



REQUIRED Cover Page

## APPLICATION FOR PROFESSIONAL DEVELOPMENT GRANT

\*\*All applicants please complete this cover page.

<b>Choose one:</b> <input type="checkbox"/> Creative activity <input checked="" type="checkbox"/> Research activity <input type="checkbox"/> Professional Enhancement activity	<b>Date of Last PDG Award</b> (Semester and Year awarded): <u>n/a</u> <b>Date of ATU Faculty Appointment</b> (Semester and Year): <u>Fall 2004</u>
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1. Project Title: Perceptions of the Educational Requirements for Certified Public Accountants

2. Name of Principal Investigator/Project Director: Nina Goza

3. School (abbrev): Business 4. Department: Accounting

5. Campus Mail Address: Corley 220 6. PI/PD Campus Phone: 968-0495

7. Amount Requested: \$ 563 8. Total Cost of Project: \$ 563

9. Does this project involve:

10. Duration of Project: approximately 4 months

Yes No

- ☒ ☐ human subjects?  
☐ ☒ animals/animal care facility?  
☐ ☒ radioactive materials?  
☐ ☒ hazardous materials?  
☐ ☒ biological agents or toxins restricted by the USA Patriot Act?  
☐ ☒ copyright or patent potential?  
☐ ☒ utilization of space **not** currently available to the PI/PD?  
☐ ☒ the purchase of equipment/instrumentation/software currently **available** to the PI/PD?

\$564 due to 7B  
in July

**NOTE:** If the answer is "yes" to any of the above questions, the investigator must attach appropriate documentation of approval or justification for use/purchase.

SIGNATURES

Pam Carr 5/1/06  
Department Head Date  
Jon Tyler 5/1/06  
Dean Date

This Section to be completed by the Office of Academic Affairs

PDC Committee Award Recommendation: Yes \_\_\_\_\_ No \_\_\_\_\_  
PDC Committee Proposal Rank: \_\_\_\_\_ of \_\_\_\_\_ Total Proposals.  
Recommendation of VPAA: Yes \_\_\_\_\_ No \_\_\_\_\_  
Recommendation of President: Yes \_\_\_\_\_ No \_\_\_\_\_  
Award Date: \_\_\_\_\_

## **ABSTRACT**

### Perceptions of the Educational Requirements for Certified Public Accountants

The American Institute of Certified Public Accountants (AICPA) is the national professional organization for certified public accountants (CPAs). It would like for all states to require 150 hours of college credit in order to take the examination for certification. The topic has been highly debated. All states have now adopted the provision, except for California. Each state has the legal authority to set requirements for certification within its jurisdiction. The AICPA cannot force the states to comply. However, it recently made 150 hours of college credit a requirement for membership in the organization. A college degree normally requires 120 hours of college credit. Certification then requires another full year of college in order to reach 150 hours. The AICPA recommended accounting, business, or liberal arts undergraduate courses, or a graduate degree in accounting or business. Generally the state authorities have not specified how the extra credit hours are to be attained. However, there is movement toward specifying a uniform curriculum. Students typically get a graduate degree in accounting, tax, or business administration or they continue their undergraduate education, electing to double-major in a related or unrelated field. It is also permissible to take classes at random in order to get 150 hours of credit. Some students change their major to accounting from another program and have already accumulated a significant number of hours that would not normally count for an accounting or business degree. There is little guidance available to students to help them decide what to do. It is not surprising that students have had an unfavorable opinion of the educational requirement. It could even cause some students to select a different major or decide not to seek certification in their field. A survey of perceptions about the 150 hour requirement will be conducted. The AICPA objectives in promoting additional education will be considered. Do professionals feel that these objectives are being met? Students and recent alumni will be asked about their views on this question as well as the costs and benefits of the additional education. Alumni may have views that differ from those of the students, as the alumni are now working in their field and may have taken the CPA examination, and could better judge the value of the education they had received.

## **PURPOSE**

This study will extend previous studies that were conducted immediately after the educational requirement was passed. At that time the change was not well received. It has been in place for a number of years in most states and it will be interesting to see if perceptions have changed and if the AICPA objectives have been met.

