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Using technology and library resources in financial accounting courses

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Abstract

Accounting practitioners and academics have raised concerns about the need to develop accounting students' critical thinking and communication skills, as well as their computer literacy. This paper presents two intermediate accounting projects that address these concerns. The first project is structured to familiarize students with accounting resources available electronically. The second project requires students to use an electronic database to research and analyze the effect of asset impairment on the financial statements of companies within a specific SIC code. This project can readily be adapted to any financial accounting topic, not just asset impairment. Both projects have writing components and involve the use of groups and technology; the second project also involves critical analysis of the financial statement impact of asset impairments. The results of student surveys requesting feedback on the effectiveness of the projects are also presented.

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1. Introduction

The Accounting Education Change Commission has recommended the use of course materials that “enhance presentation skills, fulfill course objectives, (are) consistent with current developments and new technology in the field, create a base upon which continued learning can be built, challenge students to think, and give them the tools to solve problems.” (AECC, 1993, p. 436) Practitioners and accounting academics agree that the skills needed to succeed in an evolving global environment include communications skills, analytical and problem-solving skills,

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development of team concepts, demonstrated savvy in computer technology, and effective business decision-making skills. Accounting professionals generally indicate that no skill is more important than the ability to analyze data and solve a problem presented by a client or employer. New hires are expected to have competent computer skills and be able to use technology to facilitate their work in accounting (Koch & Goldstein, 1999).

Dow and Feldmann (1997) believe that the use of computerized databases in intermediate accounting enhances students' research skills. Students must develop these research skills so they can learn how to use the resources available through the Internet to solve business problems. Dow and Feldmann found that computerized databases are used infrequently in intermediate accounting courses, but expected their usage to increase.

This paper describes two projects that have been used in intermediate financial accounting at the undergraduate and graduate levels. The projects introduce students to resources containing financial statement information and require students to use these resources to analyze the financial statement impact of transactions for companies within a specific industry. Use of actual financial statements for groups of companies rather than an individual firm serves to enrich the academic environment for students. These projects should help faculty members who are interested in learning about the potential usefulness of the Internet for enriching the academic environment for students (Basu & Cohen, 1994; Debrecey, 1996; Sangster & Lymer, 1998).

The specific purpose of the first project is to introduce students to electronic resources containing financial statement information. Students are required to provide a written description of the similarities and differences in the information available from different resources (Internet databases versus library databases). The primary objectives of the second project are to introduce students to the process of researching an accounting issue, determine how the issue is actually addressed in practice for a selected industry, and convey the results in a written report. This second project is readily adapted to any financial accounting topic and emphasizes the focus on industry specialization found to be crucial in auditing (Wright, 1998). Both projects emphasize to students the differences in the structured (project 1) versus unstructured (project 2) approach to learning identified by the AECC (1992). To further enhance communication and learning, both cases are used with groups of students, rather than individual students.

2. Description of group projects

Both projects are used in the first intermediate financial accounting course at the undergraduate and graduate levels. Both undergraduate and graduate students enter intermediate accounting with a wide array of backgrounds and preparation.¹ This

¹ Preparation for about half the undergraduate students includes taking principles courses at the same institution as their intermediate courses; however, the other half of the students have transferred from other 2-year, 4-year, and 5-year institutions. Principles' courses taken by graduate students could also have been from a different institution, but the length of time between the taking the principles and intermediate courses varies.

variation is evident at the beginning of the course when students are required to complete and correct a comprehensive problem that takes them through all of the steps in the accounting cycle as a review of prior course material. Students also exhibit a wide range of computer skills and exposure to the Internet in a data sheet that each student completes on the first day of the course.

2.1. Group project 1 overview

This first intermediate accounting project, which is assigned at the beginning of the course, is intended to provide all intermediate students with equal preparation in terms of awareness of the electronic resources that contain financial statement information. The project requires students to use the Internet to access financial reports submitted to the SEC and to compare data reported to the SEC with data available in Disclosure Global Access, a database package available through our university's library home page. Faculty can substitute other financial databases into the project, such as FIS Online or Standard and Poor's NetAdvantage. Students select a company and then find the company's most recent 10-K on the SEC's EDGAR database (www.sec.gov/edgarhp.htm) or on FreeEDGAR (www.freeedgar.com). Another service such as 10-K Wizard (www.10kwizard.com) could be substituted for FreeEDGAR. Students are also required to locate the same company on Disclosure Global Access and compare and contrast the information provided on Disclosure Global Access to the information available on the SEC's 10-K. A search of the Business and Company ASAP database (another business periodicals database could be substituted) is also required to obtain recent abstracts and/or articles on the company selected; the preference is accounting-related articles, and a written summary of the articles is required.

