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## Increase the Number and Quality of Students in Your MAcc Program without Additional Funding: A Case Study

by Marvin L. Bouillon, Iowa State University

In the late 1980s, a majority of the American Institute of Certified Public Accountants (AICPA) voted to require 150 hours of education for its membership after the year 2000. As of December 31, 2000, there were six states or territories that did not enact the 150-hour requirement. Like many states, Iowa passed the law in 1992 to be effective in the year 2000.

As states passed the new 150-hour requirement, universities and colleges were forced to look at their programs to see how they would deal with this new education requirement. Renner and Tanner (2001) surveyed members of the AICPA, Institute of Management Accountants (IMA) and recruiters of accounting graduates from a regional Midwestern university and found that some of the popular choices (not in order of preference) were: (a) BA with a double major in accounting and finance, (b) BA with a double major in accounting and management information systems, (c) BA in accounting/MBA, (d) BA in accounting/master in accounting, and (e) BA in accounting/master in taxation. At many schools, the first two options were already available but were deemed unacceptable for the better accounting undergraduate students. Option (c) may be a good one, but could require a student to stay in school for six years. Therefore, many schools looked at options (d) and (e) as being logical choices. These options are cost-effective ways for students to complete the 150-hour requirement and leave a university with a masters' degree!

Donelan and Reed (2000) examine the increase in graduate programs due

to the 150-hour requirement. Frecka and Nichols (2004) found that the number of graduate students in accounting had increased in recent years for both existing and new programs added in response to the 150-hour requirement. They determined that the average enrollments for these programs were small when compared to existing MBA programs. Iowa State University decided to start a master in accounting (MAcc) program.

The purpose of this paper is to provide an awareness of some issues faced by the new director of the MAcc program at Iowa State University and share some of the viable solutions. We provide statistics before (shaded area in tables) and after the change in directors. We discuss a series of decisions that were made by the new director and the overall changes that resulted from these decisions. As mentioned above, we feel that these decisions are generalizable to other MAcc programs and will help them successfully increase the quality and number of students in their programs. Imagine doing this without any additional funding!

In the next section we will give you a quick overview of Iowa State University. We follow that with a brief discussion of the MAcc program at Iowa State University before July 2004, along with its potential costs and available financial support. We then provide some statistics and trends before July 2004, followed by a section discussing the issues faced by the new director appointed in 2004. Next, we discuss the new director's decisions and present some updated information on the MAcc since July 2004. The paper



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concludes with a brief summary of how this may help directors of MAcc programs at other institutions.

### Iowa State University

Iowa State University is a land-grant institution that opened its doors in 1868 and is one of three state-supported institutions of higher learning in the state of Iowa. Currently, Iowa State University is a Carnegie Doctoral/Research Extensive University.

The College of Business was created in April 1984 and received its initial accreditation from AACSB in April 1991. The accounting department was separately accredited in 2000 when the College received its reaffirmation in March of that year. When the accounting department began exploring the possibility of implementing a MAcc degree, the College already had a part-time and full-time MBA program.

The College of Business is the third largest college at Iowa State University, with a fall 2007 enrollment of 3,333 undergraduate and 294 graduate students. The College moved into the Gerdin Business Building in December 2004. This 111,000-square foot building is located centrally on campus and provides a state-of-the-art high-tech home for the College. The Gerdin Business Building features wireless access and high-tech laboratories where our students and faculty can replicate real-world situations in areas such as securities trading, management information systems, and market research.

### Master of Accounting (MAcc)

Cyndie Jeffrey was the first director of the MAcc program. She did an excellent job of moving the program over the required hurdles in order to get the program established. The MAcc program began in the fall semester of 2000. It was designed to meet the needs of accountants in public or private accounting focusing on interpreting and analyzing accounting information for decision making. Graduates of this program comply with the Iowa Standards for Certification upon passing the Uniform Certified Public Accounting examination.

In 2004, when the directors changed, the MAcc degree was a 32-credit-hour program designed to be completed in two and one-half semesters. It consisted of 15 credits-hours of graduate accounting courses, a communications course, an international course, and nine to 12 credit-hours of electives as needed. There was also a two credit-hour creative component requirement. Generally, the creative component required the student to work on a real world or research project. Then they presented their results to a three-member committee.

