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## A Study of Professional Schools of Accountancy

Judith G. McLean

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A STUDY OF PROFESSIONAL  
SCHOOLS OF ACCOUNTANCY

by

Judith G. McLean

Bachelor of Arts, University of North Dakota 1970



An Independent Study  
Submitted to the Faculty  
of the  
University of North Dakota  
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Master of Science

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## CHAPTER I

### INTRODUCTION

Accounting is a profession. This is a basic premise of this paper and one that can be supported by considering the following objective and subjective criteria for a profession.

A profession must provide essential services to society; each profession is governed by its own ethical principles; the requirements for admission are regulated by law; there should be procedures for disciplining those whose conduct violates the ethical standards; there is a body of specialized knowledge acquired through formal education; and each profession has a language of its own.<sup>1</sup>

The more subjective criteria would require that the profession be respected by those it serves, the preparation required for the profession must be strenuous enough to command respect, the body of knowledge required for professional practice must be advanced, those in professional practice must continue their professional development, and the nature and extent of the services offered to society must grow.<sup>2</sup>

This paper will look at professional schools of accountancy to determine if they hold the key to imparting this body of specialized knowledge to accountants of the future. An attempt by the profession to upgrade its educational requirements will also have the result of earning more respect from the people they serve.



An assessment of the best educational environment to foster the development of accounting's body of specialized knowledge is being forced upon the accounting community.

Traditionally, accounting programs have been operated as a division of the schools and colleges of management and business administration. As such, accounting is the only major profession that must rely on schools and colleges outside the profession to prepare its members.

An explosion of knowledge required for practicing as a professional accountant has caused many to question the advisability of having their professionals educated by people outside the field. The accountant of today must be familiar with statistical sampling relating to audit applications, computer technology, quantitative methods, tax law changes, and the numerous requirements of government regulatory agencies.

By May of 1975 the certified public accountant (CPA) exam presumed that candidates would possess the level of knowledge recommended in Horizons for a Profession. This education includes twelve semester hours of math including differential and integral calculus, modern algebra, statistics, and probability. It also recommends nine semester hours of quantitative applications in business. These applications would be problem-oriented and include optimization models, linear programming, critical path, queuing, statistical sampling, simulation, Markov processes, and statistical decision theory.<sup>3</sup>

Some who are questioning current educational practices advocate the establishment of professional schools of accountancy.

The professional school of accountancy may be defined as an autonomous administrative organization within a university which provides a professional accounting program. This would require a unit

separate from the college of business administration, having its own faculty and headed by a dean. It should have reasonable control over entrance standards, curriculum, the granting of degrees, and budgetary matters.<sup>4</sup>

The idea of a professional school of accountancy is not new. For several years in the early 1890's the American Association of Public Accountants tried to establish a school of accountancy.<sup>5</sup>

In early 1892 there was an attempt to establish a college of accounts with degree-granting powers in New York. This college was to be under the jurisdiction of the regents of the university of the state of New York and under the immediate guidance of the Association. The proposal was supported by a number of business and financial leaders but was defeated when the regents failed to approve the petition.<sup>6</sup>

In late 1892, a petition was once again presented to the regents advocating the establishment of a professional school to be known as the New York School of Accounts. The petition was strengthened by the fact that \$5,000 had been subscribed as a guarantee of support for the school, a detailed outline of the curriculum was presented, arguments for the establishment of the school were presented in a formal paper, methods of financing were outlined, and qualities of the proposed board of trustees were enumerated.<sup>7</sup>

The Regents agreed to grant a temporary two-year charter.

It wasn't long until the failure of the school became apparent. By September, 1894, only seven pupils had completed the course in spite of letters and prospectuses that were sent to several thousand students. The school didn't receive the support they had hoped for from the business community, no headway was made concerning the licensing of members, and therefore, after two years the school was abandoned.<sup>8</sup>

The current interest in professional schools of accountancy is a response to the profession's concern over the education of its members. Some developments that must be dealt with in the educational world are the growing number of lawsuits against accountants and accountants' increasing legal liability; changes in the design of the CPA test which require greater preparation; a movement to institute continuing education requirements for CPA's; and the growth in student enrollment.<sup>9</sup>

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ENDNOTES

<sup>1</sup>Robert H. Roy and James H. MacNeill, Horizons for a Profession (New York: AICPA, 1967), p. 31.

<sup>2</sup>Ibid., p. 33.

<sup>3</sup>Patrick B. McKenzie, "Quantitative Methods on the CPA Examination," Journal of Accountancy, January 1976, p. 93.

<sup>4</sup>Patrick S. Kemp, "Professional Schools of Accountancy," Texas CPA, April 1972, p. 27.