## **SIGNIFICANCE**

The applicant will use this information to help advise students in their career choices. Many studies considered perceptions and expectations at the time of implementation of

the educational requirement. Only two studies were found that assessed the perceptions a number of years after the requirement was made effective. One study included students only and indicated a trend toward favoring a five year program. This study was limited to the top accounting schools in the country. The students were in a five year program that would result in a graduate degree and may not be representative of the average accounting major at Arkansas Tech University. The focus of this study was the characteristics of the students and only asked one question on the students' perceptions. The other study surveyed AICPA members on the level of skill found in entry-level accountants after implementation of the requirement. No research was found that addressed the perceptions of students and practitioners on their perceptions regarding the objectives, costs and benefits of the 150 hour educational requirement.

### **PROCESS FOR ATTAINMENT OF OBJECTIVES**

A survey will be sent by mail to students and alumni of Arkansas Tech University and several other schools. The alumni will be recent graduates who would have obtained employment and taken the CPA examination under the 150 hour rule. Alumni graduating after 2002 were expected to have met the above criteria. A listing of names and addresses will be obtained from the accounting department head. The instrument is only one page front and back and will be accompanied by a cover letter. Perceptions will be measured using a five-point Likert scale. The instrument has been used in prior research so testing was not necessary. Descriptive statistics and analysis of variance of means will be conducted between students and alumni.

### **DISSEMINATION OF RESULTS**

The information will be shared with other interested persons at Arkansas Tech University. The applicant will make every effort to present the results at a professional meeting and have those results published in a professional journal.

### **REPEATED REQUESTS**

This section is not applicable as there have been no previous requests by the applicant.

### **BUDGET**

Student workers to prepare packets, and input data, 15 hours at \$6.25	\$ 94
Photocopies, 500 surveys and 500 cover letters @ .05	50
Letterhead, 500 cover letters @ .037	19
Labels, 500 requests and 500 return envelopes, 1000 @ .01	10
Postage, 500 requests and 500 return envelopes, 1000 @ .39	390
	<u>Total \$563</u>

2B = 1

564

## BIBLIOGRAPHY

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American Accounting Association, Committee on the Future Structure, Content, and Scope of Accounting Education (The Bedford Committee). 1986. Future accounting education: Preparing for the expanding profession. *Issues in Accounting Education* (Spring): 168-195.

Cumming, J., and L. J. Rankin. 1999. 150 Hours: A Look Back. *Journal of Accountancy* (April): 53-58.

Dresnack, W. H. and J. C. Strieter. 2005. The Effectiveness of the 150 Hour Requirement *CPA Journal* (April): 93-97

Nelson, I. T. , V. P. Vondrzyk, J. J. Quirin, and R. D. Allen. 2002. No, the Sky is not Falling: Evidence of Accounting Student Characteristics at FSA Schools, 1995-2000. *Issues in Accounting Education*. (August): 269-287.

Novin, A. M., and J. M. Tucker. 1993. The composition of 150-hour programs: The public accountants' point of view. *Issues in Accounting Education* (Fall): 273-291.

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## APPLICATION VITA

Dr. Nina M. Goza received a BS degree in accounting from Arkansas State University, an MBA from the University of Central Arkansas, and a Ph. D. in accounting from the University of Mississippi.

Dr. Goza taught accounting classes at the University of Central Arkansas before beginning work on her Ph. D. at University of Mississippi. She taught there as well while taking classes and doing research. She was received a one year contract to teach at Arkansas Tech University in 2002. She returned as tenure track faculty in 2004 with the stipulation of finishing her dissertation and attaining the terminal degree, which was completed in 2006.

Dr. Goza teaches basic accounting classes that all business majors take. She also teaches Governmental and Non-profit Accounting to accounting majors. Her research interests are in the areas of accounting history, and accounting education.

Dr. Goza recently presented her dissertation in accounting history to the Southeast region of the American Accounting Association. She and a coauthor recently presented a

working paper on perceptions of high school business educators concerning the accounting profession and the potential effect on students' decision to major in accounting, at the annual Society of Business, Industry, and Economics meeting.