The DLSU Accountancy program
Broadening the capability of future CPAs

By Teresita Nadurata, Chair and Gina Manaligod, Vice-Chair of the Accountancy Department

In recent years, we have become witnesses to significant emerging issues which bear impact to the accounting profession. Globalization is one of the challenges currently faced by a Certified Public Accountant (CPA). To be able to compete globally, a CPA must be able to find ways and means to practice his profession on a globalized basis.

A CPA must also keep himself/herself continuously abreast with the latest computer and information technology. As we all know, changes in computer technology occur with unrelenting swiftness. It is therefore imperative for an accountant to keep track of these changes so he/she can practice his/her profession more effectively.

Other emerging issues affecting the accounting profession are environmental issues, international standards and capital markets.

To sustain his/her relevance to the various clientele he/she serves, the accountant must broaden his/her capability as a CPA. In response to the emerging trends in the business world, the curriculum and instruction methodologies of the Accountancy Program must be strengthened. Faculty-student interaction must be reinforced to bring about more productivity in terms of the learning process. Physical facilities must likewise be updated to keep up with state-of-the-art technology.

This paper focuses on how DLSU will address these challenges. It will discuss the (1) salient innovations made in the Accountancy Program during the past years, (2) important features of the program, and (3) different ways of meeting future challenges, thus enhancing the quality of the practice of the accounting profession.

FEATURES

The Accountancy Program broadens the capability of CPAs through the following important features:

A. Well-Balanced Curriculum

The BSA curriculum is designed to equip and prepare students: (1) to hurdle the CPA Licensure Examination as topnotchers and passers; (2) to satisfy work requirements related to recruitment, selection, promotion, and rewards, and (3) to serve the society as socially-responsible citizens through the Lasallian values education program.

The Bachelor of Science in Accountancy curriculum has 68 units of liberal arts subjects, 66 units of business education subjects, 63 units of accounting subjects, and 9.5 units of non-academic subjects.

To improve the accounting curriculum, the following changes were instituted:

1. The inclusion of integrated courses with the objective of a pre-review before actual enrolment in the CPA review course.

2. The inclusion of the feasibility study with the objective of giving the students the rudiments of feasibility study preparation.

3. The inclusion of Platinum Software in Computer Systems 1 (COMPSY 1) to answer the need for computer applications.

4. The inclusion of 16 units of Audit Practicum with SGV and Co. This was later on changed into a regular subject--Audit Practice (AUDPRAC)--which consists of audit modules of a simulated audit client. SGV partners and managers serve as lecturers of the subject.

5. The use of workbooks in basic accounting to develop the student's proficiency in analyzing and solving problems.

6. The integration of values such as integrity, respect, patience, and discipline in the delivery of subjects.

B. Departmental Policies

The department has several requirements aimed at ensuring the quality of its students, among which are: (1) a 2.0 passing grade requirement in all accounting subjects to make sure that only students with a high level of proficiency are maintained in the program; (2) a qualifying exam that tests the students' knowledge of basic accounting subjects before admission to enrolment in financial accounting; and (3) two comprehensive exams that test the students' knowledge of financial accounting, and cost and advanced accounting topics.

C. Area Coordinatorship

The recruitment and selection program to screen applicants to the accountancy program is a means to attract CPAs who are generalists. With their expertise, the accountancy program identified these major areas of specialization with their area coordinators: (1) Basic Accounting; (2) Financial Accounting; (3) Cost/Advanced Accounting; (4) Managerial Accounting; (5) Auditing; Accounting for Non-BSA.

The management area coordinators take charge of matters related to: (1) review and revision of course syllabus, (2) identification of textbooks and instructional materials, (3) preparation of departmentalized examinations, and (4) faculty consultation.

The area coordinatorship benefits the faculty members in their aim for specialization.

D. Audit Practicum (AUDPRAC)

The three unit Auditing Practicum subject aims to bridge the gap between Auditing Theory and Practice. The subject aims to trace the
audit process through the use of a simulated audit examination supervised by reputable audit firms partners, managers, supervisors and a DLSU auditing faculty representative. SGV's proposed syllabus covers 28 modules involving lectures, cases, group discussions, workshop preparations and wrap-up activities in actual audit.

