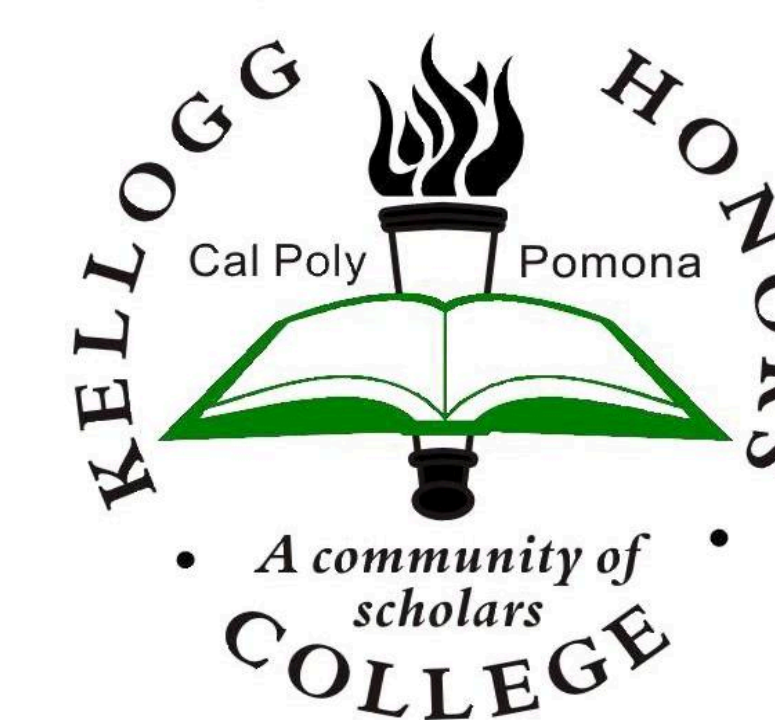


# The Current Curricula of Accounting Programs and Accounting Professionals' Expectations



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## Abstract

Four-year colleges are continuously striving to satisfy accounting professionals' expectations for recent graduates by constantly developing their accounting curricula. Previous studies show that expectations on accounting graduates' performance in the workforce greatly influence the curricula constructed in business schools. However, events such as the creation of the Sarbanes-Oxley Act of 2002, the changes made from various tax reforms, and the advancements made in business technology make it difficult for colleges to keep their curricula updated with current accounting policies. This research will analyze how accounting curricula in California business schools currently reflect what skills employers believe accounting graduates should possess. The results reveal that colleges offer a sufficient number of courses which ultimately cover fundamental conceptual business and accounting knowledge. Also, there is a rising emphasis for curricula to focus on business technology and 'real world' experiences; areas of knowledge accounting professionals believe that graduates are lacking. The purpose of this research is to understand employers' expectations of accounting graduates and how it relates to the content included in accounting curricula. Analyzing the curricula's strengths and weaknesses will better prepare accounting students who are entering the workforce.

## Employers' Expectations

Previous studies examine accounting education's expectation-performance gap between what employers expect accounting graduates to possess. Although difficult to quantify, employers believe students with accounting degrees should possess business, general, and additional accounting knowledge before entering the work force.

A case study of the undergraduate accounting program of a New Zealand university was conducted to examine the validity of the expectation-performance gap. Semi-structured interviews were conducted with four key stakeholder groups: partners and recruitment managers from accounting firms, recent accounting graduates, accounting lecturers, and final year students who intend to join public accounting firms after graduation. The interviews were analyzed to identify the similarities and differences between each groups' views upon the various competencies of accounting graduates. Skills employers believe accounting graduates should possess seem to be as follows: communication (written and oral), interpersonal, teamwork, research, time management, and commitment skills.

Even though universities are helpful in providing the conceptual understanding of business, employers from large and medium firms believe graduates seem to lack 'real' business knowledge, which can only be acquired through work experience. However, many employers have stated that they do not expect graduates to have extensive knowledge about the 'real' business world. Some believe that the 'reality shock' graduates feel is beneficial because it acquaints accounting students with change and uncertainty-characteristics that are common to the accounting profession.