Students are required to describe and evaluate the type of information provided on the company's web site, emphasizing the accounting-related information presented, if any. To avoid duplicate companies, each group is required to notify the class of the company selected using a mailing list. Instead of a mailing list, faculty can also use a discussion forum on an electronic classroom management system (such as Blackboard). Written instructions provided to students for this first project are included in Appendix A.

2.2. Group project 2 overview

The second project requires each group to research the disclosures regarding impairments under SFAS 121 and analyze the similarities and differences among those firms making disclosures regarding impairment. The project gives specific instructions on how to use the Disclosure Global Access database to obtain the disclosures and other data; otherwise, the project is unstructured. Faculty do not introduce SFAS 121 to students in class or give instructions on which ratios to use or how to compare them for companies with different SFAS 121 disclosures. Faculty are intentionally not specific with their instructions (included in Appendix B) in order to give students the opportunity to develop their problem-solving skills.

When using the Disclosure Global Access database, students must generate two different types of output for a sample of companies with impairment footnotes. One

type of output is a listing of the sample companies and their financial statement ratios in a format compatible with Excel, and the other type of output is a text file that contains the actual impairment footnotes for the same companies.

To begin this project, students search the footnotes of the companies on Disclosure Global Access and find a minimum of forty companies from a single primary Standard Industrial Classification (SIC) Code that mention “impairment” in the footnotes. To avoid duplicate SIC Codes, each group is required to notify the class of their SIC Code selected using a mailing list or Blackboard. Students then generate a database report containing financial ratios from Disclosure Global Access for the companies in their sample and save the report in a format compatible with Excel. Students must use their judgment to decide which ratios to obtain; faculty do not provide a list in the project instructions.

Next, students again search the database to capture the impairment footnotes for their sample firms and save the footnotes as a text file. For each company included in their sample, students must read the impairment footnote and classify the nature of the disclosure, using a minimum of three categories as follows: 1 = no impairment losses appear to have been recorded; 2 = SFAS 121 had no material impact, but no amounts disclosed; 3 = SFAS 121 losses were recorded and amounts are disclosed in footnotes. Students are also encouraged to set up other categories for the disclosures, as they find appropriate.

Each group of students creates a new column in their Excel spreadsheet, enters the footnote classification for each company, and sorts the Excel data by footnote classification. For all ratios captured from Disclosure Global Access, average financial ratios are computed for each footnote classification.² Students must compare the average financial ratios across the footnote classifications. Students also compare the financial ratios for companies with impairment footnotes to those without impairment footnotes in the chosen primary SIC code. For this comparison, students are allowed to use industry ratios available in the reference section of the library (or through their employers). Students may also compute the ratios they selected for all companies (not just those impaired) using Disclosure Global Access. For one company included in footnote classification category 3 (where impairment losses were recorded), students recompute the financial ratios as if the impairment losses had not been recorded and give their assessment of the materiality of the impairment loss. Finally, each group provides a written report documenting their analysis.

3. Teaching notes

3.1. Group Project 1

Since this project is distributed to students at the beginning of the quarter or semester, the basis for assigning students to groups excludes prior academic performance

² Students can use database functions to compute the average financial ratios for each footnote classification; in that case, sorting would not be necessary.

and all other demographics. Students are therefore assigned to groups on a random basis.

Group Project 1 provides a structured environment in that each project requirement provides specific guidance on exactly what the students must do. The students themselves decide how to divide the project's requirements. The project serves the purpose of introducing students to some of the Internet and library resources that are useful in accounting.

One concern with this project is whether all students in each group actually accessed all of the materials described in the project. Since this project is not as extensive as the second project, assigning the project to each student rather than to groups might be helpful. An alternative to individual projects would be to require that each group select a specific SIC Code and have each student in the group complete the project for a company in the same primary SIC Code classification. These SIC Codes could either be the same or different than the SIC Codes that students use for the second project.

