

**An Engaged Learning Project Incorporating the CGMA Framework Knowledge Skills,
Pathways Commission Learning Objectives, and AICPA Framework Core Competencies
Utilized in an Accounting II (III) Course at Two Universities**

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TABLE 1
Financial Statement Analysis Project Score Results

	Exam II (before the engaged learning project)	Final Exam (after the engaged learning project)	
	Midwest	Midwest	Southwest
Mean Score	81.17%	91.00% *	56.06%
Median Score	83%	100%	64%
Range	100% - 42%	100% - 55%	100% - 9%

*Significant difference Midwest Final Exam > Midwest Exam II at $p = .01$

TABLE 2
Pathways Commission Learning Objectives and AICPA Core Competencies
Student Experiences During Intermediate Accounting II (III) Project

Answer the following questions. Please indicate if you believe the items listed below (1 – 56) were accomplished by your team report, individual report, team presentation, individual presentation, and peer evaluation form using the following code: **SA** (strongly agree), **A** (Agree), **N** (Neutral), **D** (Disagree), or **SD** (Strongly Disagree).

[Note: A 5-1 Likert scale was used with 5 being strongly agree.]

	Midwest Mean	Southwest Mean	Learning Objectives & Core Competencies
1	4.43	4.19	Organizes and evaluates information and alternatives
2	4.29	4.13	Identifies what needs to be measured
3	3.86	4.44	Presents the measurement results objectively using applicable standards of disclosure or reporting
4	3.86	4.19	Resolves ambiguities when estimates are required
5	4.14	4.31	Prepares reports with objectivity, conciseness and clarity
6	4.14	4.00	Describes work performed and conclusions reached in a manner that enhances the reports' usefulness
7	3.86	4.19	Employs appropriate media in report preparation and presentation
8	4.00	4.19	Identifies relevant information such as industry trends, internal performance history, benchmarks, and best practices
9	3.86	4.25	Accesses appropriate electronic databases to obtain decision-supporting information
10	4.00	4.13	Evaluates information in a manner free of distortions, personal bias or conflicts of interest
11	3.86	4.19	Respects confidentiality
12	4.00	4.00	Commits to quality and efficiency
13	3.86	4.13	Objectively considers others' professional criticism or evaluation
14	4.00	4.13	Adheres to a level of personal appearance appropriate to the environment
15	4.00	3.94	Makes valid and reliable evaluations of information
16	3.71	4.13	Uses experience and comparison in forming opinions
17	4.00	4.50	Evaluates the significance of evidence or facts
18	4.00	4.25	Seeks consensus where appropriate
19	4.00	4.19	Knows when to follow directions, question plans or seek help
20	4.00	4.13	Recognizes the value of working within diverse, cross-functional teams
21	4.00	4.25	Interacts and cooperates productively and maturely with others
22	4.00	4.25	Facilitates free expression and constructive activities of others
23	4.00	4.00	Coaches or mentors in appropriate circumstances

	Midwest Mean	Southwest Mean	Learning Objectives & Core Competencies
24	4.14	4.31	Commits to achievement of common goals when working on a team
25	4.14	4.31	Recognizes and accommodates the protocols and expectations of teams
26	4.00	3.86	Motivates others to achieve excellence
27	4.00	4.19	Rallies the support of others to accomplish objectives
28	4.00	4.25	Values inputs and points of view of others and responds appropriately
29	4.00	4.19	Facilitates development of consensus or compromise as appropriate
30	4.00	3.88	Persuades others to a course of action by reasoning or incentive
31	3.86	3.81	Practices principles of effective governance
32	4.43	4.13	Organizes and effectively displays information so that it is meaningful to the receiving party
33	3.86	4.06	Expresses information and concepts with conciseness and clarity when writing and speaking
34	4.00	3.88	Receives and originates direct and indirect messages as appropriate when listening, reading, writing and speaking
35	4.14	4.19	Uses interpersonal skills to facilitate effective interaction
36	4.00	4.19	Places information in appropriate context when listening, reading, writing and speaking
37	4.14	4.19	Selects appropriate media for dissemination or accumulation of information.
38	4.00	4.19	Determines project goals
39	4.00	4.13	Prioritizes and delegates as needed
40	4.00	4.06	Effectively manages human resources that are committed to the project
41	4.00	3.56	Measures project progress
42	3.86	4.13	Takes corrective action as needed
43	4.14	4.06	Sees projects through to completion or orderly transition
44	4.14	4.13	Exchanges information using appropriate communication technologies such as e-mail and discussion boards
45	3.86	4.19	Identifies strengths, weaknesses, opportunities, and threats associated with a specific scenario, case, or business activity
46	4.29	4.00	Transfers knowledge from one situation to another
47	4.00	4.06	Analyzes and prepares strategic information (e.g., market share, customer satisfaction, competitor actions, product innovation, etc.)
48	3.71	4.00	Identifies the economic, broad business, and financial risks of the industry/sector
49	4.00	4.00	Communicates the financial and nonfinancial performance of an organization's operational processes
50	3.57	3.94	Describes the legal and governmental/regulatory environment in which entities operate and the significant costs and benefits of regulation
51	NA	4.06	Identifies factors that motivate internal and external customers to enter into relationships or continue doing business with an organization
52	4.00	4.06	Search electronic data sources for business and industry information

TABLE 3
Pathways Commission Common Body of Knowledge Learning Objectives
Students' Opinions of an Intermediate Accounting II (III) Project

