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Accounting Educators:

Volume VI, Number 5 — May 1995

Model Tax Curriculum Endorsed

Broader Coverage of Tax Topics Recommended

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The AICPA Academic and Career Development Executive Committee and the Tax Executive Committee have both unanimously endorsed the Model Tax Curriculum for dissemination to academe. The model, established by an AICPA Tax Division Task Force, was developed to address needs expressed by employers that graduates must have a broader knowledge base to succeed in today's business environment. In order to obtain this broad knowledge, the Task Force strongly recommends six semester hours of tax education for accounting majors. The recommended curriculum is intended to help students better understand and appreciate the role of taxation in business planning and decision making. Students will also become more aware of career opportunities in taxation.

The model describes topics that should be covered in undergraduate and graduate level tax programs. Syllabi were developed for the following:

Taxation (Undergraduate Accounting Majors — first 3 semester hours), Advanced Studies in Taxation (second 3 semester hours undergraduate or Masters of Accounting Program), and MBA Tax course elective. Suggested curricula for the Masters of Accounting program with tax emphasis and the Masters of Science in Taxation were also provided. While the curricula are not necessarily designed to prepare a student to pass the CPA Examination, the courses do provide a strong knowledge base.

The most radical change from historical practice is early exposure to topics other than individual taxation. In the model curriculum, during the first 3 semester hours or 42 hours of classroom time, only 5 hours are spent on individual taxation. Twelve hours are spent on C Corporations, S Corporations, and Partnerships combined. The rest of the time is spent on a broad array of other topics including income,

continued on page 3 ►



From the Editor's Desk...

With the end of the 1994-95 school year coming, it's a good time for educators to assess their own continuing education needs. This issue of FYI includes a short survey to find out what your plans are for the coming year in terms of training topics and formats. I encourage you to take the few minutes necessary to fill out the survey and return it by fax. Your responses will help the AICPA develop and offer topics in the areas you need most and in the formats which fit your schedule and requirements best.

Hopefully, your CPE plans include attendance at the annual AICPA Accounting Educators Mini-Conference, "Developments in Accounting Education," scheduled for November 3-4, 1995. A conference brochure and a registration form will be mailed to you in August and will also be included in the next issue of FYI in September. Have a wonderful summer!

Elizabeth Scifo Koch
Editor

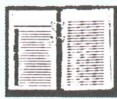
News and Notes

The governing Council of the AICPA has elected **Barry C. Melancon, CPA**, as its first new president in 15 years. He will begin a five-year term on July 1, 1995. Mr. Melancon, known for his vision, vitality and dedication to member service, succeeds Philip B. Chenok, CPA, who announced last year that, after serving as president of the Institute since 1980, he would not seek re-election. Mr. Melancon has been the Executive Director of the Society of Louisiana CPAs since 1987. Prior to joining the State Society, he was a partner at the firm of Bergeron & Company, CPAs, in Houma, LA, and an adjunct professor at Nicholls State University. Mr. Melancon has been active in cooperative programs and planning initiatives at various state societies and has served on numerous committees and task forces involving legislative issues and quality review programs at the AICPA.



Assessment for the New Curriculum: A Guide for Professional Accounting Programs by Joanne

Gainen and Paul Locatelli, was recently published by the Accounting Education Change Commission and the American Accounting Association (AAA). The guide provides practical, effective assessment programs for curriculum and instruction improvement. It defines assessment as "the systematic collection, interpretation, and use of information on student characteristics, the educational environment and learning outcomes to improve student learning and satisfaction." Assessment is also said to provide the most value when it yields timely information that can be immediately integrated into the curriculum and instruction process. One chapter of the guide discusses the measurement of critical thinking, problem-solving, ethical reasoning, and interpersonal and communication skills, as well as professional values, attitude and integrity. With increased demand of these types of skills from the accounting profession, the guide provides timely and insightful information. Contact the AAA at (813) 921-7747 to obtain a copy.



The AICPA's Women and Family Issues Executive Committee and the Illinois CPA Society are cosponsoring a one-day conference, "**Strategies for Achieving Work/Life Balance in the Accounting Workplace**," on May 11, 1995, at the Holiday Inn Mart Plaza in downtown Chicago. John Bryan, Chairman and CEO of Sara Lee Corporation and Chairman of the Board of Catalyst, is plenary speaker, and Marilyn Moats Kennedy, career strategist and consultant, is the luncheon speaker. Concurrent session topics include dependent care, gender dynamics in the workplace, practice development, engineering one's own upward mobility, flexible work arrangements and working parents and child rearing. A networking reception sponsored by the Chicago Society of Women CPAs follows the conference. To receive a copy of the conference brochure and registration form by fax, dial (201) 938-3787 from a fax machine, follow the voice cues and select document number 851.

