

Some Opinions of Representative CPA's Concerning the Educational Qualifications Which Prospective Employees Should Have

A Survey made by the COMMITTEE ON EDUCATION

This article is addressed to the various groups of people who have an interest in accounting education and training. It is based on a survey made by the Committee on Education of The New York State Society of Certified Public Accountants. Its three main objectives are:

- 1. To indicate to accounting educators, vocational advisors, state officials, legislators, and others, the type of educational background and training which is desirable for the public accountant.*
- 2. To help students and young accountants judge their qualifications when they consider seeking employment in public accounting.*
- 3. To aid accounting firms and practitioners who wish to compare their employment standards with those of other CPAs.*

The Accounting Profession Needs Able Men

CERTIFIED PUBLIC ACCOUNTANTS are members of the fastest growing profession in the country.

Because of this expansion, the profession is anxious to attract qualified men. Professional societies of certified public accountants have given this question high priority in their programs. More and more students are becoming interested in public accounting as a career.

Obviously, however, not everyone who is interested in public accounting is suited for the profession. Special qualifications are necessary for success.

This is true in all professions. Despite its rapid growth, public accounting is no exception. In fact, one of the reasons for the increasing use of professional accounting services by the business and financial community is

that accounting firms have maintained a high standard in selection of personnel.

Students, educators and certified public accountants have shown deep interest in the question of how accounting aspirants should prepare for the profession—and what educational qualifications are desirable or essential for employment as a junior accountant.

Tremendous strides have been made in accounting education since the first CPA law was passed in 1896. Continuous progress will be made in the future. In making this survey, the Committee on Education of The New York State Society of Certified Public Accountants hopes to contribute to the fund of data on this subject.

A Word About the Survey

The survey, conducted by mail questionnaire, was centered on questions of education, employment and training of staff assistants to practicing certified public accountants. CPAs who were queried included partners of large,

This article is also available in booklet form at the offices of the Society.

medium-sized and small firms, and individual practitioners, from different cities and areas in New York State.

Although the total sample—sixty-three—is not large statistically, the Committee on Education feels that it represents a reliable cross-section, and therefore that the opinions reflect general thought among different types of firms and practitioners.

To a great extent, the survey is similar to one conducted by the Society in 1937. However, the 1937 questionnaire was revised considerably for the current survey in order to reflect developments which have taken place in the accounting educational system and in accounting and auditing standards and procedures.

In addition, several new subjects were added. An important one is the use of accounting aptitude and the achievement tests developed since the war by the American Institute of Accountants.

Two points should be emphasized:

First, the survey is confined primarily to educational qualifications. It does not attempt to go into such questions as the principles and techniques of education. Educational methods, obviously, are in the province of educators, not of professional accountants.

Second, the survey refers only to qualifications desired in the *public* accounting employee. It is not concerned with qualifications for other accounting work—industry or government accounting, for example.

Technical Knowledge Is Not Enough

Accounting requires sound technical knowledge—but in public accounting, being a good technician is not enough. This stands out among the broad imports of the survey.

In substance, the survey brought out these nine major points:

1. The junior accountant should have sound basic knowledge of accounting, auditing and related subjects.

2. He should also have a solid foundation in English, and should be able to express himself clearly—both orally and in writing.
3. A well-rounded background in the liberal arts is helpful.
4. Education is more important than experience for the applicant, although experience in addition to education has obvious value.
5. As a rule, not having completed the educational requirements for the New York State CPA examination presents an obstacle to employment by many firms in the State.
6. Preference is given to those who have taken graduate work, especially if in business administration and accounting.
7. College grades receive particular consideration by most employers.
8. Many employers also give consideration to the results attained on the tests included in the personnel selection program of the American Institute of Accountants.
9. Deficiencies in the “basics”—such as spelling, arithmetic or grammar—are definite drawbacks.

Capsule Account of Results

A capsule account of replies to the various questions in the survey follows. The survey tabulation starts on page 49.

General Employment Standards

Replies in this section of the questionnaire indicate that CPAs usually give more weight to education than to experience when considering applicants for positions as junior accountants.

Only a small number of those replying to the questionnaire have a rule that assistants they employ must have had prior bookkeeping, accounting or business experience.

Two-thirds give preference to a man who has had education regardless of experience, as compared to the man

who has had experience regardless of education. Two-thirds as a rule employ only men who have met the educational requirements for the New York State CPA examination. About one-third do not find it practicable to take men who are studying evenings to meet these requirements.

Of the eighteen firms in the survey who note that they have employed college students under internship programs, only one has found them unsatisfactory. However, twenty-five firms state that they give preference to men who have taken part in these programs. (Perhaps it should be noted that under these programs, a student leaves his college during the fall or winter for a period ranging from a few weeks to several months to work as a junior in a professional accountant's office.)

