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## Accounting Educators: FYI, Volume 5, Number 5, May 1994

American Institute of Certified Public Accountants. Academic and Career Development Division

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# Accounting Educators:

Volume V, Number 5 — May 1994

## The CPA Letter Surveys FYI Readers

**“Educators give FYI high ratings.”**

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In *The CPA Letter's* survey of its readers conducted in the fall of 1993, 150 of the 500 surveyed education members responded to questions pertaining to “Accounting Educators: FYI,” yielding an impressive response rate of 30%. Some of the key results are highlighted below.

Overall, educators give FYI high ratings in terms of usefulness. Eighty-eight percent of the respondents consider FYI to be moderately to very useful. What readers like about FYI is that it provides timely information in a concise, understandable format.

Most of the respondents (78%) were aware of FYI prior to receiving the survey and, of those aware, 84% read most or all of FYI.

The majority (51%) of the respondents rated the following topics as “moderately” to “very” important, in

order of importance: general developments in accounting education, curriculum development, faculty development, CPE for accounting educators, instructional technology, recruiting accounting students, pedagogical methods, CPA recruiting, minority recruitment/student issues and female CPA issues.

In terms of additional information, readers requested that FYI cover: educational innovations, commentaries from other educators about their teaching methods, student recruitment and scholarship information, the use of computers in the classroom, and the interrelationship between practice and education.

These comments are informative and will be factored into future issues of FYI. Thank you for your suggestions and continued interest in FYI. □



### From the Editor's Desk...

Welcome to my first edition as editor for FYI. I look forward to bringing you the latest developments in accounting education including news on innovative teaching methods, curriculum development, available CPE, and other programs, scholarships and recruitment initiatives of the AICPA Academic and Career Development Division.

I joined the Academic and Career Development Division in February, 1994 as Manager of Education Programs and, in addition to my editorial duty on FYI, serve as staff aid to the Curriculum and Instruction Subcommittee of the AICPA Academic and Career Development Executive Committee. The main objective of this Subcommittee is to improve the quality of accounting education and promote the availability of quality accounting programs.

As a New York State licensed CPA with ten years of public, industry and education experience obtained respectively at KPMG Peat Marwick, The Bank of New York, Merrill Lynch and the AICPA's CPE Division, I hope to offer a perspective that recognizes the necessary interrelationship between education and today's real-world business needs.

I encourage you to express your views and contribute your awareness of accounting education developments. Thank you for your readership.

Elizabeth Scifo Koch  
Editor

## News and Notes



### 1994 Program Calendar

June 1-3 Loyola College's, "Trends in Computerized Accounting Education Conference," Baltimore, Maryland. See demonstrations and exhibits from numerous accounting software/hardware vendors and textbook publishers. Contact Barry Rice (410) 617-2474 for more information.

June 13 Women and Family Issues Conference, "Achieving a Balance in the Accounting Workplace: Gender, Upward Mobility, Work and Family," Sheraton New York Hotel and Towers, New York, N.Y. Features the latest research on women's status and work/family initiatives and a keynote speech by Lynn Martin, former Secretary of Labor. Cosponsored by the AICPA, Catalyst and the NYSSCPAs. Contact AICPA Meetings and Travel Division at (201) 938-3232 to register.

August 10-13 American Accounting Association's (AAA) 1994 Annual Meeting, New York Marriott Marquis Hotel, New York, N.Y. Please be sure to stop by and visit with AICPA VIPs and education staff who will be on duty at the AICPA booth.

November 4-5 AICPA Accounting Educator's Mini-Conference, "Innovations in Accounting Pedagogy," Portland, Oregon. See opposite page for program details and to register.



### AICPA Fellowships and Award Programs

Sixty applications including thirty renewals were received as of April 1, 1994 for the AICPA's 1994-95 Doctoral Fellowship Program which encourages practicing CPAs with at least five years experience to consider a career change to academe. The AICPA awards up to \$225,000 annually in fellowships to accounting Ph.D. students.

Forty nominations were received, and are under review, by the Curriculum and Instruction Subcommittee for the AICPA Outstanding Educator Award. The Award is designed to recognize full-time college accounting educators distinguished for excellence in teaching and for active involvement in the accounting profession. The winner will be announced at the May 23-25, 1994 AICPA Spring Council Meeting.

Eighty applications were received for the 1994 Professor/Practitioner Case Development Program. The program is designed to encourage the development and use of real-world-based cases in accounting curriculum by requiring professors and practitioners to collaborate on case development. Eight winners will present their cases at the AICPA Accounting Educator's Mini-Conference in Portland, Oregon this year. In addition, the eight case winners as well as four alternates will be published in a compendium and will be distributed to accounting program administrators by the end of 1994.

