PROPOSAL FOR RE-LAUNCHING
THE MASTER’S PROGRAM IN ACCOUNTING
JONES GRADUATE SCHOOL OF BUSINESS

This proposal makes a case for re-launching the Master of Accounting (MAcc) program at the Jesse H. Jones Graduate School of Business (JGSB). From 1975 through 1997, JGSB had a small-sized MAcc program with a total graduation of approximately 300 students. This proposal also lays out a program overview of the proposed Master of Accounting, and includes information on the following:

- Rationale for the re-launch;
- Admission and candidacy;
- Master’s program coursework;
- Financial aid;
- Program faculty;
- Benchmark MAcc programs;
- Assessment plan for the MAcc program;

1 The original MAcc program was never officially dropped through a formal request to the Faculty Council, the predecessor to the Faculty Senate. The re-launch proposal in one sense reflects curricular innovation to changing needs of the accounting profession rather than a creation of a new program. However, given that the program was suspended for more than a decade, it was felt that requesting formal approval of the Faculty Senate for the re-launch would be most appropriate. An initial re-launch proposal for the MAcc program, approved by the JGSB Curriculum Committee, was approved by the JGSB faculty on May 6, 2013 with affirmative votes from all voting faculty present with one abstention. The current proposal, which includes additional information on feeder schools, financial projections, and course descriptions was approved by the JGSB faculty on September 16, 2013 for submission to the Faculty Senate and Graduate Council with affirmative votes from all voting faculty present with one abstention.

2 Although the first cohort of the re-launched MAcc program is expected to matriculate in fall 2016, we are requesting the faculty senate approval at this stage for two reasons. First, the Senate approval is required prior to applying for approval by Texas State Board of Public Accountancy, which is essential for the program to meet the requirements for obtaining professional certification by taking the Uniform Certified Public Accountant examination. Second, students are expected to be admitted into the MAcc program as early as fall 2014 to allow them an opportunity to take the necessary courses during their undergraduate program years to meet the prerequisite requirements for entry into the program, as well as to facilitate a pre-matriculation paid internship for those interested. Such internship opportunities are highly valuable as an experiential learning component.
Rationale for Re-launching the Professional Master’s Degree in Accounting

Rice University’s 10-point strategic vision for the second century emphasizes the importance of continuing to “seek ways to integrate [the] success [of professional schools] into the broader university. We must also seize opportunities for bold new endeavors when they arise, but we should not fund new schools out of the general resources of the university” [emphasis added]. The proposed professional master’s program in accounting (MAcc, hereafter) meets each of the three criteria set out in our strategic vision for professional programs:

1. The MAcc program will be largely targeted at Rice University undergraduate students, with an integrated curriculum that will leverage the top-notch liberal arts education provided at Rice University.

2. With the substantial growth in the size of the undergraduate student body, the MAcc program will provide a challenging career opportunity for students interested in business.

3. The MAcc program will be financially self-sufficient with significant financial support from the alumni and friends of our original MAcc program, along with tuition revenue.

Rice has a strong tradition of providing exceptional undergraduate education in natural science, engineering, humanities, social science, music, and architecture. The undergraduate business minor program was rolled out in 2007 and offers Rice students an excellent opportunity

http://professor.rice.edu/professor/Professional.asp (visited March 2013)
to complement these pursuits with a basic exposure to the functional areas of a business education.

A master’s program in accounting will provide a unique opportunity to leverage Rice University’s liberal arts and science curriculum in developing future leaders of the accounting profession. Many forces are dramatically changing the world of professional accounting,\(^4\) including the following:

1. Globalization of capital markets;
2. Convergence in international financial reporting practices;
3. Move towards judgment-based accounting standards;
4. More emphasis on valuation-oriented financial reporting standards;
5. Enhanced role of reporting and assurance to include non-financial disclosures and environmental stewardship;
6. Financial reporting in a research-driven knowledge economy; and
7. Technology-driven corporate disclosure and communication strategies.

This sea change requires that future leaders in the accounting profession have various skills: critical and analytical thinking, a sense of history, objectivity, a global perspective, foreign language skills, an ethical mindset, ability to synthesize across disciplinary areas, comprehension of complex ideas, exemplary oral and written communication skills, and computing skills, among others. Rice University’s strong undergraduate curriculum provides a unique platform for the proposed professional accounting program to help talented students acquire and apply these skills and become future leaders of the accounting profession.

\(^4\) While the term “accounting” refers to internal and external financial reporting, the public accounting profession also includes “auditing” or assurance, taxes, merger and acquisition transactions, and advisory services.
The US Treasury Department’s Advisory Committee on the Auditing Profession highlights the importance of the quality of human capital to the accounting profession:

The Committee views the accelerating pace of change in the global corporate environment and capital markets and the increasing complexity of business transactions and financial reporting as among the most significant challenges facing the profession as well as financial statement issuers and investors. These are directly impacted by human capital issues. To ensure its viability and resilience and its ability to meet the needs of investors, the public company auditing profession needs to continue to attract and develop professionals at all levels who are prepared to perform high quality audits in this dynamic environment. It is essential that these professionals continue to be educated and trained to review, judge, and question all accounting and auditing matters with skepticism and a critical perspective. (Final Report, 2008)

Few schools have taken the effort to design a master’s program that could potentially address this burgeoning need for specialized talent. The re-launch of the MAcc program is a bold initiative to enter a mostly untapped academic market with the potential to make a large impact on a profession that is viewed as the gatekeeper of our capital markets.

While the opportunity for re-launching the program appears attractive at this time, it is important to reflect on why the program was suspended in the first place. Although the exact reasons are debatable, it appears that loss of undergraduate students to the consulting arms of public accounting firms, the small-size of the program, and the business school’s focus on building its reputation in the MBA market may all have played a role. Since then, however,

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5 In terms of targeting non-accounting majors with a diverse liberal arts background, the closest one is the master of accounting program at Vanderbilt University. The University of North Carolina targets business, liberal arts, and science majors, but limits students’ preparatory accounting courses to no more than 12 credits.

6 Despite its small size, our original MAcc program has left a large footprint in the accounting profession, with a disproportionate number of graduates having become thought leaders in the profession. Notable examples include: James L. Turley (MAcc 1978), Global Chairman and CEO of Ernst & Young (retired); John A. Fogarty (MAcc 1978), National Director of Auditing Standards at Deloitte & Touche; Timothy T. Griffy (MAcc 1980), Global Client Service Partner for ConocoPhillips at Ernst & Young; and Timothy S. Lucas (MAcc 1976), Director of Research and Technical Activities at the Financial Accounting Standards Board (retired). Alumni of the program also have been elected to Rice University’s Board of Trustees. They include James L. Turley and Charles Szalkowski (BS 1971), who are current members, and Karen Ostrum George (MAcc 1978) and Subha V. Barry (MAcc 1985), who are emeriti members.
JGSB’s MBA programs have thrived, and since 2006, JGSB’s competitive positioning in the business education market has improved dramatically.