Additional study beyond the basic educational requirements for the CPA certificate definitely has value. Five-sixths say that they give preference to men who have a significant amount of extra credits in business administration and accounting, and two-thirds give preference to men with extra credits in the liberal arts. Law and industrial engineering carry less, though appreciable, weight.

The final question in this section asked the respondents to rank six other factors which might affect employment decisions. Of the factors listed, college grades have the highest importance. Next in order is readily legible handwriting. Third is participation in extracurricular affairs, followed by ability to perform mathematical processes without mechanical aids, earning all or part of one's way through college, and ability to use mechanical aids.

Personnel Testing

Although the personnel testing program sponsored by the American Institute of Accountants has been in operation for only a few years, it is interesting to note that a substantial majority of the people answering the questionnaire ask applicants whether they have

taken the tests. Of this group, all give either major or moderate weight to the tests.

In addition, over one-third give separate tests when selecting staff members.

Value of Different Subjects

According to the survey, the four subjects most valuable in preparing for public accounting are the technical studies—accounting principles, auditing, accounting problems, and arithmetic.

Of the next four most valuable—this seems particularly significant—three concern use of the language; business English, report writing, and English composition. The other in this ranking is professional ethics.

A total of over forty subjects was covered in this part of the questionnaire. The ratings which they received—varying from essential to unimportant—should be of special interest to students and teachers. They are reported in full on pages 52 and 53.

Deficiencies among Recent Graduates

Here again, the question of ability to use the English language receives heavy emphasis.

Of qualifications which should have been acquired before college, these are termed most often lacking: grammar, handwriting and spelling.

Of qualifications which should have been acquired in college, the most common deficiency reported is the lack of ability to make clear statements, orally or written. It should be noted that deficiency in knowledge of accounting and auditing appears quite a bit less common.

Where over-all characteristics are concerned, initiative and imagination are classed as the qualities whose lack is most often noted.

A separate question related to professional ethics. While over fifty percent of those replying believe that recent college accounting graduates are

acquainted with the ethics of the profession, less than half believe that the graduates have a real understanding of these ethics.

Staff Training

Two thirds of the firms and practitioners replying to the survey have organized educational or training plans or procedures for newer employees.

Procedures and techniques vary widely. Some firms have formal training classes, while others furnish staff members with informational material on accounting and related subjects.

Practically all make library facilities available, encourage attendance at technical meetings of accounting organizations, issue memoranda and bulletins, cooperate in preparation for the CPA examination, and the like.

Generally speaking, this training concentrates on technical questions—such as auditing principles and procedures, preparation of tax returns, and preparation of working papers. Bulletins and other material from the American Institute of Accountants are the most frequently used training manuals.

COMPLETE SURVEY RESULTS

A complete tabulation of the results of the survey follows:

I. Employment Standards

A. In your employment of junior assistants have you been able to give employment to graduates of colleges who have not had professional accounting experience or business experience?

Yes 53 No 6 Qualified 4

B. Do you have any rule that assistants you employ must have had some prior experience in—

1. Bookkeeping, accounting, or clerical work?

Yes 10 Qualified Yes 2

No 47 Qualified No 2

No answer 2

2. Professional accounting?

Yes 6 Qualified Yes 2

No 49 Qualified No 1

No answer 5

3. Other business activity?

Yes 0 Qualified Yes 1

No 52 Qualified No 1

No answer 9

C. If you do not have such a rule, do you give definite preference to those who have had prior experience in—

1. Bookkeeping, accounting, or clerical work?

Yes 37 No answer 9

No 17

2. Professional accounting?

Yes 43 No answer 10

No 10

3. Other business activity?

Yes 20 No answer 18

No 25



D. Do you give preference in employment to an applicant who has had—

1. Practical accounting experience regardless of education?			
Yes	..... 12	Qualified	..... 3
No	..... 42	No answer	..... 6
2. Education regardless of practical accounting experience?			
Yes	..... 42	Qualified	..... 2
No	..... 12	No answer	..... 7

E. 1. Do you, as a rule, employ only those who have met the educational requirements of New York State for taking the C.P.A. examinations?

Yes	..... 41	Qualified	..... 2
No	..... 19	No answer	..... 1

2. Do you find it practicable to employ those who are studying evenings to meet such requirements?

Yes	..... 37	Qualified	..... 2
No	..... 24		

3. If so, approximately what percentage of those you engage each year are studying evenings to meet New York State C.P.A. requirements?

