

# General Education Report

Entrepreneurship and Financial Literacy

February 21, 2020

## Summary

The School of Business at Howard University has prepared students in Accounting 201 and Accounting 202 to meet the goals of entrepreneurship and financial literacy. Data shows that student competency in this area is growing. While accounting courses are not the only place in the School of Business or at Howard University that students are learning this important skill set, accounting courses operate as a foundational requirement for all School of Business majors and are therefore useful places to assess student competency in this area.

## Context

Howard University General Education 21 (HUGE 21) is a set of 21 general education learning outcomes decided by faculty in 2017. The outcomes are met in curricular and co-curricular student experiences including classes, high-impact learning opportunities, student activities, employment, and alternative experiences. Each semester, Howard University looks at student work or data related to students experiences and determines the degree to which students have met one or more of these outcomes.

Outcomes are measured on a rotating basis across all undergraduate schools and colleges. Of the 21 outcomes, 5 (Critical Thinking and Problem Solving, Written Communication, Oral Communication, Quantitative Literacy, Information Literacy, and African Diaspora Awareness) are measured every other year, and the other 15 (Creative Thinking, Ethical Reasoning, Inquiry and Analysis, Qualitative Literacy, Technology, Arts and Humanities, Social Sciences and Historical Awareness, Intercultural Knowledge and Foreign Language Competency, Science and Environmental Consciousness, Physical and Mental health, Teamwork, Entrepreneurship and Financial Literacy, Civic Knowledge and Engagement, Foundation and Skills for Life-Long Learning, and Integrative and Applied Learning) are assessed at least once each 7-year cycle.

In instances where the outcome is measured by extant data, the Office of Institutional Research and Assessment (IRA) partners with a department, faculty member, or staff member to analyze data and report on a chosen general education outcome. In other cases, IRA partners with programs and units to identify how to capture data related to a chosen outcome.

In order to measure “Entrepreneurship and Financial Literacy,” IRA requested extant data from the Accounting Department in the School of Business.

### Entrepreneurship and Financial Literacy

According to HUGE 21, the Entrepreneurship and Financial Literacy outcome will be met if  
A Howard graduate [can] discover and evaluate opportunities, assess risks, analyze the resource requirements, create action plans, develop models, and present plans to stakeholders; and [if] graduates [are] able to apply basic personal and business financial

principles in regard to money management, income, spending, credit, budgets, financial planning and debt.

Entrepreneurship and financial literacy can be learned both inside and outside of the classroom and are especially important for students who are controlling their finances for the first time, may need to take out loans to complete their studies, or want to consider building their own business. Entrepreneurship and innovation are learned skills that can be introduced, developed, or mastered in an undergraduate career. Creating intentional experiences that emphasize idea creation, incubation, and action can contribute to student confidence and long-term success. Researchers have suggested that because race, socio-economic status, and parental educational level are important factors in determining financial acumen, schools that enroll large numbers of Black, Pell-eligible and first-generation students should ensure that students are given opportunities to focus on financial literacy (Looney, 2011).

### **Artifacts**

The Department of Accounting serves all business major and business minors by offering ACCT 201 (Accounting Principles I) and ACCT 202 (Accounting Principle II). The student learning outcomes for each course align with the institutional undergraduate goal of helping students to “discover and evaluate opportunities, assess risks, analyze the resource requirements, create action plans, develop models, and present plans to stakeholders...and ... apply basic personal and business financial principles in regard to money management, income, spending, credit, budgets, financial planning and debt.”

Per their syllabi, both courses contribute to the following core competencies:

- solid foundation of business,
- analytical expertise and skills,
- knowledge and understanding of the dynamic environment,
- knowledge and understanding of working in teams,
- entrepreneurship,
- computer proficiency, and
- ethics.

According to the course learning objectives, after successful completion of ACCT 201, students should be able to:

- define and apply various key terms in accounting,
- identify and analyze business transactions,
- explain and complete the accounting cycle,
- produce basic financial statements, and
- demonstrate an understanding and appreciation for accounting in business and society.