### Costs and Financial Support for MAcc Program

**Costs to Study.** The 2006-2007 tuition costs for resident (in-state) graduate students were \$330 per credit hour; with fees, semester tuition was \$3,433.08. Non-resident tuition (including fees) was \$8,640.08 per semester.

**Financial Support.** At the onset of this program, the college provides financial assistance for three graduate students with one-quarter time research assistantships. Students who receive assistantships were automatically charged resident tuition rates and their in-state tuition is decreased by another 25 percent. These students also receive a monthly stipend of \$718 per month. When the MAcc program was started, the dean's office support provided three one-fourth-time assistantships. In 2004-05, they decided to no longer promise this support on an annual basis to the MAcc program.

### MAcc Program—Statistics and Trends from 2000 through 2004

The college tracks recruitment, enrollment, demographic, and employment information for the MAcc program. Table 1 summarizes information regarding how many applications, admissions, and actual number of students that register for classes in the MAcc program. In 2001-2002, 20 out of 29 students (69%) eventually registered for classes. These percentages dropped off to 53 percent and 43 percent in 2003-2004 and 2004-2005, respectively.

Table 2 provides enrollment trends for the first five years of the program. The enrollment numbers show a gradual increase over the first four years, then a sharp decline of 27 percent in 2004-05. Table 3 indicates that there was a slight increase in the number of students graduating over the first four years. Based on

	2006-07		2005-06		2004-05		2003-04		2002-03		2001-02		2000-01	
	#	Yield	#	Yield	#	Yield	#	Yield	#	Yield	#	Yield	#	Yield
Application	42		58		32		44		45		31		15	
Admission	34	81%	49	84%	28	88%	40	91%	36	80%	29	94%	15	100%
Registration	29	85%	35	71%	12	43%	21	53%	24	67%	20	69%	15	100%

Table 1: MAcc program recruitment, 2000-2007.

the number of students being enrolled and the number of students graduating, several students were taking more than a year to graduate.

Table 4 shows the profiles for MAcc students over the first five years. The profiles of graduate students in the MAcc appear to be fairly consistent from year to year. The average GPA and GMAT are approximately 3.25 and 560, respectively. Finally, Table 5 presents the employment statistics for MAcc students from 2001-02 through 2004-05. The employment opportunities for students from the U.S. have been consistently excellent, while the same opportunities for international students have been poor but improving over the first three years.

### What Issues Faced the Director?

In 2004, this MAC Program and its director faced several significant issues:

1. How to recruit more students to the program without a recruiting budget.
2. How to increase the percentage of admitted students that actually regis-

ter for the program. Based on Table 2 the college was recruiting the wrong students.

3. How to increase the number of undergraduate students to apply and register for the MAC program.
4. How to improve the number of potential graduate assistants available for the MAC students. This became even more important when the College of Business decided it would withdraw its support for the MAC program.
5. How to improve the quality and make the program more competitive with other schools.

### Addressing the Above Issues

When Cyndie Jeffrey stepped down as the director in 2004, she recommended that we drop the GMAT requirement for undergraduate accounting majors at Iowa State University with a cumulative GPA in excess of 3.25. This suggestion has proven to be a great move in increasing the number and quality of students entering the program.

Predicting success using prior GPAs make sense. Bouillon, Doran, and Smith (1990) and Doran, Bouillon, and Smith (1991) found that a student's cumulative GPA is a good predictor of success in both accounting principles classes, while the grade in accounting principles one is also an excellent predictor of a student's performance in second accounting principles course. Meanwhile, Yang and Lu (2001) determined that undergraduate GPA is very useful in predicting academic performance in an accredited MBA program. Sulaiman and Mohezar (2006) also found that student's undergraduate grades are the best predictors of their MBA performance followed by the undergraduate discipline. They found that age, ethnicity, gender, and years of work experience had no bearing on academic performance.

There are mixed results pertaining to the GMAT score as a predictor. Wright and Bachrach (2003) discovered a potential bias against females when using GMAT scores for admissions to MBA programs. Further, Hancock

	Projected 2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Students enrolled	56	49	47	27	37	32	20	6
% change	14.3%	4.4%	74.1%	(27.0%)	15.6%	60.0%	25.0%	

Table 2: MAcc program enrollment, total students, 2000-2007, fall semester.