<sup>5</sup>John L. Carey, The Rise of the Accounting Profession from Technician to Professional 1896-1936 (New York: AICPA, 1969), p. 40.

<sup>6</sup>Ibid., p. 41.

<sup>7</sup>Ibid.

<sup>8</sup>Ibid., p. 42.

<sup>9</sup>Richard A. Scott, "The Beginning of Schools of Professional Accounting," Virginia Accountant, March 1975, p. 59.



## CHAPTER II

### BOOKKEEPER TO PROFESSIONAL ACCOUNTANT

"One characteristic of a profession is its dependence on a body of specialized knowledge acquired through education."<sup>1</sup> In the early stages of a profession's development this education consists of on-the-job training.

An aspiring accountant would join the staff of a company as an apprentice bookkeeper and advance through the company as he gained proficiency and seniority. As the company grew, more and varied experience was gained and the transition from bookkeeper to accountant was complete.

If a career in public accountancy was desired, a successful apprenticeship and completion of an exam would entitle a person to call himself a CPA.

The establishment of courses at the university or college level is the next step in the educational development of a profession.

In 1911, the Association's committee on education made a survey of state universities and other institutions who had over 100 instructors or 1,000 students. Of the 100 questionnaires sent, forty-three were returned with eighteen indicating that they offered courses in accounting and commerce.<sup>2</sup>

In 1913, the results of a survey of association members concerning the subjects to be included in the education of a CPA were published. Commercial law, auditing, theory of accounts, and economics were stressed

by the largest number of respondents with finance, banking, organization management, penmanship, and commercial arithmetic also receiving mention.<sup>3</sup>

The income tax law of 1913 hastened the rise from bookkeeper to professional accountant by creating a new role and a new demand for accountants.<sup>4</sup>

By 1916, the Association was reorganized into the American Institute of (Certified Public) Accountants (AICPA) and the college and universities offering accounting courses increased to twenty.<sup>5</sup> There was a scarcity of suitable textbooks and competent teachers which led to a wide variation in course content. The accounting instructors were not held in high regard by other members of the faculty.<sup>6</sup>

In 1924, the committee on education tried to formulate an outline for a standard curriculum for university courses in accounting which would prepare students for professional practice. This outline identified fourteen different services offered by accountants and was very controversial. In 1931, it was unanimously resolved that it was unwise and impracticable for the Institute to adopt the classification of services.<sup>7</sup>

During 1926, the Institute's special committee for placements made a study of the members admitted to the Institute between 1917 and 1926. There were 240 who were not even high school graduates, 278 were graduates of high school only, and 179 were college graduates.<sup>8</sup>

By 1936, the reported educational standards set by the profession were still too low. None of the states, with the exception of New York, required any further education from a graduate of a high school or secondary school. New York had adopted a requirement which was to

become effective January 1, 1938, that each candidate be a graduate of a four year collegiate study which included courses in accounting, law, finance, and economics, as well as basic liberal arts courses.<sup>9</sup>

In an attempt to raise the educational standards, the committee on education recommended in 1936 that a minimum of four years collegiate training be required. This four year course would include 120 semester hours evenly divided between cultural and professional courses. Accounting, auditing, systems, financial reporting, business law, finance, and economics were considered to be the professional courses.<sup>10</sup>

They also recommended that an attempt be made to develop standards covering courses and their content, faculty, library and laboratory equipment, and financial resources. These standards would become the basis for rating the various schools which offered professional accounting training.<sup>11</sup>

Of particular importance was their recommendation that the Institute actively encourage amendment of the CPA laws in the various states to encompass the higher education requirement.<sup>12</sup>

The Council approved college training as preparation for the profession and authorized the education committee to formulate the standards by which to judge the various schools. Like previous attempts, this effort failed.<sup>13</sup>

The 1967 Horizons for a Profession study identified the common body of knowledge relating to accounting. The study did not present a syllabus of what CPA's should know but recognized the fact that the advent of the computer, the development of mathematical and statistical tools, and the research being done in the behavioral sciences were valuable tools that should be put to use by the accountant. It also



emphasized that conceptual understanding was to be strived for in accounting courses rather than procedural skill.

In response to accounting educators' desire for more specific guidance on curriculum planning and to formulate a recommendation regarding the Institute's policy on education and experience requirements for CPA's, the Beamer Committee was commissioned in 1969.

The Beamer Committee report recommended that at least five years of collegiate study was necessary to acquire this common body of knowledge. It recommended adoption by 1975.

The Beamer report endorsed the recommendations made in Horizons for a Profession. They presented a descriptive program to implement these recommendations and designated course credit hours to suggest the relative emphasis given to various course segments. The five year program proposed included sixty hours of general education, fifty-four of general business, thirty hours of accounting courses, and six hours of electives.

