

**THE FIRST COURSE IN ACCOUNTING-COMPUTERIZED
PRACTICE SET EVALUATION**

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INTRODUCTION

There is a growing pressure from the change commission, AACSB (American Assembly of Collegiate Schools of Business), etc. to have some type of computer application in principles. The reasons are that (1) this may be the only exposure some students have to a computer, particularly true to those leaving school after their sophomore year and (2) for accounting majors to be, this will be one of the general courses where they will, hopefully, be using the computer.

The problem is what can you give the student in principles? Something they can handle and the only thing they have studied is the financial accounting cycle. Therefore, they should get a computerized practice set. All instructors agree that a practice set is absolutely the best way to learn the cycle. When the student makes mistakes and has to correct them (and it is painful) they are learning. This paper presents the results of a review of computerized practice sets at an AACSB accredited university. Perhaps the insights we have gathered in this review will help others in computerizing the first course in accounting.

Prior to this review, the Department of Accounting at Norfolk State University (NSU) has no stated policy for integrating the computer in principles. During the Fall of 2005, we formed a committee to search for computer packages that could be used in all sections of Accounting Principles I. I was on the committee. The committee looked several commercial packages (DACEasy, Pacioli 2000, and Peachtree) and two computerized practice sets (Ivy, and General Ledger Application Software). The final report is listed in the Appendix. I made the following observation concerning our evaluation of commercial accounting packages.

COMMERCIAL ACCOUNTING PACKAGES

Commercial Accounting packages are designed to do, not to teach; therefore, they have built-in features that are appropriate for doing, but not teaching.

The typical commercial packages are a complex system consisting of a general ledger, accounts receivable, accounts payable, inventory, costing, etc. These packages are designed to make sure that you can not make mistakes while entering data. This is excellent for a bookkeeper—but, has no relationship to what a student is doing.

Transposition Errors

The commercial packages will not let you make a transposition error. If you debit cash for \$900 and credit accounts receivable for \$600 the computer beeps. That's great for a bookkeeper, but, what about students. Conservatively, less than 10% of students errors are transposition. My personal experience says that the most common errors are: (1) leaving out a transaction (no beep), (2) debiting and/or crediting the wrong accounts (no beep) and (3) debiting and/or crediting the wrong amounts (no beep). The point is that this

“feature” is part of the commercial package designed to prevent transposition errors by bookkeepers. It bears no relationship to its use in teaching.

Chart Accounts

In order to get started with a commercial package, you must first create a chart of accounts. Obviously, a bookkeeper can not enter transactions until a chart of accounts is created. Do students need to know how to set up a chart of accounts in the “real” world. How many sophomores in college will enter the business world and be asked to create a computerized accounting system? These students will most likely be entry level accounting clerks. They will be doing data entry within an existing system.

Audit Trail

Every commercial package has a built-in audit trail. Once the transactions are posted, the only way to correct them is to reverse and correct. This characteristic is important for bookkeeping, but, a disaster in the classroom. A principles student, as we all know, will make numerous errors and the result will make numerous errors and the results will be reversing and correcting entries. What the student needs is the ability to erase. This is when the learning takes place, when the student is correcting errors.

SOLUTION TO PROBLEM

We decided to find a computerized practice set that does not have these problems, i.e. a computerized practice set that reflects the characteristics of the commercially available accounting packages without the distracting “features” that cause them to be less than adequate in the classroom. We selected a package that not only eliminated the aforementioned problems, but also has some actual bonafide “features.” The practice set was designed to mimic the commercial accounting package without the distracting “features.” With a brief introduction in class (about 20 minutes), the student begins to work. This practice set is not a complex system. Some of the real features are:

- (1) The ability to review the balance ledger and subsidiary ledger
- (2) The ability to view the balance sheet at any time, not just after the data entry is complete
- (3) Erasure
- (4) Very user friendly

In addition, the practice set contains six sets of transactions (cuts down on cheating) and a teaching grade disk for each one (reduce grading time).

CONCLUSION

While the importance of computers in the first course of accounting has been established, there is no clear agreement among teachers as to the best accounting computer package. Based on the experience at NSU, a recommendation has been presented.

APPENDIX

Report given by the Accounting Software Committee at the March 16, 2006, Department of Accounting Faculty Meeting.

Since the AACSB report which recommended the use of spreadsheets in computer applications in accounting, we were asked to review several practice sets which could be used in the principles course.

Most of these sets are similar and adequate. The primary differences are:

- a. the use of special journals vs. general journals
- b. manual vs. automatic presentation of closing entries, posting to ledger, preparation of financial statements, etc.
- c. quantity of transactions

If we are to use a practice set, we would recommend the use of one of Ivy's because it allows the faculty member to correct the students disk using the computer. This saves considerable time but also provides the student with feedback which will enable them to make corrections and eventually submit a correct set.

Our principles students have been having problems with the Excel template applications which we are using in the lab. Some of them have not had ISM 284, are taking it now, or have taken it and forgotten what they have learned. The use of a menu driven MS- DOS application is more user friendly and would remove some of the template applications. The practice sets usually contain a simple operating menu.

REFERENCES

American Accounting Associate, "Committee on Integration of the Micro-computer into the Undergraduate Financial Accounting Curriculum" (1985).

Accounting Education Change Commission, "The First Course in Accounting" (1992).