

## UNIT REPORT

**Accounting and Business Law -  
Final Annual Report 2018-2019**

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# Accounting and Business Law

## Definition of Unit: Accounting and Business Law

**Start:** 07/01/2018

**End:** 06/30/2019

**Providing Department:** Accounting and Business Law

**Department/Unit Contact:** Richard Rand

**Mission/Vision/Goal Statement:**

### OUR MISSION

- Provide an educational foundation that enables its students to become successful accounting professionals,
- Engage in scholarly activity that makes meaningful contributions to the understanding and practice of accounting and to accounting education, and
- Serve the region, state, community, university, and the profession through outreach activities

We believe teaching, scholarly activities, and service are interdependent and synergistic, and that the spirit of discovery and pursuit of knowledge underlie our educational focus and guide our service activities.

### OUR VISION

The Department of Accounting will be a recognized leader in undergraduate and graduate accounting education with a focus on technology, and will be the destination of choice for those seeking rich and diverse learning experiences that inspire innovation, leadership, and value creation.

### OUR CHARACTER & VALUES

The Department of Accounting maintains the highest level of dedication to its academic program, exemplified by a focus on excellence in instruction, commitment to scholarly activity, and engagement in professional and community service by the faculty.

The Department of Accounting is distinguished by...

- A high-touch, personal learning environment fostered by a caring faculty,
- A commitment to experiential learning that produces practical knowledge and professional development in students,
- A strong collegial environment characterized by robust collaboration and high levels of engagement among faculty, staff, and students,
- A technology-driven, interdisciplinary approach to teaching and learning that produces team-oriented, competitive, ready-to-work graduates,

- A competent online learning environment distinguished by maintaining the integrity of online testing coupled with the historical strengths in online lectures and extensive examples provided through various online platforms, and
- An organizational culture that encourages ethical and responsible behavior in all stakeholders while embracing the diversity of individuals and ideas.

## **Learning Outcome 1 - ETS Scores & Sophomore Accounting**

### **Define Goal:**

A. Accounting major students will demonstrate competency in the business core area.

B. Students will demonstrate competency in financial accounting.

### **Intended Outcomes / Objectives:**

A. Accounting students will achieve an average ETS Score above the overall average for the College of Business. Overall, ETS Scores for Accounting students have met the goal of exceeding the average for the College of Business. Of more concern is a general downward trend in the averages for both groups. During the coming year, efforts will be made to gain an understanding of the factors driving that downward trend in scores and to develop approaches to ensuring that the trend is reversed.

B. Business students will perform at the 75% level on the common final exam for Principles of Financial Accounting.

Students continue to fall below the stated goal. However, the trend is positive. It is believed that changes made to improve the distribution of the course content has impacted student performance positively.

## **Learning Outcome 2 - CCTST**

### **Define Goal:**

Accounting major students will demonstrate the ability to apply problem-solving skills.

### **Intended Outcomes / Objectives:**

Students will perform above the University mean on the California Critical Thinking Skills Test (CCTST). Accounting students have historically scored above both the TTU mean and the national mean on the CCTST. For the 2015-2016 period, scores improved for the College and for Accounting. However, we believe that improving the experiential components of our courses has contributed positively to improvements in the CCTST scores.

## **Program Goal 1 - Graduation and Majors**

### **Define Goal:**

The Department will maintain and grow the number of graduates with an Accounting major. Accordingly, the Department will also maintain and grow the number of students declaring as an Accounting major.

### **Intended Outcomes / Objectives:**

As the University continues to grow, the Department of Accounting recognizes that we should likewise continue to grow and create more opportunities for students. In order to assist the University with its goal to improve graduation rates, we track the number of accounting graduates and the number of accounting majors.

## **Program Goal 2 - Freshman Recruiting**

### **Define Goal:**

Many students enter TTU as freshmen with a stated intention to pursue a major in Accounting. Historically, we do very little to encourage and nurture their intention. Our goal is to increase our engagement with high school seniors and entering freshmen at an earlier point in their relationship with TTU.