The 1993-94 AICPA Directory of Accounting Education is now available! The directory contains information on over 1000 programs in the U.S. offering baccalaureate, masters, and doctoral degrees in accounting. It is a valuable reference for students, career advisors, human resource personnel and others who want to know about accounting education opportunities. To obtain a copy of the directory, please call the AICPA Order Department at (800) 862-4272 and ask for product #872550. Order soon as supplies are limited. The cost to educators is \$35.00.

**Rick Elam**

### Viewpoint:

## CPA Examination Dates

**"Computer administration of the Exam seems likely around the year 2000."**

Dates of the Uniform CPA Examination have been a bone of contention for decades. The May date conflicts with the end of the semester at some schools, resulting in students concentrating on the Exam instead of their coursework. The November date distracts CPA firm staff from billing chargeable hours. Further, offering the Exam only twice each year continues to create logistical problems finding proper accommodations for thousands of candidates. The AICPA took a step toward resolving part of the problem by recommending that state legislation require candidates to complete their education before applying to take the Exam. The effect of that requirement is to remove the conflict between the coursework and preparation for the Exam.

New technology is peeking over the horizon that could allow candidates to reserve space at a testing center and take the Exam on a date that is convenient for them. Computer administration of the Exam seems likely around the

year 2000. Moreover, with computer administration comes the possibility that the Exam can be redesigned to take dramatically less time to complete. If experiments with computer adaptive testing prove successful, there is a good chance that candidates could complete the Exam in less than half the time presently required.

A number of barriers stand in the way of rapid movement to computer administration of the Exam. The necessary technology is in the very early stages of development and lacks proven reliability. There are only a limited, though growing, number of testing sites. State boards of accountancy are committed through legislation to give the Exam on specific dates. There are individuals and organizations that have big vested interests in continuing the current system for administering the Exam.

However, in light of the benefits of computer Exam administration it is likely all of these barriers will be overcome in the next few years. □



AICPA Academic and Career Development Division  
announces

THE 1994 ACCOUNTING EDUCATORS  
MINI-CONFERENCE  
"INNOVATIONS IN ACCOUNTING PEDAGOGY"

November 4-5, 1994 in Portland, Oregon

in cooperation with the  
School of Business Administration, Portland State University

PROGRAM

Thursday, November 3

5:00p - 9:00p Registration

Friday, November 4

7:00a - 5:00p Registration

7:00a - 8:00a Continental Breakfast

8:00a - 10:00a Plenary: **Cooperative Learning**  
(Philip Cottell, Miami University of Ohio)

10:00a - 10:20a Break

10:20a - 11:20a CONCURRENT SESSIONS:  
**Restructuring Accounting Principles Courses**  
(Thomas Edmonds, University of Alabama at  
Birmingham; Alison Drews-Bryan, Clemson  
University; Jack Zeller, Kirkwood Community  
College)

11:30a - 12:30p CONCURRENT SESSIONS *repeated*

12:30p - 1:30p Luncheon

1:30p - 3:00p CONCURRENT SESSIONS:  
**Incorporating Oral Communication Skills into  
Principles Courses** (Barbara Scofield,  
Southeastern Louisiana University)  
**Developing Instructional Cases for Principles  
Courses** (Michael Van Breda, Southern  
Methodist University)

3:00p - 3:30p Break

3:30p - 5:00p CONCURRENT SESSIONS:  
**Incorporating International Topics in Principles  
Courses** (Judy Ramaglia, Pacific Lutheran  
University)

**Recruiting Students into Accounting Programs**  
(Nita Clyde, University of Texas-Arlington)

6:30p - 8:00p Reception

8:00p - 10:00p **Computer Workshops**

Saturday, November 5

7:00a - 12:00p Registration

7:00a - 8:00a Continental Breakfast

8:00a - 10:00a CONCURRENT CASE SESSIONS  
**1994 Professor/Practitioner Cases**

10:00a - 10:30a Break

10:30a - 12:30p CONCURRENT CASE SESSIONS *repeated*

12:30p - 1:45p Luncheon Banquet and Adjournment

2:00p - 4:00p **Computer Workshops**

CPE: 15 hours maximum

1993-94 Program Committee: Richard Fern, Chair (Eastern  
Kentucky University); Gary Lawrence (US Dept. of Education);  
Leonard E. Berry (Georgia State University); Jean Wyrer (Coopers  
& Lybrand).

THE 1994 AICPA  
Accounting Educators Mini-Conference  
November 4-5, 1994 at Portland, Oregon  
REGISTRATION FORM

Registration Fee: \$195 (AICPA MEMBERS) / \$225 (NON-MEMBERS)

Please register me for the 1994 AICPA Accounting Educators  
Mini-Conference. (Check one):

Please bill my credit card:  MasterCard  Visa \$ \_\_\_\_\_ Amount  
Fax **only** credit card registrations to 201-938-3169  
Complete the following information:

Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

My check for \$ \_\_\_\_\_ payable to AICPA is enclosed.  
(Full payment must accompany registration.)

