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**TOPIC:** University of Maryland, College Park: Master of Science in Accounting (MSA)

**COMMITTEE:** Education Policy and Student Life

**DATE OF COMMITTEE MEETING:** March 11, 2014

**SUMMARY:** This proposal is a continuation of a larger effort to disaggregate the concentrations in the M.S. in Business (MSB) that started in Fall 2013 with the degree in Finance. Three other concentrations will also be proposed for conversion to standalone programs: Information Systems, Market Analytics, and Supply Chain Management. Separation of the concentrations within the MS in Business will allow students to pursue more than one area of expertise for those who desire to do so. This proposed program would replace the existing MSB concentration in Accounting. No curricular changes are anticipated, but offering a separate degree with the word “Accounting” in the title will better articulate on the diploma the credentials of students graduating from the program and make them more competitive in international markets where the degree in Accounting is more common. The Smith School also offers a joint MSB/Accounting-MBA degree and thus the University also seeks to convert this option to a joint MBA-MSA program.

There are three other programs within the University System of Maryland that have some curricular overlap with the proposed MSB in Accounting. The University of Maryland University College (UMUC) offers two 36-credit, online Master’s degree programs, in Accounting and Financial Management, and in Accounting and Information Systems. These programs target those who wish to develop expertise in several areas within the context of their workplace or organization, rather than focusing in depth on the single area of accounting and auditing as within our program. Towson University and the University of Baltimore’s Merrick School of Business offer a joint program in Accounting and Business Advisory Services that can be taken either face-to-face or online. As with UMUC’s curriculum this program covers not only accounting but a broader array of business services. The University of Baltimore also offers a Master of Science in taxation, unique within the state, oriented towards tax advisors in the legal and accounting professions. This program has as prerequisites a more in-depth knowledge of accounting that is not assumed for entry into our program – it is thus more specialized. Given the high demand for graduates with expertise in accounting and noting that these curricula have all co-existed within the state for many years, there is no anticipated increase in competition for students.

**ALTERNATIVE(S):** The Regents may not approve the program or may request further information.

**FISCAL IMPACT:** There is no fiscal impact.

**CHANCELLOR’S RECOMMENDATION:** That the Committee on Education Policy and Student Life recommend that the Board of Regents approve the proposal from the University of Maryland, College Park to offer the Master of Science in Accounting.

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**COMMITTEE RECOMMENDATION:** Approval

**DATE:** March 11, 2014

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**BOARD ACTION:**

**DATE:**

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**SUBMITTED BY:** Joann Boughman

301-445-1992

[jboughman@usmd.edu](mailto:jboughman@usmd.edu)

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**UNIVERSITY SYSTEM OF MARYLAND INSTITUTION PROPOSAL FOR**

- New Instructional Program
- Substantial Expansion/Major Modification
- Cooperative Degree Program
- Within Existing Resources, or
- Requiring New Resources

**University of Maryland College Park**

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Institution Submitting Proposal

**Master of Science in Accounting**

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Title of Proposed Program

**Master of Science**

**Fall 2014**

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Award to be Offered

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Projected Implementation Date

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Proposed HEGIS Code

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**52.0301**  
Proposed CIP Code

**Robert H. Smith School of Business**

**Stephen E. Loeb**

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Department in which program will be located

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Department Contact


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**(301) 405-2207**  
Contact Phone Number

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**sloeb@rhsmith.umd.edu**  
Contact E-Mail Address

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Signature of President or Designee

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**February 17, 2014**  
Date

## **Mission**

The University of Maryland College Park mission statement includes a goal to “continue to build a strong, university-wide culture of graduate and professional education” and to provide knowledge-based programs and services that are responsive to the needs of the citizens of the state and the nation. The Robert H. Smith School of Business promotes this mission through its objective to grow future leaders to address the increasingly relevant global issues of our time. As part of this goal, the Smith School currently offers an internationally competitive Master of Science in Business degree with several concentrations, one of which is a concentration in Accounting (MSBA). ***This proposal is to replace the MSBA with a standalone degree program with the title Master of Science in Accounting (MSA). No curriculum changes are anticipated,*** but offering a separate degree with the word “Accounting” in the title will better articulate on the diploma the credentials of students graduating from the program and make them more competitive in international markets where the degree in Accounting is more common.

