

THE UNIVERSITY SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Proposal 12-14 (Revised 19 December 2013)

(Voting Units: Academic)

“PROPOSAL FOR MASTER OF SCIENCE IN ACCOUNTING (MSA)”

1. General Descriptions and Characteristics of Program

The School of Business and Economics (SBE) proposes a Master of Science in Accounting (MSA) beginning Fall 2014. The 30 credit hour coursework program is designed to attract students with and without undergraduate degrees in accounting who wish to earn a graduate degree. Curriculum is designed to allow students to sit for professional certification exams, most notably the Certified Public Accountant (CPA) exam. Students would enter the program in the fall semester and could graduate in three semesters (fall, spring, summer).

Should this proposal be approved, the SBE would also plan to offer an Accelerated Master's Program (BS/MSA).

2. Rationale

Several factors support offering an MSA program:

A. The University's Strategic Plan

Goal 3.1 in the proposed Strategic Plan for the University calls for a growth in research and graduate education. This goal is quantified in the “Portrait of Michigan Tech 2035” which projects 3,000 graduate students, a “significant proportion of [which] will be enrolled in 5 year accelerated masters program or take on-line degree options.” (Portrait of Michigan Tech 2035, Point 2 in Narrative)

The MSA program will help the University achieve its Strategic Plan and meet projected enrollment goals by expanding graduate program offerings and increasing graduate student enrollment.

B. The 150-hour CPA Requirement

In order to obtain a CPA license, a student must have earned at least 150 credit hours, which includes a required number of credit hours in accounting. While it is not necessary to hold a master's degree to sit for the CPA exam, students realize greater market utility by completing a master's program to fulfill the 150-hour requirement as opposed to merely taking additional undergraduate level courses or double-majoring. The existing MBA program offered by the SBE is focused on innovation and technology, and is therefore not as suitable as a master's program focused in accounting for a student wanting to sit for the CPA exam.

C. Enrollment in the SBE Accounting Program

Undergraduate Enrollment

Fall 2008 – 66 students Fall 2009
– 71 students Fall 2010 – 80
students Fall 2011 – 89 students
Fall 2012 – 73 students Fall 2013
– 57 students

Please refer to the attached Appendix A – “Degrees Awarded and Enrollment Data” for further information.

While the enrollment in the accounting program has declined in the past two years, it is consistent with an overall drop in students within the SBE during the same period. The percentage of accounting students within the SBE is projected to remain at 16-18%, representing one of the largest majors within the SBE. The number of incoming undergraduate students in the SBE began to increase in Fall 2013, and it is projected that this trend will carry forward resulting in an overall increase in total enrollment. If the accounting program remains at historic levels of 16-18% of undergraduate enrollment, it is projected that the number of accounting students will increase to a level of 64-72 students.

In addition, there are a number of recent graduates (2010 – 2012) of the accounting program who have expressed an interest in entering the MSA program.

D. Increase in Hiring of Accounting Graduates with Master’s Degrees

From 2008-2018, a 22% increase in accounting employment positions is projected. (United States Bureau of Labor Statistics Occupational Outlook Handbook)

In 2010, 37% of new hires by CPA firms held a master’s degree; up from 26% and 14% in 2008 and 2000, respectively. (AICPA 2011 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits)

New hires by CPA firms of applicants holding only an undergraduate degree decreased from 56% to 40% between 2008 and 2010. (AICPA 2011 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits)

Starting salaries for graduates with master’s degrees are 10-20% higher than those with only undergraduate degrees. (AICPA 2011 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits)

By 2018, it is estimated that 21% of all employees in Professional and Business Services will have attained a master’s degree, up from 16% in 2008. (Georgetown University Center on Education and the Workforce, Projections of Jobs and Education Requirements through 2018)

3. Discussion of Related Programs Within the Institution and at Other Institutions

The SBE currently offers the Tech MBA and Tech MBA Online. One existing MBA course would be cross-listed with the MSA program, ACC5300/BA5300 Financial Reporting and Control. Students in the proposed MSA program could also complete up to 12 additional credit hours in the existing MBA program.

Regionally, the following AACSB-accredited business schools have a graduate accounting program:

Michigan

Central Michigan University* Eastern
Michigan University Grand Valley State
University* Michigan State University*
Oakland University*
University of Michigan – Ann Arbor University
of Michigan – Dearborn University of Michigan
- Flint Wayne State University
Western Michigan University*

Wisconsin

Marquette University*
University of Wisconsin – Madison* University
of Wisconsin – Whitewater

Asterisk indicates business school has also earned separate AACSB accreditation of its accounting program.