### **Intended Outcomes / Objectives:**

We expect to see freshmen to engage at an earlier stage in their academic career with their chosen major of Accounting. In addition, we believe that freshmen retention to the second year will be improved with this earlier engagement. Finally, with continued annual implementation of these efforts, we expect to see increased numbers of students entering TTU with the intention of majoring in Accounting. Metrics (Measurement to Begin in F15):

1. % of freshmen in UBUS 1020 (Accounting) who become Accounting majors.
2. #1 vs. % of freshmen intending to major in Accounting who do not complete UBUS 1020 (Accounting) who become Accounting majors

3. # of freshmen members of the Accounting Club.

### **Program Goal 3 - Integration of Online Proctoring for Online Examinations**

#### **Define Goal:**

The problem of integrity for online examinations is well-documented. It is also well-documented that, in general, incidents of academic misconduct are very high in an unproctored, online testing environment. Also, most students taking online examinations expect to take their examinations online.

To provide for more academic integrity associated with the online testing environment, several professors tested the effectiveness of online exam proctoring using a third-party proctoring service in 2014/2015. The results indicate that online exam proctoring does reduce the incidence of academic misconduct.

We intend to continue to implement online exam proctoring in our online accounting classes in 2015/2016 on a test basis. The final results of these experiences will inform us on establishing a formal policy in 2016 regarding the use of remote proctoring for online examinations.

#### **Intended Outcomes / Objectives:**

We expect to see lower incidences of academic misconduct.

Metrics:

1. Lower online examination scores that are consistent with exam scores in on-campus courses.
2. Levels of student satisfaction with grade distributions associated with online classes.
3. Levels of stakeholder satisfaction with the quality of online classes.

### **Program Goal 4 - Establish a Master of Accountancy**

#### **Define Goal:**

*Note: While this goal does not specifically address the Undergraduate Program, it will have an impact on the Undergraduate program. Accordingly, in the interest of full disclosure, we believe that it appropriate to indicate our intentions here in the form of a Program Goal.* In July 2015, the Department of Accounting and the College of Business Administration will submitted a Letter of Notification to the Tennessee Board of Regents indicating our intent to develop a Master of Accountancy at TTU and launch that new degree program in Fall 2017. The Letter of Notification was approved in September, 2015.

In May 2016, the Department of Accounting submitted a Letter of Application to TBR/THEC to proceed with plans for a Master of Accountancy. The Letter of Application was approved in May 2016.

In September 2016, the Department of Accounting will submit an Implementation Portfolio to the Graduate School Executive Committee and subsequently to the Academic Council at the University for a Master of Accountancy.

Implementation is planned for Fall 2017.

#### **Intended Outcomes / Objectives:**

TTU's Accounting Program is accredited by the AACSB. As such, we are one of only about 10 programs internationally that are accredited by the AACSB, but do not have a graduate program. In addition, Accounting has been identified as an underserved program path by the Tennessee Higher Education Commission. Offering a Master of Accountancy, that is primarily offered in an online format, will be a unique program in Tennessee and will provide heretofore unavailable opportunities for many students wishing to pursue graduate education in Accounting. This program will exploit the unique online competencies of the Accounting faculty and will provide an opportunity for our undergraduate students to continue their education at their institution of choice. Offering the MAcc at TTU will ultimately impact our undergraduate offerings and will result in an ongoing assessment of the curriculum structure. As such, we believe it is important that we indicate our intentions in this report.

### **Program Goal 5 - Develop experiential opportunities for upper division accounting classes.**

**Define Goal:**

In 2011, the Department of Accounting offered its first international accounting experience course. The course is now an established course in the curriculum called ACCT 4700 International Experience in Accounting. Each Spring term, a group 12-20 accounting majors are enrolled in a senior-level elective that studies international accounting and international business. A major component of the course is a faculty led week-long trip to London UK for all students participating in the class. Activities include visits to: 1. The Institute of Chartered Accountants in England and Wales (ACIEW) 2. The BMW MiniCooper Plant in Oxford, England 3. Lloyd's of London 4. The International Accounting Standards Board 5. International Accounting firms

In Spring 2016, the Department established its Accounting Road Trip (ART) Program. The ART Program will have three distinct dimensions; Local, National, and International. The goal of the program is to allow students to experience the business and living environments of major cities where they may some day live and work.