In the article Focusing Accounting Curricula on Students' Long-Run Careers, Raef Lawson addresses the curriculum's need to broaden the scope of accounting education by addressing the problems that current accounting curricula focuses on the preparation for entry-level requirements and the preparation of careers in only public accounting and auditing. There is also a need for a strategic perspective on the value proposition of accounting due to the emerging fields of business analytics and business intelligence. According to Lawson and other professionals, the accounting curriculum is lacking successful competency integration for students who want to join accounting firms.

Thus, employers are looking for accounting graduates who possess the following skills:

- **Business, general, and additional accounting knowledge**
- **Familiarity with business analytics and intelligence**
- **Communication (written and oral), interpersonal, teamwork, research, time management, and commitment skills**
- **'Real' business knowledge**

Most of the schools in the California State system focus on accounting concepts and their applications. The Accounting Core courses are comprised mostly of the study of accounting courses and their application. All schools, omitting UC Santa Barbra, included **intermediate accounting** in their curricula. Other popular and common courses included subjects regarding accounting **ethics, auditing, not-for-profit accounting, taxation, and cost accounting**. Courses in the technology integration section included **accounting information systems and data processing**. The most common "overall business knowledge" courses offered were business law and economics. Reasonably, there is a lack of courses in management and overall business knowledge in the accounting courses.

The number of units of accounting elective courses required by students vary from school to school. Only University of California, San Diego offers accounting electives, and University of Santa Barbra only offers economic electives. Many of these electives included advanced accounting concepts which cover specific aspects of accounting. These courses include **controllership, issues in financial reporting, advanced taxation, and forensic accounting**, while some schools carry field work opportunities such as **internships or research**.

## Methodology

First, accounting curricula from the current year of 2018-2019 in the twenty-one California State Universities and four Universities of California were analyzed. Each course was divided into three sections per school:

1. **Business Core Courses**
2. **Accounting Core Courses**
3. **Accounting Elective Courses**