More importantly, the proposed MAcc initiative is significantly different from the original program along many dimensions. First, we will have a plan for recruiting, retaining, and placing students (with strong financial and other support from the alumni of our original MAcc program). Second, unlike the original MAcc program, we will have a full-time director, a dedicated staff member, and an advisory council consisting of key stakeholders. Third, the 150-hour requirement, which did not exist during the days of the original MAcc program, is providing a regulation-induced demand for a master’s program. In addition to this regulation-induced demand, there is a strong desire by our external stakeholders’ for Rice to re-launch the MAcc program, which is largely driven by the benefits they project from hiring graduates with the potential to be professional thought leaders rather than just meeting the 150-hour requirement. Fourth, students completing the business minor option, as well as those in other disciplines like economics and managerial studies are expected to satisfy the majority of the Texas State Board of Public Accountancy’s 24-credit requirement for related business courses, which substantially reduces the entry costs for these students and provides us with a highly desirable target student population. Finally, the increase in the number of undergraduate students at Rice (from 2,600 several years ago to approximately 3,500 now) also adds to the potential pool of target students.

The MAcc program is an integral part of Dean Glick’s vision and strategic plan to make the Jones Graduate School of Business (JGSB) a world class business school with high quality

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The “150-hour requirement” loosely refers to the requirement for students to have 150 semester-hours of education in order to be considered “qualified” to sit for the Uniform Certified Public Accountant (CPA) examination. While an undergraduate student may meet the “150-hour requirement” by taking 30-credits of additional course work, students at most top professional accounting programs opt for a master’s degree in accounting to satisfy the requirement.
programs at multiple levels, as well as a school known for thought leadership and diversity, with multiple vibrant communities clustered around different programs. During the last several years, JGSB has successfully launched a Professional MBA (P MBA) program, a business minor program, and a doctoral program in management. The MAcc program is meant to provide further momentum to the school’s growth moving forward.

**Program Overview of the Master of Accounting at Rice University**

The Master of Accounting is a non-thesis professional degree, which is the predominant structure of virtually all master of accounting programs. The degree is designed to prepare candidates for careers in professional services firms, business corporations, governmental agencies, business consulting firms, etc. The requirements of the proposed professional master’s program are those described in the Rice University General Announcements catalog. The master’s degree will be called a Master of Accounting (MAcc). The MAcc program will be a two-semester program with a minimum of 30 credits of coursework needed to graduate. Students may end up taking between 33 and 36 credits to complete all program requirements depending on their backgrounds.

The following elements will be integral components of our MAcc program:

1. Developing a global perspective;
2. Building valuation expertise;
3. Offering experiential learning;
4. Fostering team and communication skills;
5. Developing knowledge of public policy and corporate governance; and

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8 “Requirements for professional degrees include the successful completion of 30 semester hours or more of upper-level courses (at the 300 level or higher) with at least 24 hours taken at Rice.” (http://www.rice.edu/catalog/2010_2011/PDF/08_GraduateInfo.pdf, accessed March 2013).
7. Instilling a critical and analytical approach to learning.

Unlike traditional master’s programs in accounting, we are not planning to offer specialized tracks organized along functional areas such as audit, tax, and information systems. Such specialist training can be best obtained through professional training opportunities offered by most employers. The proposed program is designed to cultivate professional accountants with cross-cutting skill sets and develop principled, innovative thought leaders. Most graduates are likely to start their career in the auditing, financial advisory or transactions services groups of professional accounting firms, while a few may find opportunities in business corporations, consulting firms, investment banks, regulatory bodies, non-profit organizations, etc.

In re-launching the MAcc program, the Jones School will introduce new master’s-level courses that will be taught by JGSB faculty (elaborated in the section titled Master’s Program Coursework). In addition, we expect to see synergistic benefits between MAcc and MBA courses. For instance, a master’s level course on corporate taxes could result in a separate MBA-level course on taxes and business strategy. Similarly, selected elective courses in various functional areas in the MBA program could result in separate master’s level offerings for the MAcc program.

Admission and Candidacy

The program will primarily target undergraduate students at Rice University, with the expectation that, in steady state, they would account for about two-thirds of the MAcc students. The remaining students will be recruited from high-quality liberal arts schools and from selected top private universities that do not offer an undergraduate major in business and/or do not have an accounting degree program (e.g., Brown, Duke, MIT, Northwestern, and Stanford).
addition, consistent with Dean Glick’s vision, we will also recruit from Historically Black Colleges/Universities (HBCUs) and other institutions as part of our efforts to emphasize diversity initiatives.⁹

*Rice University Undergraduate Students*

Given that the program is largely targeted at Rice University undergraduate students, we will first discuss admission and candidacy. The exact parameters for admission into the program have not yet been determined, but are expected to include completion of an undergraduate degree, a minimum GPA, completion of prerequisite courses, and recommendation letters.

The timelines for admission and taking prerequisite courses are determined by the need for professional experience prior to matriculating. In most Master of Accounting programs, matriculating students will have had an internship opportunity at some point during the undergraduate years. However, unlike top MBA programs, full-time work experience is typically not required for admission to top Master of Accounting programs. Consequently, an internship will be the only valuable professional experience that most students will have had prior to joining the Master’s program after graduation from college. Although the lack of an internship is unlikely to adversely affect job prospects of graduates,¹⁰ we believe that an internship adds an important experiential component to the program and could improve job prospects at the margin.

Under Rice University’s business minor program, only an introductory financial accounting course (BUSI 305) is offered, which is unlikely to prepare our students for an internship opportunity. Therefore, students will apply to the Master’s program during the fall semester of their junior year, following the timeline provided below:

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⁹ Given the MAcc program is targeted to students with no full-time work experience, the MAcc program will not cannibalize students from our MBA programs. However, it is possible that some of the MAcc program graduates will return to JGSB in the future to obtain an MBA for career advancement.

¹⁰ This assertion is based on discussions with potential recruiters, including the head of recruiting for Americas of a global professional services firm.
 **Junior Year**

<table>
<thead>
<tr>
<th>Semester</th>
<th>Month/Period</th>
<th>Course Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Semester</td>
<td>Sep/Oct</td>
<td>Apply to the Master’s program</td>
</tr>
<tr>
<td></td>
<td>Dec</td>
<td>Admissions decisions (after grades are available)</td>
</tr>
<tr>
<td>Spring Semester</td>
<td></td>
<td>Take Intermediate Accounting I (3.0 hours)</td>
</tr>
<tr>
<td></td>
<td>Jan-Mar</td>
<td>Internship application and interview preparation through career center</td>
</tr>
<tr>
<td></td>
<td>April</td>
<td>Interviews for internships</td>
</tr>
</tbody>
</table>

**Senior Year**

<table>
<thead>
<tr>
<th>Semester</th>
<th>Month/Period</th>
<th>Course Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Semester</td>
<td>Aug-Dec</td>
<td>Take Introduction to Auditing (3.0 hours) Plus coursework to complete undergraduate degree</td>
</tr>
</tbody>
</table>
| Spring/Summer Semester |            | Internship (3.0 hours)  

Students admitted to the Master’s program during the fall semester of their junior year must take Intermediate Accounting I (Auditing) during the spring (fall) of the junior (senior) year. These two courses at the undergraduate level will provide the necessary preparation for a successful internship.

In addition to taking preparatory courses for an internship, students must satisfy the Texas State Board of Accountancy’s 24-credits of related business course requirements.

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11 Students must sign up during the spring semester of junior year for an internship regardless of whether they complete their internship during spring or summer of their senior year. The timing of the internship application and offer process is largely determined by the desire of recruiters to have staffing commitments at least a year in advance. From a student perspective, while the nature of internship work might vary depending on its timing (spring versus summer work), our discussions with recruiters indicate that the internship timing will have no impact on job prospects after graduation.

12 Intermediate Accounting I is a generic course title commonly used in accounting programs to refer to the second-level financial accounting course that covers advanced materials focused largely on business assets with limited focus on business liabilities and funding provided by owners.