In December 1971, the Board of Directors of the AICPA recognized the importance of mastery of the common body of knowledge. However, they did not endorse the idea that five years of formal education was necessary.<sup>14</sup>

It wasn't until 1973 that the Board of Directors of the AICPA formally took a position on the matter of professional schools. At that time a resolution was passed by the Board of Directors of the AICPA which concluded as follows:

The Institute strongly endorses any action which provides such strong professional programs. As one way, and perhaps the preferable way, of achieving an increased emphasis on the professional dimension of the discipline, the Institute endorses and

encourages the establishment of schools of professional accounting at qualified and receptive colleges and universities.<sup>15</sup>

At that time, they also recognized a need for a mechanism of accreditation.<sup>16</sup> Accordingly, a committee was commissioned in July 1974 to establish standards for admission and retention; curriculum; faculty credentials; financial support and budget; physical plant and equipment; and library and computer facilities.

This committee has issued a discussion draft on these standards and is accepting responses on them until August 15, 1976.

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#### ENDNOTES

<sup>1</sup>Arthur Andersen and Company Executive News Briefs, Vol. 4, no. 5, March 1976.

<sup>2</sup>Carey, p. 98.

<sup>3</sup>Ibid.

<sup>4</sup>Ibid., p. 1.

<sup>5</sup>Ibid., p. 260.

<sup>6</sup>Ibid., p. 261.

<sup>7</sup>Ibid., p. 266.

<sup>8</sup>Ibid., p. 270.

<sup>9</sup>Ibid., p. 269.

<sup>10</sup>Ibid.

<sup>11</sup>Ibid.

<sup>12</sup>Ibid.

<sup>13</sup>Ibid., p. 270.

<sup>14</sup>Philip E. Meyer, "Operational Five-Year Program in Accounting," Massachusetts CPA Review, May-June 1973, p. 23.

<sup>15</sup>Ibid.

<sup>16</sup>Scott, p. 57.

## CHAPTER III

### THE PROS AND CONS OF PROFESSIONAL SCHOOLS OF ACCOUNTANCY

#### The Case for Professional Schools

The advocates of a professional school of accountancy point to the fact that many other professions successfully rely on separate schools.

In general professional schools have achieved academic respectability, have developed relevant and rigorous curricula, have attracted, and continue to attract, capable highly motivated students, and have succeeded in creating a meaningful and continuing interaction with the practicing arm of their related profession.<sup>1</sup>

There are good reasons why professions need schools that serve their own professional needs exclusively. First, each profession is based on a specialized body of knowledge that is adapted in unique ways to that profession's mission in society. Second, professional educational institutions have broader responsibilities than producing just new professionals--an example is continuing professional education. Third, professions rely on such schools to derive and disseminate new knowledge relevant to professional practice.<sup>2</sup>

Some other specific advantages related to the school are:

1. The graduates would be more competent practitioners who would complete their professional engagements faster.
2. The school would have interaction with the profession and therefore impart a strong understanding of practical realities to its non-accounting students.
3. In the world of practice there would be less need for on-the-job training and the high turnover of staff would be reduced somewhat

since new accountants would be better educated and be aware of what to expect on their new jobs.

4. The services offered to clients could be increased as accountants became aware of the valuable aids computers and statistical sampling can be to them.

5. People having responsibility for management information systems, interpretation of accounting information to management, and other services performed in manufacturing or government organizations would receive intensive education and training.

6. There would be a greater quantity of funded, goal-oriented research.

7. Due to the increased research there would be more effective financial reporting.

8. The role of accountants as interpreters of government regulations would be stressed.

9. A professional school of accountancy offers the opportunity to develop professional attitudes and a professional consciousness among its students. A sense of public and social responsibility could be emphasized.

10. A professional school of accountancy is also in a strategic position to identify problem areas and work in cooperation with practitioners to find solutions. Currently, many accounting problems are being acted upon by non-accountants such as the Internal Revenue Service and the Securities Exchange Commission.

11. Practicing members of the profession would be inclined to support the school with their money, time, and effort.



12. Faculty and administrators would have more control over curriculum, finance, admissions, and personnel.

13. The career identification that would result from a separate school should make it easier to attract more capable students and faculty.

14. The accreditation of such schools would pass into the hands of the profession. Already the AICPA has issued a discussion draft which attempts "to identify those standards that, when satisfied by a school, would justify its recognition by the accounting profession. . . ." <sup>3</sup>

#### The Case Against Professional Schools

Those who oppose the formation of a separate school cite the following arguments:

1. The prestige of a separate school would be offset by the longer period of formal education that is required. This would be especially true if it was possible to obtain an accounting education of comparable quality in a shorter period of time at another institution.