This proposal is a continuation of a larger effort to disaggregate the concentrations in the M.S. in Business, that started in Fall 2013 with the degree in Finance. Three other concentrations will also be proposed for conversion to standalone programs: Information Systems, Market Analytics, and Supply Chain Management. These will be submitted as separate proposals. Separation of the concentrations within the MS in Business will allow students to pursue more than one area of expertise for those who desire to do so.

The Smith School also offers a joint MSBA-MBA degree and thus we also seek to convert this option to a joint MBA-MSA program.

## **Characteristics of the Proposed Program**

UMD’s MS in Business is a 30-credit program, with approximately 160 new students admitted per year into the Accounting concentration (100 at College Park and 60 at the Universities at Shady Grove). Approximately the same level of enrollment is expected in the MSA degree program. The current curriculum offers a vehicle for students to complete the 30 credits beyond the baccalaureate degree necessary for the CPA certification in most states: students will still need to review individual State regulations for specific other needed requirements to be eligible to take the CPA examination and for CPA licensure.

Applicants will apply to the University of Maryland Graduate School and must have completed all of the requirements for a baccalaureate degree prior acceptance, with particular emphasis on a sufficient mathematical background. All applicants must submit: a) transcripts from all undergraduate and graduate institutions that have been previously attended; b) Graduate Record Examination (GRE) scores or the Graduate Management Admissions Test (GMAT) scores (now an optional requirement); c) a complete online application form that includes a written essay articulating qualifications and motivation for pursuing advanced education; and d) two letters of recommendation from supervisors or from professors competent to judge the applicant’s probability of success in graduate school.

Another standardized test in lieu of the GRE or GMAT can be substituted at the discretion of the Academic Director.

After initial screening, the Smith School Admissions Office may select candidates for interviews which may be done in person, by telephone, or via the internet (e.g., Skype). Proof of English language proficiency (TOEFL or IELTS official scores) is also required unless the applicant has received an undergraduate or graduate degree from a select list of countries. For international students requiring an F1 visa, a completed certification of finance form and supporting financial documentation are required.

### **Catalog Description**

Graduates from the Master of Science in Accounting program gain the leading-edge knowledge and skills they need to bring exceptional value to their firms in today's high-stakes accounting arena - and earn an advanced accounting degree from one of the world's leading business schools. The curriculum is relevant, practical, and applicable, focusing on such key issues as: internal audit application and practice, current trends in corporate governance, the role of managerial accounting in overall management planning and control structure, fraud prevention, deterrence, detection, and control, and IT security, IT controls and IT auditing.

### **Curriculum**

The Master of Science in Accounting (MSA) degree is a professional degree for students wishing to pursue careers in accounting and auditing. The Accounting curriculum is currently offered on the College Park campus as well as at the Universities at Shady Grove. The program requires 22 credits of required core courses and 8 credits of electives for students in the auditing track. Students with other interests will have 16 credits of core coursework and 14 credits of electives. Completion of the degree is feasible within one academic year, although many students may choose to spread their coursework over 16 months. Students enrolled in the part-time program at the Universities at Shady Grove will take 16 months. Sample student schedules and course descriptions are provided in Appendix A.

While not required, some students may pursue the option of writing a master's thesis as part of reaching their 30 credit hours requirement. Others may take advantage of experiential learning opportunities for course credit. In both cases, such credit would be limited to 6 credit hours, be overseen by a faculty member, and follow the Graduate School's guidelines for the Master's degree with thesis.

