitute the M.Acc. degree for University of Richmond accounting students who enter the program immediately following their senior year.

### ***150-hour Requirement***

At the present time, 40 states require candidates to have 150 credit hours of post-secondary education before becoming Certified Public Accountants (CPAs). Five more states—Arizona, Minnesota, New Mexico, New York and Virginia—will begin requiring 150 credit hours within the next five years. Virginia's 150-hour requirement will become effective on July 1, 2006. Only California, Colorado, Delaware, New Hampshire and Vermont have not passed legislation requiring new CPAs to complete 150 credit hours of education. Thus, accounting students who do not complete 150 credit hours of education face severely limited employment opportunities.

Most of our peer and aspirant schools in states that have adopted the 150-hour requirement have begun offering a Masters degree to accounting students who complete a fifth year of education.

Schools offering Masters degrees in accounting, tax, or information systems:

- Wake Forest
- Boston College
- William & Mary
- University of Virginia
- Case Western
- Miami Univ. (Ohio)
- Drake
- Lehigh
- Bradley
- College of Charleston
- Univ. of Miami
- Notre Dame
- Seton Hall
- Southern Methodist
- St. Louis Univ.
- Texas Christian
- Trinity
- Tulane
- Villanova
- Univ. of Denver

Schools offering a 5-year BS/MBA program:

- Creighton
- St. Bonaventure

Schools not now offering a Masters degree option to accounting students:

- Georgetown
- Emory
- Washington Univ.
- Washington & Lee (Virginia)
- Santa Clara (California)

### ***Demand for a M.Acc. Program at UR:***

In recent years, more than 30 UR students per year have accepted jobs with public accounting firms. Because most of our graduates stay in Richmond, go to northern Virginia, or go to New York, few students have needed to earn 150 credit hours. After Virginia and New York begin requiring 150 credit hours in 2006 and 2009, respectively, a significant number of UR accounting students will need to complete 150 credit hours.

	2002	2003	2004
# students majoring in accounting	45	54	49
# students accepting jobs with public accounting firms	32 (71%)	34 (63%)	37 (76%)
# students going to offices in Virginia/DC	24	18	25
# students going to offices in New York	2	6	4
# students going to offices in states that require 150 hours	6	10	8

To help estimate the potential demand for a M.Acc program at UR, we asked students in the class of 2006 to rank three alternatives for satisfying the 150-hour requirement. Their responses (1=most preferred; 3=least preferred) were as follows:

Response	M.Acc at UR	Masters degree at another university	Complete 150 hours at undergraduate level
1	44%	32%	24%
2	48%	52%	4%
3	8%	16%	72%
Total	100%	100%	100%

### ***Application Process:***

The M.Acc. program is intended for University of Richmond accounting students who enter the program immediately following their senior year. Students will apply to the M.Acc. program during the fall of their senior year by submitting a written application supported by a grade transcript and a GMAT score. Students will be notified of their acceptance before the end of the fall semester. Students who do not wish to enter the masters program, or are not admitted into the program, will simply complete their eighth semester and receive their B.S. degree.

## ***Curriculum:***

The University of Richmond M.Acc. program will consist of 30 graduate credits: 2-credit opening residency, 2-credit internship, 2-credit Professional Responsibilities seminar, 12 credits of accounting courses, 6 credits of MBA electives, and 6 credits of Law School electives.

### Opening Residency:

- The opening residency will introduce students to professional research using electronic databases and will culminate in a case competition.

### Professional Internship:

- Each student will participate in an eight-week internship with a company, not-for-profit organization or public accounting firm. Students will submit weekly writing assignments to earn academic credit.

### Professional Responsibilities Seminar:

- Students will participate in a 1-credit interdisciplinary seminar during each semester. The seminar will address accountants' ethical and professional responsibilities. Guest speakers from the accounting profession and from other academic disciplines (e.g., philosophy, political science, sociology) will address current topics. Students will perform a specified number of hours of community service perhaps through the Center for Civic Engagement.