2. A trend toward over-specialization may result from a curriculum that is weighted heavily towards public accounting.

3. There would be difficulty in attracting quality professors in non-accounting areas and developing non-accounting courses of high quality.

4. "The profession is moving in a direction which is also opposite and alien to the current thrust in professional education. It is building walls at a time when other leading educators are advocating that they be torn down. And it is proposing isolation when other professional schools are being opened to new ideas and cooperative arrangements." <sup>4</sup>

5. ". . . the thrust toward separatism is alien even to trends within public accounting. Increasingly, public accounting firms are hiring persons with diverse specialties and show a preference for accounting majors who have a supporting field such as computing, operations research, or business economics. The same is true in government and industry. This past year, for example, the Government Accounting Office hired 40% accounting majors and 60% from other fields."<sup>5</sup>

6. It would be difficult to provide management accountants with the background they need outside of the business schools.

7. The prospects for financial support don't seem promising now or in the future.

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#### ENDNOTES

<sup>1</sup>Herbert E. Miller, "The Separate Schools Issue--A Considered Opinion," p. 27.

<sup>2</sup>Edward L. Summers, "Accounting Education's New Horizons," Journal of Accountancy, September 1974, p. 57.

<sup>3</sup>Discussion Draft Board on Standards for Programs and Schools of Professional Accounting, Preface.

<sup>4</sup>Harold M. Williams, "The Case Against Schools of Professional Accountancy," California CPA Quarterly, June 1975, p. 10

<sup>5</sup>Paul E. Fertig and Edward N. Coffman, "A Model for Professional Schools of Accountancy," The Ohio CPA, Spring 1976, p. 31.



## CHAPTER IV

### THE ORGANIZATION OF A PROFESSIONAL SCHOOL OF ACCOUNTANCY

The AICPA Board on Standards for Programs and Schools of Professional Accounting has issued a discussion draft in response to its charge which read:

The Board is directed to identify those standards that, when satisfied by a school, would justify its recognition by the accounting profession. Particularly, attention should be given to the criteria for the school's curriculum which would be appropriate for a professional program in accounting.<sup>1</sup>

The objective for establishing these standards is to create a quality educational program that will graduate entry-level professional accountants. The Board feels this objective can be met with two years of pre-professional education and no less than three years of professional education.

There are those who feel that a one year post-baccalaureate program is preferable. They feel the term "professional" should imply a higher academic level course than that which could be offered to college juniors.<sup>2</sup>

The advocates of a post-baccalaureate program also argue that asking a student to commit himself to a career in accounting at the end of his sophomore year is premature. The admission standards for a student entering the profession at the end of his sophomore year would be

more difficult to establish due to the lack of comparability with post-baccalaureate programs such as medicine or law.<sup>3</sup>

In the discussion draft the Board recognizes the possibility of establishing professional programs at the post-baccalaureate level. However, they feel four year programs are inadequate and will not be accredited.

Although the standards they have developed contemplate a five year program, they feel these standards would be applicable to a post-baccalaureate program.

The admission standards for a professional school should be established by the accounting faculty giving consideration to the prevalent grade point average and test scores required to enter other professional programs at the university.

A prospective student should have completed two years of pre-professional education and have a grade point average which is indicative of potential success in a professional field. A satisfactory score on the Professional Accountancy Program Admissions Test, which is currently being developed, will also help establish admission standards.

To continue in the program, a student should be required to maintain a minimum grade point average which is comparable with that required in other professional programs at the university. Establishing meaningful grade point averages will require that written exams of suitable length and complexity be given in all courses.

The curriculum standards require that the pre-professional courses include subject areas relevant to accounting such as economics; behavioral sciences; logic; ethics; mathematics; statistics and probability theory; and written and oral communication. Elementary

accounting could be included as a part of either the pre-professional or professional curriculum.

The professional courses in the third and fourth year can be divided into those dealing with the discipline of accounting and those concerned with the environment of accounting.

The discipline of accounting includes the functions of accounting and financial statement presentation; accounting and auditing concepts and their application; professional ethics and responsibilities of CPA's; and the interaction of income taxes, business law, and computer applications in the accounting process. These functions should be covered in not-for-profit and government areas as well as profit-oriented enterprises. Certain courses dealing with the discipline of accountancy consist of cases and/or problems that reflect actual business situations and require analytical problem-solving and utilization of knowledge acquired in earlier segments of the student's education.

The environment of accounting includes the study of the institutions and functions of business and public administration, quantitative methods for decision making, economic analysis, and business law.

