“This ain’t your daddy’s business—Our changing business world” was the theme of a recent student-sponsored CBA Business Week. This phrase connotes the phenomenal changes in business and, in turn, business education. Nowhere is this change more dynamic than in the accounting profession and nowhere has an accounting department responded with more agility and foresight than at UT. For example, Texas and many other states have recently enacted the so-called 150-hour rule that requires coursework beyond a BBA to sit for the CPA exam. The avant-garde Professional Program in Accounting (PPA), created in 1985, enables a student to earn both a BBA and Master of Accounting (MPA) degree in five years. A major success well over a decade before the 150-hour rule, the PPA is now a model for five-year programs nationwide. While many other universities scramble to create five-year degrees in response to the 150-hour rule, UT enjoys a finely tuned program motivated by pedagogical principles with a 14-year tradition of excellence.

The BBA curriculum has been changed to incorporate progressive skill sets for industry. Not only does the new BBA curriculum focus on the managerial aspects of accounting, but it complements a recent interdisciplinary curriculum that combines a major in finance with a concentration in accounting. To further enhance students’ education, beginning in 1998, all BBA students are required to have a practice-based experience, such as an internship.

Just as continuous change characterizes UT’s BBA, the accounting department continuously reinvents its MPA curriculum to incorporate leading-edge knowledge and practice. For example, audit students now have exposure to important new content areas, such as assurance services. We are reshaping the tax track as I write these words. Faculty members, who created the managerial track some six years ago, have elevated learning through required real world projects in local organizations. Students and employers responded enthusiastically to our
CBA HALL OF FAME

This year’s honorees for the 1997-1998 College of Business Administration Hall of Fame include our own distinguished Accounting alumni, Mr. Frank Maresh.

The College of Business Administration Hall of Fame was established in 1983 in recognition of The University of Texas at Austin’s centennial celebration and to honor former students, faculty, and other dedicated supporters of the University whose careers have brought distinction to the College and Graduate School of Business.

The CBA Hall of Fame honors individuals who have made outstanding professional contributions to the business community and who, by their exemplary civic, philanthropic, and educational activities, have advanced humanity.

Frank graduated from The University of Texas with a BBA with honors in 1961 and an MPA with honors in 1963. He served as student body president of the Business School. He joined KPMG Peat Marwick and quickly moved up the ranks becoming managing partner of the Houston office in 1977. Later, he served as a member of KPMG’s Board of Directors, Vice Chairman of the firm’s Board of Directors, and Partner in Charge of the Southwest Region.

When he retired from KPMG in 1993, Frank was appointed by Governor Ann Richards to the Texas State Board of Public Accountancy, and in 1996 Governor Bush appointed him chairman. Frank’s voice has been an influential force in various UT Accounting Department requests put before the Board.

A Life Member of the UT Ex Students’ Association and a Distinguished Alumnus of the UT Business School, Frank has been a member of the Department of Accounting’s Advisory Council since 1975 and served as president in 1983. No other member has worked so consistently and constructively with the faculty. He has truly made a difference in the educational opportunities of students and in the career development of many UT Faculty through his support of scholarship funds and fellowship opportunities.

Today, he is a private investor and business consultant. He is Chairman of the Board of Directors, MortgageSource, Inc.; Vice President and Treasurer, Central Texas Wendy’s LLC; Board of Directors, City National Bank; Board of Directors, Hydro Processing LLC; and Chairman of the Board of Directors, Texas Hill Country Homes LLC.

Frank possesses strength of character, generosity of spirit, and a true commitment to The University of Texas. In all respects, Frank Maresh exemplifies the high standards of UT alumni, and serves as a mentor and role model for our accounting students. Frank and his wife Mollie live in Hunt, Texas.

Excerpts from the Address on the State of the University, made by the 27th President of the University, Larry R. Faulkner, at the academic convocation on October 6, 1998.

“Texas was born as a grand dream. . . .

In the fall of 1883, 115 years ago, the dream first became manifest as The University of Texas formally opened on the site that we now know as the Forty Acres. . . .