13 Master of Accounting programs must satisfy the requirements of the different state boards of accountancy in order for the courses to count towards meeting the requirements to sit for the Uniform Certified Public Accountant (CPA) examination. Similar to passing the bar exam for lawyers, passing the CPA exam is a prerequisite for professional careers in accounting. Although the exact content of our courses will not be mandated by these regulations, they do
undergraduate students can take multiple paths to satisfy the relevant business background and meet the State Board requirements:

1) Completing the business minor at Rice University;
2) Completing the Managerial Studies program or the economics major, and targeting select economics department and/or business minor courses; or
3) Designing a program with a potpourri of Rice University courses.

For sake of brevity, we provide limited discussions of these different options in this document, and can provide additional details upon request. Except for the 2-credit business communications requirement, business minor students can easily satisfy the 24-credit requirements largely based on the required business minor courses and two other courses such as D2 distribution courses in economics. Students from the Managerial Studies and Economics majors can take a variety of courses in finance, economics, and law, all offered in the Economics department, and quantitative courses from the Statistics or Economics department to count towards the related business course requirements. Any shortfall can be made up by taking one or two non-accounting business minor courses. Other Rice University students can take a combination of courses offered by Economics, Statistics, Political Science, and the JGSB business minor program to satisfy the prerequisites.

While meeting Texas State Board requirements is necessary for professional certification purposes, it is important that the program is structured to take advantage of the Rice University liberal arts and sciences curricula, which not only are key draws for our benefactors and recruiters, but also provide the foundation needed to develop future thought leaders of the profession. In steady state, we will have a system within the MAcc program to offer regular

provide specific guidelines on the functional areas the students need to master, which, to a large extent, would have been required in a master’s program in accounting even without regulatory fiat.
information sessions and other channels to inform and educate Rice students regarding career
opportunities in professional accounting. We will leverage Rice University’s residential college
system to engage with students through faculty presentations, annual receptions, and invited
presentations\textsuperscript{14} from our key external constituents. Part of the effort will be dedicated to guiding
interested students by suggesting course work in various disciplinary areas that will prepare them
to be the future torchbearers in the world of professional accounting.\textsuperscript{15}

We provide below some key examples of how Rice University’s liberal arts curriculum
can be used to help develop the accounting professionals of the future. Several key attributes
identified above, including the development of critical thinking skills, are important in the
changing world of professional accounting; these key attributes can be developed as students
take distribution credit courses in logic (D3), ethics (D1), philosophy of law or science (D1),
computer science (D3), etc.

Learning a foreign language and understanding foreign cultures will become increasingly
important to compete successfully in the global marketplace as a professional accountant. Rice
University offers a wealth of opportunities for undergraduates to acquire these skills. We provide
below two examples of such opportunities. First, Rice University offers four courses in the
Chinese language with separate accelerated and regular tracks (counting towards D1 distribution
credits). In addition, there are several courses to broaden students’ perspectives on the Chinese
culture (e.g., ANTH 310 Contemporary Chinese Culture and HIST 342 Modern China). Second,
there are at least six Spanish language courses (which count toward D1 distribution credits) with
two of them targeted at using the language in business contexts (SPAN 305 and SPAN 306).

\textsuperscript{14} The undergraduate business minor has a lecture series, which could provide an avenue for educating students
about career opportunities in professional accounting.
\textsuperscript{15} Currently, some accounting faculty members act as advisers to Rice undergraduate students; these advisers will
act as an important resource in shaping the program of study of those students with a strong interest in a career in
professional accounting.
Students can also choose from a multitude of courses on Spanish and Hispanic cultures. Leveraging students’ knowledge on these topics will make them highly competitive in the accounting marketplace.

Environmental stewardship is another topic of interest to policy makers, business entities, and public accounting firms. Rice University offers several opportunities for students to learn the economic and political implications of corporate environmental activities and to be able to synthesize knowledge across multiple disciplinary areas.

*Feeder School Students*

As discussed earlier, in steady state, we expect about two-thirds of the MAcc students to be Rice University undergraduates, with the remainder coming from feeder schools. Ceteris paribus, there are at least two benefits from including feeder school students. First, Rice University students will get an opportunity to mingle intellectually and socially with students from comparable academic institutions and cultures, but who may view the world from a different perspective. Broadening students’ horizons will serve to improve their global perspective and enhance their ability to think critically about important issues. Second, diversifying the target student groups is likely to add some financial stability simply because the program will not be completely reliant on Rice University undergraduates each year to garner tuition.

Unlike the Rice University undergraduates, the feeder school students will be admitted to the MAcc program during their senior year at the feeder school and will join the MAcc program with an undergraduate degree. Feeder school students will have admission requirements similar to those faced by Rice University students.
We tried to identify feeder schools under the dictum that students from the targeted feeder schools should be of the caliber and have an education background similar to those of the students at Rice University. Our initial research has identified a select list of liberal arts economics programs and a group of top private universities offering an economics major as potential feeder schools (the list of schools is provided in Appendix A). Students from feeder schools are expected to have between a three- and six-credit deficit towards meeting the Texas State Board’s 24-credits of related business courses requirement, with two credits representing the required accounting/business communication course. In addition, we also expect that the feeder school students will not have had an opportunity to take Intermediate Accounting I and Auditing prior to joining the program. To address the course deficiency, we plan to offer a tuition-based summer coursework, which students from feeder schools can take prior to enrolling in the master’s program. The summer course offerings will ensure that all master’s program students will be in lockstep beginning in the fall semester.\(^\text{16}\) An added benefit of the summer coursework is that it will also allow some Rice University students to make up any deficiencies.

**Master’s Program Coursework**

Students enrolled in most master’s programs in accounting will have an undergraduate degree in accounting, but will take additional technical or “advanced” courses in accounting at the graduate level. This model results in students becoming more knowledgeable in the detailed accounting rules, but provides limited opportunities for developing the necessary skills needed to cultivate leadership traits. Although some master’s programs attempt to add a communications component or other non-traditional courses, their ability to provide a broadening educational experience is limited.\(^\text{16}\) Such tuition-based summer programs are offered by Vanderbilt University and the University of North Carolina at Chapel Hill, both of which have designed their master’s program to target non-accounting majors.
experience is limited by the functional expertise of the faculty members teaching at the master’s level. Consequently, typical students in a master’s program neither receive a strong liberal arts foundation in their undergraduate curriculum, nor are they able to broaden their horizons at the graduate level.

We believe that it is much easier for Rice University’s liberal arts and science students to grasp the technical aspects of accounting as they will have developed their foundational skills in critical thinking, logic, communications, quantitative methods, economics, etc. in their undergraduate curriculum. With these foundational skills in place, the MAcc faculty members can challenge the students to engage in an interdisciplinary analysis of accounting issues. Can agency theory help explain why accounting standards are conservative? How has the political economy of standard setting shaped the evolution of the accounting for stock options and long-term leases? Can psychological theories help explain budget negotiations and suboptimal decisions? Future leaders in the accounting profession must be capable of engaging in such higher dimensional discussions to make an imprint on the profession.

