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Accounting in the Headlines: A News Blog for the Introductory Accounting Classroom

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Kent State University

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Educator Bio

Wendy Tietz, PhD, CPA, CGMA, CMA, is an Associate Professor of Accounting at Kent State University, Kent, Ohio. She teaches introductory financial accounting and introductory managerial accounting in a variety of formats, including face to face, web-based, and blended. Her class size ranges from 15 students to over 250 students. She has authored or co-authored articles in *Issues in Accounting Education*, *Accounting Education: An International Journal*, and *Journal of Accounting and Public Policy*. Tietz is also the co-author of a managerial accounting textbook. She serves as the faculty advisor to the Kent State University IMA student chapter.

Abstract

Using real-life examples sparks student interest and engagement, especially when teaching accounting at the introductory level. Students in introductory accounting courses often disengage from the course material because it seems abstract and unrelated to anything they have experienced to that point in their academic studies. Wendy Tietz has created a blog, "Accounting in the Headlines," in which she writes stories about real-life companies and events that can be used in the accounting classroom to illustrate introductory financial and managerial accounting concepts. The blog contains short news stories that are supplemented with discussion questions, PowerPoint slides, handout files, and YouTube videos. The instructor can use these stories and the related resources to supplement the introductory accounting curriculum. All content is intended to be brief and fits easily into the typical introductory accounting class. New content is added to the blog each week. The blog can be found at http://accountingintheheadlines.com/.

Learning Objectives

The main objective of the blog is to bridge the gap between the abstract accounting concept in the classroom and a familiar company or product. Providing the connection between the abstract and the familiar will increase student learning, engagement, and knowledge retention. The blog makes it easy for the instructor to locate and use real-life news when teaching introductory accounting.

News stories in the blog cover a variety of specific introductory accounting topics including (but not limited to):

1. Stock splits
2. Treasury stock
3. Intangible assets
4. Bad debts
5. Breakeven analysis
6. Standard costing
7. Payback period
8. Cost behavior

The blog stories reinforce the accounting concepts taught in the introductory accounting courses by providing concrete examples to which the students can relate.

Detailed Description of the Blog

Stories focused on real companies and real events are posted to the blog each week. Each story has the following features and resources associated with it:

1. ***Concise***: The typical blog post is short, consisting of a few paragraphs, so the stories are quick to read and to use in class.
2. ***Focused***: Each blog story focuses on just one accounting concept, so that students can concentrate on that one concept. Each blog headline poses a question about the featured accounting concept.
3. ***Discussion Questions***: One to five discussion questions are provided for each blog news story. These discussion questions require the student to think critically about the story and to apply the featured accounting concept.
4. ***PowerPoint slides***: The blog story is summarized in a brief PowerPoint file. Discussion questions are also included in the PowerPoint slides.
5. ***Handout***: The blog posting and discussion questions are replicated in a handout that can be printed or linked to electronically (pdf format or Word format).
6. ***YouTube link***: The blog story is described in a short YouTube video that could be assigned online.

All blog content has a Creative Commons license that allows anyone to use and edit the content in any way for non-commercial purposes.

New posts appear in the blog each week. As of June 9, 2014, the blog contained 62 blog posts covering a variety of financial accounting and managerial accounting topics. The same blog content can also be found on a linked Facebook page and on Twitter.

Instructors using the blog can search for specific topics. Topics are also listed on the right-hand side of the blog; clicking on any topic brings up the blog posts related to that topic area.

Some past blog post titles include:

- What were the intangible assets in Yahoo's purchase of Tumblr?
- How many aircraft must be in service to break even at Virgin America?
- What is the impact on cash from Sony selling its old Tokyo headquarters?
- How would Crocs account for the conversion of its preferred stock into common stock?
- What is the impact of Candy Crush Saga maker's IPO on its balance sheet?
- How will cutting 18 months off the life of its Celebrex patent impact Pfizer's profits?

What is the balance sheet impact of the $400 million Netflix just borrowed?

APRIL 28, 2014 BY WENDY TIETZ 0 COMMENTS

In February 2014, Netflix took out a $400 million loan. Netflix is using these funds to help to create original programming, such as its hit series "House of Cards," and to expand to Europe.

Netflix is a publicly-held company trading on NASDAQ under the symbol NFLX. On March 10, 2014, Netflix common stock was selling for about $438.38 per share. As of December 31, 2012, Netflix had more than 55,587,000 shares of common stock outstanding.

Discussion Questions

Questions

1. What is the impact on Netflix's accounting equation from borrowing the $400 million?
2. Rather than borrowing the $400 million, Netflix could have issued common stock. Using the market price given in the article, how many shares of common stock would Netflix had to have issued to realize $400 million (ignore underwriting and broker fees)?
3. What are some possible reasons that Netflix chose to borrow the $400 million rather than issue stock?

Instructor Resources

These resources are provided to give the instructor flexibility for use of Accounting in the Headlines articles in the classroom. The blog posting itself can be assigned via a link to this site OR by distributing the student handout below. Alternatively, the PowerPoint file below contains a bullet point overview of the article and the discussion questions. The YouTube video link below is a narration of the blog post article (no discussion questions are included in the YouTube video; those can be assigned separately.)

- Student handout (pdf) (word) (contains entire blog posting + discussion questions)
- PowerPoint file (brief article overview + discussion questions)
- YouTube video (narrated article in shareable YouTube link)

AICPA Core Competencies

Taken as a whole, the blog content supports development of the following AICPA Core Competencies:

Functional Competencies

1. Decision modeling
2. Measurement
3. Reporting

Personal Competencies

1. Problem Solving and Decision Making
2. Interaction
3. Communication

Broad Business Perspective Competencies

1. Strategic/Critical Thinking
2. Industry/Sector Perspective
3. Resource Management
4. Legal/Regulatory Perspective

Title and Classification of Class

Content from the blog has been in both introductory undergraduate financial accounting and introductory undergraduate managerial accounting classes (Introduction to Financial Accounting and Introduction to Managerial Accounting, both sophomore level classes). In addition, blog content was used in an introductory managerial accounting class in an Executive MBA program (Accounting Information for Executive Action). Students reacted positively to the blog content and lively discussions formed around the news stories. Feedback from other professors using the blog content has been similar; they report that students are engaged by the real-life news stories.

Rubric or Assessment

Due to the nature of my submission, I do not have a rubric or assessment for it. The blog contains materials (news stories adapted to introductory accounting) for accounting instructors to use in their classrooms when discussing abstract accounting concepts.

Optional

Accounting in the Headlines Blog

https://www.youtube.com/user/accountingheadlines

http://accountingintheheadlines.com/about/

https://community.thiswaytocpa.com/allgroups/education/a/2014thebeasandersaicpateachinginnovationaward/downloads/41.aspx?ApplicationFileType=DocumentUpload&UploadIndex=9

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