The final year in the professional program covers the concepts and skills required in several areas of practice such as auditing; public, managerial, or government accounting; tax advising; and managerial advisory services. The impact of regulatory agencies and professional organizations should also receive consideration during the fifth year.

The quality of the faculty may be demonstrated by the level of educational background and practical experience; attainment of entry level certification such as the CPA; extent of involvement in curriculum

development and experimentation designed to improve teaching; level of research, writing, and publication; extent of continuing involvement in professional practice and continuing education; and the existence of plans and policies for the continuing development of the faculty. However, in evaluating faculty performance teaching should be of prime importance.

The faculty should be of appropriate size with a significant proportion of full-time members. For accreditation purposes the Board feels there should be not less than one full-time faculty member for each 350 student credit hours per term.

Once the number of required full-time faculty members has been determined, they must meet certain qualifications. At least 50% of the required faculty members should hold doctorate degrees. At least 60% should have their CPA certificate. Not less than 60% should have relevant professional accounting practice to bring to the classroom.

Generally, the faculty members should not have more than two preparations per term and shouldn't be required to teach in more than two accounting fields. For the faculty who are involved in substantial research, administrative or professional activities, there should be a reduction in the teaching load.

The school should also have sufficient support personnel such as teaching, research, and grading assistants; computer and machine technicians; secretarial and clerical personnel; and maintenance staff.

The school must have the right to raise and retain special funds for use within the accounting school without reduction in budgetary support from the parent university.



The school will need a conveniently located library that is administered by professionally qualified staff. There will need to be an adequate collection of materials for the curriculum and research needs of both the students and faculty.

The school will have to have a conveniently located computer center which will allow students to utilize the computer in their regular course work.

There are many administrative arrangements in which a program governed by these standards can operate.

At one end is the completely independent professional school. They would have their own faculty and dean and would have complete control over entrance requirements, curriculum, the budget, and the granting of degrees.

At the other end is the professional school which operates as an administrative subdivision of the business school. The business school provides the administrative structure for the school and integrates business-related subject matter.

In the middle of these two extremes is a professional division which operates within the college of business administration and has its own director. This director has more administrative responsibilities than a department head but he is under the jurisdiction of the college dean. Thus, the degree of control that can be exerted over the budget and curriculum is often the result of the director's influence with the dean. This organizational pattern recognizes the fact that complete separation will be almost impossible to achieve in the well-established business schools of the country.

In evaluating the various organizational structures the important factors are the degree of control the school exercises over the curriculum; admission and graduation standards; the budget; and faculty recruiting, retention, and control.

Any administrative structure that can provide the separateness and control needed to professionalize (and thus differentiate) that part of the educational package relevant for those preparing for professional accounting careers is entitled to support by the profession, at least for a trial period to see if it works well.<sup>4</sup>

Many things must fall in place before a move in the direction of separate schools whether within or without the business school can be initiated. One essential precondition is that the accounting faculty must be convinced of the merits of the proposition. It must want to have more control over its destiny. . . .<sup>5</sup>

The faculty must believe that if they have more control over faculty appointments, it will strengthen the faculty more effectively than present arrangements. They must believe that the changes will lead to a more relevant curriculum and that both the students and faculty will be professionalized by their new environment.

Thus, ". . . it would be unwise for any group other than the accounting faculty to assume the initiative"<sup>6</sup> in establishing a professional school.

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#### ENDNOTES

<sup>1</sup>Discussion Draft Board on Standards for Programs and Schools of Professional Accounting, Preface.

<sup>2</sup>Fertig and Coffman, "A Model for Professional Schools of Accountancy," p. 32.

<sup>3</sup>Williams, "The Case Against Schools of Professional Accountancy," p. 10.

<sup>4</sup>Miller, p. 30.

<sup>5</sup>Ibid., p. 31.

<sup>6</sup>Ibid., p. 32.



CHAPTER V

AN ANALYSIS OF TWO PROFESSIONAL  
SCHOOLS OF ACCOUNTANCY

University of Denver

The School of Accountancy at the University of Denver was established in 1975 and is a unit of the College of Business Administration. The School is supported by the University budget and gifts specified for accounting scholarships. The faculty of the School has the power to recommend the hiring of new faculty members, who are employed by the University of Denver.

The curriculum is divided into two tiers. Upon completion of the four year requirements, a Bachelor of Science in Accountancy degree is awarded. For those completing the fifth year program, a Master of Accountancy or Master of Taxation degree will be awarded.

A student who wishes to transfer to the school may do so at the end of his first, second, or third year of college study, if he is in good standing at the institution he previously attended.

The fifth year programs are designed to follow a four year accounting major course of study. Students who do not have the necessary background may complete the necessary coursework at the School.