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Degrees granted	28	26	14	16	10	8
% change	8.7%	85.7%	(-12.5%)	60.0%	25.0%	

Table 3: MAcc degrees granted, 2001-2007.

(1999) discovered that while women performed significantly lower on the GMAT, their overall MBA performance was similar to that of the male students. These results supported our decision to eliminate GMAT scores for our best students at Iowa State University. We do expect our students to have a cumulative undergraduate GPA of 3.25 at Iowa State University in order to avoid the GMAT examination.

Koys (2005) discovered that GMAT scores were a valid predictor of academic performance in an MBA program for international students. This provides support for us to continue to use the GMAT score for all international student and domestic student applications from other universities.

A second step that was used to recruit Iowa State Students was open

communications with the undergraduate advising office, the undergraduate career services office, the honors office, and with Beta Alpha Psi. We had very open discussions with these groups pertaining to the MAcc degree. It was expressed to them that a student going after his or her CPA certification would be better off if they completed the MAcc degree rather than do a double major. Additionally, these groups were asked to identify students early and send them to the director so they could plan to do this as efficiently as possible.

By eliminating the GMAT test score for the best students and promoting the MAcc internally, we were able to lower the barriers for our best students. Additionally, the MAcc degree is now known as the "hot degree" among the good accounting students. These two steps

increased the number of applications, admitted students registering percentage, enrollments in the program, and the number of MAcc degrees offered. In 2006-07 the admission percentage was down, but the overall registration of admissions was 85 percent. The number of MAcc degrees granted in 2006-07 was 28, which is twice the number granted just two years prior. Currently, enrollment in the program is at record levels.

The new director's quest to increase the number of graduate assistantships available to MAcc students was achieved by:

1. Making sure that his own graduate assistant was a MAcc student. This was used to support two students since one of them was on an internship in the spring.

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
GPA	3.38	3.41	3.37	3.26	3.47	3.19	3.29
GMAT	580	568	575	574	550	562	553
TOEFL	252	250	267	243	---	---	---
Average age	27	27	24	27	26	28	31
% Female	59%	34%	33%	29%	33%	50%	75%
Yrs. work experience	1.5	1.6	0.6	3.0	2.0	4.0	6.3
% international	47%	34%	25%	52%	38%	28%	25%
# countries represented	6	6	3	6	7	3	2

Table 4: Profile of MAcc students, 2000-2007, fall semester.

% employment at graduate and 3 months after graduation										
	2005-06		2004-05		2003-04		2002-03		2001-02	
	Grad	3 mos	Grad	3 mos	Grad	3 mos	Grad	3 mos	Grad	3 mos
All Students	86%	90%	73%	82%	80%	80%	88%	100%	86%	100%
US	100%	100%	86%	100%	100%	100%	100%	100%	86%	100%
Int'l	57%	71%	50%	50%	0%	100%	0%	25%	NA	NA

Table 5: MAcc student employment, 2001-2007.

2. Making sure that assistantships given to accounting faculty from the College of Business were MAcc students. This supported four MAcc students. Two for a full year and two for a half of year.
3. Working with the Vice-President of Finance and providing a MAcc student that would work with the hockey team's finances.
4. Working with the athletic director and providing a MAcc student/former athlete an opportunity to work in the athletic department.
5. Working with the Accounting Advisory Board to increase unrestricted funds to the accounting department. Two MAcc students were provided a half of year of support from these development funds.

The department helped 10 students in 2006-07! The director is continually searching for new avenues to increase funding. He continues to work with the Accounting Advisory Board to develop additional funds for named graduate scholarships and assistantships. In 2007-08, there will be two students benefiting from a half-year assistantship provided from John Deere funds. The director continues to work with the college to provide graduate assistants to accounting faculty that have an accounting background. Therefore, we have been negotiating with the college for the four assistantships that we received last year. Another student will work with the Vice President of Finance Office and the finances of the hockey team. There were additional contacts with other organizations on campus to provide additional assistantships for MAcc students. These contacts were made with the offices of the athletic director, the vice president of finance, the controller and the university's foundation. Two assistantships were secured through this process along with a possibility of two more next semester. Finally, a new database is being kept pertaining to MAcc graduate assistants obtained next year. This database will increase our chances at keeping a MAcc student in each of these positions next year. The fall

2007 began with seven students on full-year one-fourth-time assistantships and another six students receiving half-year assistantships. Another four half-year assistantships are available for the spring semester. At a minimum, there will be a 30 percent increase. More realistically, we are expecting to see a 50 to 70 percent increase in students receiving partial or full assistantships in 2007-08.

