



**Department of Accounting**

W252 John Pappajohn Business Building  
Iowa City, Iowa 52242-1000  
319-335-0910 Fax 319-335-1956  
accounting@uiowa.edu  
www.biz.uiowa.edu/accounting

To: Sarah Larsen, Chair  
Task Force on Graduate Education

CC: Dean Curt Hunter and Senior Associate Dean Chuck Whiteman  
Tippie College of Business

From: Douglas DeJong, DEO, Department of Accounting

RE: Strategic Assessment of the PhD Program in Accounting and Masters of Accountancy Program

Date: September 10, 2009

Per instructions from the Task Force on Graduate Education and Kurt Anstreicher, member of the Task Force, please find enclosed:

Strategic Assessment of PhD Program in Accounting  
Dan Collins, Director

Strategic Assessment of Masters of Accountancy Program  
Tom Carroll, Director  
Bruce Johnson, Chair, Professional Program Committee

To: Sarah Larsen, Chair  
Task Force on Graduate Education

From: Dan Collins, Director  
PhD Program in Accounting

RE: Strategic Assessment of PhD Program in Accounting  
Tippie College of Business

Date: September 4, 2009

This document provides an assessment of the strengths and weaknesses/challenges faced by the PhD program in Accounting in the Tippie College of Business. A significant portion of this report is drawn from documents that were prepared for the department's accreditation review that was conducted by the Association to Advance Collegiate Schools of Business (AACSB) in February 2009 and the follow-up reports that were issued by that review team.

**Statement of Objective for PhD Program in Accounting:** The objective of the doctoral program in accounting at the University of Iowa is to prepare students capable of publishing research in the leading academic journals in accounting and being placed and earning tenure at Carnegie Research Level I institutions.

To fulfill this objective requires that we have a vibrant, research active faculty committed to publishing leading edge research in the top research journals in our discipline. A recent study by Coyne, Summers, Williams and Wood (2009)<sup>1</sup> ranks accounting research programs (departments) by topical area and methodology based on publications in top accounting research journals over the last six and twelve years. The Iowa accounting department ranks 3<sup>rd</sup> nationally in the area of tax research, 9<sup>th</sup> nationally in the area of financial accounting research, and 10<sup>th</sup> nationally across all topical areas. The research strength of our faculty is being leveraged to enhance the quality and national prominence of our doctoral program as evidenced by the following strengths of our program.

#### **Strengths:**

- **The department's PhD program is highly regarded nationally as evidenced by the research productivity of its graduates as reported in the following studies.**

[Ranking Accounting Ph.D. Programs and Faculties Using Social Science Research Network Downloads](#)," by Lawrence D. Brown and Indrarini Laksmana, *Review of Quantitative Finance and Accounting*, 2004.

- This study measures research productivity by the number of downloads received to individuals' working papers posted to the Social Science Research Network (SSRN) through 2001. SSRN facilitates dissemination of social science research and reaches over 35,000 people in approximately 70 countries.
- The Iowa PhD program ranks 6<sup>th</sup> nationally (3<sup>rd</sup> among state schools) unadjusted for program size based on SSRN most highly downloaded authors. After adjusting for program size, Iowa ranks 4<sup>th</sup> nationally (1<sup>st</sup> among state schools).
- Ten graduates of Iowa's accounting PhD program are among the top 185 authors with the most downloads from SSRN.

---

<sup>1</sup> Coyne, J., S. Summers, B. Williams and D. Wood, "Accounting Program Research Rankings by Topical Area and Methodology," Working paper, Brigham Young University, May 2009.

"Prolific Authors of Accounting Literature," by James R. Hasselback, Alan Reinstein, and Edward S. Schwan, *Advances in Accounting*, 2002.

- This study analyzes articles published in 40 accounting journals for the 35-year period 1967-2001 to identify the most prolific authors by year of doctoral graduation.
- Nine graduates of the Iowa PhD program rank among the 10 most prolific authors for their year of graduation.