Mail to: AICPA Meetings Registration, PO Box 2210, Jersey City, NJ 07303-2210.

BATES # \_\_\_\_\_  
(AICPA use only)

Registrant's Last Name First MI Nickname

College or University Name or Affiliation

Street Address Room Number or Mail Drop

Post Office Box

City State Zip Code

AICPA Membership Number— Area Code &  
Required for Discounted Registration Daytime Telephone

Name and telephone number of individual to contact in case of emergency

**HOTEL INFORMATION:** Reserve your hotel accommodations directly. Call the Portland Hilton at (503) 226-1611 by October 3, 1994. After October 3, rooms will be on a space-available basis only. Identify yourself as an attendee of the AICPA Accounting Educators Mini-Conference in order to obtain our group rate of \$95 for a single or double room. To guarantee your room for late arrival, a credit card number or first night's deposit is required.

**CANCELLATION POLICY:** Full refunds will be issued on written cancellations received by October 14, 1994. Written cancellations received after October 14 but before October 28, 1994, will be issued a refund less a \$25 administrative charge. No refunds will be issued on cancellation requests received after October 28, 1994.

**AIRLINE DISCOUNT:** United Airlines is offering an exclusive discount for this conference. Call them at (800) 521-4041 and refer to File #5411R to receive 5% off the lowest available fare or 10% off regular coach fare. (The AICPA is not liable for penalties incurred if you cancel or change your airline reservations.)

**FOR FURTHER INFORMATION:** Call the AICPA at (201) 938-3232.

Register early as space is limited!

## FYI Interviews Pacioli on Fraud

*The following continues an interview with Luca Pacioli that was conducted by FYI using the Time-Warp node of Internet.*

**FYI:** Friar Pacioli, in your book *Summa de Arithmetica Proportioni et Proportionalita* you recommend that merchants use three books to keep order to their accountants. Our readers are familiar with the Journal and Ledger. Can you describe the Memorandum a bit more?

**Pacioli:** The memorandum book is a book in which the merchant shall put down all his transactions, small or big, as they take place, day by day, hour by hour. In this book he will put down in detail everything that he sells or buys, and every other transaction without leaving out a jot; who, what, when, where, mentioning everything to make it fully as clear as possible. This book is kept on account of volume of business, and in it entries should be made in the absence of the owner by his servants.

**FYI:** Why do you caution merchants about the possibility of fraud in their bookkeeping?

**Pacioli:** Many merchants keep their books in duplicate. They show one to the buyer and one to the seller, and this is very bad, because in this way they commit perjury.

**FYI:** Is there any way to assure that a merchant is showing an honest set of books?

**Pacioli:** All the merchants books should be taken and shown to a certain mercantile officer such as the Consuls in the City of Perosa employ. Each page in each of the books should be numbered and marked with a special mark described on the first page. The description on the first page should be in the handwriting of the clerk who will make entries in the book. The said officer will record the details about the merchants books in his records. The officer will attach the seal of his office to make the books authentic. He will be able to attest to the authenticity of those books for any case in court when they might be produced.

**FYI:** What does your treatise say about maintaining an audit trail?

**Pacioli:** Transactions must be entered day by day, one under the other, in such a way that it may be easy to trace them. For many of the bigger merchants several pages have to be used in one day. If someone would wish to do something crooked, he could tear out one of the pages and this fraud could not be discovered, as far as the dates are concerned, for the days would follow properly one after the other. Therefore, for this and other reasons, it is always good to number and mark each single page in all the books of the merchants.

**FYI:** How would I keep track of bank accounts in an age when there were no mechanical or electronic devices for maintaining records?

**Pacioli:** If you had accounts in several banks you must see that you keep these accounts very clearly and obtain good written evidence as to debits and credits in the handwriting of the clerks in those institutions. Because in these offices they often change their clerks, and as each one of these clerks likes to keep the books in his own way, he is always blaming the previous clerks, saying that they did not keep the books in good order. They are always trying to make you believe that their way is better than all the others, so that at times they mix up the accounts in the books of these offices in such a way that they do not correspond with anything. Woe to you if you have anything to do with these people.

**FYI:** Thank you for spending this time with us and congratulations on the 500th anniversary of your book. □

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*My thanks to John B. Geijsbeek for his translation of the original Pacioli Treatise and to Professor Richard G. Vangermeersch for his contribution to making this conversation with Fr. Pacioli possible.* Rick Elam, April 1994.

ome see an exhibit  
featuring the 1494  
edition of Pacioli's  
*Summa de Arithmetica,*  
*Geometrica, Proportioni et*  
*Proportionalita* at the AICPA's  
office in New York on the 6th floor.