4. Projected Enrollment

Fall 2014 – 12 students Fall 2015
– 15 students Fall 2016 – 18
students

There are two possible courses of study a student may complete to earn a master's degree:

Track One – Accelerated Program for Michigan Tech Accounting Majors

A proposal for an accelerated master's will be developed in accordance with Senate and University policies should this proposal be approved.

Track Two – Students Other Than Michigan Tech Accounting Majors

Designed for students who do not have an undergraduate degree in accounting and want to earn a graduate degree in accounting. In addition to meeting MSA program admission requirements, students would also have to complete the following courses (each 3 credit hours), or transfer equivalents, with a grade of B or better in each:

Prerequisites

ACC 2000	Accounting Principles I (Financial)
ACC 3000	Accounting Theory/Practice I (Intermediate 1)
ACC 3100	Accounting Theory/Practice II (Intermediate 2)

or

~~ACC 5000 — Accounting Foundations I ACC
5050 Accounting Foundations II
(These 6 credits would NOT apply toward the 30 credit hour degree
requirement.)~~

Additional Required Courses

ACC 4100	Attestation and Assurance
ACC 4800	Accounting Systems

At present, the SBE graduates approximately 30 undergraduate accounting majors per year. In the attached revenue projections, we assume that 10 of those students (Track One above) and 2 non-accounting majors (Track Two above) would enter the MS program in Year One. Track One and Track Two enrollment would grow by two and one students, respectively, in Year Two and Year Three of the program.

5. Scheduling Plans (Extension, Evening, Regular)

Regular class times will be offered with this degree program.

6. Curriculum Design (refer to format of degree audit form). Indicate Subject Areas to be Used for Departmental GPA Calculation

Program Overview

30 credit program; all courses are 3 credits

Must complete at least 18 graduate level accounting credits

May take up to 12 credits at the 3-4000 level; only one 3000 course is permitted (HU 3120 – Technical and Professional Communication)

~~Eight~~ **Six** new graduate level accounting courses

Please refer to attached Appendix B – “MSA and Accelerated Program Model Course Scheduling” for further information.

Summer Semester

~~Prerequisite Accounting Courses~~

~~ACC 5000 — Accounting Foundations I ACC
5050 — Accounting Foundations II~~

~~(These course will only be taken if needed to satisfy prerequisite requirements and do not count toward the 30 credit hour degree requirement.)~~

Fall Semester

Required Accounting Course

ACC 5300 Financial Reporting and Control
ACC 5200 Financial Statement Analysis

Spring Semester

Required Accounting Course

ACC 5100 Advanced Auditing and Fraud Examination
ACC 5500 Strategic Cost Management

Elective Accounting Course

ACC 5800 Advanced Accounting Systems

Summer Semester

Required Accounting Courses

ACC 5600 Taxation for Decision Makers

ACC 5900 Current Issues in Public Accounting

The summer semester will take place during Track A.

Summary of Required Graduate Level Accounting Courses (18 credits)

ACC 5300 Financial Reporting and Control

ACC 5200 Financial Statement Analysis

ACC 5100 Advanced Auditing and Fraud Examination

ACC 5500 Strategic Cost Management

ACC 5600 Taxation for Decision Makers

ACC 5900 Current Issues in Public Accounting

Summary of Approved Graduate Electives

Accounting

ACC 4100 Attestation and Assurance

ACC 4200 Advanced Accounting

ACC 4500 Managerial/Cost Accounting II ACC

4600 Advanced Tax Topics

ACC 4700 Governmental and Not for Profit Accounting

ACC 4800 Accounting Systems

ACC 5800 Advanced Accounting Systems

Economics

EC 4050 Game Theory

EC 5000 Microeconomics

EC 5010 Macroeconomics

EC 5300 Managerial Economics

EC 5400 Advanced Engineering Economics

Finance

FIN 4100 Advanced Financial Management

FIN 480X Applied Portfolio Management

Humanities

HU 3120 Technical and Professional Communication

Management

MGT 4100 International Management

MGT 4600 Management of Technology and Innovation

MBA Program

BA 5200	Strategic IS Management
BA 5400	Financial Risk Management and Decision Making
BA 5610	Business Process Management
BA 5650	Project Management
BA 5700	Managing Behavior in Organizations
BA 5710	Business and Corporate Strategy
BA 5720	Launching Entrepreneurial Ventures
BA 5740	Managing Innovation and Technology
BA 5770	Managing Change
BA 5780	Managing in the Global Environment
BA 5800	Marketing, Technology, and Globalization
BA 5900	MBA Internship

Mathematics

MA 4710	Regression Analysis
MA 4760	Mathematical Statistics I MA
4770	Mathematical Statistics II MA
5701	Statistical Methods