Moreover, discussions with many professional leaders indicate that the marginal benefits to recruiters from hiring graduates with additional technical or “advanced” accounting expertise is limited at best. Professional firms have their own technical training programs that all employees must complete to receive credit for continuing professional education (which is required by state boards of accountancy in all states), both to maintain their expertise and to meet professional certification requirements. On the contrary, time spent developing the foundational skills discussed above will be viewed as much more valuable to the advancement of the accounting profession. The model for the MAcc program is best summarized by following the
quotation by Professor Stephen A. Zeff, Professor of Accounting and Keith Anderson

Professorship in Business, who taught extensively in our original MAcc program:

We don’t teach just current practice. We spice our courses with discussions relating to the constant change in accounting: trends in the profession, the setting of accounting and auditing standards, the role of government regulation, and relevant findings from the research literature. Accounting and auditing courses are presented in the context of multiple forces—political, economic, regulatory, social—that are reshaping the discipline... A university-level program wouldn’t be giving much to students if it didn’t prepare them for their professional careers. Then, when change occurs, they can readily adapt or even lead the change.17

With the strong foundation that Rice University students will have, it would be more meaningful to have such interdisciplinary discussions that consider multiple forces at work.

Although the credit hours for accounting courses in the Master’s program are to a large extent driven by the requirements of the Texas State Board of Public Accountancy (TSBPA), we do not believe these requirements compromise our objective of delivering a top-class program.18

As mentioned earlier, the Board does not generally dictate the pedagogic approach that different instructors might find appropriate to teach the courses. Under the requirements of TSBPA, students desiring to sit for the CPA exam must complete at least 30 semester hours of upper level accounting courses. Consequently, all matriculating students are likely to need 24 credits of upper-level accounting courses to meet the State Board’s 30-credit accounting requirement, with six accounting credits received from Intermediate Accounting I and Auditing. Overall, the broad TSBPA requirements for the Uniform CPA Examination are summarized below:

17 1983-84 Brochure, Jones School of Business, Rice University
18 JGSB will work closely with the TSBPA during the program development phase to ensure that the master’s program is approved by the Board. Three members of the MAcc program re-launch committee, Professors Ramesh, Rountree, and Zeff (Mr. Viebig being the fourth member) recently went to the TSBPA in Austin, TX to give a presentation to its Executive Director (Mr. Treacy) and Director of Qualifications (Ms. Hiller) to jumpstart the regulatory approval process and understand the nuances of the regulatory requirements. Ms. Hiller has kindly agreed to provide advice to the re-launch committee through all phases of the re-launch process.
In terms of coursework timing, we propose to satisfy the TSBPA requirements as follows:

<table>
<thead>
<tr>
<th>Broad TSBPA Requirements</th>
<th>Credit Hours</th>
<th>Course level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting courses</td>
<td>30</td>
<td>Upper-level undergrad or Masters</td>
</tr>
<tr>
<td>TSBPA-approved ethics course</td>
<td>3</td>
<td>Masters</td>
</tr>
</tbody>
</table>

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In terms of coursework timing, we propose to satisfy the TSBPA requirements as follows:

<table>
<thead>
<tr>
<th>Meeting TSBPA Requirements</th>
<th>Credit Hours</th>
<th>Course Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting courses</td>
<td>6</td>
<td>UG years or Summer</td>
</tr>
<tr>
<td>Accounting courses</td>
<td>24</td>
<td>Masters</td>
</tr>
<tr>
<td>TSBPA-approved ethics course</td>
<td>3</td>
<td>Masters</td>
</tr>
</tbody>
</table>

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Our Master’s program will consist of between 33 and 36 credit hours of coursework, which would be linked to the TSBPA requirements as follows:

<table>
<thead>
<tr>
<th>Master's program requirements</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSBPA-required accounting courses</td>
<td>24</td>
</tr>
<tr>
<td>TSBPA-approved ethics course</td>
<td>3</td>
</tr>
<tr>
<td>Other accounting courses and electives</td>
<td>6 to 9</td>
</tr>
<tr>
<td>Total credit hours</td>
<td>33 to 36</td>
</tr>
</tbody>
</table>

Our initial plan is to offer a lockstep program with limited options for students to choose among elective courses. Given the extensive program development efforts involved in the re-launch, we believe that the lockstep approach will enable us to achieve our goal of creating a top-class program without overreaching what we plan to accomplish in the early years after the re-launch.

Similar to JGSB’s MBA programs, the Master’s program will be offered in four half-semester terms with many courses offered with 1.5 credit hours. However, we have identified some courses that should be taught over an entire semester, thereby requiring three credit hours to cover the required course content. A list of general classes included in the MAcc program is included below:
In addition, we also plan to capitalize on the research culture of Rice University and make available two research courses for a select group of MAcc students who meet certain academic standards prior to entering and during the MAcc program. Students taking the MAcc Honors Study course (1.5 to 3 credit hours) will engage in practical research with significant immediate implications for public policy, standard setting, governance, ethics, and other topics of great professional interest. Students chosen for the MAcc Academic Research course (3 credit hours) will learn about the different facets of academic accounting research with the supervision of a faculty member. With continued demand for top-notch accounting PhD graduates, encouraging Rice students to consider the academic profession as an option provides for a greater diversification of job opportunities and will only help to improve the academic environment of the school. Brief descriptions of the accounting and the required 3-credit ethics courses are provided in Appendix B.
The required accounting coursework\(^{19}\) covers the foundational areas in accounting: financial and managerial reporting and analysis, auditing and assurance standards, business taxation, accounting systems, accounting theory and research, and public policy & governance. As discussed earlier, students will have completed Intermediate Accounting I and Auditing prior to matriculation by taking the two courses either during junior/senior years or the summer term prior to beginning the MAcc program. As a result, the MAcc students will be completing a minimum of an additional 24 credits from the courses available in the MAcc program year.

The TSBPA allows up to three credits of coursework “with substantial merit in the context of a career in public accounting” to count towards the 30-credit accounting requirement. Given our program’s focus on developing future leaders of the profession, we plan to work with the TSBPA to identify such courses which can broaden the students’ horizons and give them a more rigorous, holistic view of the business world. We have initially identified the following graduate-level courses that are currently taught at JGSB, which fit within the regulatory constraints as well as meeting our program objectives:

\[\begin{array}{|c|c|c|}
\hline
\text{Expected Course Mnemonic} & \text{Course work with substantial merit in the context of a career in public accounting (preliminary list)} & \text{Credit Hours} & \text{Expected Timing} \\
\hline
\text{MGMT} & \text{Futures & Options I} & 1.5 & \text{Masters} \\
\text{MGMT} & \text{Economic Environment of Business} & 1.5 & \text{Masters} \\
\text{MGMT} & \text{Managerial Economics} & 1.5 & \text{Masters} \\
\text{MGMT} & \text{Strategic Management of Professional Firms} & 1.5 & \text{Masters} \\
\text{MGMT} & \text{Business - Government Relations} & 1.5 & \text{Masters} \\
\hline
\end{array}\]

\[\text{7.5}\]

\(^{19}\) We use the term “accounting coursework” to refer to courses that are likely to be approved by TSBPA as an accounting course for purposes of the Uniform CPA examination. As discussed below, such courses may or may not include courses that we would largely consider as “accounting” from a pedagogic standpoint. What is important is that our coursework design is driven largely by our program objectives, subject to labeling, credit hours, and other procedural constraints imposed by the TSBPA.
With the minimum required 30 credit hours for a Master’s program (excluding three credits for the TSBPA-approved ethics course), there will be only three credits remaining for electives.20 At one level, this constraint is by design as our students enter the program with a more liberal-arts-based foundation, with less accounting expertise than the typical students of most master’s programs in accounting. At another level, although our target students will have a broader educational background than a typical Master’s student, we believe that three credits of electives will not provide the type of well-rounded education that we expect. Our experience with undergraduates and MBA students indicates that most Rice students frequently take more than 15 credits per semester. Therefore, although the minimum required credits may be 30, we will strongly encourage students to take between 33 and 36 credits.