### **Expected Learning Outcomes**

The proposed MSA program offered by the Robert H Smith School of Business will provide students with:

- a) comprehensive knowledge of foundational financial concepts, products, and financial market structure necessary for engaging in any form of financial analysis;

- b) in-depth understanding of estimating value creation on the part of private enterprises;
- c) the ability to measure and manage trade-offs between risk and return;
- d) analytical skills including detailed financial modeling, the ability to design and empirically estimate financial relationships, and the creation of financial statements and forecasts;
- e) knowledge of the legal and ethical issues related to financial management and an understanding of the role of all stakeholders when capital allocation decisions are made;
- f) an understanding of the regulatory structure of financial markets and the role that policymakers and regulators play in the efficient operation of financial markets;
- g) accounting and auditing skills that will endure beyond the next business cycle and that will enable institutions to endure and thrive, even during times of economic downturn; and
- h) expertise in financial management that will make graduates valuable contributors to a variety of employers and organizations in diverse communities.

A description of how the program outcomes will be organized and assessed is included as Appendix B. While the University of Maryland's Robert H. Smith School of Business is accredited by the American Association of Collegiate Schools of Business (AACSB), no specialized accreditation is sought for this program.

#### **Other programs within the state of Maryland**

There are three other programs within the University System of Maryland that have some curricular overlap with our MSB in Accounting. The University of Maryland University College (UMUC) offers two 36-credit, online Master's degree programs, in Accounting and Financial Management, and in Accounting and Information Systems. These programs target those who wish to develop expertise in several areas within the context of their workplace or organization, rather than focusing in depth on the single area of accounting and auditing as within our program. Towson University and the University of Baltimore's Merrick School of Business offer a joint program in Accounting and Business Advisory Services that can be taken either face-to-face or online. As with UMUC's curriculum this program covers not only accounting but a broader array of business services. The University of Baltimore also offers a Master of Science in taxation, unique within the state, oriented towards tax advisors in the legal and accounting professions. This program has as prerequisites a more in-depth knowledge of accounting that is not assumed for entry into our program – it is thus more specialized. Given the high demand for graduates with expertise in accounting and noting that these curricula have all co-existed within the state for many years, we do not anticipate any increased competition for students.

Nationally, similar Master of Accounting programs offered by peer institutions for which we do compete for students include the University of Texas Austin, University of Michigan, University of North Carolina, University of Southern California, Indiana University, and Ohio State University. Most major research institutions with a business school offer a program in professional accounting.

## **Academic Oversight, Quality Control and Student Services**

Primary oversight of this program will be provided by a faculty member assigned as the academic director of the program. Program oversight would also include the chair of the Accounting and Information Assurance Area (AIA), an AIA area oversight committee, a Smith School oversight committee, and the Dean's office.

The accounting area of the Robert H. Smith School of Business currently has 18 FTE faculty. Sixteen of these are tenure/tenure track or Tyser Teaching Fellows (full-time lecturers). These sixteen full-time faculty members have doctoral degrees in economics, accounting, information systems, or business. The adjunct instructors have the following degrees: MBA (4), MS (1), JD (1), and MAT (1) (B.S., CPA). Two additional faculty members with expertise in Management and Organization will also teach in the program.

## **Method of Delivery**

Currently, the program is structured to be entirely delivered in a traditional classroom setting. Over time, we may evaluate online and/or blended learning opportunities. Should courses move to an online format, the guidance outlined in COMAR 13B.02.02.22C: "Principles and Guidelines for Distance Education Programs" will be followed.

In addition to holding classes on the College Park campus, we plan to continue to offer this curriculum at the Universities at Shady Grove, the latter of which is delivered to students wishing to pursue their degree on a part-time basis. Both facilities already contain adequate classrooms, computer facilities, study rooms, and administrative space for academic advising, career advising, and student activity support.

