

# **A PBL Framework for Introductory Management Accounting**

## *A Business Planning Approach*

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### **1. INTRODUCTION**

“The principal idea behind problem-based learning is ... that the starting point for learning should be a problem, a query or puzzle that the learner wishes to solve” (Boud, 1985, p. 13).

The most fundamental change in business education today is the reorientation from a “techniques-based curriculum” to what can be characterized as a “competencies-based curriculum.” In the former, technical knowledge and proficiencies are viewed as the primary educational objectives. In the latter, a broad, core set of educational competencies is identified as the primary objective of the course curriculum (Herring & Williams, 2000). Such a reorientation is thought to provide long-term value to the student (and society), support life-long learning, and provide enhanced career opportunities for future business professionals.

Perhaps no field has undergone greater change recently than accounting. In the professional workplace, technology has virtually redefined the traditional role of the accounting/finance function from one of record keeping and external reporting to providing information that firms need to formulate, communicate, and accomplish their strategic initiatives. Given these changes, many accounting programs in the United States are actively engaged in a redesign of their curricula, for example to promote critical

thinking and communication skills development. Over the past decade, various academic and professional accounting bodies have issued pronouncements calling for substantive curriculum change in accounting education.

Most notably, in 1990 the Accounting Education Change Commission (AECC) called for learning environments that position students as “active participants ... not passive recipients, (where students) identify and solve unstructured problems.” This *Position Statement* was followed by a series of similar pronouncements from the Institute of Management Accountants (IMA), the American Institute of Certified Public Accountants (AICPA), and business school accreditation bodies (Nelson, et al. 1998). Collectively, these documents were intended to be catalysts; designed to motivate change in accounting education.

This paper provides a robust example of how problem-based learning (PBL) can be used to reengineer the sophomore-level managerial accounting course to increase its value in the course curriculum. The rest of this paper is organized as follows: In the next section, we provide background information regarding the primary catalysts for substantive curriculum change in accounting. We show how entry-level competencies set forth by the accounting profession and a commitment to a strategic plan (in this case, adaptive problem solving) jointly provides an overarching framework for implementing course-level changes. In Section 3, we illustrate how PBL offers a unifying mechanism for changing a specific course to better meet the entry-level competencies expected of financial professionals. Section 4 outlines the business planning model used to implement PBL. The concluding section addresses assessment issues and offers future extensions.

## **2. A FRAMEWORK FOR CURRICULUM REDESIGN AND COURSE REENGINEERING**

We propose a three-step approach to better align business education with the needs of practice through curriculum redesign and course reengineering:

1. Identify *market expectations* regarding needed skills and competencies.
2. Define a supporting *learning environment* and curriculum.
3. Design and implement reengineered courses.

The accounting curriculum provides a rich context to illustrate the application of this three-step approach.

## 2.1 Market Expectations

In 1999, the American Institute of Certified Public Accountants (AICPA) issued a highly specific framework of core competencies expected of entry-level accounting professionals. As shown in Table 1, the AICPA *Framework* is structured around three competencies: functional competencies, personal competencies, and broad business perspective competencies. For each of these, Table 1 also presents critical “dimensions” (or components). For example, “functional competencies” include goals such as communication skills development, leadership skills development, etc.

*Table 1: AICPA Core Competency Framework for Entry into the Accounting Profession.*

Core Competency	Definition	Dimensions
Functional Competencies	Functional competencies relate to the technical competencies which are most closely aligned with the value contributed by accounting professionals	Decision Modeling Risk Analysis Measurement Reporting Research Leverage Technology to Develop and Enhance Functional Competencies
Personal Competencies	Personal competencies relate to the attitudes and behaviors of individuals preparing to enter the accounting profession. Developing these personal competencies will enhance the way professional relationships are handled and facilitate individual learning and personal improvement.	Professional Demeanor Problem Solving & Decision Making Interaction Leadership Communication Project Management Leverage Technology to Develop and Enhance Personal Competencies
Broad Business Perspective Competencies	Broad business perspective competencies relate to the context in which accounting professionals perform their services. Individuals preparing to enter the accounting profession should consider both the internal and external business environments and how their interactions determine success or failure. They must be conversant with the overall realities of the business environment.	Strategic/Critical Thinking Industry/Sector Perspective International/Global Perspective Resource Management Legal/Regulatory Perspective Marketing/Client Focus Leverage Technology to Develop and Enhance a Broad Business Perspective

For each competency dimension depicted in Table 1, the AICPA (1999) provides additional detail in the form of “elements” (i.e., specific abilities, skills, or other educational outcomes). For example, in the “Communication”



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