Under this model, students could take four to six course modules of electives (1.5 credits each), providing them with additional opportunities for a well-rounded graduate education. In designing the non-accounting electives, we plan to leverage JGSB’s strengths in the areas of energy, environment, healthcare, entrepreneurship, financial markets, corporate finance, financial instruments, strategy, organizational behavior, etc.21

The additional courses offered in our MAcc program will have the added benefit of providing our MBA students with the opportunity to further their accounting knowledge. Although the programs will be operated primarily on a stand-alone basis, providing opportunities for the students to have some interaction will benefit both programs. MBA students have strong

20 24 credits of upper-level accounting courses (in addition to Intermediate Accounting I and Auditing), three credits of required ethics course, and three credits of electives.
21 In addition to coursework, students will be given opportunities to interact with thought leaders from the business world. We are planning a regular speaker series in which practitioners from professional services firms, Corporate America and Wall Street, as well as members of regulatory bodies will be invited to share their insights with the students. In addition, MAcc students will also have opportunities to participate in the menu of Jones School events including Dean’s & Executive Lecture Series and Jones Partners Thought Leadership Series.
work backgrounds providing the opportunity to enrich the MAcc classroom with their business experience.

Appendix C provides the planned MAcc course schedule. The following courses will be based substantially on existing courses currently offered at JGSB: Management Accounting & Control Systems, Federal Taxation of Business, Financial Statement Analysis and Valuation, Futures and Options I, and Economic Environment of Business. Roughly one-half of the course content in Ethics is already covered in the MBA-level ethics course. Some of the course content for Intermediate Accounting I and II, and Taxes and Business Strategy are also part of existing JGSB courses. Courses such as Accounting Information Systems, Accounting for Business Combinations, and Financial Instruments and Fair Value Accounting will effectively constitute new offerings at the JGSB.\textsuperscript{22} We expect substantial synergies between the MAcc and MBA programs. For instance, some of the new MAcc courses (e.g., Accounting for Business Combinations and Financial Instruments and Fair Value Accounting) will be attractive to MBA students as elective courses. Second, with JGSB’s robust course offerings, the MAcc program can benefit from being able to offer MAcc courses that are adapted from existing MBA courses (e.g., Economic Environment of Business and Futures and Options I), thereby reducing the effective cost of the program and providing faculty the additional benefit of reduced preparations given multiple sections of the same (or at least similar) courses will be offered across the MBA and MAcc programs.

\textsuperscript{22} Some of the materials in Financial Instruments and Fair Value Accounting were covered in a MBA elective course, which has not been offered in recent years because of the need to cover MBA core and other required courses.
Financial Aid

The program will offer general and targeted diversity initiative merit-based scholarships to attract top talent to the program. The emphasis on scholarship is consistent with JGSB and Rice University’s tradition of providing strong financial aid to students, as well as the program’s focus on targeting top students from Historically Black Colleges/Universities, and other candidates who would enhance the program’s diversity.

Faculty

JGSB currently has eight tenure-track faculty members in the accounting area: Brian K. Akins, Steven S. Crawford, Thomas Hemmer, Karen K. Nelson, K. Ramesh, Brian R. Rountree, Shiva Sivaramakrishnan, and Stephen A. Zeff. The faculty members offer a multitude of expertise in different areas of accounting and would be key contributors in designing and/or teaching in the program. The expectation is that the accounting group will hire two additional tenure-track faculty members to meet the incremental demands of the MAcc program. The additional faculty members will not necessarily teach exclusively in the MAcc program, but rather our plan is to have a variety of faculty members teach across the various programs (undergraduate, MBA, and MAcc) thereby exposing all of our students to a diverse set of faculty with a wide breadth of expertise. The two additional tenure track faculty lines will be necessary to teach new courses offered in the MAcc along with filling any voids created by current tenure track faculty switching away from other programs to teach in the MAcc.

In addition to tenure-track accounting faculty, the MAcc program director will be responsible for teaching 3-5 courses each year on top of any administrative duties, with the
remaining courses being taught by non-tenure track and/or adjunct faculty members with specialized professional experience. Moreover, certain required or elective courses will be taught by JGSB faculty from other core areas (finance, strategy, marketing, and organizational behavior) and/or focal areas (entrepreneurship, energy, and healthcare). The across-the-board strength of JGSB faculty is an important fulcrum for developing a unique master’s program in accounting. With combined faculty resources from hiring two tenure track accounting faculty members, the MAcc program director, and relevant part-time, adjunct, and other non-tenure-track faculty members, as well as selected course offerings from other JGSB faculty members, the teaching requirements of the MAcc program will be completely covered.

**Benchmark MAcc Programs**

As indicated earlier, the master’s programs at Vanderbilt and at the University of North Carolina at Chapel Hill (UNC) are the most similar to our proposed program. UNC targets business and liberal arts students and will not admit any students with more than 12 credit hours of accounting. Vanderbilt targets non-accounting majors with diverse liberal arts background for its master’s program. Both programs have been quite successful and are well regarded both in the academic community and among accounting recruiters.

Vanderbilt’s program is small with an enrollment of about thirty students. UNC, whose target audience is quite similar to Rice University’s business minor students, has an enrollment of more than 120 students in its master’s program. In a steady state, the MAcc program will be self-reliant if the enrollment is higher than that of Vanderbilt (around 50), but need not reach the enrollment levels at UNC. See Section 10 for additional budgetary information.
Assessment Plan for the MAcc Program

Based on the key components of the MAcc program described earlier, we plan to measure student learning outcomes (SLOs) in the following areas:

1. Valuation expertise;
2. Communication skills;
3. Knowledge of public policy and corporate governance;
4. Critical and analytical approach to problem solving; and
5. Technical proficiency.

The details of the assessment plan are provided in Appendix D. After the program is up and running for a few years, JGSB will study whether a separate accreditation of the MAcc program from AACSB International is desirable.

Timeline for the Rollout of the MAcc Program

Spring 2013
- Development of the program proposal
- Approval by the JGSB Curriculum Committee
- Request for Final approval by JGSB faculty

Fall 2013
- Program proposal submitted for University approval
- Submit request for degree program to Rice University Faculty Senate

Spring 2014
- Graduate Council review
- Faculty Senate final review
- Begin marketing to students

Summer 2014
- Hire MAcc Program director
- Finalization of website, marketing, and application materials
- Begin contacting internship employers
Fall 2014
- Rice Undergrads apply to MAcc Program
- Admissions decisions announced in December
- Advisory Council is launched

Spring 2015
- Intermediate Accounting I offered
- Internship applications and interview preparation
- Internship interviews
- Begin marketing to feeder school students

Fall 2015
- Auditing offered
- Feeder students apply
- Admissions decisions announced in December
- Post two tenure-track faculty positions

Spring 2016
- Internship
- Fill both tenure-track positions as well as identify necessary adjunct/clinical faculty members

Summer 2016
- Internship
- Accounting coursework for the inaugural batch of feeder students

Fall 2016
- MAcc program begins

**Financial Viability**

JGSB has been exploring the possibility of re-launching the MAcc program for several years, but a more concerted effort was put in place beginning in 2010 to study its feasibility. Dean Glick’s continual engagement with our MAcc alumni suggested that they would enthusiastically welcome the re-launch. To obtain a broader assessment of interest in the program, two roundtable meetings were held in New York City, capturing the perspectives of several leaders from different walks of the accounting profession. The list included some of our
MAcc graduates who have risen to the pinnacles of the profession. Based on the enthusiastic response to the roundtables, in spring 2011 Dean Glick discussed issues surrounding the re-launch with the JGSB faculty and JGSB Council of Overseers. Encouraged by both groups to further explore the proposal, JGSB prepared a preliminary budget to assess the philanthropic support needed to ensure financial stability for the program.