Admission to the fifth year program is dependent upon a satisfactory score on the Admissions Test for Graduate Study in Business and

a satisfactory undergraduate record. The School has control of its programs, admission standards, and graduation requirements.

Exhibit I outlines the requirements for a Bachelor of Science in Accountancy. Exhibit II outlines the fifth year programs.

### EXHIBIT I

#### B.S. ACCOUNTANCY REQUIREMENTS

School of Accountancy  
University of Denver

Subject Area	Quarter Hours
LIBERAL STUDIES	75
English (15)	
Economics (10)	
Behavioral Sciences (10)	
BUSINESS COURSES	50
Accounting (8)	
Quantitative Methods and Statistics (15)	
Law (5)	
Management (5)	
Marketing (5)	
Finance (5)	
Money and Banking (5)	
Business Policy (2)	
ACCOUNTING	43
Application of accounting procedures in manual and computerized systems (5)	
Individual and business tax reporting and planning (8)	
Financial accounting and public reporting practices (15)	
Cost control, budgeting and planning using mathematical models for decision-making (10)	
Auditing principles and practices (5)	
ELECTIVES	<u>17</u>

## EXHIBIT II

## FIFTH YEAR PROGRAMS

School of Accountancy  
University of Denver

Subject Area	Quarter Hours
PUBLIC ACCOUNTING EMPHASIS	
Contemporary Accounting	5
Advanced Auditing	5
Organization Theory	5
Law of Business Organizations	5
Sampling Theory and Applications	5
Accounting Systems	5
Managerial Economics	5
Electives	<u>10</u>
	45
MANAGEMENT ACCOUNTING EMPHASIS	
Contemporary Accounting	5
Managerial Accounting	5
Quantitative Methods in Accounting	5
Organization Theory	5
Accounting Systems	5
Sub-emphasis*	<u>20</u>
	45

\*Options include a sequence of courses in econometrics, operations research, statistics, financial management, computer science, or behavioral science.

## TAXATION EMPHASIS

The Graduate Tax Program is a 45 credit course of study leading to the Masters of Taxation Degree.

University of Missouri-Columbia

A School of Accountancy at the University of Missouri-Columbia was approved December 20, 1974, by the Board of Curators of the University of Missouri and became operational in the fall of 1975.

The School is organized as an independent component of the College of Business and Public Administration. It has its own accounts

and submits its budget proposal to the Dean of the College. They would prefer to have direct access to campus level administrators when it comes to budgetary matters but feel their present situation is an improvement over prior arrangements. The School is headed by a director and has control over the curriculum, admissions, and graduation of students.

The organizational structure leading to a Ph.D., M.S., or M.A. degree is headed by a director of graduate studies and research. This person is under direct control of the director of the School. The director of graduate studies and research works through graduate coordinators.

The assistant director of professional programs and administration has control over the professional program coordinator who is in turn in charge of the academic advisors who administer the program leading to the B.S.A. degree.

The School offers a five year program which leads to a master's degree as well as offering a degree at the bachelor's level and Ph.D. program. Under a new proposal submitted by the School faculty, the undergraduate degree will be a Bachelor of Science in Accountancy and those who complete the five year program will receive a Master of Accountancy degree.

Students enter the five year professional school from two-year, three-year, or four-year programs of non-accountancy undergraduate study. The curriculum will consist of two years of pre-accountancy preparation, two years of basic professional education covering accountancy and related fields, and one year of advanced professional study which will give students an opportunity to develop expertise in one



practice area of accounting. The special areas include financial reporting and auditing; tax; management accounting; accounting systems; government accounting and auditing; and teaching and research.

The pre-accountancy preparation is divided into four major areas including sciences, quantitative methods, communication, and environment of accounting; as shown in Exhibit III. Of special note among the pre-accountancy courses are the psychology and ethics requirements, the emphasis on both written and oral communication skills, and a course requirement in international affairs and practices.

### EXHIBIT III

#### CURRICULUM

School of Accountancy  
UMC

#### PRE-ACCOUNTANCY PREPARATION

General Education and Basic Skills	Semester Hours
SCIENCES	14
Natural, e.g., botany, chemistry, physics (5)	
Behavioral, e.g., psychology (6)	
Philosophy, e.g., ethics (3)	
QUANTITATIVE METHODS	12
Mathematics, linear algebra, and calculus (6)	
Statistics, probability (6)	
COMMUNICATION	9
Written, expository and technical (6)	
Oral, speech or debate (3)	
ENVIRONMENT OF ACCOUNTING	14
American Government (3)	
International affairs and practices (3)	
Economics, introduction, and banking (8)	
ELECTIVES (free)	<u>11</u>
	60

There is no specific introductory accounting requirement stated. Other professionals are not required to take an introductory course before enrolling in law or medical school and this shouldn't be a prerequisite for a prospective accountant.

