Business Administration | 2013-2014 Assessment Report

1. Please give a brief overview of the data you collected. This can be in any form you feel is appropriate, such as a table, a short narrative of results, statistical analysis, highlighting findings that were of particular interest, etc. In short, it doesn't matter how you submit your findings.

Assessment report for PLLG 2:

PLLG 2: Apply critical thinking skills to complex challenges representative of those facing the business community.

PLLG 2 was assessed using ACCT 300 and BUS ADM 343. A random sample of 71 individual student assignments was selected by instructors of these courses. ACCTG 300 assignments were evaluated by a faculty pool that consisted of instructors who taught the course and instructors who did not teach the course. Faculty who taught BUS ADM 343 themselves used the given rubrics and evaluated student performance.

Student performance on the given rubrics in PLLG 2 is as follows:

Trait 1: Defining/Understanding the issue: (Labels: 1 = unsatisfactory, 2 = needs improvement, 3= satisfactory, 4= exemplary)

Statistics about the measures of central tendency and frequency distribution can be found below. Histogram indicated a bell shaped curve indicating a normal distribution of the data.

Mean: 3.06
Median: 3.00
Standard deviation: 0.91

Defining/understanding issue

Frequency	Percent	Valid	Percent	Cumulative Percent
Unsatisfactory	4	6.0	6.0	6.0
Uneeds improvement	14	20.9	20.9	26.9
Usatisfactory	23	34.3	34.3	61.2
Uexemplary	26	38.8	38.8	100.0
UTotal	67	100.0	100.0	

Trait 2: Considers multiple perspectives

Statistics about the measures of central tendency and frequency distribution can be found below. Histogram indicated a bell shaped curve indicating a normal distribution of the data

Mean 3.19
Median: 3.00
Standard deviation: 0.85

Considers multiple perspectives

Frequency	Percent	Valid	Percent	Cumulative Percent
Valid	2	3.0	3.0	3.0
needs improvement	13	19.4	19.4	22.4
satisfactory	22	32.8	32.8	55.2
exemplary	30	44.8	44.8	100.0
Total	67	100.0	100.0	

Trait 3: Evaluates evidence

Statistics about the measures of central tendency and frequency distribution can be found below. Histogram indicated a bell shaped curve indicating a normal distribution of the data

Mean 3.27
Median: 4.00
Standard deviation: 0.88

Evaluate evidence

Frequency	Percent	Valid	Percent	Cumulative Percent
Valid	3	4.5	4.5	4.5
needs improvement	10	14.9	14.9	19.4
satisfactory	20	29.9	29.9	49.3
exemplary	34	50.7	50.7	100.0
Total	67	100.0	100.0	

Trait 3: Procedures

Statistics about the measures of central tendency and frequency distribution can be found below. Histogram indicated a bell shaped curve indicating a normal distribution of the data

Mean 3.04
Median: 3.00
Standard deviation: 1.05

Procedures

Frequency	Percent	Valid	Percent	Cumulative Percent
Valid	7	10.4	10.4	10.4
needs improvement	14	20.9	20.9	31.3
satisfactory	15	22.4	22.4	53.7
exemplary	31	46.3	46.3	100.0

Total	67	100.0	100.0	

Total grades for PLLG 2

Lowest possible score was 4 and maximum possible score was 16.

The statistics were as follows

Mean 12.61
Median: 13.00
Standard deviation: 3.42

Frequency distribution is as follows:

Total

Frequency	Percent	Valid	Percent	Cumulative Percent
4	1	1.5	1.5	1.5
5	2	3.0	3.0	4.5
7	3	4.5	4.5	9.0
8	3	4.5	4.5	13.4
9	6	9.0	9.0	22.4
10	4	6.0	6.0	28.4
11	5	7.5	7.5	35.8
12	6	9.0	9.0	44.8
13	4	6.0	6.0	50.7
14	6	9.0	9.0	59.7
15	3	4.5	4.5	64.2
16	24	35.8	35.8	100.0
Total	67	100.0	100.0	

2. How will you use what you've learned from the data that was collected? Some examples are: a change in assessment plan for the following year because you want to drill down deeper to find more or better information, faculty will discuss the data to decide what to do with it, curricular changes, faculty development, etc.

The data will be analyzed further by two faculty committees (Assurance of learning committee and curriculum committee). After discussing the data with faculty at large, curriculum committee will recommend changes to the curriculum if required. Data on the same learning goal will be collected again in Spring 2015 and student performance will be compared with Spring 2014 data.

HIMT Assessment Plan

1. Which outcome will you assess?
The outcome that was assessed was PLLG 2: Apply critical thinking skills to complex challenges representative of those facing the business community.