The top performer is awarded a prize by the auditing firm.

E. Grading System

The Accountancy Program adopts a uniform grading system for all subjects to minimize subjectivity or bias on the part of the professor. A student is evaluated twice during a term: once in the middle and another towards the end of the term. For each half, the grade is computed as follows:

- Final Examination 40%
- Average Quizzes 40%
- Class Standing 20%
- Total 100%

The final grade is computed as follows:
- First Half Grade 40%
- Second Half Grade 60%
- Total 100%

F. Integrated Courses

The curriculum of the Accountancy Program includes three (3) integrated courses, namely Management Services II, Contemporary Accounting and Practice Part I, and Contemporary Accounting and Practice Part II. Management Services II deals with the preparation of a project feasibility study. An oral defense of the completed feasibility study is required of the proponents.

Contemporary Accounting and Practice Part I covers accounting theory and practice involved in the recognition and measurement of business transactions and events. This course emphasizes the application of generally accepted accounting principles, techniques and methodologies on financial accounting problems and situations that are likely encountered in practice.

Contemporary Accounting and Practice Part II covers cost accounting for manufacturing concerns, expanded business operations and national government accounting. It includes the proper application of contemporary accounting techniques and methodology to advanced accounting problems and situations normally encountered in accounting practice.

These integrated courses provide the students with a holistic approach to accounting.

It offers the students with perspectives on both the theoretical and practical sides of a business situation.

G. Computer Courses

The Accountancy program includes in its curriculum two computer courses: Management Information Systems for Commerce Students Part I and Part II.


Management Information Systems for Commerce Students Part II complements the course in auditing but limited to the areas that have an immediate consequence to computer-based accounting information system. It discusses the impact of computer on the auditor's study and evaluation of internal control. It also introduces tools and techniques in auditing computer-based accounting systems.

Aside from this, the practice set for basic accounting has been computerized. Needless to say, computer application in accounting subjects shall definitely be the general trend in the improvement of the curriculum.

H. Master of Science in Accountancy

To further train and upgrade the research capability of a CPA, a masteral course is now being offered under the Accountancy Program. This is a 42-unit program designed to develop in CPAs a high level of theoretical knowledge and sound understanding of advanced accounting and research principles and techniques.

I. Faculty

The faculty of the Accountancy Program possess the educational qualification, professional experience, classroom teaching ability, scholarly productivity, and other attributes essential for the successful conduct of a professional accounting program. They are carefully chosen, and regularly evaluated for their performance. They are also generously compensated with salaries ranging from P10,930 to P33,308 per month.

The faculty teaching accounting courses are all CPAs. Of the 25 accounting faculty members, 10 are full-time faculty members. Eleven out of the 25 are holders of masteral degrees.

They are given proper assignment of teaching loads to enable them to adequately fulfill their administrative, academic, and professional responsibilities. They also undergo a formal development program.

J. Continuing Professional Education (CPE)

The faculty members of the Accountancy Department are reminded to renew their licenses every 3 years. They need to acquire 60 credit hours of continuing professional education for a period of three years in the form of a masteral or doctoral studies, attendance in seminars/conferences, authorship of books & other professional activities as stated in the new CPE primer provided by Professional Regulation Commission.

The faculty members look at continuing professional education as a must in order to cope with quality education at DLSU. CPE prepares the faculty member through updates in basic, financial, cost, advanced, managerial services, auditing and computer applications.

The efforts of the Accountancy Department over the years have borne fruit as indicated by the recommendation of the 1995 Philippine Accrediting Association of Schools Colleges and Universities (PAASCU) Team for the reaccreditation of the program offerings of the College of Business and Economics (to which the Accountancy program belongs) of De La
Salle University be maintained for the usual period of five to seven years, a recognition of the quality of education offered at DLSU.

Another indicator is the impressive performance of La Salle graduates who have topped the CPA board exams over the years.

FUTURE CHALLENGES

The Accountancy profession is a very dynamic profession. The great need of professionalism and globalization makes the accountancy program more challenging.