7. New Course Descriptions

~~ACC 5000 Accounting Foundations I~~

~~Introduction to basic theories, concepts, and practices to understand fundamental accounting principles and the resultant financial statements. Topics include the decision-making environment, accounting cycle, financial measurement and reporting.~~

~~ACC 5050 Accounting Foundations II~~

~~Continuation of ACC 5000 with theories, concepts and practices underlying financial measurement and reporting. Topics include income measurement, cash flows, fair value reporting, and multinational issues.~~

ACC 5300/BA 5300 Financial Reporting and Control

This course focuses on the collection, reporting and analysis of financial information with emphasis on the use of that information to support decision making.

ACC 5100 Advanced Auditing and Fraud Examination

An in-depth study of auditing with a focus on fraud examination from an external auditor's perspective. The course utilizes problems, cases, and projects relating to fraud examination and forensic accounting.

ACC 5200 Financial Statement Analysis

Study of financial statement analysis and concepts of valuation utilizing accounting based financial information. Methods are applied to encompass decision making, communication, and judgment using problems, cases, and projects.

ACC 5500 Strategic Cost Accounting

This course focuses on the use of managerial accounting information in making strategic business decisions. Topics include contemporary costing methods, advanced capital budgeting, profit center analysis, transfer pricing, and performance evaluation.

ACC 5600 Taxation for Decision Makers

This course focuses on how taxes impact management decision making. Advanced tax planning techniques are studied to develop analytical, research, and professional communication skills.

ACC 5800 Advanced Accounting Systems

This course presents a comprehensive understanding of accounting information systems and advanced technology in the accounting environment. It emphasizes how to use these tools to enhance financial decision making. Topics include contemporary technology and applications.

ACC 5900 Current Issues in Public Accounting

This course examines current issues in the accounting profession. Designed as a capstone course to further understand concepts introduced in prior coursework through the analysis of contemporary accounting issues.

8. Library and Other Learning Resources

No new library or other learning resources will be required by the MSA program.

9. Computing Access Fee

Computing Access Fees for the MSA will be the same as other graduate programs offered by the SBE.

10. Faculty Resumes

Presently, the SBE has three full-time (two tenure-track) and one half-time faculty members in the accounting program:

Assistant Professor Liang Song (accounting systems) Assistant
Professor Joel Tuoriniemi (taxation)
Senior Lecturer Anne Warrington (managerial) Instructor
Sheila Milligan (forensic)

The SBE is currently recruiting to replace a tenure-track faculty member who departed Fall 2013.

Funding approval has also been received to hire one additional senior level (tenured/tenure-track) faculty member. Dr. Robert Hutchinson was hired in October 2013 and will be joining the faculty August 2014.

Assuming a successful hire at the tenure-track level, the SBE would have five full-time (four tenured/tenure-track) and one half-time-faculty members.

Curriculum Vitae can be found at <http://www.mtu.edu/business/school/faculty-staff/faculty/>

11. Description of Available/Needed Equipment

No additional equipment will be required by either program.

12. Program Costs – Years 1, 2 & 3

One additional senior level (tenured/tenure-track) faculty member will be required to offer the MSA. Projected compensation cost, inclusive of fringe benefits, is \$205,000. A portion of this compensation cost is being offset as a result of realignment of faculty resources within the SBE.

Please refer to the attached Appendix C – “Revenue Projection” for further information.

13. Space

Additional time in existing classrooms will be required to offer the five new graduate level accounting courses.

14. Policies, Regulations and Rules

Not Applicable

15. Accreditation Requirements

AACSB provides accreditation of institutions for both its business and accounting programs. At present, the SBE business program has achieved AACSB accreditation. The MSA program would initially be part of that level accreditation, and the SBE would seek separate accreditation of the accounting program as soon as possible (the next accreditation visit will occur during the 2015-16 academic year.)

16. Internal Status of the Proposal

Faculty, School of Business and Economics	Approved Unanimously, 03/22/12
Dean, School of Business and Economics	Approved, 09/20/2013
Provost	Submitted for Consideration
University Support Units Deans’ Council	Approved, 09/25/2013
Graduate Council	Approved, 11/05/2013
University Senate	Submit for Consideration – November 2013
Board of Control	Submit for Consideration – December 2013 or April 2014

17. Planned Implementation Date

Fall 2014

[Appendix A](#)

Introduced to Senate: 11 December 2013

Revised: 19 December 2013

Approved by Senate: 22 January 2014

Approved by Administration: 02 February 2014

Approved by BOC: 21 February 2014

Approved by State: 11 April 2014