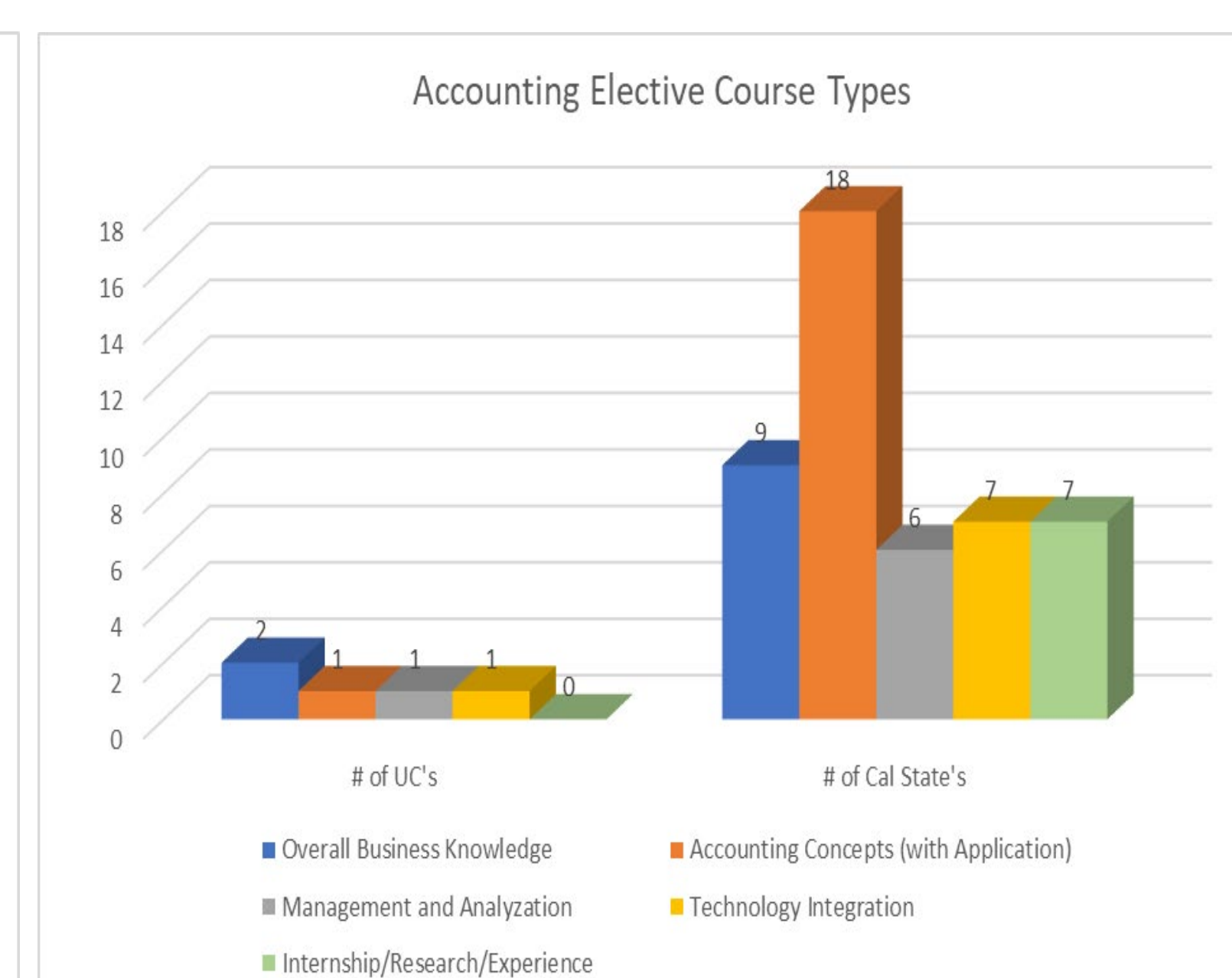
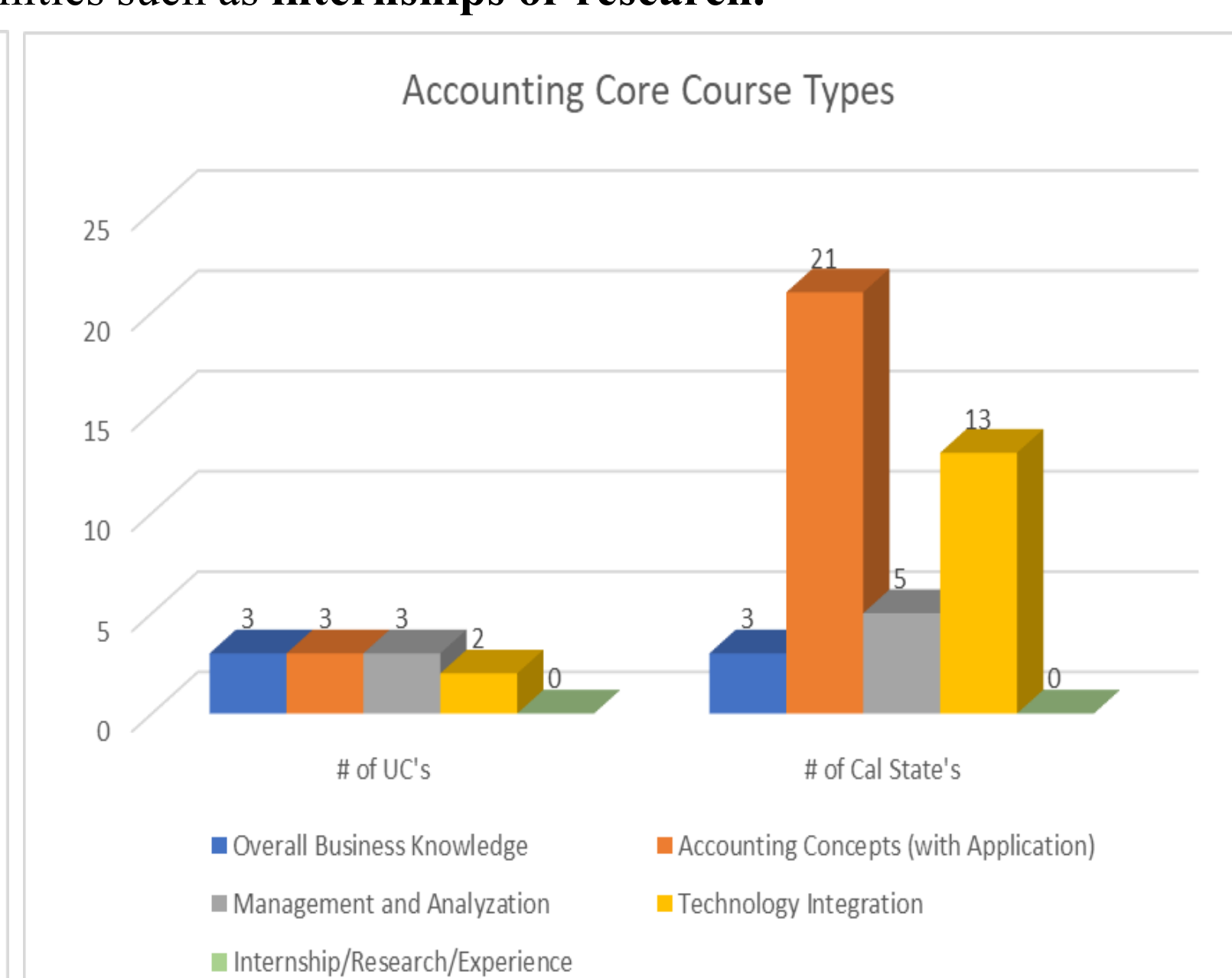