The London experience has been rolled into the ART Program as our ART-UK experience. In April 2016, the Department offered our first ART-TN trip with a day-long trip to Chattanooga. Nearly 40 students and faculty participate in the event, which was zero cost to students. We visited a manufacturing facility, a CPA firm, and a non-profit organization. We hope to launch our ART-US trip in Fall 2017 with a 4-day trip to a major US city during Fall Break. In Spring 2018, we hope to offer our first ART-DC trip which will be part of a new course called Accounting and Public Policy. Students will travel to Washington, DC to visit the SEC, IRS, FBI, and the PCAOB. Plans are in place to also visit with elected officials.

**Intended Outcomes / Objectives:**

Students gain a heightened sense of the global role that accountants play in insuring and efficient national and global economy, and the experience a reduction in anxiety associated with international travel. With the ART Program, students will become more familiar with the extended business community and the opportunities afforded to them locally, nationally, and internationally.

**Program Goal 6 - Re-Organization of the Accounting Advisory Board****Define Goal:**

Re-organize the Accounting Advisory Board to allow the group to more efficiently and effectively assist the Department of Accounting.

In January 2015, the Accounting Advisory Board was reorganized into a group of 12 alumni and stakeholders. They were organized into three groups serving two year, three year, and four year terms. As terms expire, new Board members will be selected having three year terms.

**Intended Outcomes / Objectives:**

The objectives for the Board are to assist the Department of Accounting and Business Law (the "Department") to:

1. provide enhanced communication and interaction among the faculty and the professional community that the Department serves.
2. provide a source from which the faculty may seek advice relating to research, engagement with the profession and community, and continual improvement of the curriculum.
3. advocate a positive image of the students, faculty, and programs of the Department in the professional community and the general public.
4. provide leadership for Alumni activities.
5. assist in the development and implementation of plans to obtain financial support for student experiential learning opportunities, student enrichment activities, faculty research projects, professorships, and other important initiatives.

**Assessment: (PG3) Use of Remote Proctoring**

**Goal/ Outcome/ Objective:** Program Goal 3

**Type of Tool:** Other

**Frequency of Assessment:** Annually

**Rationale:**

Online education is ubiquitous in today's educational environment. Students not only receive content remotely, via the internet, but they also take their examinations in remote locations. Research indicates that students taking classes remotely "expect" to take their examination remotely. Without a method to proctor students taking examinations remotely, research also indicates that academic misconduct becomes problematic.

To ensure that students taking examinations remotely are not engaging in academic misconduct, a remote proctoring approach is indicated. To determine whether remote proctoring would reduce the incidence of academic misconduct, a study was conducted comparing the final examination results under three separate conditions:

- Exams taken remotely with a remote proctor.
- Exams taken locally with a live proctor.
- Exams taken remotely with no proctor.

### **Assessment: (PG4) Master of Accountancy**

**Goal/ Outcome/ Objective:** Program Goal 4

**Type of Tool:** Checklist

**Frequency of Assessment:** Ongoing

**Rationale:**

TTU's Accounting Program is accredited by the AACSB. As such, we are one of only about 10 programs internationally that are accredited by the AACSB, but do not have a graduate program. In addition, Accounting has been identified as an underserved program path by the Tennessee Higher Education Commission. Offering a Master of Accountancy, that is primarily offered in an online format, will be a unique program in Tennessee and will provide heretofore unavailable opportunities for many students wishing to pursue graduate education in Accounting. This program will exploit the unique online competencies of the Accounting faculty and will provide an opportunity for our undergraduate students to continue their education at their institution of choice. Offering the MAcc at TTU will ultimately impact our undergraduate offerings and will result in an ongoing assessment of the curriculum structure. As such, we believe it is important that we indicate our intentions in this report.

Attached Files

[☐ MACC Program Checklist](#)

### **Assessment: (PG6) Accounting Advisory Board Re-Organization**

**Goal/ Outcome/ Objective:** Program goal 6

**Type of Tool:** Meeting Records

Other

**Frequency of Assessment:** Ongoing

**Rationale:**

Historically, the Accounting Advisory Board at TTU was comprised of anywhere between 25-50 alumni. They attended an annual meeting where they were provided a "State of the Department" report. They had no governance structure and were not asked to participate in an direct efforts to assist the Department in their other Program or Student Learning Goals.