Pathways Commission Common Body of Knowledge Learning Objectives		MW	SW
ACCOUNTING COMPETENCIES:		Mean Scores	
	External reporting and analysis ⁽¹⁾	4.17	3.98
	Planning, analysis, and control ⁽²⁾	4.07	4.11
	Professional values, ethics, and attitudes ⁽³⁾	4.09	3.90
PROFESSIONAL FOUNDATIONAL COMPETENCIES:			
	Communication ⁽⁴⁾	4.08	4.12
	Human relations ⁽⁵⁾	4.02	4.16
	Technology ⁽⁶⁾	4.09	4.11
BROAD MANAGEMENT COMPETENCIES:			
	Leadership ⁽⁷⁾	4.09	4.11
	Governance, risk management, and compliance ⁽⁸⁾	3.93	3.94

⁽¹⁾ Table 2-Questions 1, 2, 4, 9, 18, 20, 50, 52, 53, 54, & 56

⁽²⁾ Table 2-Questions 3, 7, 15, 18, 20, 52, & 54

⁽³⁾ Table 2-Questions 11, 13, 24, 25, 26, 34, 35, 53, & 54

⁽⁴⁾ Table 2-Questions 37, 38, 40, 41, 42, 54, & 61

⁽⁵⁾ Table 2-Questions 14, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, & 36

⁽⁶⁾ Table 2-Questions 32, 52, & 53

⁽⁷⁾ Table 2-Questions 16, 17, 24, 26, 27, 28, 30, 31, 32, 33, 34, 43, 44, 45, 46, & 47

⁽⁸⁾ Table 2-Questions 32, 52, & 53

EXHIBIT 1

Financial Statement Analysis Project Requirements

- *I. Compute for each company the following ratios for the two most recent years (e.g., 2018 and 2017): Use the definitions of the ratios given in Chapter 24 – Appendix 24A (p. 1317) of your textbook. For each ratio, state the formula and show supporting calculations.

<u>Liquidity</u>	<u>Activity</u>	<u>Profitability</u>	<u>Coverage</u>
Current ratio	Receivables turnover	Profit margin on sales	Debt to total assets
Quick ratio	Inventory turnover	Rate of return on assets	Times interest earned
	Asset turnover	Rate of return on common stock equity	

- *II. Answer the following questions based on your financial statement ratio analysis results in Part I above. Briefly state underlying reasoning for each of your answers.

1. Which company is in a more liquid position to pay off its current liabilities?
2. Which company has the more favorable accounts receivable turnover trend?
3. Which company has the more favorable inventory turnover trend?
4. Which company has the more favorable asset turnover trend?
5. Which company has the more favorable return on sales trend?
6. Which company has the more favorable return on assets trend?
7. Which company has the more favorable return on common stockholders' equity trend?
8. Which company is in a better position to issue additional long-term debt (e.g., bonds)?
9. From the point of view of bondholders, which company is in a better position to pay its interest expense each year?

- *III. Answer the following questions based on the information given in each of your company's annual reports and/or SEC Form 10-Ks for the most recent year (e.g., 2018).

1. Based on the income statement for each company, describe gains or losses from discontinued operations
2. What are each company's basic and diluted earnings per share?
3. What inventory methods for each type of inventory does each company use?
4. What depreciation methods are used for each asset category by each company?
5. Describe any impairment loss disclosed for each company.
6. Based on the cash flow statement, which method is used by each company to calculate cash flows from operating activities (direct method or indirect method)?
7. Based on the cash flow statement, what is the amount of cash flows for each company from: Operating activities? Investing activities? Financing activities?
8. What new FASB updates have been adopted by each company as indicated in their most recent annual (e.g., 2018) financial statements?
9. What segments are used by each company for financial reporting? Which company's segmented reporting do you prefer? Why?
10. Which CPA firm audits each company's financial statements? Describe any unusual situation cited in the CPA firm's audit report.
11. Does each company prepare a "Sustainability" or "Responsibility" Report? If yes:
 - a. Is the report incorporated in the annual report or is it a separate report?
 - b. What topics are included in each company's Sustainability or Responsibility Report?
 - c. What was the company's greatest accomplishment regarding sustainability?
12. Which company is more favorable toward improving/maintaining the environment? Explain.
13. Which company is more concerned about social or community activities? Explain.

14. The SEC (as mandated by Section 406 of the Sarbanes-Oxley Act of 2002) requires the company to disclose whether it has a Code of Ethics. If the company does not have a Code of Ethics, it must disclose why a Code of Ethics has not been developed.
- Do each of the companies have a Code of Ethics? **Hint:** Check the SEC Form 10-K Report for each company.
 - If the company does not have a Code of Ethics, give the company's reason(s) why a Code of Ethics has not been developed.
 - For each company indicate whether its Code of Ethics has the following characteristics: Accountability, Honesty, Integrity, Leadership, and Responsibility.
 - Which of the following theories best characterizes each company's Code of Ethics?
 - Stockholder Theory** – Companies are responsible only to stockholders, that is, employees' actions are focused on maximizing stockholder wealth within the law.
 - Stakeholder Theory** – Companies are responsible to all individuals, groups, etc. that have a stake in the company; not only to stockholders.

*IV. Answer the following questions based on the information contained in each company's most recent Form 10-Q Reports (interim reports) filed with the SEC.

- What is the Total Current Assets for each company?
- What is the Total Liabilities and Stockholders Equity for each company?
- What is the Net Sales for each company?
- What is the Net Earnings for each company?
- What is the Net Cash Provided by Operating Activities for each company?

**V. Overall, in which company would you prefer to invest? Briefly state your reasoning. Limit your reasoning to no more than one page.

VI. For the oral presentation each student on each team must participate in making the presentation.

*One set of answers for each team.

**Individual report to be prepared by each student on each team.