To meet the need for world-class excellence, the accounting faculty member must recognize these challenges:
1. Curriculum and Globalization
2. Computer Network and Accounting Research
3. Masteral and Doctoral Requirements
4. Social Involvement/Environmental & Social Accounting
5. Alumni Involvement

Curriculum & Globalization

The accounting curriculum must be attuned to the needs of a global business environment. The accounting educators must be responsive to changes in approaches that will encourage more analytical and critical thinking needed for global competition.

Responding to the competence and skills requirement of the workplace, we must be ready to incorporate measures to bridge the gap between theory and practice. This can be done by reviewing our existing practice sets, feasibility study, audit practicum courses, and case analyses in computer subjects.

Responding to the continued use of global or international standards, we must be ready to incorporate international accounting in our curriculum or include them in future lecture series for accounting students.

Accounting Research and Computer Network

Research contributes to the professional growth of the accounting teacher. It enhances the teacher's competence and preparation in sharing new knowledge with his/her students. A research-oriented faculty member continually searches for new ideas, challenges an existing theory, and compares applications of theories. The example shown by the research-oriented faculty influences the students towards research through subject requirements given by the faculty. Moreover, accounting research gives the teacher that feeling of fulfillment for a research work well done.

Accounting research becomes easier through the aid of a computer network. Availability of this computer network plus the teacher's literacy and aptitude for computer network application will bring about more research output.

Pang Yang Hoong's contribution "Nature of Accounting Research" to the 1995 Current Issues in Accounting emphasized that the main thrust of positive accounting research is to study the factors that determine management's choices of particular accounting practices, the choices made by the accounting society and the development of theory itself. Discovering new concepts, validating accounting theories, comparing application of theories in companies belonging to the same industry are some topics for accounting researchers.

The College of Business and Economics and the Accountancy Department recognizes the need to develop the culture of research among accounting educators. This is the reason why they have made accounting research one of its priority.

We must be ready to incorporate measures to bridge the gap between theory and practice.

Masteral and Doctoral Studies

DLSU challenges its faculty members to finish their masteral/doctoral degrees, recognizing the fact that formal graduate education produces tangible results through quality education given to students. In La Salle, fulfilling masteral/doctoral requirements are a must for promotions/rewards.

We can initially meet the challenge through the enrolment of faculty members in the Master of Science in Accountancy program of the College of Business and Economics or enrolment in the Master of Business Administration or Doctor of Business Administration programs of the Graduate School of Business.

Social Involvement/Environmental & Social Accounting

The accounting educator must understand what is going on in a global business environment. He or she must also realize the importance of environmental & social accounting, and prepare his/her students for the future.

Accounting graduates will enter a business environment characterized by globalization, international transactions and standards, technological developments and changing social values. They must be equipped to respond to these new demands. These can be gleaned from Lee Parker's contribution on "Social and Environmental Accountability" to the 1995 Current Issues in Accounting which summarized research and current practices on social and environmental accounting in the ASEAN context.

The Accountancy Department must produce professional and global accountants who are creative, innovative and capable of rendering world-class quality service. This can be achieved through excellent academic training, hands-on training or practicum and the Lasallian values program. We can also meet this challenge through concerted efforts of faculty and students in future research and community projects of the College.

Quality accounting education is the passport of our graduates to the business world.

Alumni Involvement

The CBE Alumni Chapter aims to encourage more involvement of the alumni with the departments in relation to faculty requirements, student practicum requirement and community projects.

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URCO Update

CBE Project Abstracts (1985 - 1996)

CBE 22 RP (URCO) 1993 - 1994

The study sought to contribute to the knowledge of the insurance business in the Philippines and to determine areas for further studies on the industry. It also aimed to identify business opportunities in the industry and encourage insurance carriers to prosper as another channel for much needed domestic savings. It made use of both primary and secondary data. Primary data were gathered through interviews and questionnaires.

The materials trace the history of the insurance business in the country and presents the organizational structures, operations and financial conditions of some of the major insurance companies. It also presents what Filipinos, in general, know about insurance.