## **Commitment to Diversity and the State's Minority Achievement Goals**

The Robert H. Smith School of Business community is multifaceted at every level – students, staff and faculty represent a diverse blend of backgrounds, nationalities, ethnicities and experiences. About a dozen Smith School and student clubs are focused on bringing members together who have similar interests in gender, nationality, religion, and sexual orientation. Current efforts include a wide range of recruiting efforts, including visits to academic program fairs, use of social media, visits to U.S. colleges and universities, presentations at professional conferences, and participation in Graduate Business Education events targeted for populations typically underrepresented in graduate business programs, particularly U.S. minorities and women. Future efforts will include targeted recruiting towards military families and veterans, highlighting of alumni and current graduate students who reflect a more diverse population.

## **Resources and Finance**

Because this program replaces a current concentration within another program and we do not at this time anticipate growing it beyond its current scale, no additional courses, changes in advising, physical resources, or administrative workload are anticipated. Approval of this proposal would not alter the responsibilities of the faculty beyond those already generated by the existing Masters of Science in Business and Management with a concentration in accounting program that this proposal seeks to replace. The President assures that institutional library resources meet new program needs.

## Appendix A: Course Descriptions

### Sample Student Schedule

Below are tables showing how a typical MSA student can complete the required coursework over a one-year period as a full-time student and over a two-year time period as a full-time or part-time student.

#### Student Schedule for Full-time MSA (Master of Science in Accounting) completed in one year

Fall A	Fall B	Spring C	Spring D
BUAC 780*	BUAC 784*	BUAC 790**	BUMO 796**
BUAC 782**	BUAC 786	BUMO 794*	BUAC 787

Summer I	Summer II
BUAC 792*	BUAC 765*
Elective(s)	

#### Student Schedule for Full-time MSA (Master of Science in Accounting) completed in 16 months

	Fall A	Fall B	Spring C	Spring D
<b>First Year</b>	BUAC 780* BUAC 782*	BUAC 784* BUAC 786	BUAC 790** BUMO 794*	BUMO 796** BUAC 787
<b>Second Year</b>	BUAC 792* Elective(s)	BUAC 765* Elective(s)		

\*Core MSA Course

\*\*Core for Auditing track

#### Student Schedule for Part-time MSA (Master of Science in Accounting) completed in 16 months at the Shady Grove campus

	Fall	Spring	Summer
<b>First Year</b>	BUAC 780* BUAC 782* BUAC 784*	BUAC 786 BUAC 790** BUMO 794*	BUAC 792* BUMO 796**
<b>Second Year</b>	BUAC 787 BUAC 765* Elective(s)		

\*Core MSA Course

\*\*Core for Auditing track



## Core Courses

**BUAC 765 Business Ethics for Accountants and Auditors (3):** This course considers all facets of business ethics issues within an accounting and auditing context. Ethical theory, corporate social responsibility, and individual decision-making are considered. Some of the applied topics that may be covered in this course include, but are not limited to, intellectual property issues, corporate downsizing, outsourcing, global ethics, crises management, and employment ethics.

**BUAC 780 Financial Statement Analysis for Accountants and Auditors (3):** This course provides a framework for using a firm's financial statements to perform a comprehensive analysis of the firm's operating performance, cash management, and financial position as well as to value the firm and to detect earnings management. It includes an overview of the accounting and auditing standard setting framework, and the relevance of U.S. GAAP as well as International Financial Reporting Standards (IFRS) to accounting recognition, measurement, presentation, and disclosure. The course also identifies the analytical relevance of a selected set of more advanced accounting topics (e.g., consolidated financial statements and foreign currency issues).