There were very few questions from the students before this project was due. The requirements of the project are mechanical and appear to effectively represent a structured learning environment. All students in the graduate course received perfect scores for this project. Approximately half the undergraduate students earned an A, with the remaining students earning either a B or C. Grading considers whether students have followed the instructions and completed the requirements; in addition, spelling, grammar, clarity, and conciseness are also considered. No group was assessed the 10% penalty for tardiness. Instead, groups lost points for omission of information requested in the written instructions; those with the lowest grades also submitted written reports with spelling or grammar errors.

3.2. Group Project 2

During the first class session of the course, a librarian gives a presentation and distributes handouts that describe the software available through the library and the SEC. The project 2 instructions given to the students (Appendix B) are very specific in terms of the steps needed to use the software due to the wide range of student technology skills anticipated. The intention is to introduce students to the technology, but not let the mechanics of the technology-related requirements cause difficulty for students.

Students generally remain in the same group for both projects. However, if the group size decreases by more than one student due to course withdrawals, faculty redistribute group members with the consensus of the affected students.

The Group Project 2 instructions do not explicitly identify which ratios students should obtain from Disclosure Global Access (other than as many as the report could generate). The instructions are also not specific on how to compare the ratios, the basis for the comparison, or the means for determining the materiality of the single company's impairment disclosures. In addition, faculty do not introduce the topic of impairment in class before the due date for the project. Students must therefore read and understand the requirements under GAAP for asset impairment.

All of these aspects of this project contribute to its unstructured approach, which gives students the opportunity to develop their problem-solving and critical thinking skills.

An interesting extension of this project would provide multiple sources for industry-based ratios and require students to compare the ratios provided by each resource, including any differences in the assumptions used for their calculation. However, while this exercise provides useful information and interesting analysis, structure is added by providing a list of resources. To retain the unstructured emphasis, instructors may require a comparison of ratios from different sources, but not provide a listing of the sources for industry-based ratios. Students should also be encouraged to use Internet-based sources for industry-based ratios, such as the Market Guide site (<http://Yahoo.marketguide.com>).

Students find that the extent of work involved with the second project is far greater than with the first project. Thus, the effect of non-contributing group members is a greater concern. Many more complaints are received about free loaders with this project. In a few cases, students were so unhappy that they refused to include the names of the non-contributing students on their submitted projects. Consequently, those students did not receive any credit for project 2; none of these students contested this action.

Students ask numerous questions before the second project is due. Questions are primarily requests for more specific guidance on exactly what faculty expect for the unstructured, open-ended requirements of the project. Students are concerned that there is some expectation that they are expert financial analysts capable of comparing the companies in the SIC code they selected to all public companies. Faculty inform students that such “practical expertise” is not expected; instead, students are told to present their opinions and conclusions based on facts and accurate ratios. As a result of this feedback from students, the project’s instructions were supplemented with the second paragraph to alleviate student concerns about being experts in financial analysis. Students are still dissatisfied with this ambiguity, but in fairness to all students, faculty do not give specific guidance to students who choose to ask during class or during a meeting with the faculty member outside of class.

The graduate students performed very well with over 70% earning A’s on the project, but the majority of the undergraduate students (eighty percent) did not earn an A. These students provided faulty reasoning when comparing the ratios of the firms in each category of impairment. For example, students indicate that a ratio increased or stayed the same when the ratio decreased after the impairment was recognized. Students earning grades below A also did not provide a good overview of the impact of the recognition of the impairment on the ratios used for analysis. Groups are expected to provide a description of the impact of the impairment on the major types of ratios: liquidity, profitability, and long-term solvency. Faculty expect this discussion to help explain the students’ reasoning for the ratios selected from Disclosure Global Access. Finally, many students earning less than an A did not recognize the effect on taxes resulting from the impairment loss.

Perhaps the greatest benefit from Project 2 is the resulting classroom discussion of asset impairments. More students come to the discussion prepared with an adequate

foundation about the accounting for impairments and a context for discussing the application of the asset impairment GAAP. Students are able to comment on the accounting alternatives for disclosure and recognition and how effectively they are applied for the firms in the SIC Code selected by their group.

The grades earned by both the graduate and undergraduate students on the Group Project 2 were consistent with the grades earned on the two course exams, but not similar to the grades earned on Group Project 1. Group Project 1 is highly structured, but Group Project 2 is not. Project 2 requires students to provide the structure to their responses through analytical and critical thinking. Since the course exams test students at the higher level of learning, the consistency between the exam grades and the Project 2 grades is not surprising.