"Influential Accounting Articles, Individuals, Ph.D. Granting Institutions, and Faculties: A Citational Analysis," by Lawrence D. Brown, *Accounting Organizations and Society*, 1996.

- This paper identifies the most cited published papers in five leading accounting journals. Individuals whose body of work constitutes a “classic” (i.e., cited at least four times per year since year of publication) are identified, and these data are used to rank individuals, PhD granting institutions and faculties.
- The Iowa PhD program ranks 12<sup>th</sup> nationally (7<sup>th</sup> among state schools) based on graduates with the most cited articles in the top five accounting journals.
- The Iowa PhD program ranks 10<sup>th</sup> nationally (3<sup>rd</sup> among state schools) with the highest percentage of doctoral graduates with the most highly cited articles.
- Three graduates of the Iowa PhD program have written articles considered “classics” using the criteria in this study.

"Assessing Accounting Doctoral Programs by Their Graduates' Research Productivity," by James R. Hasselback and Alan Reinstein, *Advances in Accounting*, 1995.

- This article ranks accounting doctoral programs by the quality (based on reputation of journal in which articles are published) and quantity of accounting research of their graduates for articles written from 1978 to 1992.
- Iowa ranks 14<sup>th</sup> nationally (9<sup>th</sup> among state schools) based on articles per graduate weighted by co-authorship and journal ranking.

A 2008 *Financial Times* survey ranks our graduate accounting program (MAc and PhD combined) 8<sup>th</sup> in the world.

A 2007 Chronicle of Higher Education article ranks the Iowa PhD program among the top 10 nationally in terms of doctoral graduate research productivity.

- **Our department has established an outstanding placement record of its doctoral graduates. Over the last 25 years, over 90% of our doctoral graduates have been placed at Carnegie Level I research institutions. In the last 10 years, placements have been at the following schools: Cornell University, Iowa State University (2), Arizona State University, University of Arizona, Georgia State University (2), Washington University-St. Louis (2), Penn State University, University of Notre Dame (2), University of Minnesota, California State University--East Bay, University of Alberta, University of Texas—Austin, Lehigh University, Texas Christian University.**

- **The AACSB Accreditation Review Team report makes the following observation regarding the research environment of the department and its PhD placements:**

*“Faculty members are very productive on the research dimension at all levels. It appears to be a very nurturing place where each faculty member is willing to help others with comments and suggestions on their work. Research is simply a highly valued activity. However, it is also very clear that the service and teaching dimensions of the department are just as highly valued and taken just as seriously. Top researchers are not absolved from the daily activities of the unit.”*

*“Ph.D. candidates are consistently placed at the best institutions in the country. The faculty research culture carries over into the work with doctoral students and they are well prepared for an outstanding academic career.”*

### **Weaknesses and Challenges:**

- **Completion rates and time to degree (TTD).** Based on data compiled by the Graduate College for admits from 1996 to 2000 (most recently compiled data), completion rates (33%) and time to degree (5.9 years) are not what they should be. Completion rates have improved dramatically over the last five years (over 80%), but the TTD is still longer than we would like. This is due in part to the high teaching demands we place on our students to earn their graduate stipends. Teaching assistantships are the primary source of funding for our doctoral students. Students typically teach two sections of introductory financial or managerial accounting. These sections typically have 35 to 40 students each and meet three times per week for 50 minutes. TAs are responsible for delivery of content, going over problems, grading quizzes and exams and holding office hours.