**BUAC 782 Advanced Managerial Accounting and Control Systems (3):** This course focuses on topics that emphasize the role of managerial accounting in a firm's overall management planning and control structure. A key concern is to show how effective organizations ensure that the parts of the organization work together to create the whole, and how the sum of the parts, through synergy, can indeed be greater than the whole. This course has three specific objectives: (1) to ensure students' understanding of how planning and control systems can assist management in the attainment of the organization's strategic, as well as non-strategic, objectives; (2) to acquaint the student with the types of cost management systems typically required by management, and how the information is normally accumulated, reported and utilized; and (3) to explore the design of planning and control systems to facilitate effective decision-making. Through lectures, class discussions, and case studies, the course examines such topics as target costing, value chain analysis, activity-based costing, balanced-scorecard, accounting versus economic rate of return, and residual income (and its variant called economic value added).

**BUAC 784 Business Communications for Accountants and Auditors (2):** This course focuses on the art of communication and its effects on people, organizations, and other stakeholders. The course will focus on two aspects of business communications: persuasion and effective presentations. The objective for the persuasion sessions is to have students improve upon their day-to-day oral business communications skills. This will be accomplished as participants learn to tailor each communication to the person or people with whom they are speaking.

**BUAC 790 Information Security, Audit and Control (3):** This course builds on basic information technology (IT) courses, focusing on key issues including IT security, IT controls, and IT auditing. The course addresses issues such as auditing a computer information system; assessing risks; identifying control objectives; identifying appropriate audit procedures; learning the concepts and basic features or audit software thereby providing the tools for choosing audit software; conducting an operational audit basic controls over computer information systems; and developing world-class IT control frameworks (A core course for students in the internal auditing track.)

**BUAC 792 Forensic Accounting/Auditing (3):** This course provides a theoretical background and practical application of fraud examinations and corporate investigations. The course includes fraud prevention, detection, investigation, and related matters such as courtroom procedures. Also considered are topics such as the Foreign Corrupt Practices Act and securities fraud. A wide variety of teaching tools are used.

**BUMO 794 Essentials of Negotiation (2):** This highly experiential course will improve students' negotiation skills and capacity to acquire and effectively use bargaining power. By using a variety of assessment tools, feedback sources, skill-building exercises, and exercise debriefings, the class will increase students' negotiating self-confidence and improve their capacity to claim value and achieve win-win solutions to individual, team, and organizational problems. The course is designed to enhance students' negotiating self-confidence and improve students' analytical and decision-making skills (e.g., understanding bargaining zones, knowing when an agreement can be made and when to walk away; learning how to prepare for negotiations), interpersonal skills, creativity (e.g., identifying creative solutions to conflict), and persuasive abilities.

**BUMO 796 Leadership and Human Resource Management for Accountants and Auditors (3):** This course develops the concepts, frameworks, and skills that are important to be effective leaders and to successfully manage human resources. Topics for discussion include: Creating a motivating and empowering environment; leadership attributes, power and effective influence; building effective decision-making; strategic management of human resources; specification of the skills and competencies requisite for job success; recruiting and selecting employees to fit the job and the organization; measuring, appraising and improving job performance. All of the topics selected for discussion are critical ones that every professional needs to know, regardless of functional areas (not just HR professionals), and will help students become more effective consultants, managers and leaders. (A core course for students in the internal auditing track.)

### **Elective Courses**

**BUAC 786 Internal Auditing I: Conceptual and Institutional Framework (3):** This course provides students with an overview and basic understanding of internal auditing. Internal audit's role in internal control, risk management, business processes and risks, and Sarbanes-Oxley, Section 404 compliance efforts are considered. Internal auditing is presented as an integral part of effective corporate governance. Examples of assurance and consulting activities undertaken by the internal audit function, as well as the sourcing strategy (i.e., full in-sourcing, co-sourcing or full outsourcing models) are discussed. Students are introduced to internal control theory, test design concepts and internal auditing best practices.

**BUAC 787 Internal Auditing II: Internal Audit Application and Practice (3):** This advanced internal auditing course contains an in-depth coverage of the internal audit process. Students receive experience in planning and conducting internal audit assurance and consulting engagements. Also, students build on the theory and techniques introduced in Internal Auditing I, through practical, in-depth coverage of specific audit areas. Other matters covered include audit evidence, work papers, audit sampling, and communicating of engagement results. Internal auditing case studies are used to reinforce the learning process.