After successful completion of the course, students in ACCT 202 should be able to:

- define and apply key terms in accounting,
- explain various functions of management accounting,
- understand and apply common methods to estimate, allocate and accumulate costs,
- apply basic tools to measure and evaluate managerial performance and business decisions,
- explain and apply basic methods of financial statement analysis, and
- demonstrate an understanding and appreciation for accounting in business and society.

### **Methodology**

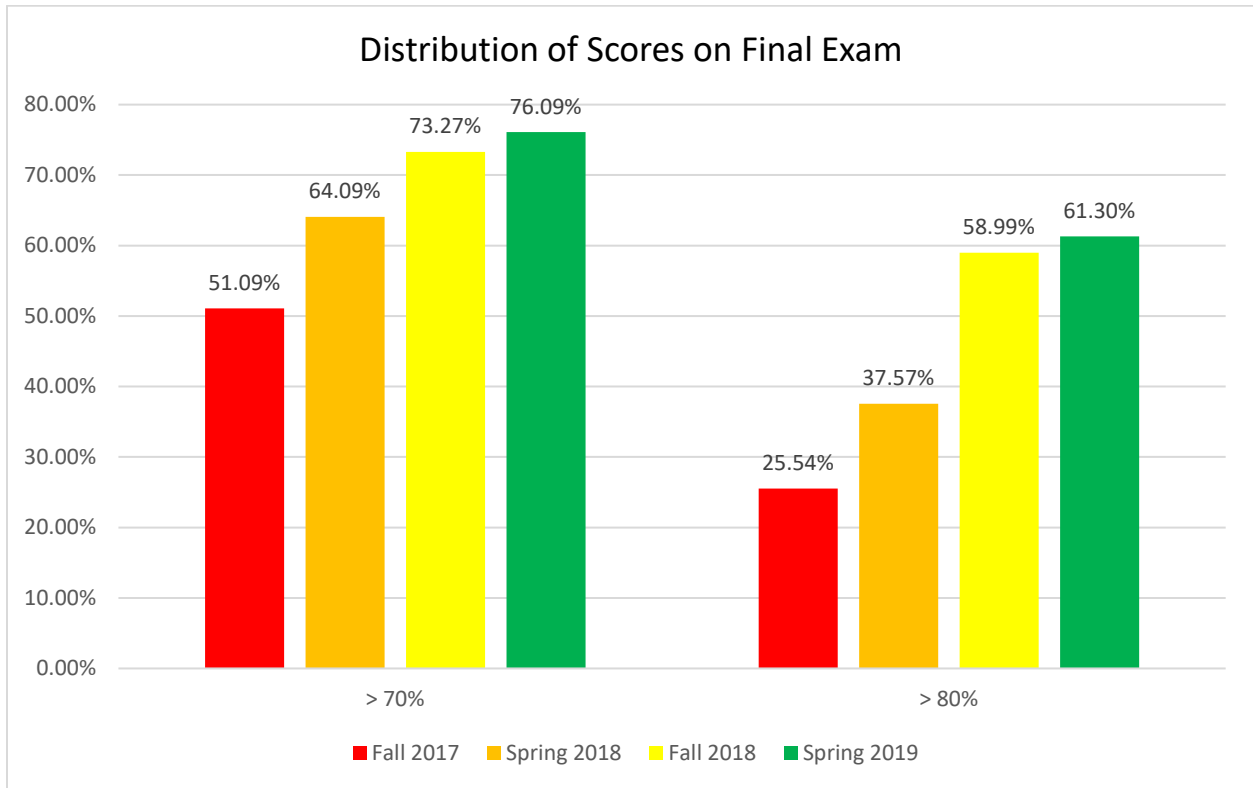
In the fall of 2019, the chair of the Department of Accounting provided final exam information for four semesters of their ACCT 201 (Accounting Principles I) and ACCT 202 (Accounting Principle II) courses. Regularly collecting this data as part of their Assurance of Learning (AOL) process, the information was submitted in AOL documents, accompanied by sample syllabus for each course.

