

ACCOUNTING IN THE THIRD MILLENIUM: AN EXAMINATION OF PRINCIPLES TEXTS

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ABSTRACT

In the wake of several negative, high-profile accounting scandals, the issue of how educators can address the significance and practice of accounting with their students is an important one. Much of the burden is carried by those instructors teaching the accounting principles classes where most students decide if they want to pursue a career in the field. Instructors in turn rely greatly on textbook content and supplementary materials to structure how students view the accounting profession. This paper focuses on the Principles in Financial Accounting course and the resources available for today's educators in accomplishing those goals.

INTRODUCTION

The first few years of the third millennium witnessed a number of high-profile company and accounting firm practices that generated a large amount of press coverage. In the wake of the negative publicity of Enron and other scandals, the accounting profession faces a tremendous amount of scrutiny. Accounting programs in higher education institutions may have to adjust their curriculum. Besides the greater emphasis on finance (Volpe and Chen, 2001), ethics likely will also receive expanded coverage. With the growing introduction of technology, accounting has moved from a once laborious, tedious, solitary activity to one that is better characterized as relationship-based, professional, and focused on inventing new ways and services to attract new clients and retain established ones. In support of this evolution it is important for colleges and universities to challenge accounting graduates to become skilled in communications, marketing, management and sales. As a result, publishers of accounting textbooks face the challenge of producing materials that meet the needs of students, instructors, and employers in today's market. This means that instructors and students expect to remain regularly updated with new information at a faster pace than ever.

The first accounting course typically taught to undergraduate students is Principles of Financial Accounting. This course provides students the framework for further education in accounting. While some of the basic concepts have not changed, "assets = liabilities + equities", and "debits = credits" the approach taken in current textbooks are more in tune with teaching what the numbers mean and how they relate to financial statements and future cash flows.

Publishers have made the process of reviewing textbooks much simpler for educators through the posting of materials online. A search for Financial Accounting textbooks conducted through the Internet reveals most of the pertinent information needed to select a text. This saves a

tremendous amount of time that would be spent waiting for hard copies of texts to be received by instructors - and a good deal of costs to the publishers. An online study of accounting principle texts published in 2002-03 revealed many similarities in subject matter, while the presentation and emphasis reflects slight to significant differences. Of course, topics such as financial statements, accounts receivable, inventories, etc, were presented. It is, however, important that universities focus on relevant instruction that will add value to real-world experiences as students graduate with accounting degrees. Accounting firms have argued that the content of accounting courses is not relevant because the faculty "lacks significant, continuing sources of information about the realities of the practice environment" (The Big Eight, 1989).

While this statement was expressed over ten years ago, it is still relevant to the dilemma many universities face today. The accounting faculty's lack of real world experience may be part of the culprit; however students' anxiety over grading makes them more concerned about the "how to" than the "why" in accounting. If textbooks focus on basic steps, i.e., debit = credit, then students are also going to focus on those fundamentals. Being more conceptual in the teaching process helps students expand their knowledge base and thinking skills. Spreadsheet programs now allow instructors to move away from the basic tasks. "Doing away with tasks now performed by technology leaves time for students to acquire solid foundations for building critical-thinking skills and preparing them for life-long learning" (Nearon, 2002).

New concepts have been introduced over the years and with the use of technology there is no longer a need to have students perform laborious problems, (i.e., least square regression analysis), manually when there are computers that can do calculations in seconds. Educators have realized the value of technology but are sometimes slow to introduce it in the classroom. The use of this technology frees valuable classroom time for more critical thinking and relevant projects.

The Accounting Education Change Commission (AECC) states that they are concerned with accounting education as it presently stands. If their concerns are not consciously addressed, it will lead to the demise of the accounting education. Note the following:

The number and quality of students electing to major in accounting is decreasing rapidly.

Both practicing accountants and accounting educators, most of whom have accounting degrees, would not major in accounting if pursuing their education over again.

Accounting leaders and practicing accountants are telling us that accounting education, as currently structured, is outdated, broken and needs to be modified significantly (Albrecht and Sack, 2000).

METHODOLOGY

Several publishers' web sites were searched for financial accounting principle textbooks. Thirteen textbooks were then reviewed in terms of content area discernable from their table of contents and online supplemental information for instructors and students. No textbooks were physically reviewed; all information was gathered from websites. Therefore, the accuracy of this information depends on the completeness of the websites and the ease of which the author could gather and interpret information.

Table of Content/ Features

All the texts offered online table on contents with some texts offering a short statement about the chapters. Major areas of accounting principles were easily recognized. These topics included the balance sheet, income statement, cash flow, assets, liabilities and equities. Other unique topics were included to the specific texts, such as income taxes, international accounting, and partnerships. Reviewing the table of content online helps narrow the selection process. Those books that do not fit criteria for the course, based on given information, can be eliminated rather quickly.