### Four Accounting Courses:

- Financial Accounting Theory, Policy & Research
- Business Assurance Services
- Systems Control & Audit
- Corporate Tax & Research

### Two MBA electives (possible courses include):

- MBA 561-Investments
- MBA 569-Corporate Governance
- MBA 581-Leadership
- MBA 582-Mergers & Acquisitions

### Two Law School electives (possible courses include):

- Bankruptcy
- Corporate Taxation
- Negotiation
- Estate and Gift Taxation
- Estate Planning
- International Taxation

**Program Schedule:**

<b>Summer between 4<sup>th</sup> and 5<sup>th</sup> year:</b>			
Internship	2 credits		
Opening Residency	2		
	4 credits		
<b>Fall of 5<sup>th</sup> year:</b>		<b>Spring of 5<sup>th</sup> year:</b>	
Business Assurance Services	3 credits	Systems Control & Audit	3 credits
Corporate Tax & Research	3	Fin'l Theory Policy & Research	3
MBA elective	3	MBA elective	3
Law elective	3	Law elective	3
Professional Responsibilities	1	Professional Responsibilities	1
	13 credits		13 credits

**Administrative/Staffing Requirements:**

One member of the accounting faculty will be appointed to serve as Director of the M.Acc. program. The Director will oversee the application and selection process and teach the Professional Responsibilities seminar each semester. The Director will receive a 2-credit per semester course release for serving in this capacity.

In order to allow course release for the director while continuing to staff the additional required accounting courses, it will be necessary to add one full-time tenure track faculty member to the accounting department. (Please note: if less than 15 students enroll in the program, adjunct faculty will be hired instead.) The budget also provides funding for one administrative assistant to support the M.Acc. program. This individual would work half-time if less than 20 students enroll.

Finally, one member of the accounting faculty will serve as internship coordinator each summer. In addition, one will serve as director of the M.Acc. Opening Residency.

## Accounting Department Offerings

	# Sections	
	2003-4	With Proposed M.Acc
Acct. 201—Financial Accounting	11.5	11.5
Acct. 202—Managerial Accounting	10.5	10.5
Acct. 301—Intermediate Accounting I	3	3
Acct. 302—Intermediate Accounting II	2	2
Acct. 305—Cost Accounting	2	2
Acct. 307—Accounting Information Systems	2	2
Acct. 311—Advanced Financial Accounting	1	2*
Acct. 312—Federal Taxation	2	2
Acct. 313—Advanced Tax	0	Discontinued*
Acct. 315—International Accounting	1	1
Acct. 317—Auditing	2	2
Acct. 318—Advanced Auditing	1	Discontinued*
Acct. 319—Financial Accounting Theory	2	Discontinued*
Acct. 320—Financial Statement Analysis	1	1
MBA 501—Financial Accounting	2	2
MBA 511—Strategic Cost Management	2	2
MBA 569—Corporate Governance	1	1
BUAD 396—Advanced Business Law	1	1
<b>M</b> Acc <b>xxx</b> —Corporate Tax & Research	--	1
<b>M</b> Acc <b>xxx</b> —Business Assurance Services	--	1
<b>M</b> Acc <b>xxx</b> —Systems Audit & Control	--	1
<b>M</b> Acc <b>xxx</b> —Financial Accounting Theory	--	1
Total	47	49
Paul Clikeman	6	
Marshall Geiger	5	
Joe Hoyle	6	
Val Vandrzyk	5	
Darrell Walden (on sabbatical in spring)	3	
Carol Lawrence (serving as MBA director)	2	
Bob Sanborn	6	
Ray Slaughter (serving as department chair)	4	
Mary Middleton	5	
Jon Hill	3	
Al Fagan	2	
Total	47	

\* When the M.Acc is offered, the accounting department will discontinue three courses currently offered at the undergraduate level—Acct. 318 (Advanced Auditing), Acct. 313 (Advanced Tax) and Acct. 319 (Financial Accounting Theory). Acct. 311 (Advanced Financial Accounting) will become a required course and will replace Acct. 319 as the capstone experience for undergraduate accounting majors. Approximately 20 students per year (total average enrollment in Acct. 318 and Acct. 313) will be displaced and will likely take other upper level RSB electives.

## ***Accounting Internship***

Each student in the M.Acc. program will complete an internship at a company, not-for-profit organization, public accounting firm or other organization approved by the internship director. Students will earn two hours of academic credit by writing five papers on the following topics. Each paper will be 3-5 pages in length and demonstrate proper writing skills. Papers will be due at 1-2 week intervals throughout the internship.

