

February, 1996 - Kathleen Brough, Accountancy

Creating Relevance

While we cannot "create relevance," we can stimulate our students so that they become more aware of the relevance of the courses they take. I am frequently surprised and pleased at the positive reaction of the students when we discuss a news article related to the current subject matter. I can see the "alertness" level increase. They've heard, or read, or seen that too! They know that company, that product! Getting and keeping their attention is a large part of imparting knowledge to them. So while my examples are related to accounting, I believe the concepts can be applied to most subjects.

I use current news articles from newspapers and magazines, which are also available to students. *The New York Times*, for example, frequently has articles concerning topics we are covering in class. These articles are not necessarily technical, but demonstrate to students the material and its uses and limitations. One such article concerns the RJR Board announcing a reverse stock split. Generally, students are not very aware of stocks, cash dividends, stock dividends, and stock splits. But read an article or two about a familiar company, and they perk up and listen.

I've displayed an advertisement showing a warranty; after we discuss warranties as a sales tool, we review our text to see how we handle the accounting for the expense and related liability. When students see an actual situation and believe that the information is or will be relevant to them, they are more interested in the seemingly mundane accounting procedure.

Many of our students listen to WINS news radio. I suggest to them that they listen for information such as: GM sales this week, this year are less than the same week, last year; or retail sales during the past holiday season were not as strong as the 1994 holiday season so discounts were given early to entice customers into uncrowded stores.

Local newspapers discuss white-collar crime in companies our students know, and we discuss physical, financial, and computer controls to prevent the misuse of company assets. Here, I find role playing helps students use the knowledge they already have and apply it to the exercises and problems in the book. I encourage students to take the role of the local grocer, the local restaurant owner, or the local manufacturer. For example, if we are discussing inventory, I ask: how much did this inventory cost? what should we charge as a selling price? how should we display it? how and where should we advertise? how can we protect it from theft and spoilage? how much ending inventory do we need? As Harry Harty said in his Teaching Tips we should build on what students already know. They have been consumers; now we ask them to think like owners.

These same local papers announce promotions of SPC graduates at major public, private, or not-for-profit organizations. Students enjoy following the rise of an SPC graduate through the various levels of the organization; they plot their own future course.

Additionally, the World Wide Web and other computer information stations have or will make available information such as IRS tax forms, instructions, and brochures; business statistics for housing starts, unemployment, and SEC filings for annual reports; financial information, such as current stock prices, initial public offerings, and foreign exchange rates, some from newspapers I generally don't read, as *The Los Angeles Times*.

An example of a less enlightening source of inspiration is a cereal box with a sales offer on it. We quickly look at the offer, and then go through an accounting example covering premium inventory, premium expense, and liability estimation. A concrete example beforehand helps students see "this stuff -accounting -is real."

Finally, I encourage students to describe briefly their work experience when it's related to the current course topic. Frequently, the topic we're discussing overlaps with other courses the students are taking so, as another benefit, they can see the need for the variety of courses we require.