Mar 6th, 12:00 AM

01. Accounting

Southwestern Oklahoma State University

Business Administration.Accounting.02

Using the AICPA Examination Blueprints to Develop Decision-Based Teaching Objectives for Accounting Courses

Vanessa Winnie, Zane Swanson, & Edward Walker

Abstract

There is a “gap” between the accounting skills that accounting graduates know and what employers expect them to know. Consequently, there have been many calls for a more decision-based approach to teaching accounting. At the same time, the AICPA has converted its content specification outline for the Uniform CPA Examination into a series of Blueprints; additionally, it has introduced decision-based simulation questions into the examination.

Consequently, there is a need for financial accounting courses to actively incorporate decision-based learning objectives into curriculum and course syllabi. This study examines learning objectives in course syllabi from existing financial accounting courses and suggests ways to make them more decision-based and aligned with the CPA Examination Blueprints.

Accounting Conservatism and Debt Selection

Yinghong Zhang & Victory Ogunbanwo

Abstract

The amount of debt financing has significantly increased over the past decades. According to the capital market view from S&P Global Ratings in June 2018, the total debt of U.S. companies has reached a record of $6.3 trillion. In addition, the proportions of different debt types vary over time. Rauh and Sufi (2010) show that about one-quarter of their sample U.S. public companies significantly change the composition of their debts even though their total debts stay the same. Therefore, an important research question arises to investigate which motives drive U.S. corporations to adjust their debt composition.

Accounting conservatism means that earnings reflect "bad news" more quickly than "good news" or the accounting rules "anticipate no profits but anticipate all losses" (Basu 1997). Accountants are motivated to require a higher degree of verification to recognize good news as gains than to recognize bad news as losses.

We examine the impact of accounting conservatism on debt structure (or debt selection). We predict that more conservative earnings reduce information asymmetry between borrowers and lenders and increase credibility of financial statements. Therefore, companies with more conservative earnings need less monitoring from creditors. These companies are more likely to borrow public debts than private debts. These companies also tend to use more senior unsecured and subordinated debts than secured debts.