The budget was prepared by the accounting faculty, which developed multiple scenarios for funding the program including budgets with high, medium, and low estimates of enrollments. These budgets have been subjected to multiple rounds of review by the faculty and administration to ensure that the staffing and funding of program are reasonable and the program does not represent a significant risk to the financial stability of the JGSB. The overall funds will come from a mix of new philanthropic support and tuition, with any shortfalls to be covered by JGSB reserves in the near term, and cancellation of the program in the unlikely event that the long-term projections are proven unrealistic. It is important to note that the JGSB is entirely responsible for the funding status of the program and no funds will come from the general university.

On the inflow side, the budget considered tuition revenue and philanthropic support. On the outflow side, the budget included general, diversity-initiative, and military-personnel scholarships, start-up costs, faculty and staff costs, marketing expenditures, operating expenditures, cost of the experiential learning component, cost of the speaker series, etc. Classes will be held in McNair Hall. Assuming generous scholarships, the expectation is that the program can break even in steady state with approximately 40 students. Our break-even point is greater than the current enrollment of Vanderbilt’s MAcc program, which is less than 30
students, but substantially below UNC’s program size of about 120 students. A summary of the budget projections is provided below:

<table>
<thead>
<tr>
<th></th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of students</td>
<td>21</td>
<td>27</td>
<td>33</td>
<td>39</td>
<td>46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current gifts and endowment distribution</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$500,000</td>
<td>$580,000</td>
<td>$590,000</td>
<td>$390,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Tuition revenue (net of scholarships)</td>
<td>$0</td>
<td>$0</td>
<td>$60,000</td>
<td>$85,000</td>
<td>$1,060,000</td>
<td>$1,300,000</td>
<td>$1,560,000</td>
</tr>
<tr>
<td>Faculty and support staff costs</td>
<td>($180,000)</td>
<td>($280,000)</td>
<td>($1,290,000)</td>
<td>($1,340,000)</td>
<td>($1,400,000)</td>
<td>($1,450,000)</td>
<td>($1,510,000)</td>
</tr>
<tr>
<td>Program-related costs</td>
<td>$0</td>
<td>$0</td>
<td>($90,000)</td>
<td>($100,000)</td>
<td>($120,000)</td>
<td>($140,000)</td>
<td>($160,000)</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>($120,000)</td>
<td>($60,000)</td>
<td>($70,000)</td>
<td>($70,000)</td>
<td>($80,000)</td>
<td>($80,000)</td>
<td>($80,000)</td>
</tr>
<tr>
<td>Projected Tuition Revenue, net of exps</td>
<td>$100,000</td>
<td>$60,000</td>
<td>$210,000</td>
<td>$210,000</td>
<td>$210,000</td>
<td>$210,000</td>
<td>$210,000</td>
</tr>
<tr>
<td>Cumulative (net)</td>
<td>$100,000</td>
<td>$160,000</td>
<td>$230,000</td>
<td>$280,000</td>
<td>$350,000</td>
<td>$320,000</td>
<td>$210,000</td>
</tr>
<tr>
<td>Breakeven enrollment</td>
<td>28</td>
<td>30</td>
<td>31</td>
<td>38</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships (%)</td>
<td>37%</td>
<td>38%</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

Following the preparation of the budget, the next 18 months was spent in various focused development efforts to examine whether these efforts would bear fruit. As of now, we have a firm commitment from Ernst & Young of $2.5 million, which is expected to cover roughly 40% of our budgeted initial developmental needs. Large accounting firms are known to provide philanthropic support to programs from which they successfully hire graduates, who advance in professional ranks within the firms. We are not aware of any significant philanthropic support provided by global accounting firms during the last several decades to help start an accounting program. Ernst & Young’s commitment is a testament to the stature of Rice University and JGSB, the success of the original MAcc program, and the reputation of JGSB faculty.

In addition, JGSB is currently in the process of obtaining a substantial commitment from Deloitte. Additional developmental efforts are underway to raise funds from alumni and friends of the original MAcc program to fully address the budgeted initial developmental support. We are confident that we will be able to raise the budgeted philanthropic support for the initial developmental needs. As mentioned above, continuing current-use philanthropic support in

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23 Consists of personal commitments from James L. Turley, graduates of our original MAcc program who are currently employed at Ernst & Young, and matching contribution from the Ernst & Young Foundation.
steady state will hinge on our ability to place our graduates in top professional accounting firms and their long-run professional success.
**APPENDIX A: LIST OF POTENTIAL FEEDER SCHOOLS**

We have grouped feeder schools into the following five non-mutually-exclusive categories

1. Top liberal arts programs based on Bodenhorn (2003)\(^{24}\);
2. Feeder schools of our close competitors (Exhibit A1);
3. Top 25 Economics programs (Exhibit A2);
4. Colleges That Change Lives (Exhibit A3); and
5. Top historically black colleges and universities (Exhibit A4).

While many colleges in this list may be suitable as feeder schools, the MAcc Program Director, in consultation with the Dean’s office and Accounting faculty, will develop a strategy to attract the most appropriate feeder schools, taking into various appropriate cost-benefit considerations.

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\(^{24}\)“Economic scholarship at elite liberal arts colleges: A citation analysis with rankings” by Howard Bodenhorn, Journal of Economic Education, Fall 2003, 34:4, 341-359. We exclude Claremont-McKenna given it already has a strong accounting program, and therefore, is less likely to be a strong feeder school for us.
## Exhibit A1
Feeder Schools for Our Close Competitors

<table>
<thead>
<tr>
<th>Feeder School</th>
<th>UNC Chapel Hill</th>
<th>Vanderbilt</th>
<th>Wake Forest (selected only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin Peay State University</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Belmont University</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Boston College</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Centre College</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Colgate University</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>College of Charleston</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>College of William &amp; Mary</td>
<td>√</td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Cornell University</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davidson College</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Duke University</td>
<td>√</td>
<td></td>
<td></td>
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<tr>
<td>Elon University</td>
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<tr>
<td>Emory</td>
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<td></td>
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<tr>
<td>Florida International University</td>
<td></td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Furman University</td>
<td>√</td>
<td>√</td>
<td>√</td>
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<tr>
<td>Georgetown University</td>
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<td>√</td>
<td>√</td>
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<tr>
<td>Harding University</td>
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<tr>
<td>Harvard University</td>
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<tr>
<td>Indiana University</td>
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<td>√</td>
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<tr>
<td>Johns Hopkins University</td>
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<tr>
<td>Meredith College</td>
<td></td>
<td>√</td>
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<tr>
<td>Michigan State University</td>
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<td></td>
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<tr>
<td>Middlebury College</td>
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<td>√</td>
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<tr>
<td>Morehouse College</td>
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</tr>
<tr>
<td>North Carolina State University</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Occidental College</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Pennsylvania State University</td>
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<td></td>
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</tr>
<tr>
<td>Rhodes College</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Samford University</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Seattle Pacific University</td>
<td></td>
<td>√</td>
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<tr>
<td>Sewanee: The University of the South</td>
<td></td>
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<td></td>
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<tr>
<td>Smith College</td>
<td></td>
<td></td>
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<tr>
<td>Stetson University</td>
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<td></td>
<td></td>
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<tr>
<td>Sweet Briar College United States Naval Academy</td>
<td></td>
<td>√</td>
<td></td>
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<tr>
<td>Transylvania University</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>University of Alabama</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>University of California, Davis</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>University of Colorado</td>
<td></td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>University of Florida</td>
<td></td>
<td>√</td>
<td></td>
</tr>
</tbody>
</table>
University of Illinois ✓
University of Kentucky ✓
University of Massachusetts ✓
University of Michigan ✓
University of North Carolina at Chapel Hill ✓ ✓
University of Notre Dame ✓ ✓
University of Pennsylvania- Wharton ✓
University of South Florida ✓
University of Southern California ✓
University of Tennessee ✓
University of the South ✓
University of Virginia ✓
Vanderbilt University ✓
Wake Forest University ✓ ✓
Washington University at St. Louis ✓
Western Kentucky University ✓
Wofford College ✓
Yale University ✓
Exhibit A2
Top 25 Economics Programs as Ranked by U.S. News