3	..... 100%	7	..... 50%
1	..... 90%	1	..... 33%
1	..... 70%	26	..... 10% to 15%

F. 1. Do you employ students for your staff under college "internship" programs?

Yes	..... 18	Qualified	..... 4
No	..... 39	No answer	..... 2

2. If so, have you found the "interns" to be satisfactory?

Yes	..... 17	Qualified	..... 2
No	..... 1	No answer	..... 43

3. Do you give preference, when employing recent graduates, to those who have had experience as "interns"?

Yes	..... 25	Qualified	..... 6
No	..... 12	No answer	..... 20

G. Please state whether you give preference, in employment of college graduates who are academically qualified to sit for the New York C.P.A. examination, to those who have earned a significant number of extra credits (either in graduate or undergraduate study) in the following fields and indicate your opinion of the value of such additional education. (Note: In answering this question and question H, some said "yes" but indicated no grading.)

1. Liberal arts.

Yes	..... 41	Qualified	..... 1
No	..... 16	No answer	..... 5
Major	..... 11	Moderate	..... 23
		Slight 5

2. Law.

Yes 34	Qualified 4
No 21	No answer 4
Major 5	Moderate 21
		Slight 8

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3. Industrial engineering.

Yes	32	Qualified	4
No	22	No answer	5
Major	3	Moderate	21
		Slight	7

4. Business administration and accounting.

Yes	53	No answer	3
No	7	Moderate	10
Major	42	Slight	0

H. Please state whether you give particular consideration, in employment of college graduates, to each of the following and indicate the degree of importance which you assign to each—

1. Grades received.

Yes	56	No answer	2
No	5	Moderate	18
Major	37	Slight	0

2. Participation in extra-curricular activities, such as leadership in student affairs, athletics, etc.

Yes	51	Qualified	1
No	9	No answer	2
Major	13	Moderate	26
		Slight	10

3. Having earned a part or all of college expenses.

Yes	38	Qualified	2
No	20	No answer	3
Major	3	Moderate	27
		Slight	7

4. Readily legible handwriting.

Yes	54	Qualified	3
No	5	No answer	1
Major	10	Moderate	39
		Slight	3

5. Ability in use of mechanical aids (adding machine, computing machines, etc.) in performing mathematical processes.

Yes	25	Qualified	7
No	30	No answer	1
Major	2	Moderate	7
		Slight	15

6. Ability to perform mathematical processes without such mechanical aids.

Yes	44	Qualified	3
No	14	No answer	?
Major	14	Moderate	25
		Slight	4

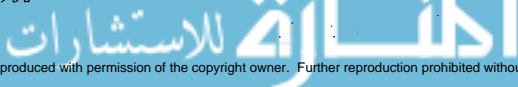
II. Tests

A. 1. Is it your practice to inquire whether an applicant for employment has taken any of the tests included in the testing program sponsored by the Committee on Selection of Personnel of the American Institute of Accountants?

Yes	38	Qualified	1
No	24		

2. If so, to what extent do you give weight to the results which they indicate?

Major	11	Moderate	25	Slight	0
		No answer	27		



- B. 1. Is it your practice to give tests in selecting new staff members?
 Yes 25 No 38
2. If so, check the following factors which your tests are intended to cover and note under "h" any other such factors.
- a. Accuracy in performing mathematical processes 16
 - b. Knowledge of accounting fundamentals 21
 - c. Knowledge of auditing fundamentals 19
 - d. Speed in accounting work 11
 - e. Ability to read understandingly 14
 - f. Ability to write clearly 16
 - g. Ability to draft conventional financial statements 11
 - h. Others (specify) : AIA Test only 3

III. Evaluation of Subjects

- A. Please indicate your opinion of the value, to those preparing for public accounting work, of the following subjects in *college education*, by writing at the left of each subject a letter from a to e indicating as follows:
- a. Essential
 - b. Desirable
 - c. Slight value
 - d. Unimportant
 - e. No opinion

<i>Subjects classed as ESSENTIAL by a majority of those replying</i>	<i>Essential</i>	<i>Desirable</i>	<i>Total</i>
Principles of accounting	62	1	63
Auditing	62	1	63
Accounting problems	59	2	61
Arithmetic	57	3	60
Business English	56	5	61
Report writing	51	9	60
Ethics (professional)	49	9	58
English composition	48	11	59
Commercial law	45	13	58
Algebra	42	18	60
General economic theory	40	19	59
AIA Bulletins on Accounting and Auditing..	36	22	58
Corporation finance	35	22	57
Federal Income Tax law and practice	34	25	59
Cost accounting	33	24	57
Mathematics of finance	32	25	57

<i>Subjects classed as ESSENTIAL or DESIRABLE by a majority of those replying</i>	<i>Essential</i>	<i>Desirable</i>	<i>Total</i>
Systems	17	39	56
Public speaking	17	39	56
Money and banking	24	29	53
Business organization and management	24	29	53
Budgeting	12	39	51
State and municipal taxation	21	28	49