In January 2015, the Accounting Advisory Board was re-organized into a smaller, self-governing body with a specific and direct purpose. The group now has its own Constitution and Bylaws. The new AAB will have 12 members, serving rotating 3-year terms. This group will also meet at least twice annually.

### **Assessment: (LO1a) ETS Scores**

**Goal/ Outcome/ Objective:** Learning Outcome 1

**Type of Tool:** Exit Exam

**Frequency of Assessment:** bi-annually

**Rationale:**

Assessed by ETS Exit Exam (Major Field Test in Business) taken by graduating seniors in Fall and Spring semesters. ETS exit exam results provide direct measures, while the surveys provide indirect measures of student learning.

The results for COB students on the ETS exit exam are analyzed and discussed by the Department faculty.

### **Assessment: (LO1b) ACCT 2110 Avg Final Exam Scores**

**Goal/ Outcome/ Objective:** Learning Outcome 1

**Type of Tool:** Tracking Spreadsheet

**Frequency of Assessment:** Annually

**Rationale:**

To measure student progress in the first accounting course, we will use the Final Examination scores as a proxy.

**Assessment: (LO2) Critical Thinking**

**Goal/ Outcome/ Objective:** Learning Outcome 2

**Type of Tool:** Exit Exam

**Frequency of Assessment:** annual

**Rationale:**

Assessed by the Exit Exam California Critical Thinking Skills Test (CCTST) taken in Fall and Spring semesters by graduating seniors. The CCTST Exit Exam provides a direct measure of student learning.

The CCTST provides an external benchmark comparison for TTU and at the national level.

**Assessment: (PG1) Degrees and Enrollment**

**Goal/ Outcome/ Objective:** Program Goal 1

**Type of Tool:** Tracking Spreadsheet

**Frequency of Assessment:** Annually

**Rationale:**

Tracking number of majors and degrees conferred allows us to measure whether our efforts to engage students and provide to them a meaningful choice are effective.

**Assessment: (PG2) Freshman Recruiting**

**Goal/ Outcome/ Objective:** Program Goal 2

**Type of Tool:** Tracking Spreadsheet

**Frequency of Assessment:** Annually

**Rationale:**

In order to engage freshmen with the Accounting program earlier in their academic career, we have implemented the following steps:

1. In Fall 2015, a special section of UBUS 1020 Success Skills for Business Studies was set up specifically for entering freshmen who indicated that they intend to major in Accounting. The same course will be offered in Fall 2016.
2. Beginning in Fall 2015, the Accounting Club was charged with specifically engaging and recruiting freshmen.
3. In Fall 2016, the Department of Accounting is partnering with the Tennessee Society of CPA's to sponsor a Discover Accounting Day at TTU on October 23, 2015. This is part of a TSCPA effort to expose over 1,000 high school students to the discipline of Accounting during 2016.

**Assessment: (PG5) International Experience in Accounting**

**Goal/ Outcome/ Objective:** Program Goal 5

**Type of Tool:** Survey

Tracking Spreadsheet

**Frequency of Assessment:** Annually

**Rationale:**

As part of our effort to improve the undergraduate experience for Accounting majors, we established, in 2011, the International Experience in Accounting. The course is an upper division Accounting elective for Accounting majors only that combines study of international accounting, international business, and a week in London, UK. The International Experience in Accounting serves to broaden students' perspectives of the world in which they live, as well as to prepare them for the international business world.

**Results: Learning Outcome 1a**

**Goal/Objective/Outcome Number:** Learning Outcome 1

**Results:**

The goal of Accounting majors reaching achievement above the mean for the College of Business was achieved for all periods presented. Of more concern is the general downward trend in the results, which is reflected not only in the data for Accounting majors, but for the College, as a whole. The results were discussed at the College Executive Committee and at the Department faculty meeting.

## Results: Learning Outcome 1b

**Goal/Objective/Outcome Number:** Learning Outcome 1

### Results:

The mean for fall 2014 was lower than the fall 2013 mean of 66.07% and the goal of 70% was not achieved. The faculty members who taught ACCT 2110 during the fall 2014 semester met on March 17, 2015 to discuss the assessment results.