The 14th Annual **SEC and Financial Reporting Institute Conference** is being held on May 25, 1995, in Pasadena, CA. The Conference is sponsored by the SEC and Financial Reporting Institute, School of Accounting, University of Southern California. It offers an opportunity for interaction between academics and policy setters at the SEC, FASB and business and accounting executives from the private sector. Included in the sessions offered are panel discussions on restructurings, impairments and environmental matters, derivatives, hedging and securitization. For further information, call (213) 740-4847.



Bentley College (Waltham, MA) is proud to announce that the third annual offering of its **Minority Scholars Summer Institute in Accountancy (MSSIA)** will take place between June 18 and August 3, 1995. The MSSIA draws together talented undergraduate minority students who are interested in learning about the accounting profession but who have not studied accounting

in their undergraduate programs. Participants receive instruction in Bentley's two-course Principles of Accounting sequence which is modeled to address the concerns expressed by the Accounting Education Change Commission. Students also attend presentations by accountants in public, corporate and not-for-profit practice. The seven-week program features visits to sponsoring firms in Boston and New York, as well as academic and career advising, and preparation for the GMAT exam. For more information, contact David Schwarzkopf, Coordinator of Graduate Accountancy Programs, at Bentley College (617) 891-2783; e-mail: dschwarzkopf@bentley.edu.

The Institute of Management Accountants (IMA) recently sent letters to academe, communicating the results of "**What Corporate America Wants in Entry-Level Accountants**," the IMA-FEI sponsored research completed last summer. Presentations were given at the AAPG, AACSB and most of the regional AAA meetings this spring. The IMA is also encouraging corporate America to support accounting education with student and faculty internships and by speaking to classes on campus and opening their factories and offices for class field trips. A practice analysis, identifying core competencies necessary for work in management accounting, is due to be completed by the IMA in the summer of 1995.

On April 24-25, 45 senior finance executives, leading academics and consultants met in New York to develop a consensus of **what the financial management function will look like in the 21st century**. The AICPA Management Accounting Executive Committee, who hosted the meeting, plans to use the consensus reached to identify the skill-set needed by management accountants to be strategic partners in their organizations. In addition, the AICPA will work with the academic community to develop curricula to teach the new skill-set to future management accountants. FYI will report on the outcome in its next issue.

Viewpoint:

Is Double-Entry Bookkeeping Relevant?

“CPAs who don’t keep up with this new technology are in danger of becoming roadkill on the information highway,” a vice president of Lotus Development recently told the AICPA Governing Council. While he may have had sales on his mind, his point is ominous for accounting educators. There are many forces at work on accounting education but all pale in the face of the impact of technology. The power of computers combined with sophisticated software has changed the computer from a convenient and “Gee Whiz” way to do double-entry bookkeeping into a recordkeeping system with literally a mind of its own.

Five hundred years ago, Luca Pacioli described the system which Italian merchants used to help manage their businesses. That system made use of the latest technology of the times — pen and ink. The pen-and-ink double-entry system Pacioli described had the following

familiar components: a journal or book of original entry in which transactions were recorded in the order in which they happened, and a ledger which was used to sort the entries from the journal into like-kind accounts. The primary purpose of the double-entry system was to serve as a control for possible errors as the clerks wrote down the original transactions and then copied them from journal to ledger. That was an ideal system in the pen-and-ink days.

Now, the technology has changed. With the speed and memory capacity of even inexpensive new computers, there is no need to maintain an actual ledger. All transactions can be almost instantly sorted and totaled whenever needed, and the balance of any or all accounts can be recomputed from scratch. Because the computer can sort and compute so quickly, it is not necessary to create regular reports on fixed dates. A report can be literally created from raw data for any period of time and any set of accounts on demand. The unfailing accuracy of the computer’s calculations plus its own internal controls ensure against sorting or math errors.

Inexpensive software is available for the simplest bookkeeping applications. Quicken, for example, permits extremely easy maintenance of personal checking

and investment accounts. It can instantly produce an endless variety of reports or charts and graphs. Not only can this \$45 software give one the ability to do very sophisticated analysis of personal finances, but it can be linked to \$30 worth of tax software and produce tax returns, including all forms, almost instantly at the end of the year.