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<i>Subjects classed as ESSENTIAL or DESIRABLE by a majority of those replying</i>	<i>Essential</i>	<i>Desirable</i>	<i>Total</i>
Business cycles	21	28	49
Statistics	12	37	49
English literature	25	23	48
Logic	15	33	48
Credit management and collections	16	28	44
Securities and Exchange Commission requirements	12	29	41
Industrial management	4	36	40
Labor problems	13	25	38
Geometry	13	24	37
Human relations	13	25	38
Psychology	7	30	37
American history	14	22	36
Public finance	3	32	35
Principles of insurance	5	29	34
European history	7	25	32

<i>Subjects classed as being of slight importance or unimportant by a majority of those replying</i>	<i>Slight Importance</i>	<i>Unimportant</i>	<i>Total</i>
Laboratory work in science	28	24	52
Biology	16	35	51
Mechanical drawing	32	18	50
Market research	30	20	50
Sales management	26	24	50
Principles of advertising	25	24	49
Personnel management	31	17	48
German	26	21	47
Calculus	28	17	45
Chemistry	23	22	45
French	24	19	43
Analytical geometry	29	13	42
International trade	26	16	42
Transportation	28	14	42
Principles of marketing	24	18	42
Physics	21	21	42
Purchasing	22	19	41
Public relations	21	19	40
Spanish	21	18	39
Trigonometry	25	13	38
Geography	23	11	34
Philosophy	24	8	32

IV. Deficiencies Noted

A. What are the more important qualifications in which you find that the recent graduates of college accounting courses are particularly lacking?

1. Which you believe should have been acquired in *pre-college* study (such qualifications, for example, as legible handwriting, knowledge of English

grammar, ability to spell, use basic arithmetic accurately, etc.)—
(specify):

a. Grammar	45	e. English composition	10
b. Handwriting	41	f. Elocution	9
c. Spelling	29	g. Reading ability	3
d. Arithmetic	18	h. Vocabulary	2

2. Which you believe should have been acquired in *college* (such, for example, as understanding of accounting principles, auditing methods, ability to make clear statements in English, etc.)—(specify):

a. Oral and written English	37
b. Audit methods	25
c. Accounting principles	13
d. Report writing	10
e. Preparation of work papers	3
f. Analytical ability with ability to judge	3

3. Which you believe would normally be acquired only in part in connection with school or college work (such qualifications, for example, as initiative, determination, imagination, cooperativeness, etc.)—(specify):

a. Initiative	32
b. Imagination	29
c. Determination	13
d. Cooperation	10

e. Tact, Persistence, Personal appearance,
Punctuality, Judgment

B. Do you find that recent graduates of college accounting courses have acquired:

1. Knowledge of the recognized items of ethics of the profession, as set forth in rules of professional conduct?			
Yes	35	No	26
No answer			2
2. Understanding of those items of professional ethics?			
Yes	27	No	33
No answer			3

V. Staff Training

A. Do you have any educational or training plan or procedure, aside from that of training the employees as they work?

Yes	42	Qualified	1
No	18	No answer	2

B. If so, what form or forms of training or education do you use?

1. Lectures to classes?			
Yes		20	
No		14	
Qualified		1	
2. Discussion groups?			
Yes		27	
No		8	
Qualified		2	
3. Assignment of problems, etc., for educational and training purposes?			
Yes		13	
No		16	
Qualified		1	
4. Issuance of memoranda, bulletins, etc., on selected subjects?			
Yes		40	
No		3	

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5. Availability of library?	Yes	48
	No	0
6. Providing subscriptions to accounting magazines?	Yes	24
	No	13
	Qualified	2
7. Encouragement of attendance at technical meetings of accounting organizations?	Yes	46
	No	0
	Qualified	1
8. Cooperation and encouragement re preparing for and passing CPA examinations?	Yes	45
	No	1
C. In what subject or subjects do you especially endeavor to educate or train your newer employees? (specify).		
a. Auditing principles, methods and procedures		34
b. Income tax and returns		15
c. Preparation of working papers		12
d. Preparation of reports		8
e. Principles of accounting		6
f. Professional ethics		6
g. Internal control		4
h. Arithmetic		3
i. SEC regulations		3
j. Orientation in firm policies		2
k. Systems		2
D. What kind of textbook or books, if any, do you use in your educational or training work? (Specify).		
a. AIA Bulletins and other material		18
b. Firm library		8
c. Textbook prepared by firm		7
d. Professional magazines		7
e. Montgomery's Auditing		5
f. Firm's staff manuals		4
g. SEC releases		4
h. Practice sets		3



Accounting Internship Programs

(Continued from page 29)

3. Because of this observation period, neither the student nor the firm wastes time if the student does not meet the requirement of the job.

Our students, the cooperating firms and the School are all well satisfied with the Internship Plan and we believe

it will set the future educational pattern for accounting students. One practitioner recently said he believes that within ten years many of the public accounting firms will select most of their permanent staff additions from the students who interned with them.