2. Which technique will you use to assess this outcome?
   We will use an embedded assessment. An overview of the assignment that will be used for the assessment is included below question #4
3. Which course or group of students will you assess on the outcome chosen above and when?
   The assessment is included in ACCTG 300 (Introductory Accounting) and BUSADM 343 (Corporation Finance).
4. Who will do the assessment and coordinate the data collection and reporting?
   Assessment will be coordinated and collected data will be analyzed and reported by the Assurance of learning committee which consists the following faculty members:
   Sampath Ranganathan
   Jim Loebl
   Michael Knight
   Meir Russ

Decision case 4-6 given in following pages is used by ACCTG 300 to assess PLLG 2

Decision Case 4-6 Revenue Recognition and the Matching Principle

(adapted from Financial Accounting, The Impact on Decision Makers 8th edition, Porter and Norton)

Listum & Sellum Inc. is a medium-sized midwestern real estate company. It was founded five years ago by its two principal stockholders, Willie Listum and Dewey Sellum. Willie is president of the company, and Dewey is vice president of sales. Listum & Sellum has enjoyed tremendous growth since its inception by aggressively seeking out listings for residential real estate and paying a generous commission to the selling agent.

The company receives a 6% commission for selling a client's property and gives two-thirds of this, or 4% of the selling price, to the selling agent. For example, if a house sells for $100,000, Listum & Sellum receives $6,000 and pays $4,000 of this to the selling agent. At the time of the sale, the company records a debit of $6,000 to Accounts Receivable and a credit of $6,000 to Sales Revenue. The accounts receivable is normally collected within 30 days. Also at the time of sale, the company debits $4,000 to Commissions Expense and credits Commissions Payable for the same amount. Sales agents are paid by the 15th of the month following the month of the sale. In addition to the commissions expense, Listum & Sellum's other two major expenses are advertising of listings in local newspapers and depreciation of the company's fleet of Cadillacs. (Dewey believes that all of the sales agents should drive Cadillacs.) The newspaper ads will run for one month, and the company has until the 10th of the following month to pay that month's bill. The automobiles are depreciated over four years. (Dewey doesn't believe that any salesperson should drive a car that is more than four years old.)

Due to a downturn in the economy in the Midwest, sales have been sluggish for the first 11 months of the current year, which ends on June 30. Willie is very disturbed by the slow sales this particular year because a large note payable to the local bank is due in July and the company plans to ask the bank to renew the note for another three years. Dewey seems less concerned by the unfortunate timing of the recession and has some suggestions as to how he and Willie can "paint the rosiest possible picture for the banker" when they go for the loan extension in July. In fact, Dewey has some very specific recommendations for you as to how to account for transactions during June, the last month in the fiscal year.

You are the controller for Listum & Sellum and have been treated very well by Willie and Dewey since joining the company two years ago. In fact, Dewey insists that you drive the top-of-the-line Cadillac. Following are his suggestions:

First, for any sales made in June, we can record the 6% commission revenue immediately but delay recording the 4% commission expense until July, when the sales agent is paid. We record the sales at the same time we always have, the sales agents get paid when they always have, the bank sees how profitable we have been, we get our loan, and everybody is happy!

Second, since we won't be paying our advertising bills for the month of June until July 10, we can wait until then to record the expense. The timing seems perfect since we are meeting with the bank for the loan extension on July 8.

Third, since we will be depreciating the fleet of "Caddys" for the year ending June 30, how about changing the estimated useful life on them to eight years instead of four years? We won't say anything to the sales agents; no need to rile them up about having to drive their cars for eight years. Anyhow, the change to eight years would just be for accounting purposes. In fact, we could even switch back to four years for accounting purposes next year. Likewise, the changes in recognizing commission expense and advertising expense don't need to be permanent either; these are just slight bookkeeping changes to help us get over the hump!

Required

1. Prepare a memo from the controller to the two owners responding to the following points:
   a. Explain why each of the three proposed changes in accounting will result in an increase in net income for the year ending June 30.
   b. Identify any concerns you have with each of the three proposed changes in accounting from the perspective of GAAP. If these changes are made, do the financial statements faithfully represent what they claim to represent? Are these changes merely bookkeeping changes? Explain your answer.
   c. From an ethical perspective, identify any concerns you have with each of the three proposed changes in accounting. Do the proposed changes provide information that is free from bias? Explain your answer.
2. Answer the following questions and include an explanation to justify your answer.
   a. Does the controller benefit by making the proposed changes?
   b. Are outsiders harmed?