

## PROGRAM DESIGNATION

<b>Institution:</b>	Coastal Carolina University
<b>Academic unit involved:</b>	Wall College of Business, Department of Accounting, Finance, and Economics
<b>Name of proposed program:</b>	Master of Accountancy (MAcc)
<b>Proposed date of implementation:</b>	Fall 2011
<b>New program or modification:</b>	New program
<b>CIP Code:</b>	52.0301
<b>Number of credit hours:</b>	30
<b>STEM designation:</b>	No
<b>Delivery mode:</b>	Traditional

## JUSTIFICATION OF NEED

Coastal Carolina University (CCU) pledges in its CHE-approved Mission Statement to build “selective master’s programs of national and/or regional significance in the arts and sciences, business, humanities, education, and health and human services.” In accordance with this goal and the Wall College of Business’s status as an AACSB-accredited program, CCU introduced the Master of Business Administration degree in fall 2006. The MBA degree offers two tracks: a general business track with roughly 73% of MBA enrollments and an accounting track with about 27% of MBA enrollments. Building on the experience of the last few years and in response to demand from students and the professional community, the accounting department now proposes the 30-hour Masters of Accountancy (MAcc) degree as the preferred way to prepare students for entrance into the accounting profession. The proposed degree is not expected to require additional funding.

The primary reasons for developing the MAcc program at CCU are (1) continuity of education, (2) cost, and (3) competitive advantage. Each is discussed in the following paragraphs.

(1) **Continuity of education.** In South Carolina, as in most states, the skill set for aspiring CPAs is 150 hours of university education, one of several licensing requirements established by the South Carolina Board of Accountancy. The study of accounting has become a five-year program, and CCU accounting majors need the opportunity to complete their studies at their home institution. Currently, students seeking the MAcc degree must leave the area and enroll at one of the few in-state programs (see below) or move out of state altogether. With a CCU MAcc degree students will benefit from a seamless transition from undergraduate to graduate studies and, once accepted into the MAcc, will be able to earn the 150 hours in five years without leaving CCU. The new degree will appeal to students who are considering pursuing the CPA designation as early as high school; it is expected to appeal as well to accounting majors who are already enrolled in college and who see it as an effective way to prepare for their profession.

(2) **Cost** is a second important factor in the development of the MAcc. CCU has been successful in controlling the per-credit-hour cost of graduate studies compared to many other institutions of higher education. In addition, by limiting the MAcc to 30 hours, students will pay only for the hours they need to comply with professional requirements established by the SC Board of Accountancy.

(3) **Competitive advantage.** The MAcc is the preferred graduate degree among accounting firms and other employers since it prepares students for entrance into the accounting profession by offering strong curricula that focus exclusively on accounting. Employers in CPA firms, tax preparation firms, government, and industry recognize that the additional classes taught at the MAcc level prepare students to enter the increasingly competitive job market. In addition, the goals and objectives of the MAcc dovetail with the competencies employers want in their new hires. These goals and objectives are as follows:

- Provide strong preparation in multiple aspects of accounting, taxation and auditing.
- Foster the ability to think critically, use technology, databases and other sources to find answers, and communicate their findings orally and in writing to support decision-making.

- Provide strong preparation for professional licensing examinations such as the Uniform CPA Exam and the CMA exam.
- Guide students as they plan their professional careers.
- Foster the ability to adapt to new developments in accounting, develop leadership skills, and exercise good professional judgment.

### **ANTICIPATED PROGRAM DEMAND AND PRODUCTIVITY**

The proposed MAcc degree will prepare students for careers in public accounting, industry, financial institutions, government, and not-for profit organizations. It will also prepare graduates, especially those who hold the CPA designation, to establish and build their own accounting and consulting firms.

Although the job market is currently depressed, the Bureau of Labor Statistics' *Occupational Outlook Handbook*, 2010-11 edition, states that jobs in accounting and auditing will enjoy "much faster than average employment growth due to an increase in the number of businesses, changing financial laws and regulations, and greater scrutiny of company finances." It specifically addresses the issue of certification, particularly the CPA designation, and finds that it is likely to "enjoy the best prospects." The American Institute of Certified Public Accountants examines questions of accounting supply and demand in its *2009 Trends* report. Based on a large survey of potential employers of accounting graduates, the AICPA finds that CPA firms' hiring of graduates with masters degrees is trending upward and that these firms are far more likely—by a 6:1 ratio—to hire graduates holding the MAcc degree than those holding the MBA with a concentration in accounting. In South Carolina, the state's *sconestop.org* website lists the employment prospects for accountants and auditors as offering a "bright outlook" and projects a 50% higher annual increase in accounting jobs than the overall average for all occupations in South Carolina. These sources indicate that there is growing demand, in South Carolina and the nation as a whole, for graduates of programs like the proposed MAcc graduate degree.

In September 2010, the accounting department conducted a paper survey to determine levels of interest in the proposed MAcc degree among declared accounting majors at CCU. (Total declared accounting majors in fall 2009 was 308, a 75% increase over the last five years.) Roughly 68% (212 students) of all accounting majors responded to the survey. Among freshmen and sophomores, 83.3% reported that they plan to attend graduate school to earn the extra 30 hours they will need to be licensed; 47.6% (50 students) are interested in the MAcc degree at CCU. Among juniors and seniors, 86.5% (77 students) plan to pursue a master's degree in accounting; 77.6% (66 students) are interested in a CCU MAcc degree. Thus a total of 116 students expressed interest in enrolling in the new program. Based on this finding, the accounting faculty conservatively projects enrollments of 20-22 students in each of the first two years of the new program due to pent-up demand. Thereafter, we expect enrollments to taper off to 15-18 per year for the next five years.