#1 Harvard University
#1 Massachusetts Institute of Technology
#1 Princeton University
#1 University of Chicago
#5 Stanford University
#5 University of California--Berkeley
#7 Northwestern University
#7 Yale University
#9 University of Pennsylvania
#10 Columbia University
#11 New York University
#11 University of Minnesota--Twin Cities
#13 University of Michigan--Ann Arbor
#13 University of Wisconsin--Madison
#15 California Institute of Technology
#15 University of California--Los Angeles
#15 University of California--San Diego
#18 Cornell University
#19 Brown University
#19 Carnegie Mellon University (Tepper)
#19 Duke University
#22 University of Maryland--College Park
#22 University of Rochester
#24 Boston University
#24 Johns Hopkins University
**Exhibit A3**

**Colleges That Change Lives**

<table>
<thead>
<tr>
<th>Agnes Scott College</th>
<th>Kalamazoo College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny College</td>
<td>Knox College</td>
</tr>
<tr>
<td>Antioch College</td>
<td>Lawrence University</td>
</tr>
<tr>
<td>Austin College</td>
<td>Lynchburg College</td>
</tr>
<tr>
<td>Beloit College</td>
<td>Marlboro College</td>
</tr>
<tr>
<td>Birmingham-Southern College</td>
<td>McDaniel College</td>
</tr>
<tr>
<td>Centre College</td>
<td>Millsaps College</td>
</tr>
<tr>
<td>Clark University</td>
<td>New College Of Florida</td>
</tr>
<tr>
<td>Cornell College</td>
<td>Ohio Wesleyan University</td>
</tr>
<tr>
<td>Denison University</td>
<td>Reed College</td>
</tr>
<tr>
<td>Earlham College</td>
<td>Rhodes College</td>
</tr>
<tr>
<td>Eckerd College</td>
<td>Southwestern University</td>
</tr>
<tr>
<td>Emory &amp; Henry College</td>
<td>St. John's College</td>
</tr>
<tr>
<td>The Evergreen State College</td>
<td>Saint Mary's College [CA]</td>
</tr>
<tr>
<td>Goucher College</td>
<td>St. Olaf College</td>
</tr>
<tr>
<td>Guilford College</td>
<td>University Of Puget Sound</td>
</tr>
<tr>
<td>Hampshire College</td>
<td>Ursinus College</td>
</tr>
<tr>
<td>Hendrix College</td>
<td>Wabash College</td>
</tr>
<tr>
<td>Hillsdale College</td>
<td>Wheaton College [IL]</td>
</tr>
<tr>
<td>Hiram College</td>
<td>Whitman College</td>
</tr>
<tr>
<td>Hope College</td>
<td>Willamette University</td>
</tr>
<tr>
<td>Juniata College</td>
<td>Wooster, College of</td>
</tr>
</tbody>
</table>
Exhibit A4
Top Historically Black Colleges as Ranked by U.S. News

#1 Spelman College, Atlanta, GA
#2 Howard University, Washington, DC
#3 Morehouse College, Atlanta, GA
#4 Hampton University, Hampton, VA
#5 Fisk University, Nashville, TN
#5 Xavier University of Louisiana, New Orleans, LA
#7 Tuskegee University, Tuskegee, AL
#8 Claflin University, Orangeburg, SC
#9 Dillard University, New Orleans, LA
#10 Florida A&M University, Tallahassee, FL

Click here for a complete list of top 25 historically black colleges and universities.
APPENDIX B: DESCRIPTION OF ACCOUNTING COURSES

Intermediate Accounting (6.0 credits)

Intermediate Accounting I (3.0 credits)
Review of accounting cycle and preparation of financial statements; regulation of standard setting in the US and globally; review of conceptual framework underlying financial reporting standards; advanced topics in recognition and de-recognition of different assets, such as, cash, receivables, inventory, property, plant, and equipment, and intangible assets; advanced topics in recognition and de-recognition of selected liabilities, such as, current liabilities, contingencies, bonds, and notes payable.

Intermediate Accounting II (3.0 credits)
Advanced topics in revenue recognition; advanced topics in recognition and de-recognition of elements of stockholders’ equity; accounting for dilutive securities and stock-based compensation; measuring and interpreting earnings per share for simple and complex capital structures; advanced topics in recognition and de-recognition of investments, leases, deferred taxes, and pension and other postretirement obligations; introduction to accounting for financial derivatives; accounting for changes in accounting principles and estimates, changes in reporting entities, and error corrections; advanced topics in statement of cash flows.

Auditing (3.0 credits)
Demand for auditing and assurance services; introduction to the public accounting profession; types of audit reports; understanding the audit process including study of audit objectives and responsibilities, audit evidence, audit planning and procedures, the assessment of materiality and risk, internal control and control risk, and overall audit plan and program; application of audit
processes to selected transaction cycles; aggregating audit evidence and completing audit; introduction to other assurance services.

**Accounting for Business Combinations (1.5 credits)**

Advanced topics on inter-corporate investment accounting; topics in consolidation of financial statements including post-acquisition reporting, intercompany transactions, less-than-complete ownership, and multinational companies; miscellaneous topics such as partnerships.

**Financial Instruments and Fair Value Accounting (1.5 credits)**

Role and regulation of financial institutions; accounting for interest and credit risk; reporting and disclosure of fair value for financial instruments; derivative and hedge accounting; accounting for securitization and off-balance-sheet transactions; market risk disclosures; special topics such as insurance accounting.

**Accounting Systems (3.0 credits)**

Tentatively, the topics have been split between internal control and data analytics as follows:

*Systems -- Internal Control (1.5 credits)*

Understand the foundations for building business controls and managing risk. Design and use of accounting transaction processing systems, including internal control systems and governance mechanisms required by regulation; Examine enterprise value chains for optimal design of information system.

*Systems -- Data Analytics (1.5 credits)*

Understanding database architecture and structure; using enterprise information to make optimal business decisions; auditing procedures of information databases including sampling techniques, analytical procedures, and database security evaluation.
**Accounting Theory, Research, and Analysis (3.0 to 4.5 credits)**

Understanding the evaluation of conceptual framework in the US and globally; institutional and regulatory drivers of accounting regulation; applying current accounting standards to answer issues relating to asset, liability and equity recognition and de-recognition, and the consequent revenue and expense recognitions.

A substantial writing component will be included in this course.