**Electives (2-8):** The Smith School will also provide students with a set of electives that are a reflection of demand and trends associated with the accounting area. Students can also choose to take electives outside the Smith School but only with the approval of the Program's Academic Director. The elective options will add flexibility to the program.

## **Appendix B: Student Learning Outcomes and Assessment**

<b>Learning Outcome 1</b>	Students will demonstrate proficiency in accounting and auditing concepts.
Measure:	All core courses are required to include a final exam or final project that ensures mastery of required program content.
Criterion:	Students must maintain a 3.0 GPA to remain in good academic standing. Failure to maintain a 3.0 jeopardizes continued enrollment in the program.
Assessment:	Every semester, all students will be evaluated to determine that they are maintaining necessary academic qualifications to remain in the program.
<b>Learning Outcome 2</b>	Students will attain skills that make them valuable contributors to employers and organizations.
Measure:	Student placement three months and six months after graduation.
Criterion:	65% of students will have full-time work within three months of receiving their degree and 90% will have full-time work within six months after graduation.
Assessment:	2017 and then every five years

<b>Table 1: Resources</b>			
<b>Resources Categories</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Reallocated Funds</b>	None	None	None
<b>2. Tuition/Fee Revenue (“a x d” below) *</b>	\$3,313,125	\$3,412,519	\$3,514,894
<b>a. FT Students</b>	155	155	155
<b>b. Credit Hour Rate</b>	\$1,425	\$1,467.75	\$1,512
<b>c. Annual Credit Hours</b>	15	15	15
<b>d. Annual Fee Rate</b>	\$21,375	\$22,016	\$22,677
<b>3. Grants, Contracts, &amp; Other External Sources</b>	None	None	None
<b>4. Other Sources</b>	None	None	None
<b>TOTAL (Add 1 - 4)</b>	\$3,313,125	\$3,412,519	\$3,514,894

\* The tuition/fee revenue is based a graduate tuition rate of \$1,425 per credit hour, as approved by the USM Board of Regents.

<b>Table 2: Expenditures</b>			
<b>Expenditure Categories</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1.Total Faculty* (b+c below)</b>	\$2,058,125	\$2,119,869	\$2,183,465
<b>a. #FTE</b>	8	8	8
<b>b. Total Salary</b>	\$1,646,500	\$1,695,895	\$1,746,772
<b>c. Total Benefits</b>	\$411,625	\$423,974	\$436,693
<b>2.Total Administrative(b+c below)</b>	\$74,643	\$76,882	\$79,189
<b>a. #FTE</b>	3	3	3
<b>b. Total Salary</b>	\$59,715	\$61,506	\$63,351
<b>c. Total Benefits</b>	\$14,929	\$15,376	\$15,838
<b>3.Total Support Staff (b+c below)</b>	\$692,638	\$713,417	\$734,819
<b>a. #FTE</b>	9	9	9
<b>b. Total Salary</b>	\$193,984	\$199,804	\$205,798
<b>c. Total Benefits</b>	\$48,496	\$49,951	\$51,449
<b>4. New or Renovated Space</b>			
<b>5. Student Services</b>	\$51,875	\$51,875	\$51,875
<b>6. Marketing</b>	\$50,000	\$50,000	\$50,000
<b>7. Recruiting &amp; Admissions</b>	\$45,000	\$45,000	\$45,000
<b>8. Career Services</b>	\$30,150	\$30,150	\$30,150
<b>9. Student Aid</b>	\$50,000	\$50,000	\$50,000
<b>10. Other Expenses</b>	\$0	\$0	\$0
<b>TOTAL (Add 1 - 10)</b>	<b>\$3,052,431</b>	<b>\$3,137,193</b>	<b>\$3,224,498</b>