Both of the group projects entail use of a mailing list (or a Blackboard discussion forum). During the first class session, faculty instruct students to obtain their free e-mail accounts from the university and subscribe to the mailing list (or Blackboard course) established for their class. All messages sent to subscribers on the mailing list are archived and accessible through the Internet (for those who missed messages before subscribing). Students are required to use the mailing list (or Blackboard discussion forum) to notify their classmates of the company in Project 1 and the SIC code in Project 2 selected by their group. This notification is required because no two groups are allowed to use the same company or SIC code. The mailing list (or Blackboard discussion forum) is perfect for communicating this information since messages are dated and timed and can be viewed by all students. Students are also encouraged (in the written instructions for the project) to use the mailing list (or a Blackboard discussion forum) to ask for help from their classmates on the projects.

4. Student feedback

Students in either an undergraduate intermediate accounting course or a graduate financial accounting theory course were surveyed at the end of the term regarding the group projects. Whenever possible, a 5-point scale was used for responses to statements: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Students were also given the opportunity to provide reasons for their responses. Other questions generate open-ended responses or permit tabulation of frequencies regarding the usage of databases. The survey results are reported in Appendix C and are described below.

The responses to questions regarding Group Project 1 confirmed that the majority of the students were having their initial exposure to SEC filings, privately-developed financial databases, and databases containing business publications. Disclosure Global Access was a new experience for 35 of the 39 students, 28 students had not previously used the business periodicals database Business and Company ASAP, and 33 students had never used FreeEDGAR or the SEC's EDGAR databases. When asked what they learned about technology-based resources from Group Project 1, the majority of the students indicated that they were not aware of these databases and the difference in cost for these databases. When asked what they

learned with respect to accounting from Group Project 1, many students noted that they learned about the type of information included in 10-Ks and that the project provided a real-world context for the concepts presented in class.

For Group Project 2, students agreed, on average, that Group Project 1 was helpful preparation (mean score = 3.9) due to their initial exposure to Disclosure Global Access. Of the 39 students, 82% had not previously taken data from a financial database and imported the data into a spreadsheet for further analysis. This result indicates that the principles courses for these students apparently did not provide exposure to financial statement databases. In addition, the majority of those who had already imported data into a spreadsheet were graduate students who encountered this experience on their job. Students seemed to agree that the importing process was easy (mean = 3.51). Based on the written comments, this was apparently due to the clarity of the instructions provided by the instructor.

When asked what they learned about technology from Group Project 2, students indicated that they learned the importing process (most common response), how to use Disclosure Global Access and other databases in more detail, and additional Excel skills; these responses were found in both the graduate and undergraduate classes. When asked what they learned about accounting from Group Project 2, the majority indicated that they had learned about the effects of impairments on financial statements (not just how to account for impairments!) and had the opportunity to refresh their understanding of financial statement ratios. Students also found that the process of classifying the impairment disclosures provided the valuable experience of seeing how GAAP is applied in practice.

When asked to critique each of the projects, most students found Project 1 both beneficial and challenging. Some students found the instructions too detailed and rigid and preferred to have the option of greater creativity. Some students also would prefer to choose their own groups. For the second project, the most frequent response was that the questions were vague and the instructions were not clear. Students would have preferred guidance on which ratios to use and a smaller set of ratios from which to choose. (Disclosure Global Access generally provides 30 ratios.) Thus, many students are uncomfortable when given flexibility and the opportunity to be creative in an unstructured environment. For example, no group—undergraduate or graduate—used the Business and Company ASAP database to investigate the effect of impairments on the firms in their chosen SIC code. This database allows searching for articles in the trade press by SIC code, making it well-suited for this task. The first project introduced students to the Business and Company ASAP database; however, for the second project, students were not instructed to use it, and none did.

When asked about how their group decided what data was most important for comparing companies, the responses showed the variety of approaches used by students when not given specific guidance. Students indicated that they either referred to accounting and finance textbooks, chose ratios that involved assets, chose ratios with the greatest variance from the average, or chose one person who was assigned to compare the companies. This variety in the approach for comparing the companies was evident in the written projects submitted.