The study noted that insurance is not a priority among Filipinos and that Filipinos and their properties are "grossly uninsured". The author claims that apart from the lack of adequate knowledge on the value and nature of insurance, other cost-related and attitude-related factors explain this: premiums are not affordable for the greater number of Filipino individuals and businesses; insurance does not seem to be worth the expense; Filipinos generally have a strong faith in a Supreme Being on who they depend on in time of crises; they also have an attitude of delaying with problems if and when they come. In addition, Filipinos reportedly have had numerous unpleasant and disappointing experiences in dealing with insurance agents, companies and brokers regarding premium payments and settlement of claims. Furthermore, insurance products are not perceived to match their needs.

The author concludes that the Philippine insurance industry is still in its adolescent stage in terms of product life cycle, and that many opportunities remain to be explored. She sees a need for a state-of-the-art technology in underwriting and investment activities and expertise to cope with the growing demand for life insurance in force, gross risks written, and premium income. Education and research are deemed useful to bring about the much needed improvements in the industry. The author further noted that the industry has remained untapped by government as a potent option for mobilizing domestic savings. Finally, it was recognized that the Philippine Insurance Commission plays a critical role in the development of the industry.

Backflush Costing for Business Management Practicum Projects, by Violeta Vicente (Accountancy)
CBE 27 MD (URCO) 1995-96

The study was undertaken to facilitate the recording and posting of daily business transactions of the Business Management (BM) practicum projects, and the preparation of financial statements based on the ledger account balances. The proponent aimed to design a system that will simplify the recording of the flow of the three elements of cost: raw materials, direct labor and factory overhead.

The material describes how backflush costing simplifies the preparation of accounting forms, the recording of transactions, and the preparation of financial statements and reports. It also describes how the three elements of cost are treated in a manufacturing concern under this system of accounting guided by the theory of Just In Time (JIT) which requires that the units of items are at the right time and place where they are needed. The material is intended for the use of students enrolled in Accounting and BM practicum projects.

Fundamentals of Civil Law and Procedures for Legal Management, by Carmen Ramos (Commercial Law)
CBE 2 MD (RC) 1987-88

This material was prepared to provide the students of Legal Management with a fundamental knowledge of civil law and its procedures.

Part I orienting the student with an introduction to law. It then proceeds to discuss the study of Civil Law, particularly the law on Persons and Family Relations, and the law on Property and the Modes of Acquiring Ownership. Provisions of the Family Code of the Philippines Executive Order No. 209 are discussed as they have amended provisions of the Civil Code of the Philippines Republic Act No. 386.

Part II is a discussion of the basic principles of civil procedure including summary procedures and special civil actions. Additional features to the material are a glossary and legal forms of common contracts in business. It also includes a checklist of legal requirements for business and practical application of the principles discussed by illustrative problems and cases.

Issues in Philippine Economic Development, by Tereso Tullao, Jr. (Economics)
CBE 26 RP (URCO) 1991-92

The project compiled articles focusing on the central theme of economic development in the Philippine setting. The articles were written by faculty members of the Economics Department of De La Salle University. They were initially delivered as part of the lunch lecture series of the department during the School Year 1991-92.

The articles deal with the following topics: poverty and its alleviation; female participation in the labor force; the Philippine education system and its problems in human resource development; industrialization; foreign programs, foreign debt and structural adjustment programs; financial market efficiency; issues affecting the external sector; import-liberalization; economic integration for the EEC and the ASEAN cases; foreign exchange; the role of the public sector in development; and a special topic on energy in the Philippines.

Human Resources Management Practices in Small, Medium and Large Scale Enterprises in Metro Manila, by Divina Edralin (Business Management)
CBE 22 RP (URCO) 1994-95

Human resources management (HRM) is a very complex and challenging function of the firm since it primarily involves its people component. Effective human resource management as a central concern of every owner/manager of the enterprise, in effect, involves a series of decision-making that affect the relationship between employer and employees. These decisions which can either be strategic or operational in nature are reflected in the policies, programs and activities actually implemented.
What is your Negotiating Style?