Upon entering the School of Accountancy, students will follow a "professional accounting program" which will prepare them for accountancy practice. In comparison to more traditional curricula, increased emphasis is given to the public sector. The program of study, as outlined in Exhibit IV, is practice-oriented and includes courses such as auditing practice, control, and reporting; budgeting; business law; business policy; computers and systems; cost accounting; finance; financial accounting and reporting; income tax; information for decision making and control; organization, group, and individual behavior; production; quantitative applications; and research methods.

With this type of curriculum it is hoped that the graduates will fulfill a more consultative role than current graduates. Cases and problems that exhibit real-world situations will be assigned and the students will be required to do library or other research and write their solutions in formal report style. The assignments frequently concern the requirements of the Accounting Principles Board Opinions; the Financial Accounting Standards Board and Cost Accounting Standards Board statements; Securities Exchange Commission regulations; rulings of the Internal Revenue Service; and pronouncements of other professional or government agencies. In the fifth year accounting policy course, the case assignments will require the integration of skills and knowledge obtained in other parts of the program to deal with broad-based business problems.

## EXHIBIT IV

School of Accountancy  
UMCPROFESSIONAL ACCOUNTANCY PROGRAM  
(2 or 3 years)

Program Components	Semester Hours	
	4-year Program	5-year Program
QUANTITATIVE METHODS		
Introduction to the computer	3	3
ENVIRONMENT OF ACCOUNTANCY		
Economics, micro	3	3
macro		3
Finance	3	3
Management	3	3
Marketing	3	3
Public Administration	3	3
Business Law	6	6
ACCOUNTANCY CORE		
Professional organization, control and responsibility	2	2
Financial Accounting	7	10
Managerial Accounting	6	6
Accounting Systems, e.g., electronic	3	3
Taxation	3	3
Governmental Accounting	3	3
Auditing	3	3
Accounting Policy, e.g., cases		3
ADVANCED PROFESSIONAL EDUCATION		
Graduate Accountancy Course (9-12 hours)		21
Graduate Electives (9-12 hours)	<u>9</u>	<u>9</u>
GENERAL ELECTIVES	120*	150*

\*Including the first 60 hours of pre-accountancy education from Exhibit III

The "professional accounting program" will extend through three academic years of two semesters each. After completing two academic years of study and receiving favorable recommendations from the faculty

of the School, a student will receive a bachelor's degree. At the end of the third year, the master's degree is awarded.

The "doctoral accounting program" will prepare graduates of the professional program for careers in teaching and research.

Entrance requirements to the School of Accountancy include a 2.6 grade point (A = 4.0) after completing at least sixty semester hours of pre-accountancy education. A grade point of 2.6 must be maintained during each year of the professional accountancy curriculum. To be admitted to the fifth year of study, a student must have a 3.0 grade point average for the first two years of professional accountancy and receive an acceptable score on a graduate entrance examination.



## CHAPTER VI

### AN ANALYSIS OF THE ACCOUNTING DEPARTMENT

#### AT THE UNIVERSITY OF NORTH DAKOTA

The accounting department at the University of North Dakota is held in high regard by many of the public accounting firms. "One of the reasons we can be selective and hold good people is that we recruit most heavily at such highly respected schools as the University of North Dakota and the Business School of the University of Minnesota."<sup>1</sup> The accounting curriculum is designed in the belief that "the accountant today should not be limited to a narrow specialized field but should have a broad understanding of business principles."<sup>2</sup>

The four year program results in a Bachelor of Science in Business Administration with a major in accounting. The entrance requirements are determined by the College of Business and Public Administration.

The accounting department budget is submitted as an item in the College budget proposal. The department is headed by a chairman who makes suggestions and recommendations to the dean. The dean has final control over faculty appointments.

Exhibit V highlights the similarities and differences in requirements for a four year degree from the University of Missouri-Columbia and the University of North Dakota. The decision to make the comparison between these two was due to the fact that both are on semester hours of credit.

