



Enhancing the Students' Learning Experience in Intermediate Accounting by Combining Academic Research, Critical Thinking, and Data Analytical Skills



Dr. Joseph Faello, Assistant Professor of Accounting
Mississippi State University, Meridian Campus

Key Words

- Intermediate accounting
- Critical thinking skills
- Data analytical skills

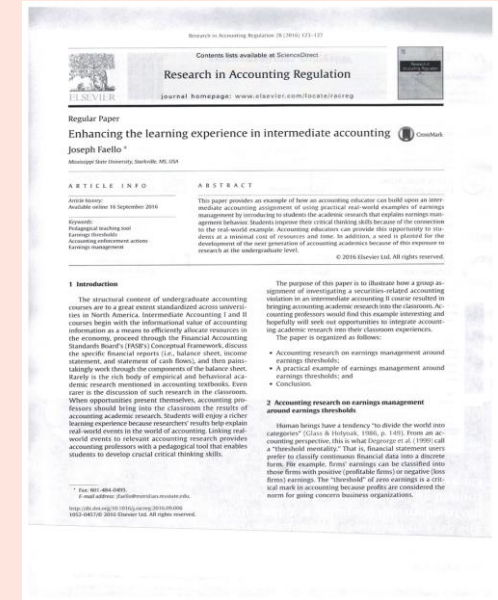
How this Effective Learning Strategy Works:

This effective learning strategy uses the resources available on the SEC's website to craft a group assignment that investigates SEC accounting infractions committed by public companies. First, a group (2 to 4 students) chooses a company with an accounting infraction in the SEC's Accounting and Auditing Enforcement Releases (AAER). Second, the instructor reviews the choice to make sure the AAER results in restated financial statements. Also, no other group can choose the same AAER. The accounting instructor works with the group in guiding them to produce a high quality quantitative and qualitative analysis that describes in detail the infraction and its effect on financial reporting. The quantitative analysis includes using the Excel spreadsheets for the balance sheet and income statement filed under "Interactive Data" in the company's 10-K (SEC annual filing). The instructor introduces accounting academic research to explain the company's original financial misstatements (e.g., earnings management, principal / agent theory, etc.). Finally, each group comments on the penalties imposed by the SEC for the company's infraction.

AICPA Pre-certification Core Competencies

- Accounting
- Business
- Professional

Journal Article Cover Page



The article in *Research in Accounting Regulation* discusses a specific AAER involving Thor Industries Inc. A VP Finance of one of Thor's subsidiaries managed earnings to achieve a bonus threshold. The instructor introduced students to the relevant academic research in this area. Data analysis using Excel has been added since the article's publication.