The faculty felt that the comparison between 2013 and 2014 final exam results might not have been valid. The transfer of material to ACCT 2120 was perceived to be an appropriate action to take but instructional issues related to the transition to a new text with a different approach to the material (sole proprietorships vs. corporations) could have negatively impacted student performance. One instructor also experimented with non-proctored, open-book online exams during the semester but required students to take the final in a closed-book, paper-based in-class setting. This could also have affected the assessment results.

## Results: Learning Outcome 2

**Goal/Objective/Outcome Number:** Learning Outcome 2

### Results:

The goal of exceeding the national benchmark of 17.1 on the CCTST was achieved, in all years except for the 2014/2015 year. Scores for the 2015/2016 year were significantly higher (18.7) than the previous year (16.7) and exceeded the national benchmark.

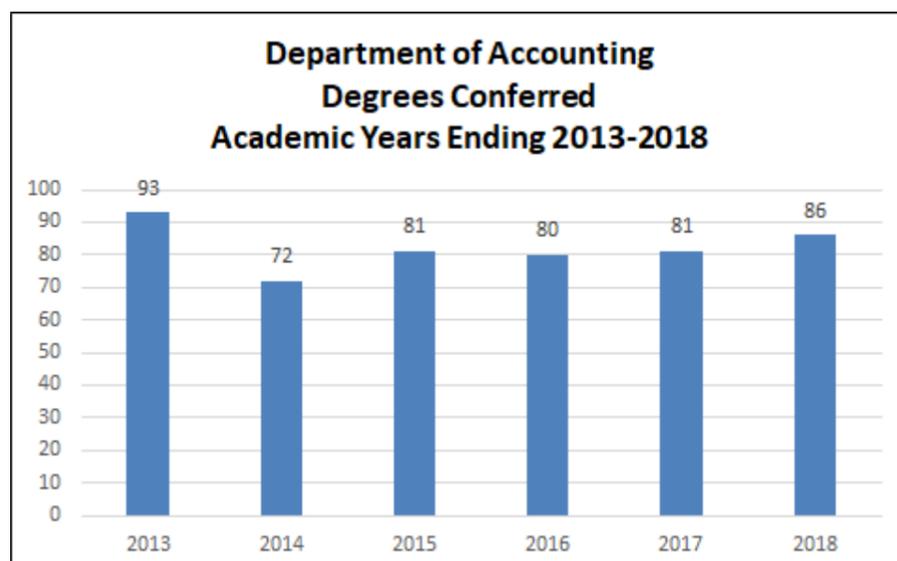
The goal of exceeding the TTU benchmark was only achieved in 2012/2013.

## Results: Program Goal 1

**Goal/Objective/Outcome Number:** Program Outcome 1

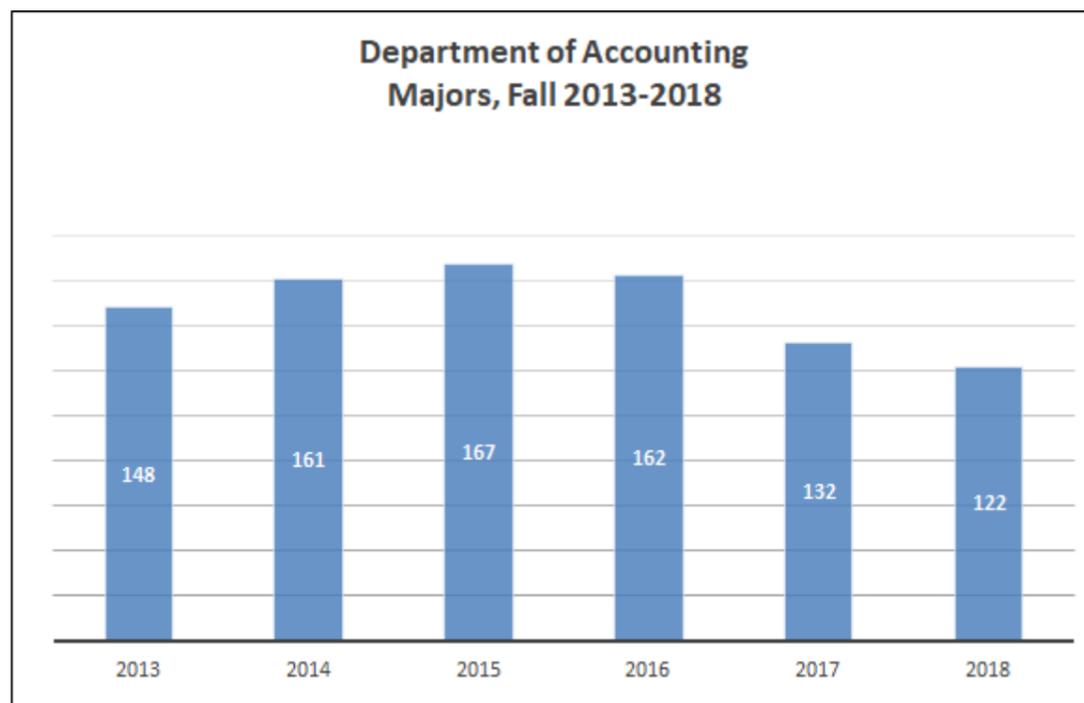
### Results:

The department consistently awards more than 80 degrees per year.



The number of Accounting majors has decreased over the preceding six year period, while maintaining high numbers of degrees awarded. This anomaly is due to several factors. One factor is the curious way in which the University counts "majors". If a student is double-majoring in two business disciplines and the "secondary" major is accounting, then that student does not "count" as an accounting major, even though that student does count for purpose of identifying degrees conferred. In addition, the Department continues to serve a high number of students seeking a second degree in accounting.

These students are typically not "counted" as accounting majors if they enroll as a "non-degree seeking" student. Many enroll with this designation, even though they actually are working towards completing a degree. To counter the decline in # of accounting majors, the Department in working with Enrollment Management to engage in a effort to send faculty members and admissions representatives to high schools and 2-year colleges to promote TTU and the Department of Accounting.



### Results: Program Goal 3

**Goal/Objective/Outcome Number:** Program Goal 3

#### Results:

We conducted a study that looked at final exam results for 244 students in Cost Accounting and Auditing. The students took their final examinations in one of three settings:

- Exam taken remotely with a remote proctor.
- Exam taken locally with a live proctor.
- Exam taken remotely with no proctoring.

The results indicated that students taking the examination remotely with a remote proctor had lower final exam scores. Further analysis indicated that exam scores were reduced significantly in both Auditing and Cost Accounting. However, the reduction was more significant with Cost Accounting (a quantitative course) than with Auditing (a qualitative course). Additional analysis indicated that the reduction in final examination scores was primarily due to a reduction in academic misconduct, rather than to any phenomenon associated with the technology of remote proctoring.

The above research was published in "Advances in Accounting Education: Teaching and Curriculum Innovations", volume 18 in 2016 under the title "Remote Proctoring: The Effect of Proctoring on Grades" (Davis, Rand, Seay)

The use of Remote Proctor Now (RPN) at both the undergraduate level and in the Master of Accountancy (MAcc) is fully implemented. At the undergraduate level, students taking online examinations have the option of taking the exam remotely using RPN at a cost of \$15 or coming to campus and taking the exam in a proctored exam session at a specified time. Generally, with respect to final examinations, approximately 50% of online students choose to take the examination live. We believe this is primarily due to approximately 50% of the students enrolled in online classes actually already living in the Cookeville area. In the MAcc, 15 hours of core classes are taught online. Those classes each require a mid-term examination and a final examination, all of which are offered online. The cost of using RPN is paid by the program, rather than by the students.

### Results: Program Goal 4

**Goal/Objective/Outcome Number:** Program Goal 4

#### Results:

- The Letter of Notification for the new Master of Accountancy at TTU was approved in Fall 2015.
- The Letter of Application for the new Master of Accountancy at TTU was approved in May 2016.
- The Implementation Portfolio for the new Master of Accountancy at TTU will be submitted to GSEC and to the Academic Council in Fall 2016.
- Implementation for the new Master of Accountancy is planned for Fall 2017.

The Master of Accountancy was implemented in Fall 2017 with an inaugural cohort of 14 students. In Fall 2018, the 2nd cohort of 20 students matriculated into the program. The program is financial healthy and has exceed break-even enrollment in only its second year. For 2018, 30 students were actually admitted. Of the 30 students admitted, 20 actually enrolled. The conversion rate of 66.67% exceeds the University's conversion rate. For 2019, the conversion rate goal is 70%, with a desired cohort of 25 students.

