

5-1925

University Courses in Accountancy. VII. University of Minnesota

E. A. Heilman

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

Recommended Citation

Heilman, E. A. (1925) "University Courses in Accountancy. VII. University of Minnesota," *Journal of Accountancy*. Vol. 39 : Iss. 5 , Article 3.

Available at: <https://egrove.olemiss.edu/jofa/vol39/iss5/3>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Journal of Accountancy by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

University Courses in Accountancy

VII

UNIVERSITY OF MINNESOTA

BY E. A. HEILMAN

The accounting course at Minnesota is given in the school of business, a junior and senior college, open to those who have completed the prescribed two-year pre-business course. Though the pre-business course is in the college of arts, the students are under the guidance and control of the school as far as studies are concerned. Their advisors are members of the faculty of the school and are able to direct them in all matters connected with the curriculum and their future plans. The required subjects of the pre-business years make up a large share of the work of those years and include such subjects as production economics, principles of economics, mechanism of exchange, English, mathematics or natural science, psychology, social science, principles of accounting and statistics. In the field of mathematics the usual subjects chosen are commerce algebra and mathematics of investment.

Upon proper completion of this work the student is admitted to the school of business, where he may choose between the general course in business and such fields of specialization as finance, marketing, agricultural business, accounting, secretarial training, etc. The general business group has now about forty-five per cent of the total enrolment. Of the special groups the accounting is the largest with about twenty per cent of the total enrolment. Marketing and finance are the other large groups. There has been a marked trend in the past three years toward increased enrolment in the general business course and decreases in the special fields, though accounting and marketing have not yet felt the effects of the trend. This is in line with the emphasis placed by the school on a sound general training which is much the same for all students and particularly on economic principles. The school now requires, besides the usual elementary courses, a senior course in advanced economics.

For the general student of business the accounting department is offering the sophomore course in principles of accounting,

which is required of all for admission to the school. This is a two-quarter course of three recitations and one two-hour laboratory session a week. Since the majority of the students taking the course will probably never be called upon to keep even a simple set of records themselves the emphasis of the course is laid, not upon debit and credit and recording, but upon the interpretation and application of accounting data to the problems of management. The bookkeeping background is given in about four weeks of the recitations and throughout most of both quarters in the laboratory, and not in a separate preliminary course, as is the case in some other institutions. Those students intending to specialize in accounting are given the much-needed training in technique in more thorough fashion in the junior year, for the department feels that the mistake is too often made of burdening the general student with too much detail in the early course. If he learns from this course what financial and statistical information the business man should have to run his business, approximately how it can be obtained, and what he can expect of his accountant in that respect, he has derived the greatest benefit from the study.

Seniors in the general business course are required to take a one-quarter course in cost accounting, in which a survey is given of the purposes and methods of costing and of the significance of cost to the manager. The control feature of costs is accentuated throughout the course, rather than that of price determination, which bears the main accent in so many texts on the subject. The application of cost accounting to other fields than that of manufacturing is considered and its relation to budgetary control is pointed out. Details of technique in handling the actual cost records are not presented to any extent in the course.

These two courses are the only ones required of those not specializing in accounting. Other courses are frequently elected and the course in advanced general accounting is being developed particularly for the general student. Here the special problems of smaller businesses, simple systems for retailers, department-store accounts, and some other representative business fields are to be taken up. The courses in practice and procedure, income tax and auditing are also being elected by a few outside the accounting group.

The special programme in accounting requires the principles course in the sophomore year and two years of specialization in the

school proper. The course for the junior year is quite rigid and allows for only one elective each quarter, whereas the senior year is somewhat more elastic. This programme, as will be noted, provides for carrying two accounting courses throughout both years.