Both ACCT 201 and 202 require a series of formative exams (100 pts. each) and one final exam (125 pts. or 25% of the final grade). The AOL documents focused on the results of the final exam for each class, each semester. The final exam is comprehensive and contains both multiple choice and short problems.

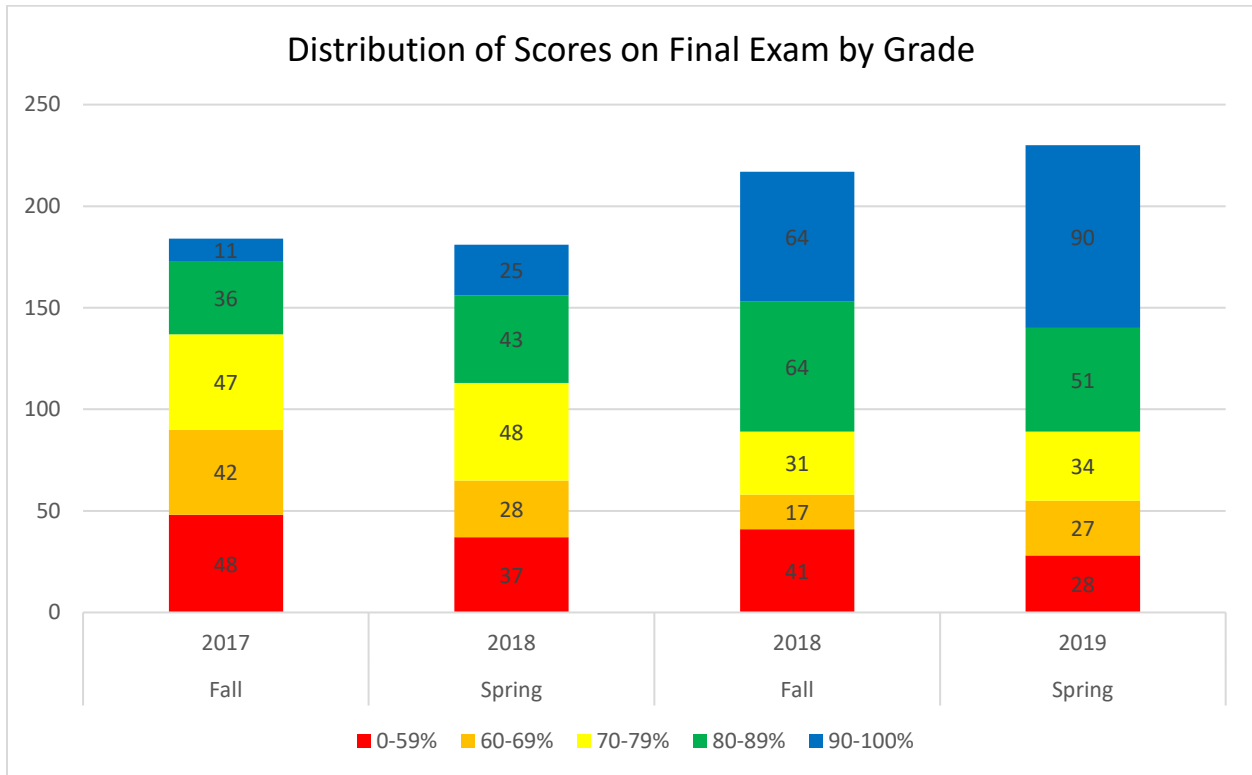
### **Results**

The final exam scores for ACCT 201 and ACCT 202 show an overall increase in students who received a 70% or higher and an increase in the number of students who received an A.

Figures 1 and 2 show the distribution of scores on the final exam and a break down of how many students scored each grade.