Texas is third in the nation in doctoral degrees produced, and it is second only to Harvard in National Merit Scholars among undergraduates. In terms of aptitude test scores and high school class rank, our undergraduates offer qualifications comparable with the strongest profiles in public and private universities in America. . . .

We may have reached the inner circle of leading public universities, but that does not mean that we are able to compete on an equal footing. . . .

Our state appropriation per student is half of that of UCLA and Berkeley, less than 60% of Wisconsin’s, and about two-thirds that of Michigan and Illinois. Even if all of UT Austin’s allocation from the Permanent University Fund is added to the state appropriation, the total is still less than the state appropriation per student at all of these five peers. . . .

Our highest priority must be to expand the revenue base and to focus the proceeds on adding brains, heart, muscle and sinew. . . .

For Texas to lead in the future - or even to sustain what it has already assembled — we must have in this state a core of critical talent; a productive volume of research, development, and enterprise in critical technical domains; strong mutual support between individuals and organizations; a venturesome spirit; and the willingness to form productive partnerships with the private sector. The University has an important place in all of these aspects. . . .

Let us make this place more than a university of the first class. Let’s take it to the head of the class.”

SOME THOUGHTS CONTINUED FROM P. 1

January 1987 to June 1997; Frank Tirelli, Managing Partner - West Region, Deloitte & Touche; Michael Crooch, and Arthur Andersen, U.S. Representative to the International Accounting Standards Committee (IASC); Greg Garrison, Managing Partner, PricewaterhouseCoopers; The Honorable Judge J. Ian Vasquez (UT ’72), U.S. Tax Court; Brad Armstrong, CEO and Executive Coach, Blue Whale Moving Co.; Terry Strange, Vice Chairman, Assurance & Advisory Services, KPMG Peat Marwick (New York); Glenn Terry, Gulf Coast Area Knowledge Leader, Ernst & Young; Frank Pearlman, Audit Partner, BDO Seidman (Chicago); Pamela Prinz Stewart, President, Institute of Management Accountants; Rick Causey (UT ’82), Senior VP and Chief Accounting & Information Officer, Enron Corp. (Houston); and Stuart Kessler 1997-98 Chairman, AICPA, Goldstein Golub Kessler & Co.

Among fifth-year PPA students, the CPA Exam remains an important professional milestone and UT students...
The Center for Business Measurement and Assurance Services (BMAS) was created in 1997 as an interdisciplinary practice-oriented center linking the rapidly changing business environment with the Department of Accounting’s curriculum and research objectives. BMAS is a unique collaboration between the Department of Accounting at UT Austin and leading businesses including:

- Arthur Andersen & Co. SC,
- Deloitte and Touche LLP
- Enron
- Entergy Corporation
- KPMG Peat Marwick LLP
- PricewaterhouseCoopers LLP
- Other sponsors yet to be announced

Under Director, William Kinney, BMAS has already initiated a number of activities. Robert Libby, a BMAS visitor on sabbatical at UT from Cornell, is an internationally recognized scholar in decision-making behavior. This fall, Peter M. Bauer, with Deloitte and Touche LLP, is presenting a course in Auditing and Computer Security. Robert Lambert, who has served KPMG Peat Marwick LLP as a top partner, will share his expertise about assurance in a graduate-level auditing course this coming spring (1999).

UT faculty member, Ed Summers, has participated in the development of a new course on information technology management. This course is required of all students seeking an MPA degree. Another redesigned course required of our graduate accounting students is based on Bill Kinney’s new book, “Information Quality Assurance and Internal Control.”

BMAS is currently supporting research by several of UT’s faculty. D. Eric Hirst is studying financial analysts to determine how financial reporting measurement alternatives can improve analysts’ judgments of a firm, its position, and its prospects for the future. Mary Lea McAnally is exploring how derivative risk can be measured by top management through the use of information technology. David Platt is conducting a field study of leading manufacturers and retailers to assess how enterprise-wide software, such as SAP R/3, and non-financial measures affect business organization and management decision processes. *

New Member*

1998 Accounting Advisory Council

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University of Georgia

Rick Causey  
Enron Capitol and Trade Resources

Meg Morris Conine*  
Davidson Conine Realty Advisors, Inc.