1. Describe the organization's history, size, number of locations, ownership, products and services, and major customers. Identify the organization's major competitors. Discuss how the organization distinguishes its products/services from those of its competitors. What attributes (e.g., price, quality, speed) are most important to customers? How does the organization market its goods or services?
2. Describe how employees of the organization are evaluated and rewarded. What characteristics and behaviors are valued most highly? How are these characteristics measured? How are positive behaviors rewarded? What behaviors are deemed inappropriate? How are negative behaviors punished? Evaluate the effectiveness of the organization's employee evaluation system.
3. Describe the major components of the organization's Code of Conduct. What types of unethical or illegal behavior are employees of the organization most susceptible to? What specific pressures might motivate unethical or illegal behavior by employees? Describe and evaluate the organization's controls for preventing or detecting unethical acts.
4. How does the organization make a positive contribution to society? Identify specific stakeholders receiving benefits from the organization. Identify stakeholders who are not satisfied with the organization's performance; describe their complaints.
5. Topic regarding a highly visible contemporary accounting issue.

Students will spend one day of the opening residency in a structured discussion of their internship experience.

## ***Opening Residency***

The opening residency will be a one-week seminar taught during the week before the beginning of classes in August. One day will be devoted to a structured discussion of the students' internship experience. The remainder of the time will be devoted to equipping students to conduct applied accounting research using the Financial Accounting Research System (FARS), which is a set of computerized, searchable data bases providing access to authoritative financial reporting literature. Students will use FARS to solve a series of progressively more challenging case studies. The last day of the seminar will consist of a case competition among teams of students.

## ***Professional Responsibilities Seminar***

**Course Description:** This seminar will address accountants' ethical and professional responsibilities.

**Class Format:** The seminar will meet for two-hour sessions approximately seven times per semester. Guest speakers from the accounting profession and from other academic disciplines (e.g., philosophy, political science, sociology) will be invited to address current topics.

**Class Materials:**

- *Cases in Accounting Ethics & Professionalism*, Steven Mintz, McGraw-Hill.
- *Accounting Ethics*, Ronald and Brenda Duska, Blackwell Publishers.
- Selected articles from *Journal of Business Ethics*, *Research on Accounting Ethics*, *The CPA Journal*, and other journals.

**Course Requirements:** In addition to participating in seminar discussions, students will be required to perform a specified number of hours of community service, perhaps through the Center for Civic Engagement.

**Specific Topics** to be addressed include:

- The AICPA *Code of Professional Conduct*
- Auditor independence
- Earnings management
- Tax planning vs. tax evasion
- The expectation gap
- Responsibilities to clients
- Accountants' legal liability
- Sustainability accounting

## **Business Assurance Services**

**Course Description:** This course will examine advanced topics and current problem areas in auditing and assurance services. Academic and applied audit-related research will be integrated throughout the course.

**Class Format:** Brief lectures will be used to introduce technical material. The majority of class time will be devoted to discussions of cases and student presentations of applied research.

### **Class Materials:**

- *Contemporary Auditing: Real Issues & Cases*, Michael C. Knapp, South-Western Publishing.
- Trueblood Seminar Cases
- Selected articles from *Accounting Horizons*, *Auditing: A Journal of Practice & Theory*, *The CPA Journal*, and other journals.

**Course Requirements:** In addition to participating in daily discussions, students will be required to:

- Write and present to the class at least one solution to an audit case requiring references to appropriate professional auditing standards.
- Write and present to the class at least one description of an auditing research study describing the research question, methodology, findings, and implications for audit practice.
- Write and present to the class a term paper on an important area of auditing.

**Specific Topics** to be addressed include:

#### Demand for Third-Party Assurance

- Financial statement audits
- Other attestation engagements
- Assurance services

#### Corporate Concerns

- Audit committees
- Auditor selection and fees
- Internal auditing

#### Audit Evidence

- Analytical procedures
- Regression analysis
- Statistical sampling
- Confirmations

#### Judgment and Decision Making

- Heuristics and biases
- Experience and expertise
- Decision aids/expert systems
- Justifiability

#### Special Problems in Auditing

- Fraud detection
- Evaluating going concern
- Related party transactions
- Auditing estimates
- Materiality
- Risk analysis

## ***Information Systems Audit and Control***

**Course Description:** The course examines the risk and control issues specific to an information systems audit, and how these issues affect the financial statement audit. The course will help students acquire a working knowledge of the processes utilized to audit information systems

**Class Format:** Class activities will include lectures, outside speakers, discussion of case studies, hands-on computer activities, and a tour of a data center.

