

Brothers, Sheila C

From: Hippisley, Andrew R
Sent: Friday, April 19, 2013 1:14 PM
To: Brothers, Sheila C
Subject: Accountancy university scholars
Attachments: MSACCUiversityScholarsProposal.docx

This is a recommendation that the University Senate approve the establishment of a new university scholars program for: Master's of Science in Accountancy, in the Von Allmen School of Accountancy within the Gatton College of Business.

Revised proposal attached.

Background:

The MS Policy Committee whose members are graduate accounting faculty who teach in the MSACC program completed a program review of the MSACC program during the 2007/08 academic year. The Committee decided to consolidate the two then existing tracks of financial accounting and tax accounting. An innovative feature of the revised MSACC program is that students have the option to integrate their coursework with preparing for and taking the CPA exam. The MSACC courses are scheduled to facilitate this integration and provide an innovative lock-step course sequence for the accounting classes. The MSACC program consists of thirty credit hours of which twenty four credits are in required courses and students have the choice of six graduate elective credits.

The overall objectives of the MSACC program are to:

- improve communication and technology skills expected in the accounting profession,
- gain valuable knowledge about the accounting profession,
- develop leadership and teamwork skills especially in researching accounting issues, and
- enhance problem-solving skills and the ability to think logically and analytically.

Since the MSACC program is designed to cover more advanced material in the accounting discipline and attain higher levels of learning, applicants must have completed the following undergraduate accounting prerequisite courses and earned at least a B letter grade in each course.

ACC 201 -Introduction to Financial Accounting	ACC 324 -Accounting Information Systems
ACC 202 -Managerial Accounting	ACC 403 -Auditing
ACC 301 -Intermediate Accounting I	ACC 407 -Concepts of Income
ACC 302 -Intermediate Accounting II	ACC 418 -Cost Management

The MSACC program has been recognized nationally for its pass rates on the CPA exam. The August 2009 graduating class placed 6th nationwide, and the August 2010 graduating class placed 4th nationwide for pass rates on the CPA exam among advanced degree programs. The National Association of State Boards of Accountancy (NASBA) no longer publishes rankings for advanced degree programs as of 2011. However, our program would have continued to place in the top ten nationally given that our pass rates are higher in 2011 compared to the two prior years. Our pass rates for all 4 parts of the CPA exam were 78.5%, 77.7%, and 85.7% for the years 2009, 2010, and 2011, respectively. According to NASBA statistics, the average pass rate for all four parts on the CPA exam is 26.9% for candidates with 43+ credits in accounting, and 21.1% for candidates with any master's degree. A number of our MSACC graduates have received awards through the Kentucky Society of CPA's for highest scores on the CPA exam.

We believe our participation in the MSACC program will enhance our chances of encouraging our best students to continue their graduate studies here at UK. The word is out that we have outstanding students in our accounting program, and competing universities are offering full scholarship awards to our undergraduate accounting majors.

Proposal:

The MS Policy Committee has unanimously agreed that the MSACC Program should petition to participate in the University Scholars Program under the following admission criteria:

- Students would apply at the end of their junior year after completing 90 credits and have senior standing.
- Applicants must have completed at least 18 credit hours in accounting and all University Studies requirements. Applicants who are non-accounting majors would be admitted as long as they meet the undergraduate accounting prerequisite requirements.*
- Applicants would need to have a minimum GPA overall of 3.2 and a minimum GPA in accounting of 3.5
- Applicants who are accepted into the program would not need to take the GMAT exam but would be required to have a minimum ACT score of at least 26.
- Applicants who do not meet the minimum ACT score of 26 would be required to take the GMAT exam and score at least 600.
- Candidates accepted into the program would be permitted to take six graduate credits during their senior year and these credits would be limited to graduate elective courses. Since the required courses in the MSACC program are in lock-step with the CPA exam, taking graduate accounting courses as early as the senior year would have a negative effect on the candidate's ability to pass the professionally licensed CPA exam.**

Our assessment of the program will first consider enrollment of UK students. We estimate 15-20 students would be interested in the program initially and expect this number to increase in 5 years to 25-30 students. Currently we are losing many of our best students to competing universities and this will be an excellent opportunity to keep our best at UK for the 5th year. Many of the top ten programs also offer 3-2 year programs for student retention and to best prepare their students for accounting careers as CPAs. We will also monitor pass rates on the CPA exam and job placement statistics.

* Most applicants would not have all the accounting prerequisites met by their junior year and they would be taking accounting prerequisite courses such as ACC 403, ACC 418 and their senior accounting elective during their 4th year of study. Their acceptance into the University Scholars program would be contingent upon them completing the remaining accounting prerequisite courses with at least a 'B' letter grade. The vast majority of our students complete ACC 201 and ACC 202 in the fall and spring semesters, respectively, during their sophomore year. They complete ACC 301 and ACC 324 during the fall semester of their junior year, and complete ACC 302 and ACC 407 during the spring semester of their junior year. Thus, they would have completed 18 credits in accounting which is a condition for admission into the program.

** The two graduate electives do not need to be in the accounting area, however, the other 8 required courses in the MSACC program: ACC 507, ACC 516, ACC 601, ACC 617, ACC 621, ACC 624, & MGT 641- Legal Issues for Accountants, are all related closely to CPA exam topics and they are completed in lock step while the students sit for each section of the CPA exam during the 5th year.

Please contact John Smigla, MSACC Director, at johnsmigla@uky.edu or 323-9683 if any further information is needed.