- **Doctoral stipends.** The level of doctoral stipends offered to incoming students is falling behind that offered by peer institutions, and we place greater teaching demands on our students making our offers less competitive. The following observation was made by the AACSB Accreditation team:

*“The graduate student union and the fact that the stipend for all graduate students is \$17,000 regardless of college or area, creates a difficult situation and makes the reputation of this outstanding program vulnerable. While the department is supplementing that stipend, the total is still below market. This creates difficulties in recruiting Ph.D. students with the result that the better ones will go elsewhere. This department has made its reputation on its outstanding Ph.D. program and the placement of students. Additional funding must be found or the reputation will suffer from a lack of top students.”*

- **Limited RA opportunities.** We believe that research assistant appointments help doctoral students learn the research process by working with faculty on their research. Often, joint research papers are generated from these assignments. However, the only source of funding for RA appointments is Graduate College SIF grants. Currently, the level of department SIF funding permits us to appoint doctoral student as RAs for only one semester during their time in the program.

To: Sarah Larsen, Chair  
Task Force on Graduate Education

From: Tom Carroll, Director of the Masters of Accountancy Program  
Bruce Johnson, Chair, Professional Program Committee

RE: Strategic Assessment of the Masters of Accountancy (M.Ac.) Program  
Tippie College of Business

Date: September 10, 2009

The Master of Accountancy (M.Ac.) is a nonthesis program that requires a total of 30 semester hours. Students from a variety of academic backgrounds enter the M.Ac. program. Those who enter without an accounting undergraduate degree typically require four semesters to complete the program because they must first take the undergraduate courses required for the Certified Public Accounting (CPA) examination. We have more difficulty retaining these “non traditional” students as 3 to 5 a year choose to leave the program once they have completed the courses necessary for the CPA exam.

The program builds on the technical skills acquired in an undergraduate accounting program, and further develops written and oral communication skills. Course work focuses on the conceptual and economic foundations of accounting with applications to current and emerging problems of professional practice. M.Ac. students acquire additional expertise in one of four specialized areas: financial accounting/auditing, management information systems, taxation, and managerial accounting.

Students who complete the M.Ac. program will have satisfied the 150-hour education requirement for certification and licensure adopted by the American Institute of Certified Public Accountants and 45 of the 50 state accounting societies. Iowa’s 150-hour law was effective January 1, 2001.

The M.Ac. program, part of our combined undergraduate and graduate Professional Program in Accounting, was reaccredited by the Association to Advance Collegiate Schools of Business (AACSB) in 2008. *U.S. News and World Report’s* 2008 release of “America’s Best Graduate Schools” ranked the program 15<sup>th</sup> among public universities and 26<sup>th</sup> overall. A 2008 *Financial Times* survey ranked the program 8<sup>th</sup> in the world.

M.Ac. students have performed exceptionally well on the CPA exam. The National Association of State Boards of Accountancy reported that for 2006 (2007), 71% (67%) of our M.Ac. students sitting for the exam passed all four parts, 23% (33%) passed some part of the exam and only 6% (0%) failed to pass any parts. By comparison national statistics show that 40% (34%) of all candidates in 2006 (2007) failed to pass any part of the exam. The 2007 performance ranked Iowa second nationally for candidates with advanced degrees.

The following table summarizes the number and qualifications of entering students from 2004 through 2008:

				Total	Average	Average
	Applications	Admitted	Enrolled	Enrolled	GMAT	GPA
Fall 2004	86	45	28	56	602	3.60
Fall 2005	99	53	35	55	620	3.61
Fall 2006	105	51	32	42	618	3.55
Fall 2007	114	39	20	33	643	3.59
Fall 2008	135	45	28	51	631	3.54

The following table summarizes the number of graduates and placement information for academic years 2004-05 through 2008-09. The placement data reported is from the department's anonymous graduation survey instituted, in part, because the Pomerantz Career Center does not track M.Ac. placement. The placement percentage includes respondents pursuing additional graduate studies.

Academic Year	Number Graduates	Percent Employed	Average Salary
2004-05	41	NA	NA
2005-06	45	NA	NA
2006-07	36	90.3	\$46,360
2007-08	20	90.9	\$48,342
2008-09	35	77.8	\$49,583

NA: Data are not available for the time period.