### **Class Materials:**

- Selected readings from *Auditing Information Systems*, Wiley Publishing and/or *Information Technology Control and Audit*, CRC Press.
- Selected readings from the *Journal of Information Systems*, *The Information Systems Control Journal*, and other journals.
- Selected readings from COBIT® (Control Objectives for Information and related Technology), published by the Information Systems Audit and Control Foundation

**Course Requirements:** In addition to participating in classroom activities and discussion, students will be required to:

- Demonstrate proficiency in the use of computer-assisted audit techniques by completing a computer project using Audit Command Language (ACL) or IDEA software.
- Summarize and present to the class findings from an interview with a practitioner about current IS audit practice and its integration with the financial audit, using a student-adapted questionnaire. The practitioner can be any professional working in financial audit, IS audit, internal audit, accounting or information technology. The practitioner can work for a public accounting firm, a corporation, a government agency, a not-for-profit institution, or an educational institution.
- Write a research paper in the area of information systems auditing/assurance, with the goal of submitting the paper for publication consideration in *The Information Systems Control Journal*

### **Specific Topics** to be addressed include:

- Role of Information Systems auditing
- Auditing IT operations
  - Physical components
  - Operating systems
  - Database management systems
  - Networks
- Application programs
- Control Self-Assessment/Risk assessment
- Integrating financial statement and IS audits
- Emerging issues in IS audit

## ***Financial Accounting Theory, Policy and Research***

**Course Description:** This course will provide students: 1) an overview of basic financial accounting theory, 2) an opportunity to examine accounting issues from a policy and reporting perspective, and 3) an exposure to and appreciation of research in accounting.

**Class Format:** Class meetings will be devoted primarily to discussions of assigned readings. On selected days, members of the accounting faculty will present their current research.

### **Class Materials:**

- *SEC Regulation of Public Companies*, Allan Afterman, Prentice Hall.
- *Financial Accounting Theory and Analysis: Test and Cases*, Schroeder et al., Wiley.
- *The Business Strategy Game: A Global Industry Simulation*, Thompson and Stappenbeck, McGraw-Hill.
- Selected articles from *Accounting Horizons*, *The CPA Journal*, *Journal of Accountancy* and other academic and practitioner journals.

**Course Requirements:** In addition to participating in daily discussions, students will be required to:

- Write at least four “reaction papers” on topics of accounting policy.
- Participate in a computerized business strategy simulation and prepare an annual report to present to the class regarding the performance of their company.

### **Specific Topics:**

- The role of the SEC in the US capital markets
- Competing theoretical approaches to financial accounting and reporting
- Evaluating and applying the FASB’s Conceptual Framework
- Accounting policy and the application of the concepts of revenue recognition, income determination, asset valuation, etc.
- Introduction to the scientific method
- Evaluating research on accounting standard setters, policy choices, auditor decision-making, etc.

## ***Advanced Federal Taxation***

**Course Description:** The objective of this course is: (a) to provide students with an understanding of tax accounting and its underlying theoretical framework; (b) to develop a student's ability to use tax accounting information and assess its importance in the decision-making processes of managers; (c) to present a broad perspective of tax accounting as it relates to the economic, financial and social environment in which institutions and firms must operate; (d) to establish a body of knowledge for the further study of tax accounting as for the development of an awareness of the role of tax information in the decision processes of business, institutions, governments or the public at large.

**Class Format:** This course will be taught using a combination of lectures, case analyses and problem solving techniques.

**Class Materials:**

- *Federal Taxation 2005, Comprehensive*, Pope, Anderson, & Kramer, Prentice-Hall
- Selected articles from major journals in accounting and taxation.

**Course Requirements:** In addition to participating in class discussions, students will be required to:

- Complete a corporate tax return project
- Analyze several case studies

**Specific Topics:**

- Federal Tax Research
- Tax Procedure and Administration
- Tax Computations
- Tax Credits
- Income Taxation of Decedents, Estates and Trusts
- Corporations
- Corporate Distributions
- S Corporations
- Partnerships
- Special Accounting Methods
- Passive Activity Losses
- Net Operating Losses
- Specially Taxed Corporations
- Taxation of Securities
- Retirement plans
- Gift Tax
- Estate Tax