Finally, a shortcoming of the program was that it has a two credit-hour creative component requirement. After a thorough study of competing programs, it was determined that the creative component was a deterrent for many students to apply to the MAcc program. In 2007, the creative component was officially eliminated as a requirement of the degree.

### Conclusion

It is amazing what this MAcc program and its directors have accomplished in this short period of time. While the 150-hour requirement appeared to create an obstacle, it has been able to make it a positive situation for the students. It has developed a culture at this university that makes the MAcc degree important. Its students are made aware of this program the first day that they become an accounting major, or from the first day they take an accounting class. They hear it from faculty, undergraduate advisors, career services, and BAP members. If they are going to be a CPA and meet the 150-hour requirement, then the MAcc is the best way to go. Why should an accounting student who is planning to go into public accounting do anything else?

Since this college's good students are the best candidates for this program, it has lowered the barriers for them to enter. All accounting majors at this university with a GPA of 3.25 or greater will not have to take the GMAT examination. We have been very creative in developing new graduate assistantship opportunities for our students. The creation of a new database, and the process of contacting the offices of the athletic director, the vice president of finance, the controller and the university's foundation, has provided

the MAcc program with several additional graduate assistantship opportunities across campus. It makes sense to hire a MAcc student for accounting related positions. Every struggling MAcc program can implement these simple steps and will potentially increase the quality and quantity of students in its program!

### Endnotes

1. California, Delaware, New Hampshire, Vermont and the Virgin Islands had not enacted the 150-hour requirement as of this date. See Boone and Coe (2002, pages 256 and 257). Colorado did enact the 150-hour requirement but later repealed it before the law became effective. See Colbert and Murray (2001, page 189).
2. Cyndie Jeffrey was the original director of the MAcc program and provided the initiative to develop and implement the program. She stepped down in 2004.
3. On July 1, 2004, Marv Bouillon took over as the director.
4. The creative component was a requirement for most new masters programs at Iowa State University without these. When the MAcc started in 2000, the MBA was the only masters program without a creative component or a thesis. Since then, the College of Design has added a master degree program without a creative component.
5. International students traditionally take longer.
6. There were only three MAcc students that received graduate assistantships before July 1, 2004. These assistantships are no longer guaranteed for MAcc students because the College of Business has removed its support for the MAcc program.

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See **DEANS' PERSPECTIVE**, page 28

### Strategy 2: Network at Conferences

Students should not rely on faculty bringing visitors to their university as a means to build a network; instead, they should make time to get to know other faculty and doctoral students from other schools at conferences. Informal social connections are a good way of identifying job and research opportunities.

### Strategy 3: Choose Service Opportunities Wisely

Choose service that yields long term benefits. A senior scholar suggested that assistant professors use the following heuristics:

- Service should not be neglected, but don't get carried away.
- Some service assignments are really rewarding. Even if you don't do a perfect job, if you put in a little time, it will look like gold. Very often you can

spend a small amount of time and it is really appreciated.

- You should be saying "no" quite regularly or you're taking on too many responsibilities. Some of them are worthwhile (e.g., being AE for MISQ). Some are not (writing chapters for certain encyclopedias or reviewing for conferences you don't want to attend).
- Don't let flattery get you to say "yes." See previous bullet.

### Teaching Strategy: Managing Time Efficiently

Our colleagues offered only one teaching strategy: faculty should manage their time efficiently. Faculty differ in how much time they invest in teaching—from six hours to 20 hours a week. Keep in mind that teaching excellence is necessary, but not sufficient, to earn tenure at

nearly every university. As one senior professor said, "Teaching is increasingly important. It pays the bills. But it is a black box and can consume inordinate time. As long as students are not complaining to the dean...."

### A Final Note: Prioritization is Key

Prioritizing one's time is crucial, as many assistant professors estimate that they dedicate around 55 hours a week to their job. Guidelines faculty should consider are: using their time carefully, paying attention to their university's values, setting priorities, and then planning out their life. As faculty approach tenure, they should keep in mind that balancing the demands of their professional life with their personal life is important, and there are many different paths towards achieving this goal. ■

### DEANS' PERSPECTIVE, from page 23

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