Steve Cox*  
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Deloitte & Touche LLP

Liz Yant  
PricewaterhouseCoopers LLP

Martha Zelsman  
PricewaterhouseCoopers LLP

Al Lopez  
Dell Computer Corporation

Ken Love  
Deloitte & Touche LLP

New Member*
E & Y ACCOUNTING CHALLENGE WINNERS

BY ANNA FOWLER, DIRECTOR, MPA PROGRAM

Thirteen teams participated in this year's Ernst & Young Accounting Challenge. The broad topic of the case was accounting for frequent flyer miles. The first place winners were: Jamie Fraundorf, Doug Sayuk, Jennifer Chang and Eugene Lin (all PPA). The following came in second place: Kichul Yang, Xiaolin Hu (MPAs), Ji Yang Park (MBA), and Corey Cunningham (PPA).

SOME THOUGHTS CONTINUED FROM P. 2

continue to perform exceptionally well. A 1998 graduate of the PPA, Christine Howard, earned the AICPA's Gold Medal for the highest score among 54,000 candidates last May. An MPA graduate, Paul Ito, earned the Gold Medal for the highest score on the May 1996 CPA Exam. Although our curriculum does not specifically teach the material on the CPA Exam, UT offers a highly successful CPA Review Course each spring semester as an extracurricular (non-credit) course. Pass rates for those taking this course are well above national averages.

Among fourth-year PPA students, the internship program continues to be a priority. Well over 90% of these students will participate in spring semester internships. Other students choose to pursue internship opportunities in the summer, rather than the spring. The great majority of these internships take place in Texas, but we have been successful in placing interested students around the country and, in some cases, outside the U.S. We are very grateful to the employers who have made our accounting internship program a great success.

We were fortunate to admit another outstanding group of students this year. This fall, 175 new students started the PPA - their average G.P.A. was an impressive 3.54 (after two years at UT). In total, there are approximately 500 students in the Program, fairly evenly distributed across those in their third, fourth, and fifth years. I am certain that you will be happy to welcome these fine men and women into your ranks as alumni.

Curriculum revisions and program changes have become constant activities for the Department. I hope these broad comments will interest you and add to the pride of our alumni and friends. Alumni are forever. We would be delighted to hear from you as often as your circumstances permit. Hook 'em!

EXCELLENCE THROUGH ...

CHANGE CONTINUED FROM P. 1

new interdisciplinary accounting/information management track, created last year. Common to all tracks, a vast majority of MPA students augment their learning through a finely honed internship program. The students on the other two teams that advanced to the finals were: Maya Drinkall, Susan Bullock, Kristi Cantu (MPAs), Randall Wroblewski (MBA); and Peter Prescott, Naru Navele, Erin Sanders, and Heiko Schmidt (MPAs). Congratulations to the winners!!!
THE ACCOUNTING TIMES

STUDENT NOTES

Christine Lynn Howard is the Gold Medal winner of the prestigious AICPA Elijah Watt Sells Award sponsored by the American Institute of Certified Public Accountants (AICPA). The award recognizes that Christine’s grades were the highest among the 54,000 candidates taking the Uniform CPA Exam in May 1998. She received a 99 in each of the four parts of the exam (Auditing, Law and Professional Responsibilities, Financial Accounting and Reporting, and Accounting and Reporting). Christine is a staff professional at Ernst & Young LLP in Dallas.

Kerry Edwards received Honorable Mention for her performance on the November 1997 CIA Exam.

Each year the AICPA awards on a nationwide basis five $5,000 per year fellowships to liberal arts undergraduates who decide to pursue a graduate degree in accounting. This year three of the recipients will enter the UT MPA program. That means UT—Austin will receive 3 out of the 5 AICPA Carey Fellowships awarded nationally. The recipients are Alyssa Hart, Katherine Kashiwa, and Andrea Keefer. Alyssa earned her undergraduate degree from Austin College and Master’s in government from UT; Katherine received her undergraduate from Rice; and Andrea earned her undergraduate degree from UCLA. In addition, last year two of our new students received such fellowships. (As it turned out, however, one decided early on that accounting was not for her, and she withdrew from the program.) The continuing student awarded the fellowship is Peter Prescott, who received his undergraduate degree from Augustana College and Master’s from the University of Chicago. *