By: Luz T. Suplico, Assistant Professor, Marketing Management Department

Imagine yourself in the plush Manila Hotel's Business Center with an American businessman who meets you in his Reebok tennis shoes and Calvin Klein shorts. Dressed in your business suit, you compute your prices because this American importer wants to order in big quantities and wants a volume discount. As Assistant Marketing Manager of a large Philippine furniture company, you review your prices and you believe that you can give the volume discount which the buyer wants but you still have to consult your boss, the Marketing Manager. Since your boss is abroad and won't be back until two weeks, you ask the buyer to give you more time as the discounted prices have to be approved by your boss. The buyer paces back and forth and tells you that he wants to know the most competitive prices you can give now, not on any other day. He says that he can go to China and source his needs there if you can't decide on the prices right away. How will you negotiate?

Negotiation is an important aspect of any sales presentation. It is also important in our daily lives, may it be business or otherwise. If you were the negotiator in the imagined business scene, how will you react?

Studies have shown that negotiating styles may vary from country to country. In terms of decision-making, Americans tend to have total authority and can make on-the-spot decisions. Filipinos are said to have moderate authority like Europeans. The Japanese, who believe in collective decision-making do not have authority to decide alone. These are some of the cultural differences which are discussed in the Philippine Trade Center's (PTTS) Handbook on Export Merchandising and in the recent study on Filipino Exporters' Negotiation Styles.

The differences on how fast one can decide can be traced to cultural differences. Fons Trompenaars who wrote an article on "One Best Way Managing?" for World Executive Digest (February 1996) points out that Americans ideally achieve alone and assume personal responsibility while Filipinos ideally achieve in groups which assume joint responsibility. Like the Philippine society, the Japanese businessmen have been described as collective decision-makers. On the other hand, Europeans are said to be like Americans who have more frequent use of the "I" form. Filipinos and Japanese, on the other hand, dote on the use of the "We" form.

With a highly individualistic society where a person can assume personal responsibility, Americans are used to quick decisions. Thus, any delay makes them impatient. On the other hand, Filipinos live in a society where much importance is given to maintaining group harmony. This collective group imposes its norms on the Filipino individual, and in order to preserve group harmony, the Filipino has to learn to decide collectively and to be patient. The Japanese, who also lives in a collective society has learned to be very patient like the Filipino. Unlike Asians (the Japanese and the Filipino), the Europeans tend to be impatient but not as very impatient like the Americans.

The PTTS Handbook further discussed other cultural differences. In terms of leadership, Americans, Europeans and Filipinos exercise personal leadership in negotiations. As expected, the Japanese exercise consensus leadership. Thus, the Japanese uses team negotiations frequently.

Americans can report to any negotiation scene in shorts or in the most informal clothes. They are said to have a very informal approach to negotiations. Europeans and Filipinos are fairly formal. The Japanese approach negotiations formally. Dressed in very formal business suit, the Japanese starts any negotiation with a business card. In fact, there are several Japanese courses. All the various styles of card presentations aim to show courtesy and politeness to the other party.

Japanese businessmen have long preliminaries in any business negotiations. The negotiation can start with a tea ceremony and can end in the golf course. Thus, playing golf is still part of the negotiation process and some businessmen conclude every important deals in golf courses. Unlike the Japanese, Americans and Filipinos tend to have straight to the point introductions. Europeans are said to have few preliminaries.

Americans can be aggressive and threatening in their tactics. Europeans are persuasive like the Filipinos but the Japanese resort to consensus tactics. In their business deals, the Japanese focuses on long-term deals like the Filipinos. Europeans believe in good deals, while the Americans believe in best deals. Americans and Europeans give fair offers while Filipinos resort to reasonable offers. The Japanese are said to give sky-high offers.

As to status, Americans define status by material success (the designer clothes, the car, etc.). The Europeans and Filipinos define status by background (family lineage, etc.) and the Japanese define status by position.

Is there one best way of negotiating? If one looks at effective market penetrations, it has been said that the Japanese are the world's number one international marketers. Does this mean that the Japanese negotiation style is the best? Or is it the Filipino negotiation style which tends to be American, sometimes European and sometimes Asian like the Japanese? Or is it the American negotiation style as they are the world's number one superpower? Perhaps, there is no best way of negotiating. But what is more important is to recognize and respect these cultural differences.