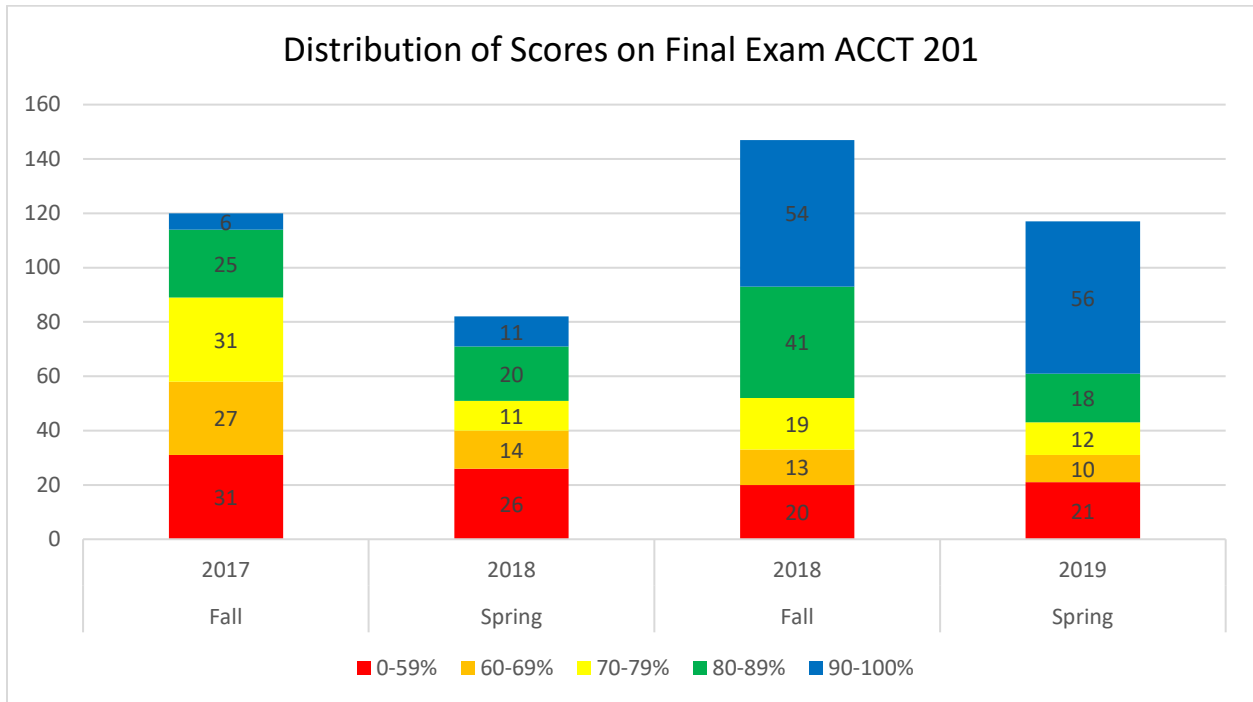
*Figure 1.* Distribution of scores on final exam. This graph shows the percentage of students who passed the final exam for each year for ACCT 201 and ACCT 202 students with a grade  $\geq 70\%$  and a grade  $\geq 80\%$ .