SCHOLARSHIP/FELLOWSHIP RECIPIENTS:

Accounting Education Foundation of the Texas Society of CPAs Scholarship
   Elizabeth J o Burnett
   Kristin Darwin
   Sarah Goldberg
   Bridget Hennen
   Pete Olasky

AICPA Carey Fellowships
   Alyssa Hart
   Katherine Kashiwa
   Andrea Keefer

Arthur H. Carter Scholarship Fund Award
   John Chen

Coopers & Lybrand Foundation Scholarship Program
   Angela Cox
   Francisco Garza
   Chako Perez
   Brian Rodriguez
   Kevin Zubel

98-99 UT Unrestricted Endowed Presidential Scholarships:
   Michele Garcia
   Nichole Hetzer
   Janna Scheff
   Sabine Wimmer

The following five students were admitted and started our Accounting Doctoral Program this fall from a pool of 37 applicants. They are:

   Darrell Forte - Darrell is a graduate of our PPA Program (1991) and most recently was Accounting Manager for McDonald’s Corp. in Puerto Rico.

The undergraduate business program is currently ranked #6 in the nation (U.S. News & World Report, 1996). Based on the increased number of applications and the admission statistics, it is apparent that many top students in Texas now opt to enroll in our college. The College of Business strives to attract a diverse population of highly motivated, talented students. Hopefully the success we achieved in 1998 will continue in the future. *

* Admission statistics for the Business Honors Program

TEXAS LEGISLATURE PASSES BILL ON COLLEGE ADMISSIONS

by Katy Nelson, Student Development Specialist, CBA Undergraduate Dean’s Office

In Spring 1997, the Texas State Legislature passed House Bill 588 which is a law regarding admission to state institutions. It is referred to as the 10% rule, and stipulates that students are admissible to the Texas state university of their choice as first-time freshmen if they (1) graduate in the top 10% of their class from an accredited Texas high school and (2) submit all required credentials by the appropriate deadline. Many wondered how this law would impact admission to the College of Business, and if it would affect the quality of students who were admitted and subsequently enrolled.

Fall 1998 admission to the College of Business was very competitive. There was a 25% increase in applications, and the academic quality of the freshman class was exceptional. Additionally, the diversity of the freshman class increased significantly. Hispanic enrollment increased 34% and African-American enrollment increased 180%. Below is a comparison of Fall 1997 and Fall 1998 freshman admission statistics.

<table>
<thead>
<tr>
<th>Fall 1997</th>
<th>Fall 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of applications</td>
<td>2758</td>
</tr>
<tr>
<td>Admissions</td>
<td>1260</td>
</tr>
<tr>
<td>Average SAT</td>
<td>1266/1380*</td>
</tr>
<tr>
<td>Average HS %</td>
<td>9.13/top 4%*</td>
</tr>
</tbody>
</table>

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TAX TIPS FOR CHARITABLE GIVING

by Professor Anna C. Fowler

Did you realize that if you have an asset (stock, for example) that has appreciated, you can transfer that asset to a charitable organization and deduct the asset’s fair market value as a charitable contribution? You will not have to report as income the gain inherent in the asset. Thus, instead of selling an appreciated asset, paying tax on the gain, and then giving cash to your favorite charity, a more tax-effective strategy is to transfer the asset directly to the charitable organization. Several caveats are in order. The asset must be a capital asset held for longer than one year, and the deductible amount in the current year is limited to 30% of your adjusted gross income.

I want to support quality education in the UT Department of Accounting.

Name ________________________________

Mailing address ____________________________________________________________

City _______________ State ___________ Zip ___________

Daytime phone _______________ E-mail address _____________________________

Employer ______________________ Your position _______________________

Amount of gift $ _______________

• PLEASE MAKE CHECK PAYABLE TO: The University of Texas; (note “Department of Accounting” on the memo line.)

• YOUR CONTRIBUTION MAY BE SENT TO: Department of Accounting, Office of the Chairman, The University of Texas at Austin, College and Graduate School of Business, CBA 4M.202, Austin, TX 78712-1172.

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