When asked about the advantages and disadvantages of using groups for the projects, students found the major advantage to be the ability to distribute the workload on the project and the opportunity to exchange ideas and learn from other students through brainstorming. Many found the use of groups to be a way of meeting other students in the class and to learn their strengths and weaknesses. Not surprisingly, the disadvantages of the groups included unequal distribution of workload due to “slackers” and the difficulty of scheduling group meetings. Notably, it did not appear that any of the groups used the mailing list as a tool for collaborative communication; however, some students indicated that they used E-mail to communicate with their group.

5. Conclusion

Gabbin (2002) notes that AECC-funded institutions have been successful in developing innovative curricula, evidenced by an entirely new approach to the delivery and content of accounting education. Faculty supplement traditional accounting textbooks through case analyses that simulate the real-world business environment and require students to conduct database searches for company and industry data. The projects described in this paper represent specific examples that faculty can use to meet the changing needs of accounting education promoted by the AECC.

Students found that the group projects were challenging and added a real-world dimension that the students valued. Through the projects, students became acquainted with tools for research and problem solving that were new to most of them, i.e. the SEC’s EDGAR database, other financial databases, and an electronic index to business periodicals. For some, this was their first exposure to the Internet as a business information resource. The differences in the skills needed to function effectively in a structured versus unstructured environment also became clear to students by working on the structured project (1) followed by the unstructured project (2).

The uncommon combination of co-authors (accountant and librarian) was beneficial in developing and structuring the projects. Written directions and classroom instruction were provided to prepare students to use the designated information resources effectively and efficiently and avoid potential difficulties; e.g. problems with the importing process.

Since the second project can be applied to any accounting issue, the project has the potential for integration throughout all financial accounting courses. An appropriate addition to the project could involve comparison of US generally accepted accounting principles (GAAP) to the accounting standards employed in other countries, thereby emphasizing the global environment in business. At the authors’ institution, a separate required accounting course in financial and managerial decision-making has been developed and centers on the comparison of US to international accounting standards.

Integrating Internet technology into the curriculum proved to be a worthwhile enrichment that the authors plan to continue, as one student encouraged: “Continue

to make computers and technology an important part of the course. It may seem like everyone knows how to use computers and technology, but few actually do! If someone doesn't force students to learn the technology, odds are they probably won't learn it on their own."

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Appendix A

Group Project 1: Instructions Provided to Students

This first project requires each group to use the primary resources that will also be used for a second group project that will entail a classroom discussion. However, each group will not present this project in class.

Firms registered with the SEC are required to file an annual report on Form 10-K within 90 days of their fiscal year end. The Form 10-K includes certain information not provided in a firm's annual report to shareholders. The SEC EDGAR database contains these reports. Use the accounting subject directory on the library home page and your instructor's home page to obtain URL's for this database; in fact, your instructor's home page has links to the library and other resources.

Required:

Provide a typed, single-spaced response in an MS Word document to each of the following: **(turn in a printout of MS Word document & attach an envelope containing a disk with MS Word document)**

Group # & List of Group Members: _____
Term: _____

1. Select the company of your choice and find their most recent Form 10-K; explain why you chose the company you selected. (If this step is done more than once, describe both the final company selected and the process you underwent selecting this company.)

2. Each 10-K is required to include information regarding several aspects of a firm, referenced by item numbers. Identify the 14 items included in the 10-K.
3. Each 10-K must include the firm's financial statements.
 - a. Does the 10-K you examined include the firm's financial statements? If not, select another firm whose financial statements are included.
 - b. What financial statement schedules are included with the 10-K you examined?
4. Find the identical company on Disclosure Global Access available through the library.
 - a. How do you know that you have found the IDENTICAL company?
 - b. When you know that you have found the information needed for the same company on both EDGAR and Disclosure Global Access:
 1. Check the majordomo mailing list archives to determine if any other group has selected the same company. If another group has already selected the company, begin step 1 again with a different company.
 2. If no other group has selected your company, send a message to your class's majordomo mailing list:
 - a. send e-mail to: (insert your mailing list address here)
 - b. type as your subject: PROJECT 1 COMPANY SELECTED
 - c. in body of message: Type the name of your company selected for Project 1 and your Group Number
 3. A company can be selected by ONLY ONE GROUP. Majordomo dates and times the messages; thus, whatever message arrives first gets first pick on company selection. Indicate the date and time of YOUR GROUP'S archived majordomo message that shows your company selected.
 - c. Compare and contrast the information provided on the SEC's 10-K to the information presented for the same company on Disclosure Global Access.
5. Using the Business and Company ASAP database available through the library,
 - a. Search for any articles on your company published within the last year (maximum last two years). To limit the number of articles involved, place primary focus on accounting-related articles; if no accounting-related articles are generated, the choice of articles is up to your group. Please limit your summary to 5 articles.
 - b. Provide a brief summary of the issues described in print for your company, including reference to the articles summarized.
6. Determine if your company has its own home page.
 - a. Describe the process you followed to determine if your company has its own home page and provide the URL.
 - b. What type of information is available?
 - c. Is any accounting-related information presented?
 - d. Would you describe the home page as informative, promotional, or both? Why?