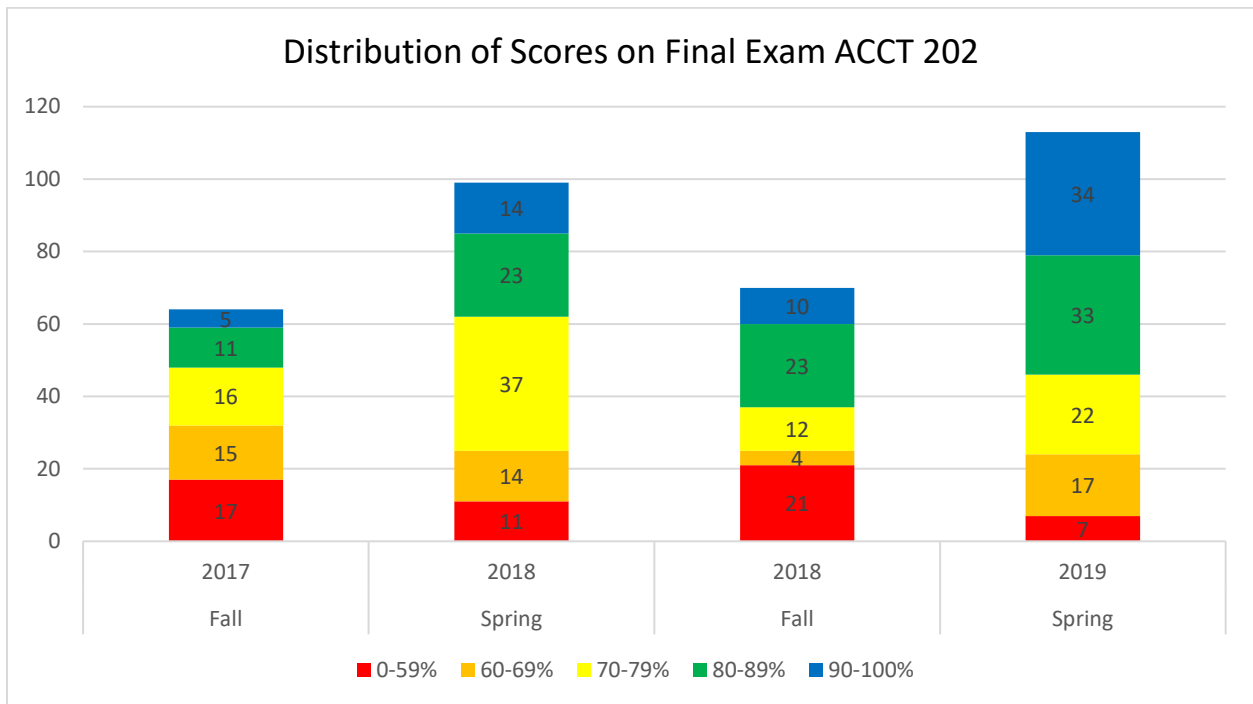
*Figure 2.* Distribution of Scores on Final Exams by Grade. This chart shows the grade distribution for ACCT 201 and ACCT 202 students.

Both the percentage of students who passed the final exam with at least a 70% and at least an 80% rose, and the percentage of students earning an A or B steadily inclined. Based on this data, students are meeting the outcome expectations assessed in the final exam for ACCT 201 and ACCT 202.

A more granular look at the data shows that students are showing significant gains each year but spring students outperform fall students each academic year. Figures 3 and 4 show success for each individual course.



*Figure 3.* Distribution of Scores on Final Exams by Grade for ACCT 201. This chart shows the grade distribution for ACCT 201 over academic year 2017-2018 and 2018-2019.



*Figure 4.* Distribution of Scores on Final Exams by Grade for ACCT 202. This chart shows the grade distribution for ACCT 202 over academic year 2017-2018 and 2018-2019.

### **Implications**

The growth shown over the last four semesters implies that students understanding fundamental and intermediate accounting principles. This foundation in financial literacy can contribute to a better understanding of budgeting and financial planning and support an understanding of entrepreneurship. This collection of student artifacts shows that over the last two years, the Department of Accounting has supported more students in meeting target (70%) and exceeding target (80%).

### **Suggested Improvements**

The Department of Accounting offered several improvements based on their submitted artifacts. In ACCT 201, faculty suggested introducing additional quizzes into the course to gain earlier indications of students who may be struggling. Faculty also suggested making better use of the Friday lab sessions, times when faculty have more direct contact with students to emphasize or apply key concepts. Other faculty suggested more closely monitoring homework in an effort to better identify and support students who may be missing key principles or concepts. In ACCT 202, faculty are incorporating weekly pre- and post- quizzes to assist in students learning. In addition, they have adopted a new edition (7<sup>th</sup>) of the course textbook that includes new learning tools and a downloadable interactive textbook. Finally, they are closely aligning two of the course exams to the CPA exam format of 50 percent multiple choice questions and 50 percent problems. Like ACCT 201 faculty, ACCT 202 are continuously improving the use of the Friday lab sessions to reinforce key concepts.

### **References**

Looney, S. M. (2011). Financial Literacy at Minority-Serving Institutions. *Institute for Higher Education Policy*.