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Accounting syllabus

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Separate languages developed around the world before communications and travel put people in touch with one another. Obviously, one common language would better serve communication. Similarly, accounting programs developed separately from one another and contained vastly different content. Just as having hundreds of languages has presented communication problems, the uneveness of content in accounting programs presented difficulties in testing candidates taking a uniform examination.

The American Institute of Accountants (AIA or Institute) and its predecessor the American Association of Public Accountants were, from their beginnings, concerned about the education required for the profession of accountancy. Efforts were begun early in this century to establish the educational requirements for the Certified Public Accountant (CPA) and to influence the development of collegiate accounting education.

This paper traces the efforts of the AIA Committee on Education (committee) from 1919 to 1924 to establish the program of study to prepare students for the CPA examination. The committee's efforts resulted in a program of study which was in outline form and referred to as the accounting syllabus. Although its contribution is debatable, the accounting syllabus was a first step. It reported subject matter which CPA candidates needed to know, and, perhaps, it indirectly influenced future efforts. The accounting syllabus, at the very least, represents a constructive effort and is a part of the foundation of contemporary accounting education.

A Focus on the CPA Examination

In 1917, the committee, in cooperation with the AIA Board of Examiners, tried to have the state boards of accountancy use the CPA examination prepared by the AIA. The committee's goal was to standardize the examinations throughout the United States. In addition, the committee sought to obtain cooperation of business colleges to establish educational program standards at a level sufficient to prepare students for the CPA examination. [1917 Year-Book, p. 178]

By 1919, the committee reported that many educational institutions taught very good accounting courses and that substantial progress had been made in accounting education. However, course contents varied so much that not all programs contained the technical education and preparation needed for graduates to pass the CPA examination. [1919 Year-Book, p. 106] As a result, the committee stated that in its opinion:

"...the time has arrived when the American Institute of Accountants must publish a syllabus if not a complete curriculum of the subjects in which a candidate will be examined. We believe that practically every other governing organization issues such a syllabus, including many if not all of the foreign institutes or societies of chartered and incorporated accountants." [1919 Year-Book, pp. 106-107]
For the next five years this position guided the committee's efforts and, to a degree, for many years thereafter. During 1920, the committee prepared a bibliography of textbooks for use in preparing for the CPA examination. The Bibliography is the first effort by the Institute to suggest study materials for the CPA examination.

A Syllabus Is Prepared

By 1922, the committee began work to establish the accounting syllabus. It reaffirmed the positions taken by the previous committees that if the AIA desired a national CPA examination, it should be willing to outline the instruction an educational institution should provide to prepare a person for the examination. [1922 Year Book, p. 150] The accounting syllabus was to be a step forward from the 1920 bibliography providing a practical basis on which educational institutions could check course content.

During 1922 and 1923, the committee apparently studied the 1920 American Association of University Instructors in Accounting Committee on Standardization report, gathered materials from various educational institutions and standard textbooks, and reviewed the syllabi used by the New York Board of Regents to set standard examinations for most of the high schools in New York. [1922 Year Book, p. 151] In 1923, the committee deferred the issue of the syllabus until after the annual meeting in September so that the committee appointed for 1924 might benefit from the discussions to be held at the annual meeting on the topic “Standard Curricula for University Courses in Accounting.” [1923 Year Book, p. 153]

In 1924, the committee submitted a standard curriculum which it described as tentative and a framework on which it believed the new committee could construct a comprehensive program of instruction for professional accountants. David Himmelblau of Northwestern University is given credit for preparing the outline, “Tentative Outline for Standard Curriculum for University Courses in Accounting.” The outline [1924 Year Book, pp. 166-169] is divided into three sections: partnerships, corporations, and balance sheet. Each section is briefly reviewed below.

The section on partnerships is entitled, “Outline of Special Points in Accounting for Partnerships.” However, a major portion of the outline relates to law, types, and characteristics of partnerships. The parts especially related to accounting include provisions for dissolution and liquidation. With exception of a heavier emphasis on the law of partnerships, the topics generally reflect those currently taught in elementary and advanced accounting courses. This is the only section to include the topic, “federal taxation,” and it was referenced as “informational returns only.”

The second section entitled, “Corporations,” includes such topics as corporate law, types and characteristics of corporations, corporate management, corporate records, capital stock, surplus, bonds, and investments. With exception of the emphasis on corporate law, most of the content is currently taught in elementary and intermediate accounting courses. There is no indication of how much emphasis is intended to be placed on accounting practices related to long-term debt, stockholder's equity, or investments. The committee may have intended to emphasize corporate law and the nature and characteristics of stock, bonds, and investments rather than accounting practices.
The third section is entitled, "Balance-Sheet." This section begins with the statement that the following summary "... is intended to point out the various forms of balance-sheet arrangement and both the principles and extent of verification of the items contained therein, calling attention to the special points relative to the items appearing in the balance-sheet ..." [1924 Year Book, p. 168] The outline identifies the forms and contents of the balance sheet reflecting that currently used in elementary and intermediate accounting courses. No specific reference is made to the income statement. Income is apparently intended to be shown on the face of the balance sheet as part of the analysis of changes in "surplus" during the period. No guidance is given concerning how the subjects are to be taught. Key words in the introduction such as "forms," "principles," and "verification" of balance sheet content might suggest that an "audit approach" is intended rather than a "transaction approach."

Summary

The committee clearly stated that the outline was tentative and expected that it would be the basis on which a comprehensive program of study would be developed. However, the committee appointed in 1925 changed the approach used to develop a comprehensive program of study. It decided to establish a classification of accounting services—what public accountants do—and use it to develop a comprehensive program of study. Thus, it would appear that the accounting syllabus was not directly used by the 1925 committee or subsequent committees.

What was the contribution of the accounting syllabus? The outline did not identify the approach to instruction, the level of study, nor the time requirements for study of the subjects listed in the outline. Yet, one must assume that the outline reflected what was believed to be an effective accounting program for public accounting since it was prepared by Professor Himmelblau and based on existing courses taught at major educational institutions and the standard textbooks in use. A review of the outline reveals that the subjects are similar to those of current elementary, intermediate, and advanced accounting courses. The accounting syllabus does indicate a rather sophisticated view of the accounting subjects when one considers that, in 1924, accounting had been taught at the college level for less than twenty-five years, and the accounting profession had not yet deemed a college degree to be necessary.

References


The Accounting Historians Notebook, Fall, 1985

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