## EXHIBIT V

A COMPARISON OF REQUIREMENTS FOR A B.S. DEGREE  
 AT THE UNIVERSITY OF NORTH DAKOTA (UND)  
 AND  
 THE UNIVERSITY OF MISSOURI-COLUMBIA (UM-C)

Program Components	Semester Hours	
	UM-C	UND
SCIENCES		
Natural	5	8
Behavioral	6	8
Philosophy	3	0
QUANTITATIVE METHODS		
Math, linear algebra, calculus	6	3
Statistics, probability	6	3
Introduction to the computer	3	2
COMMUNICATION		
Written, expository and technical	6	6
Oral, speech or debate	3	3
ENVIRONMENT OF ACCOUNTING		
American Government	3	3
International Affairs	3	0
Banking	5	3
Economics	6	6
Finance	3	3
Management	3	3
Marketing	3	3
Public Administration	3	0
Business Law	6	6
ACCOUNTANCY CORE		
Professional organization, control, and responsibility	2	0
Financial Accounting	7	12
Managerial Accounting	6	5
Accounting Systems, electronic	3	2
Taxation	3	3
Government Accounting	3	0
Auditing	3	2
GRADUATE ELECTIVES		
	9	12
GENERAL ELECTIVES		
	<u>11</u>	<u>23</u>
	120	125

As seen in Exhibit V, the University of North Dakota places a heavier emphasis on the natural and behavioral sciences, but requires no philosophy. The University of North Dakota does have an eight hour humanities requirement that can be satisfied with philosophy courses.

The most interesting difference is in quantitative methods. The University of Missouri-Columbia requires fifteen semester hours which is almost double the University of North Dakota's requirement of eight hours. The difference can be explained by the fact that the University of Missouri-Columbia requires linear algebra, calculus, and probability courses while the University of North Dakota does not.

In the fifth year of the University of Missouri-Columbia program, a student is required to take three hours of economics, three hours of financial accounting, three hours of accounting policy, and twenty-one hours of a graduate accountancy course.

It is more difficult to compare this fifth year program with the program that leads to the M.S. degree at the University of North Dakota. This is because the requirements at the University of North Dakota are listed as broad subject area requirements. For instance, a prospective candidate for the M.S. degree must have twenty semester hours of undergraduate work in the field of business. These hours must include two hours of data processing, two hours of managerial accounting, and twelve hours of financial accounting. He must earn an additional twelve hours for an M.S. degree. These twelve hours must include three of theory, three of specialized problems, two of report writing, one of research, and two of an independent study or thesis option.

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## ENDNOTES

<sup>1</sup>Haskins and Sells Reports, Autumn 1975, p. 9.

<sup>2</sup>University of North Dakota Undergraduate Catalog 1974-76,  
p. 124.



## CHAPTER VII

### CONCLUSION

Accounting education must help its professionals meet the challenges that await them. A professional school of accounting is an excellent opportunity to better prepare the members of the accounting profession.

The main disadvantage with accounting curriculums as they exist within the Colleges of Business and Public Administration is the lack of quantitative courses, statistical sampling courses, and computer applications in business. If the accounting faculty had more control over its curriculum, they could offer these types of courses.

Some of the major advantages of a professional school of accountancy would be:

1. The educational and practicing arms of the profession could work together towards common goals.

2. There would be more of an opportunity for research. This would lead the profession towards controlling their destiny. It is very disconcerting to have non-accounting people such as the SEC dictating how accounting problems should be handled.

3. A more relevant curriculum could be developed.

Probably one of the biggest problems facing those who would like to establish a professional school of accountancy is finding sufficient financial support. The Arthur Andersen CPA firm has established a

program to help with financing public schools of accountancy that will hopefully be followed by other CPA firms. The program is being offered to universities who have established professional schools and have had their five year (or equivalent) academic program accredited by the AICPA or AAA.

Initially they have pledged \$1,000,000 to assist schools in the start-up years. The funds can be used for visiting professorships, leaves of absence for faculty members to extend their professional experiences, upgrading libraries, scholarships for fifth year students, hiring additional personnel, or for reimbursing the university for the identifiable incremental cost of initial accreditation.

These awards will range from \$50,000 to \$75,000 for schools which will operate within colleges of business. Those schools operating independently will be eligible for awards ranging from \$100,000 to \$150,000.

Other potential sources of financial support for a professional school would be the parent university, graduates of the school, and the business community.

An up-to-date library is essential for a professional school of accountancy. It should be open at reasonable times, be professionally staffed, and be conveniently located.

One of the results of a professional school of accountancy is an increased exposure to the use of computers. A professional school of accountancy would need a computer center that would be available to the students in completing their course work. This center would also need a full-time staff of qualified employees.

A program of visiting professorships would have to be established. A visiting professor is someone who has extensive professional experience and comes to the school for at least one term. There should also be a program by which faculty can visit the world of practice on a temporary basis.

The most promising organizational structure is one where there is a department of accounting within the university structure as well as a separate professional school. The department of accounting would teach accounting courses to non-accountants as well as the pre-professional accounting courses required for an accounting major. The professional school would be at the post-baccalaureate level and would have a different faculty from the accounting department.

Whatever the organizational pattern chosen, the school faculty must have control over their own destiny for the school to be successful. The concept of a professional school of accountancy is definitely worthy of consideration.

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