No accountant of the future will use a pen-and-ink system to keep records. Moreover, it is highly unlikely that any professional will prepare tax returns by hand. How long will it be before double-entry bookkeeping is tossed out and something like Quicken is used in elementary accounting as the means for gathering and classifying transactions?

What we need today is for a “new” Luca Pacioli to write an elementary accounting book that teaches accounting starting with how business recordkeeping is being accomplished in the real world. Traditional double-entry bookkeeping is becoming the Latin of the business school—interesting to study and useful from a historical perspective, but not in demand in everyday practice. □

► Model Tax Curriculum. . . *continued from page 1*

deductions, losses, property transactions and computation of taxes. For those students who are not planning to become tax professionals, this first class may be the only exposure to taxes they will receive. As a result, it is important that it covers topics which mirror the broad array of responsibilities they

are likely to encounter as they begin working.

Also recommended is the integration of financial accounting concepts with tax concepts to enhance the students’ understanding of the relationship between financial and tax accounting.

In addition to the technical tax content prescribed in detail, the model cites the following skills as important for students to learn: oral and written communication skills, critical problem-solving

skills, use of technology, interpersonal skills, business and professional ethical considerations, team building, research and planning.

To obtain a copy of the Model Tax Curriculum, please dial (201) 938-3787 from a fax machine, follow the voice cues, and request document number 650. If you have further questions regarding the content of the curriculum, please contact Carol Shaffer, AICPA Tax Division at (202) 737-4268. □

Continuing Education for Accounting Educators: A Survey

The AICPA would like to determine which CPE topics interest you most and how you would like to receive continuing education. Your responses will help guide CPE program offerings designed for educators in the future. Please take a few moments to fill out the following survey and **return it by fax to fax number (212) 596-6292**. A response by **May 26, 1995** would be greatly appreciated.

1. Please check three topics, from each of the following categories, representing the areas in which you would most likely sign up for additional training.

A. Teaching Effectiveness

- Time Management
- Platform and Presentation Skills
- Communicating with a Diverse Student Audience
- Performing On-line Computer Research
- Integrating Technology into the Classroom
- Using Teams in the Classroom
- Using Cases in the Classroom
- Defining and Measuring Skill Competencies
- Other _____
(Please specify)

B. Curriculum Development

- Fraud Detection and Prevention Skills
- 150-Hour Curriculum Development
- FASB and Other Accounting, Auditing and Tax Updates
- Current Accounting Practice and Corporate Finance Trends
- Critical Thinking Skills
- Professional Ethics
- Oral Communication Skills
- Written Communication Skills
- Presentation Skills
- Leadership and Management Skills
- Accounting Information Systems: Development and Use to Solve Business Problems
- Decision-making Skills
- Other _____
(Please specify)

2. Check the method of obtaining CPE you would most likely **sign up to use** in the coming year.

- Workshop involving travel to another state
- Conference involving travel to another state
- On-campus or local meeting within driving distance
- Book (self-study)
- Video (self-study)
- CD-ROM (self-study)
- Teleconference
- Corporate/Accounting Firm field visit
- On-Line
- Other _____
(Please specify)

3. If you selected on-line, specify what network access you currently have:

- Internet
- Other Commercial Service
(i.e., Compuserve, Prodigy, etc.)

(Please Specify)

4. If you prefer to travel to attend a CPE Session, would you prefer a session offered in conjunction with another education-related meeting?

- Yes No

5. If you answered yes to question 4, check the meeting you would prefer to attend.

- AAA Regional Meeting
- AAA Annual Meeting
- FSA Annual Meeting
- AAPG Meeting
- Other _____

(Please specify)

6. Indicate how many hours of training you prefer to obtain at one time.

- 4 hours
- 8 hours
- 12 hours (1½ days)
- 16 hours (2 days)
- Other _____

(Please specify)

7. How much do you or your school typically spend for you to attend a full day of continuing education?

A. For Registration Fee:

- Nothing
- \$1 – \$50
- \$51 – \$75
- \$76 – \$100
- \$101 – \$150
- Over \$150

B. For Travel and Lodging:

- Nothing
- \$1 – \$50
- \$51 – \$100
- \$101 – \$300
- \$301 – \$500
- Over \$500

8. Please provide the following:

Name _____
(optional)

School Name _____

City, State _____

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Elizabeth Scifo Koch, editor