Each site gives an overview of the text listing unique features. This overview lists the nuances of the book, telling how the material flows, new approaches taken from previous editions, and subject matter unique to the text. Using this opportunity well sells books. Many instructors are interested in receiving as much information as possible with the amount of hassle typically associated with reviewing textbooks - at least in making a first cut. Reviewing texts online allows for this evaluation in a more timely way (see Table 1).

	a	b	c	d	e	f	g	h	i	j	k	l	m
Accounting Framework	X										X		
Accounting Systems & Internal Controls			X	X		X	X	X		X		X	X
Accounts Receivable	X	X	X	X	X	X	X	X	X	X	X	X	X
Balance Sheet Concept	X	X	X	X	X	X	X	X	X	X	X	X	X
Cash			X	X			X	X	X	X	X	X	X
Cash Flow Statements	X	X	X	X	X	X	X	X	X	X	X	X	X
Economic Concepts	X												
Equities	X	X	X	X	X	X	X	X	X	X	X	X	X
Financial Statement Analysis	X	X	X	X	X	X	X	X	X	X	X	X	X
Global and International Accounting					X						X		X
Income Statement Concepts	X	X	X	X	X	X	X	X	X	X	X	X	X
Income Taxes	X	X							X				
Introduction to Financial Accounting	X	X	X	X	X	X	X	X	X	X	X	X	X
Inventories	X	X	X	X	X	X	X	X	X	X	X	X	X
Liabilities	X	X	X	X	X	X	X	X	X	X	X	X	X
Long Term Assets	X	X	X	X	X	X	X	X	X	X	X	X	X
Long Term Liabilities, i.e., Bonds	X	X	X	X	X	X	X	X	X	X	X	X	X
Marketable Securities	X	X	X	X	X		X	X	X	X	X		X
Matching Concept & Adjustments		X	X			X		X	X	X		X	X
Partnerships								X					X

(a) Antle and Garstka; (b) Horngren, Harrison, and Bamber; (c) Libby, Libby, and Short; (d) Meigs, Williams, Haka and Bettner; (e) Wild, Chiappetta, and Lersons; (f) Reimers; (g) Stickney and Weil; (h) Warren, Reeve, and Fess; (i) Albrecht, Stice, Stice, and Skousen; (j) Edmonds, McNair, Milan, and Olds; (k) Needles and Powers; (l) Wild; (m) Porter and Norton

Supplemental Materials

All of the textbooks researched provide at least a minimal amount of online services to students and instructors (see Table 2). The texts provide Webtutor to the instructors and list many other supplement materials available for use. Some of the texts provide online ready Powerpoint slides for the instructor and in a few cases for the students as well. In an informal review of two principles of financial courses involving approximately 40 students, only five students reported that they actually went on line for supplemental information. Many students noted that the site would be helpful, but many said that they would not take the time involved in going to the site. While students in this small very informal study were not anxious to visit the website, these sites do tend to be of greater interest to many instructors. They want the supplemental sites available for those students interested and themselves.

	a	b	c	d	e	f	g	h	i	j	k	l	m
On-line Interactive Tutorial	X	X	X	X	X	X	X	X	X	X	X	X	X
Hot links to related sites and materials	X			X	X	X	X			X	X		
PowerPoint Slides	X		X	X									
INTACCT	X	X							X				
Self-Quizzes	X		X		X								
Study Guide			X		X	X							
Key Terms		X		X									
Online Course		X	X										
Course Compass		X											
Edgar-Scan (financial statement archive)	X												
Personal Trainer								X					

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DISCUSSION

The traditional method of teaching accounting has come under fire by many critics. A few authors of textbooks are listening to these criticisms. An online review of the 13 textbooks published in 2002 and 2003 reveals that the more progressive offer many online tools and suggestions to keep material fresh and updated. Principles of accounting courses teach basics, there is only so much that the author can do with the presentation of material. One approach many authors are taking is to use financial information from existing companies, making the information more relative to industry.

With the influx of technology however, a renewed look at ethics, and changing expectations of employers, what other advances can texts offer to make them stand out from other books? How fast can information and updates be made available to students and instructors? Instructors can immediately get an abundant amount of information by going online. There is no longer the need to wait until receiving a hard copy to do a cursory review, allowing access to more texts.

Antle and Garstka make the following statement concerning their text *Financial Accounting*, "Although we did not write this text in order to train students as bookkeepers, we believe that students need to be exposed to the techniques that underlay financial reporting," (Antle and Garstka, 2002). Of the information provided online for the textbooks reviewed, only one presented itself as offering an "alternative to debits and credits" (Porter and Norton, 2002). Horngren, Harrison, Bamber offers four to ten minute videos on each chapter with actual business professionals who use accounting to "enhance the success of their organization" (Horngren, Harrison, Bamber, 2001).

Limitation of the Study

This study had several limitations. First, it was limited to our interpretation of titles for chapter content. For instance, most principle financial textbooks discuss "cash", however if there were no specific title alluding to that discussion, the author was not credited with that topic. Some of the supplements for instructor and students may have not been attributed to a text because if may have not been specifically noted and included with another supplement.

No textbooks were physically reviewed; all information was gathered from websites. Therefore, the accuracy of this information depended on the completeness of the websites and the ease of which the author was able to gather information. This was the goal of the study, however, physically reviewing texts and supplemental information may have caused a different outcome.

CONCLUSION

The accounting discipline like many others looks for new and innovative ways to approach teaching. Having access to online material, which can be updated quickly, is a plus for any publisher looking to sell texts and stay ahead of the curve. Publishers' use of the Internet has made the task of reviewing textbooks simpler. There is an abundant amount of information available online. Instructors have available to them information that gives synopsis of textbooks including table of contents, overviews, unique features and some even offer a brief description of each chapter.

Along with printed teaching supplements, most sites offer PowerPoint and other electronic instructional tools.

Students also have available to them online study guides, exercises, and chapter summaries. These websites accommodate and supplement ever-fast changing texts revisions (even those revised every two or three years). One good example would be the Sabanes-Oxley Act. Only the very latest editions of texts would include this information; however, it could be easily updated on a website for a student and/or instructor's use.

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