### **ASSESSMENT OF EXTENT TO WHICH THE PROPOSED PROGRAM DUPLICATES EXISTING PROGRAMS IN THE STATE**

According to the CHE website, three South Carolina universities offer the master of accountancy degree. The University of South Carolina offers a 30-hour Master of Accountancy degree; Clemson University offers the Master of Professional Accountancy degree, also a 30-hour program; and the College of Charleston offers a 30-hour Master of Science in Accountancy degree. None of these programs offer their degrees online. Based on the survey of CCU accounting majors mentioned above, we found that the ratio of in-state to out-of-state upper level students is roughly 2:1; of the 66 in-state students, over 70% are living within a 25-mile radius of CCU. It would be difficult for these students to leave our immediate service area to attend graduate school in Charleston, Clemson, or Columbia, South Carolina. The proposed MAcc opens up a new opportunity to CCU students and area accountants who may not otherwise be able to earn the degree.

### **RELATIONSHIP OF THE PROPOSED PROGRAM TO EXISTING PROGRAMS AT THE PROPOSING INSTITUTION**

The proposed MAcc degree program will build on CCU's strong undergraduate accounting program by offering qualified students a seamless transition from the B.S.B.A. degree to the master's degree. The MAcc will require students to enroll in several courses now being taught in the MBA with a concentration in accounting. This will produce a number of efficiencies in resource deployment, particularly classroom usage, faculty scheduling and workload.

**RELATIONSHIP OF THE PROPOSED PROGRAM TO OTHER INSTITUTIONS VIA INTER-INSTITUTIONAL COOPERATION**

CCU has worked diligently in recent years to communicate, cooperate and coordinate with Horry-Georgetown Technical College (HGTC) in order to serve all students in our service area. CCU has taken several measures to streamline the process whereby students at our neighboring institution enroll at CCU in order to continue their studies and earn the B.S.B.A. degree. For qualifying accounting majors who begin college at HGTC, the proposed degree offers the opportunity to earn a MAcc near home in three additional years. We expect this to be a very attractive option for these students.

The degree also offers avenues of cooperation with other South Carolina colleges and universities. The MAcc degree is the preferred degree for accounting students who plan to continue their graduate studies at the doctoral level. These students will be well prepared to enter Ph.D. programs in business administration offered at University of South Carolina and Clemson University. Other MAcc graduates, especially those with CPAs, will be qualified to teach in the technical college system and as instructors/lecturers at four-year colleges in the state.

**OUTLINE OF CURRICULUM**

In September 2010 the accounting faculty approved two curriculum options for the proposed MAcc degree, the **general accounting track** and the **fraud examination track**, as presented in the following table:

<b>General Accounting Track</b>		<b>Fraud Examination Track</b>	
CBAD 533 Governmental/Not-For-Profit Acct	3	CBAD 533 Governmental/Not-For-Profit Acct	3
CBAD 535 Advanced Accounting	3	CBAD 535 Advanced Accounting	3
CBAD 637 Advanced Auditing	3	CBAD 637 Advanced Auditing	3
CBAD 639 Advanced Topics in Taxation	3	CBAD 639 Advanced Topics in Taxation	3
CBAD 631 Fraud Examination	3	CBAD 631 Fraud Examination	3
CBAD 632 Advanced Cost Acct	3	CBAD 634 Computer Forensics	3
CBAD 636 Advanced Acct Information Systems	3	CBAD 638 Criminology	3
CBAD 665 Financial Statement Analysis	3	CBAD 633 Fraud and the Legal Environment	3
Electives (2 approved courses at 600 or 700 level)	6	CBAD 635 The White Collar Criminal	3
		CBAD 797 Forensic Investigation Capstone	3
<b>Total credit hours</b>	<b>30</b>	<b>Total credit hours</b>	<b>30</b>

**TOTAL NEW COSTS ASSOCIATED WITH IMPLEMENTING THE PROPOSED PROGRAM**

The Department of Accounting, Finance, and Economics currently employs six terminally qualified, tenured faculty members in accounting, for 5.5 full-time equivalent professors. Based on projected enrollments, we expect to be able to staff all course offerings in the proposed MAcc degree program for the first three years of the program. As enrollments increase, it may be necessary to hire additional full-time faculty to continue to provide quality instruction. Thus, future hires will be triggered by student demand and justified by increased tuition revenues.

CCU's Kimbel Library currently provides access to extensive online resources through PASCAL, that will be used by students in the MAcc program. These resources include the CCH tax service and the Accounting Research Manager database of US and international financial reporting standards, statements of auditing standards and SEC pronouncements, among other sources. Through PASCAL Kimbel Library provides full-text

access to thousands of business and accounting journals, magazines and other publications through online collections of business journals and other electronic resources that are available both on and off campus.

The Department of Accounting, Finance and Economics also subscribes to the Financial Accounting Standards Board Academic Access made available to our students and faculty by the American Accounting Association. The Wall College of Business subscribes to two research databases that support student and faculty research: The University of Chicago's Booth School of Business Center for Research in Security Prices (CRSP) database and Capital IQ Compustat, a Standard & Poor's product that offers subscribers access to thousands of companies' financial statements. We expect these library and online resources to continue in order to fully support MAcc student and faculty research.

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Dr. David A. DeCenzo, President  
Coastal Carolina University