Due to being early in the program's "life", we do not as yet have reliable learning goal outcomes. The first measurements should be available at the end of the Fall 2018 semester.

**Attachments:** Attached Files

[Master of Accountancy Progress Checklist](#)

## Results: Program Goal 5

**Goal/Objective/Outcome Number:** Program Goal 5

### Results:

An objective of the International Experience in Accounting is to engage students in non-traditional experiential opportunities.

Another objective of the International Experience in Accounting is to help students to overcome natural anxieties about new experiences; specifically international travel. Overall, students reported a significant reduction in their level of anxiety with respect to international travel (Wilcoxon significance = .002). In addition, there were several specific areas in which students showed significant reduction in their levels of anxiety.

In 2019, the International Experience in Accounting will take the 9th group of students to London during Spring Break. Visits will include ICAEW, Enterprise UK/Ireland HQ, Lloyd's of London, Sage, MiniCooper, and at least one CPA firm.

To date, participation in the event each year is as follows:

- 2011 - 20
- 2012 - 12
- 2013 - 16
- 2014 - 12
- 2015 - 15
- 2016 - 9
- 2017 - 17
- 2018 - 20 (including 3 graduate students for the first time)

Also, to date, 6 different faculty member has participated in the event as both leaders and support faculty.

The Spring 2016 ART-TN event was overwhelmingly successful, with approximately 35 students participating in the inaugural event. Participation in the Spring 2017 (12) and Spring 2018 (24) was smaller than in Spring 2016. The Spring 2017 ART-TN trip focused on Nashville and included visits to the TSCPA, Tractor Supply Inc. Headquarters, LBMC, the Music City Center, and the Country Music Hall of Fame. The Spring 2018 trip focused on Knoxville and included visits to Vanderbilt Mortgage, Pugh CPAs, and TVA.

## Results: Program Goal 6

**Goal/Objective/Outcome Number:** Program Goal 6

### Results:

A working group met in January 2015 to work out the details of a Constitution and Bylaws for a re-organized, self-governing Accounting Advisory Board for TTU. The results was a new framework for an Accounting Advisory Board that will prove useful to the Department.

A group of 12 alumni and stakeholders were selected for the first Accounting Advisory Board. They are organized into three groups with staggered terms. The initial terms were for two years, three years, and four years, respectively. Going forward, as terms expire, future terms will be for three years.

The AAB has met three times since the January 15 meeting. Outcomes had included:

- Raising \$5,000 to scholarship students for the 2016 London Experience.
- Providing valuable feedback on the development of a technology course for the new MACC program.

- Providing valuable input in the development of the Department's Strategic Plan and with respect to AACSB accreditation.
- Providing support for Accounting Boot Camp and for Meet-The-Firms.

The Accounting Advisory Board has continue to meet on a regular basis, holding 2 meetings annually in 2015, 2016, 2017, and 2018. In addition, the succession plan for replacing Board members following their 3-year term of service has worked well with new classes coming on board in Fall 2017 and Fall 2018. The Board has been helpful in strategic planning, undergraduate and graduate curriculum development, and providing speakers for classes.

## **Results: Program Goal 2**

### **Goal/Objective/Outcome Number: Program Goal 2**

#### **Results:**

In Fall 2015, 21 students signed up for a special accounting-focused UBUS 1020 section.

- 85.7% of those students matriculated for the Spring 2016 semester.
- 81% have registered for the Fall 2016 semester.
- 71% are still listed as Basic Business.

18 students have registered for the Fall 2016 accounting-focused section of UBUS 1020.

Enrollment for Fall 2017 was 20 students and in Fall 2018 was 27 students. The original intent was to offer a section focused on accounting for freshmen who had pre-identified as wanting to be accounting majors. In the first section of the course (Fall 2015), the goal was more or less achieved. However, in subsequent sections, the demographic was more mixed and the goal of creating a section populated with pre-accounting majors was not achieved. We believe this is primarily due to the fact that freshmen are choosing their UBUS section based on scheduling convenience rather than based on are of interest. In addition, recent changes in the College of Business with respect to changing the way freshmen are classified with respect to their chosen major will render the need for a special section of UBUS 1020 as unnecessary. Beginning in Fall 2018, the Department will no longer offer a special accounting-focused section of UBUS 1020.