<i>Junior year</i>	<i>Senior year</i>
Cost accounting..... 3 quarters	Income tax..... 1 quarter.
Practice and procedure..... 2 "	Auditing 2 "
Business law..... 3 "	Accounting seminar . 3 "
Advanced general accounting 1 "	Advanced economics. 2 "
Money and banking..... 2 "	Business cycles 1 "

The three-quarter course in cost accounting is designed particularly for accounting students and gives in the first quarter a summary of the groundwork of the subject with the working through of a complete set of transactions and reports for a manufacturing concern. In the second and third quarters a more detailed study is made of the different methods of treating and controlling cost elements and there is a careful analysis of the application of costs to particular management problems. Costs are presented as instruments of control. Typical cost systems of various industries are also studied.

The aim of the course in practice and procedure is to train the student in the use of accounting technique and also to give him a more solid foundation in principles. A more detailed study is made of partnerships and corporations, and new fields such as consolidations, receiverships, estates and other more advanced subjects are covered. This course is followed by advanced general accounting, which is a study of the accounting practices and methods of a range of representative industries.

In the senior year income tax and auditing form a one-year sequence and the accounting seminar a second. The seminar aims to test and develop ability of the class independently to analyze accounting situations and prepare proper solutions based upon the student's own investigations. To this end a series of longer reports is prepared by the members of the class in which they have the opportunity to demonstrate constructive ability and have the aid of the professor in organizing and presenting their material. Studies are made also of concrete problems in local business establishments and solutions are prepared by the students.

The accounting department at present is not attempting to give the usual coaching class for the C. P. A. examination, for the

reason that only a minority of the class is thinking of entering the public accounting profession and few of these have had sufficient practical experience to entitle them to take examination in less than two years.

The history of the past five years shows that only a small percentage of the graduates of the course will enter the public field. The number has been decreasing somewhat each year. At present a larger number is entering industrial and public utility accounting. The reasons for this condition are various, but are chiefly questions of obtaining proper employment upon graduation. It is almost impossible for the young man graduating in June to find employment with public accountants before November. By this time the most desirable men have found other openings and are usually not willing to leave their new positions. Further reasons may be found in the uncertainty of regular employment in the public field, the rather low salary scale for beginners, and the lack of definite prospect of advancement. The student often returns from interviews with public accountants with the feeling that practising accountants are averse to employing university men or at least unwilling to allow them any sort of apprenticeship different from that offered the latest and rawest recruit. He also sees a long period of routine work ahead of him before he is eligible for rank as a senior and then is impressed with the fact that only twenty per cent of these seniors who take examination succeed in passing the Minnesota board. In these circumstances he naturally feels that the reward is too remote and uncertain and when better openings present themselves he is willing to leave. Undoubtedly, also, the impatience of detail, which is apt to characterize university men, is another potent factor. An increasing number of the graduates is entering general office work and minor executive positions, and it seems likely that this tendency will continue. It is to be hoped that larger numbers of students will look upon the accounting course as a proper training for such positions, for it certainly offers the young man much that will aid him in such work. The concreteness of the application of accounting principle to business problems usually appeals to the student and holds his interest to the work.

In view of these tendencies it seems well to consider the question of whether the accounting courses shall not be directed even more than at present toward the study of general business and less time be spent on technical instruction. When all is said, it

must be recognized that the successful accountant will be the man who has the most thorough insight into business and not necessarily the most highly trained technician. If there is, therefore, any marked inclination on the part of the department, it is probably in the direction of more latitude in the choice of subjects, the easing up of technical requirements, and the insistence on a broader training in the fundamentals of economics and business.

The extension division of the university is also conducting a well rounded curriculum of business courses in the evening in both St. Paul and Minneapolis. The accounting courses are particularly well attended and developed, and are conducted by a separate staff of instructors drawn largely from the public-accounting offices. In these courses the accent is laid more upon the public-accounting fields, since many of the students are junior accountants or office men looking toward the public field. The situation is, therefore, somewhat different from that on the campus and the staff has wisely adapted the courses to the needs of its own students. A three-year sequence of courses in accounting has been developed, leading to an accounting certificate.