Bibliography


NOTES on Business Education

is published monthly by the De La Salle University-College of Business and Economics Center for Business and Economics Research and Development (CBERD)

Issue No. 2 January 1997

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2401 Taft Ave., Manila
by the person responsible for HRM. This study, thus, was undertaken in order to compare and correlate the human resource management practices of selected small, medium and large companies in Metro Manila.

With the use of descriptive and comparative type of research design, 505 respondents from the manufacturing, wholesale, retail, transportation, communication, and storage companies were surveyed to determine if there are significant differences in the HRM practices of these firms and to identify the significant predictors of their HRM practices. The data gathered were analyzed with the use of various statistical tools. Percentage, mean, and content analysis were employed for the descriptive part; and ANOVA, Pearson r, and multiple correlation were utilized to test the hypothesis.

The findings reveal that there are significant differences in the HRM practices of the establishments based on the nature of business, size of employment, form of ownership, type of owner, and size of capitalization. It also shows that there are significant correlations between HRM practices and company characteristics such as number of years of operation, size of employment, unionization, and level of profit. The most consistent and reliable predictors of HRM practices that appear in the analyses are size of employment and form of ownership. Based on the results and discussion, several recommendations are presented which can be useful to companies and other similar enterprises.

Address the objectives.

The findings indicate that parents are the best source of information regarding their children's economic behavior, media habits and product usage.

The author noted a difference between where the children actually spend their money and where they want it spent. The study found evident the Filipino children's preference for conspicuous products that meet their need to be identified with and dissociated from certain others. Children were also found to recall advertising messages better than their parents, but they will only buy advertised items that they can afford. It was further observed that Filipino children's buying habits are mainly influenced by family members, peers, other adults (such as teachers and playmates), broadcast and print media, and movies. Their choice of products in the order of priority were found to be food, toys, clothes, and school supplies.

A major recommendation advanced by the author in the light of the findings is that extensive marketing research be done by companies to determine children's responses to (a) new products and services considering a more realistic environment; and (b) marketing communications -- what brands or companies that are retained in their memories. It is deemed that such extensive marketing research can also determine the extent to which children can influence their parents' purchases.

A Psychographic Study on Filipino Children's Behavior as Consumers and as an Emerging Primary Market, by Renato Lee (Marketing Management)
CBE 19 RP (URCO) 1993-94

The study sought to (a) determine Filipino children's concept of the market place; (b) identify the underlying factors affecting Filipino children in their choice of products; (c) establish the buying patterns of Filipino children as consumers in selected cities and municipalities of Metro Manila; (d) determine the socialization agents that influence such buying patterns; (e) establish the extent of influence of advertising on Filipino children in the buying process; and (f) determine children's responses to new products and services. The author employed a combination of research techniques: observation (i.e., during board games, behaviors in shopping centers, during taste tests, etc.), focused group discussion, picture drawing technique, and survey among parents and children to address the objectives.

deal with some topics which might be encountered in higher mathematics, such as translating statements into symbols. On the basis of the findings, the BM faculty unanimously voted for the restoration of the 6-unit algebra course with an enriched content.

CBE 44 RP (URCO) 1991-92

The proponent compiled and organized data on the Philippine cement industry. She determined the major financial issues which confronted the five (5) selected companies. The companies were selected on the basis of regional markets. Finally, she formulated a set of financial policy recommendations for these companies and for the industry as a whole. She based her study on the financial statements of the cement companies that were available at the Securities and Exchange Commission. In the absence of such financial statements, financial information were secured from the publications of the Business World and Malahay Pilipinas Foundation, Inc. on the Top 1,000 Corporations.

During the period 1987 to 1990, the five (5) cement companies studied registered a low level of profitability despite a high level of demand for cement. This situation was brought about by the existence of the price control mechanism which allowed cement companies to make thin profits during periods of high demand and very large losses during periods of lean demand. Such a price control mechanism which was lifted by the government in 1992, was therefore identified as the main reason behind the cement shortage that occurred from 1987 to 1990.

The study found that in the light of the forthcoming ASEAN Free Trade Agreement (AFTA), it is imperative that the government do something about the high interest rates, high fuel prices, and high power costs to make the cement industry competitive not only regionally but also globally. The proponent offered a number of recommendations. The recommendations are intended to enable the companies to generate profits for reinvestment and to attract local and foreign investors.