7. Students are encouraged to use majordomo to assist each other with any aspect of this project. If you have helpful tips, please post them to majordomo by sending an e-mail message to: (insert your mailing list address here). If you do send a message, make your subject “Project 1 Help” so that all messages can easily be sorted by subject.

Grading of this assignment will consider whether you have followed the instructions and completed the requirements above; in addition, spelling, grammar, clarity, and conciseness will also be considered. Tardiness will result in a loss of 10% for every day the assignment is late.

Appendix B

Group Project 2: Instructions Provided to Students

This project requires each group to research the disclosures regarding impairments under SFAS 121 and to analyze the similarities and differences among those firms making disclosures regarding impairment.

Students are not expected to be expert financial analysts capable of comparing the companies in the SIC code they selected to all public companies. Instead, students are expected to present their opinions and conclusions based on facts and accurate ratios. Students must determine the appropriate GAAP under SFAS 121. Students must decide on which ratios to obtain, how to compare the ratios, the basis for the comparison, and the means for determining the materiality of the impairment disclosures. This unstructured approach for this project gives students the opportunity to practice their problem-solving and critical thinking skills.

The following steps must be performed:

1. Using Disclosure Global Access:
 - a. Search the “Financial Footnote Text” of the “Full Text Fields” for all firms that include the term “impairment”.
 - b. Modify your search by the “Type of Business” - by Primary SIC Codes.
 - c. Select a SIC Code category that is sufficiently large enough to produce a *minimum* of 40 to 50 firms that include the term “impairment”. **NO 2 GROUPS CAN USE THE SAME SIC CODE CATEGORIES; THUS, YOU ARE REQUIRED TO ANNOUNCE YOUR GROUP’S SIC CODE CATEGORY(IES) BY SENDING A MESSAGE TO MAJORDOMO.** Your Message should have the subject as “Group Project 2 SIC Code Selected,” and your message should indicate the **name and number(s)** of the SIC code (s) selected by your group.
 - d. Generate (using Display) a “User Defined Report” that includes the name of the company and as many financial ratios as possible/available in Disclosure Global Access. **If you follow the instructions on Disclosure Global Access and drag the field header, you will be limited to 75 characters. However, if you double-click on the field header, you have over 300 characters available.**

- e. Save the Document as a CSV file (Save using Disclosure Global Access's menu, not Netscape's.)
2. Open the CSV file in Excel and select the following options when importing the file into Excel:
 - a. Step 1: Click on Delimited
 - b. Step 2: Click on Comma
 - c. Step 3: Click on Finish
3. Save the new file as a spreadsheet file.
4. Using Disclosure Global Access,
 - a. Conduct the same search as above to obtain the same firms.
 - b. Change the Display from "User Defined" as previously used to "Name, Business, and Search Term."
 - c. View the financial footnote text for each company and classify the nature of disclosures regarding impairment for each company: 1. No impairment losses appear to have been recorded. 2. SFAS 121 had no material impact, but no amounts disclosed. 3. SFAS 121 losses were recorded and amounts are disclosed in footnotes. 4. Other classifications as you find appropriate
 - d. Save your financial footnote text for all companies in a text file (so I can view them). Be sure to save using Disclosure Global Access's menu, not Netscape's.
5. Open your Excel file:
 - a. Insert a new column next to the name of the company
 - b. Add your classification codes assigned to the footnotes (for example, classification = 1 if no impairment losses appear to have been recorded; classification = 2 if SFAS 121 had no material impact, but no amounts disclosed; etc.)
 - c. Sort the companies by the footnote classification codes.
6. Analyze the companies with impairment disclosures using Excel:
 - a. Compare and contrast the average ratios for the companies in each classification to the average of all companies with impairment disclosures in your SIC code(s) selected.
 1. Compute the differences
 2. Describe the similarities and differences between all impairment classifications.
 - b. Compare the average ratios for the companies in each classification to the average of all companies in the same primary SIC code, not just those with impairment disclosures. (You can obtain those averages by doing a search where you only search by the "Type of Business"—Primary SIC Codes. Then, prepare a user defined report using the same ratios you included previously in your search. This file can be saved as CSV, etc. and opened as an Excel file and add formulas for computing averages for all companies in this new spreadsheet. Another alternative is to obtain Dun & Bradstreet Industry ratios from the reference section of the library.)
7. Find one company (hopefully within your SIC code selected) that has disclosed amounts of impairment losses.