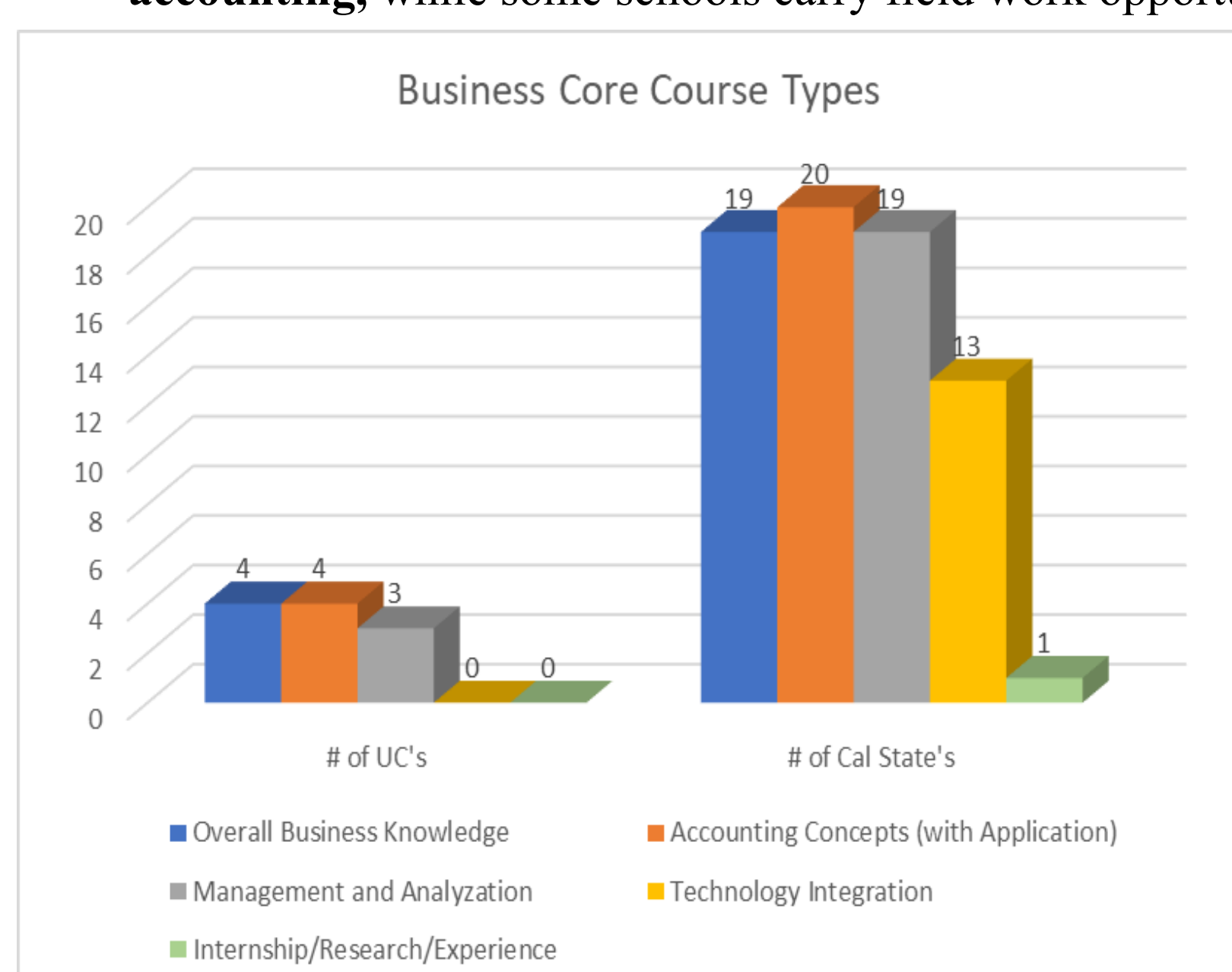
Classes were then divided into five categories:

1. **Overall Business Knowledge:** Overall knowledge of the legal, social, political, financial, and other environments in business.
2. **Accounting Concepts (with Application):** Accounting concepts and their application in the real world.
3. **Management and Analyzation:** Management and analysis skills used to analyze business and accounting processes/develop soft skills.
4. **Technology Integration:** Conceptual and practical use of technology in the work force.
5. **Internship/Research/Experience:** Opportunities to gain hands on experience from academics, businesses, firms in the accounting field.

The institutions' four year current curricula will then be compared to accounting employers' expectations.

## Results

Business core courses were present in all schools with accounting curricula, except for Cal State Polytechnic University, San Luis Obispo. The most common types of courses in these categories include **micro and macroeconomics, introductory to financial and managerial accounting, calculus and statistics classes for business, and management courses**. Many schools included classes that integrates technology in business, such as **accounting information systems and managerial information systems**, included in the "technology integration" category. Most of these courses are classified by the institution as lower division or "introduction" courses. A few classify as upper division courses, which include a few more advanced subjects in business, economics, and finance.



Schools with Chapters in Beta Alpha Psi

UC's: 4/9  
Cal State's: 11/23

## Analysis/Conclusion

California State Universities and Universities of California aim to prepare their accounting students to graduate with the sufficient knowledge to enter the workforce through an advanced accounting curriculum. According to the schools' 2018-2019 curricula, most offer classes that cover overall business knowledge and accounting concepts, which most employers see as the baseline for accounting graduates. Employers and academics in the accounting industry alike have recognized the importance of becoming familiar with business analytics and intelligence. Around half of the universities require classes which involve technology integration in business, thus a step in the right direction. However, professionals in the industry have noticed a lack of soft skills and 'real' business knowledge in accounting graduates. Less than half of the schools in California offer credit for internships, experience, and research in the accounting field. Students who have this experience are more likely to develop the soft skills employers are looking for. Outside of a schools' curricula, involvement in clubs such as Beta Alpha Psi or other honors organizations offer students more opportunities to gain soft skills and other 'real' business experience. Schools' curricula seem to be lacking in this area of accounting employer's expectations. Although the current accounting curricula satisfies some criteria employers are looking for, there is not a strong emphasis in business and accounting experience. Hopefully, accounting academics will continue to be mindful of these expectations in order to provide a more effective accounting curriculum.

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