**Management Accounting & Control Systems (3.0 credits)**

Managerial decision making as it relates to both the internal firm activities and the firm’s relationship with its external environment; review of cost concepts; cost-volume-profit analysis; relevance and decision making; role of cost allocations; product costing systems; managing customers; analysis of different types of management control systems;

**Financial Statement Analysis and Valuation (3.0 credits)**

Understanding the economic environment and accounting information of business entities; profitability analysis through an understanding of operating, investing, and financing activities; credit analysis for lending and bankruptcy risk assessment; fraud detection; selected topics on revenue recognition, liabilities, and/or off-balance-sheet financing relevant for financial statement analysis; forecasting financial statements; estimating accounting-based cost of capital; review of cash-flow-based valuation; accounting-income-based valuation; market-based valuation.

**Federal Taxation of Business (3.0 credits)**

Types of taxes and tax information sources; history of the U.S. income tax; tax policy and current challenges in U.S. taxation; approaches to minimizing and/or deferring taxes; the tax measurement of business income and deductions; measurement of gains and losses on
disposition of assets, and the special cases of non-taxable exchanges; tax reporting and characteristics of the alternative forms of business organization; choice of appropriate entity; tax considerations in corporate acquisitions, mergers, divisions and liquidations; introduction to international business income taxation; compensation and retirement planning from employer and employee perspectives; investment taxation/wealth planning; tax compliance – roles of the Treasury, Internal Revenue Service and federal courts

**Taxes and Business Strategy (1.5 credits)**

Choice of optimal organizational form; implicit taxes and tax arbitrage; nontax costs of tax planning; understanding marginal tax rates; multinational tax planning; mergers, acquisitions, and divestitures;

**Washington Campus Public Policy Course (1.5 to 3.0 credits)**

The course will be offered in collaboration with Washington Campus. The experiential learning course will include an on-campus learning component, followed by a week-long customized trip to Washington, DC, and New York City in which students have an opportunity to first hand observe and learn about the policy-making process as it pertains to accounting, auditing, tax, and capital markets. The week-long educational trip will include presentations by and discussions with current/former staff members of the Executive Branch and the Congress, current/former Congressmen, public policy analysts, Federal Reserve economists, staff members of CFTC, SEC, PCAOB, FASB, IASB, etc., followed by daily wrap-up with the course faculty member.

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25 A similar course is offered as a three-course at the University of Michigan. The actual credit hours for the course in our MAcc program will depend on the content covered, contact hours, assignments, etc.

26 “The Washington Campus, a non-profit, non-partisan educational organization founded in 1978, has served as the principal foundation in the nation’s capital for educating business students and business leaders on the practices and realities of public policy” (http://www.washcampus.edu/, accessed September 2013). JGSB is a consortium member of the Washington Campus and is represented in its board of directors.
Ethics (3.0 credits)\textsuperscript{27}

Ethical theories; ethical reasoning; professional integrity and objectivity; independence as applied in the context of accounting; appropriate regulations and ethics rules as promulgated by AICPA, SEC, PCAOB, the Board of Accountancy, etc., and corporate governance. The first part of the course will be based on the current offering of ethics at JGSB, which largely emphasizes ethical reasoning, integrity, ethical theories, objectivity, and other general topics on business ethics. The second part of the course will cover specialized topics related to the field of professional accounting.

\textsuperscript{27} The syllabus and the instructor for this course must be approved by the TSBPA for the credits to count towards minimum requirements to sit for the Uniform CPA Examination.
# Appendix C: Master of Accounting Course Schedule

<table>
<thead>
<tr>
<th>Fall – Term I</th>
<th>Break</th>
<th>Fall - Term II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Accounting &amp; Control Systems</td>
<td>Washington Campus Public Policy Course</td>
<td>Management Accounting &amp; Control Systems</td>
</tr>
<tr>
<td>Federal Taxation of Business</td>
<td></td>
<td>Federal Taxation of Business</td>
</tr>
<tr>
<td>Intermediate Accounting II</td>
<td></td>
<td>Intermediate Accounting II</td>
</tr>
<tr>
<td>Financial Statement Analysis and Valuation</td>
<td></td>
<td>Financial Statement Analysis and Valuation</td>
</tr>
<tr>
<td>Futures and Options I</td>
<td></td>
<td>Public Policy Course (on-campus)</td>
</tr>
<tr>
<td>Economic Environment of Business</td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Spring – Term III</th>
<th></th>
<th>Spring - Term IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Theory, Research, and Analysis</td>
<td></td>
<td>Accounting Theory, Research, and Analysis</td>
</tr>
<tr>
<td>Accounting Information Systems—Internal Control</td>
<td></td>
<td>Accounting Information Systems—Data Analytics</td>
</tr>
<tr>
<td>Accounting for Business Combinations</td>
<td></td>
<td>Financial Instruments and Fair Value Accounting</td>
</tr>
<tr>
<td>Ethics</td>
<td></td>
<td>Ethics</td>
</tr>
<tr>
<td>Taxes and Business Strategy</td>
<td></td>
<td>Elective</td>
</tr>
<tr>
<td>Elective</td>
<td></td>
<td>Elective</td>
</tr>
</tbody>
</table>

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Appendix D: MAcc Assessment Plan

**Student Learning Outcomes:** Students of the MAcc program will:
1. Demonstrate valuation expertise;
2. Have strong communication skills;
3. Develop knowledge of public policy and corporate governance;
4. Demonstrate a critical and analytical approach to learning; and
5. Demonstrate technical proficiency.

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>SLO1: Valuation Expertise</th>
<th>SLO2: Communication Skills</th>
<th>SLO3: Public Policy/Corp Governance</th>
<th>SLO4: Critical Thinking</th>
<th>SLO5: Technical Proficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embedded Location [WHERE]</td>
<td>Financial Statement Analysis and Valuation</td>
<td>Accounting Theory, Research and Analysis; Ethics</td>
<td>Washington Campus Public Policy Course</td>
<td>Accounting Theory, Research and Analysis</td>
<td>CPA Exam</td>
</tr>
<tr>
<td>Measure [HOW]</td>
<td>Final Project</td>
<td>Targeted assignments</td>
<td>Final Project/Assignment</td>
<td>Course grade of B- and above</td>
<td>First-attempt pass rate</td>
</tr>
<tr>
<td>Standard [TO WHAT EXTENT]</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Responsible [WHO]</td>
<td>Instructor of Record</td>
<td>Instructors of Record</td>
<td>Instructor of Record</td>
<td>Instructor of Record</td>
<td>MAcc Program Director</td>
</tr>
<tr>
<td>Student Timeline [WHEN]</td>
<td>End of Term II</td>
<td>End of Term IV</td>
<td>Between Term I and Term II</td>
<td>End of Term IV</td>
<td>Post-graduation</td>
</tr>
<tr>
<td>Reporting Timeline [WHEN]</td>
<td>End of summer after graduation</td>
<td>End of summer after graduation</td>
<td>End of summer after graduation</td>
<td>End of summer after graduation</td>
<td>End of summer after graduation</td>
</tr>
</tbody>
</table>
Appendix D: MAcc Assessment Plan (cont’d)

Notes:

1. This is a tentative assessment plan, which is subject to change prior to the roll out of the MAcc program in Fall 2016. Significant course development work will take place during the next 12 to 18 months. As a result, the accounting faculty might make adjustments to the assessment plan as they deem appropriate.

2. To measure the outcomes for SLO4 and SLO5, explicit thresholds have been identified based on course grade and CPA exam pass rate. For the remaining SLOs, the relevant course instructors will ex ante identify the thresholds needed to reach satisfactory performance.