- a. Obtain the financial statement ratios for this company as used above.
 - b. Recompute the ratios under the assumption that no impairment loss is recorded for the most recent period presented:
 1. Show how the ratios presented in Disclosure Global Access are computed.
 2. Show how the ratios change if the impairment loss is excluded.
 - c. Is the impact of impairment loss amounts disclosed material?
8. You are required to submit the following:
- a. Files on disk (put in envelope and staple to back of printouts submitted):
 1. MS Word File containing written report summarizing results of research on impairment disclosures
 2. Excel file(s):
 - a. File containing companies in SIC code selected with ratios and classifications of impairment losses.
 - b. Possibly, a second file containing ratios for all companies in same SIC code (if not, you must disclose reference used to obtain industry ratios).
 - c. Excel file showing recomputed ratios for company with disclosed impairment loss amounts (can be combined with other files, if desired)
 3. Text file saved in Disclosure Global Access that contains the part of the financial footnote with the selected term impairment.
 - b. Printouts: Written report including requirements described in parts 6 and 7 above. List of Companies included in SIC Code including their impairment disclosure classification and all ratios analyzed.

Appendix C

End-of-Term Survey Instrument and Selected Survey Results (N = 39)

Questions Regarding Project 1

1. Had you ever used Disclosure Global Access prior to completing Project 1?

	<u>Yes</u>	<u>No</u>
count	4	35
percent	10%	90%

2. Had you ever used Business and Company ASAP or another business periodical database to retrieve articles in business periodicals prior to this quarter?

	<u>Yes</u>	<u>No</u>
count	11	28
percent	28%	72%

3. Had you ever used SEC's EDGAR or FreeEDGAR prior to this course?

	<u>Yes</u>	<u>No</u>
count	6	33
percent	15%	85%

4. The electronic filings (SEC's EDGAR or Free EDGAR) were easy to use.

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neutral</u>	<u>Agree</u>	<u>Strongly Agree</u>	Mean & Std. Dev.
count	0	1	12	21	5	3.77
percent	0	3%	31%	54%	13%	0.7

5. What did you learn from this assignment with respect to:

Technology:

Accounting:

6. Describe the advantages and disadvantages of using groups for Project 1:

Advantages:

Disadvantages:

7. What do you suggest to improve the assignment Group Project 1?

Questions Regarding Project 2

8. Project 1 was helpful in preparing me to work on Project 2.

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neutral</u>	<u>Agree</u>	<u>Strongly Agree</u>	Mean & Std. Dev.
count	0	3	7	20	9	3.90
percent	0%	8%	18%	51%	23%	0.85

9. Had you previously taken data from a financial database and imported the data into a spreadsheet for further analysis?

	<u>Yes</u>	<u>No</u>
count	7	32
percent	18%	82%

10. I found the importing process described in the previous question to be easy.

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neutral</u>	<u>Agree</u>	<u>Strongly Agree</u>	Mean & Std. Dev.
count	1	5	8	23	2	3.51
percent	3%	13%	21%	59%	5%	0.8

11. What did you learn from this assignment with respect to:

Technology:

Accounting:

12. What do you suggest to improve the assignment Group Project 2?
13. How did your group decide what data was most important for comparing companies?
14. Describe the advantages and disadvantages of using groups for Project 2:
Advantages:
Disadvantages:
15. If you have any other comments or feedback with respect to the use of technology in this class, please provide your comments/feedback here:

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