This survey was conducted by KPMG and the AAA International Accounting Section Teaching & Curriculum (IAS T&C) Committee. Chair of the IAS T&C Committee is Judy K. Beckman, on leave from the University of Rhode Island to serve as Academic Fellow in the Office of the Chief Accountant at the U.S. Securities and Exchange Commission from August 1, 2014 to July 31, 2015.

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Objectives And Methodology
Objectives

- Refresh of a previously annual (2008 to 2011) survey to understand the current state of IFRS-related education in collegiate accounting curricula
- Addition of questions on steps being taken to integrate data analytics into the accounting curriculum
- The reduced number of respondents in 2014 may be due to lack of an SEC position on the adoption of IFRS in the U.S., or to the number of times the survey has been administered, or both. Data collection was conducted in the same time frame as prior surveys, July to August around the time of the annual meeting of the AAA.

Methodology

- Web-based survey among college/university accounting faculty members conducted July through August, 2014
  - Total 2014 respondents: 349
    - 2011: 638
    - 2010: 808
    - 2009: 500
    - 2008: 535
- Where possible, results have been compared to prior survey findings.
Executive Summary
Executive Summary

- Faculty confidence that the U.S. will adopt IFRS at some point has waned
  - A majority now is not confident that the U.S. will adopt IFRS
  - Even more say a low sense of urgency exists among regulators to adopt IFRS by a “date certain”
- IFRS is most often included in existing intermediate accounting courses
  - Making room in the curriculum continues to be the most challenging aspect for curriculum integration
  - Developing IFRS materials is still challenging but less so than in previous surveys (44% in 2014 versus 60% in 2011)
- Faculty see importance in having a good grounding in several areas of accounting
  - Ethics and Writing Skills are/will be part of accounting curriculum for 85% of respondents
Executive Summary

- Faculty most often prepare for IFRS by attending conferences/webcasts
  - Attendance of webcasts is down compared to prior years
- Few have practical experience applying IFRS
- Few faculty have received financial support/course release time to train for, develop, and/or incorporate IFRS into the curriculum
  - but the percentage who have received financial or other support has increased.
- External parties can best facilitate faculty efforts by continuing to provide problems and case studies that compare/contrast U.S. GAAP and IFRS
Executive Summary of Findings on Data Analytics

- 38% of respondents say they have taken steps to integrate data analytics into the accounting curriculum
  - nearly as many as forensics (39%) but
  - much less than integrating technology applications (77%)
- 58% have taken some significant steps in the accounting curriculum or elsewhere
- 42% of respondents have taken no significant steps
- Data analytics are integrated in many formats and courses
  - Separate data analytics courses in the business curriculum or outside of it
  - Through economics, information systems, management science, statistics, or math courses
  - Using analytical procedures in an auditing course
  - Offering certificate programs
- Some comments show misunderstanding of subject area or how it may be integrated into the accounting curriculum.
Key Findings
Key Findings

- **Most (81%)** now are *not confident* that the U.S. will adopt IFRS at some point.
  - Compares to a majority (54%) in 2011 who *were confident* that the U.S. would adopt IFRS at some point; that confidence had waned from 68% in 2009

- Most (83%) continue to say it is important for faculty to teach IFRS in U.S. universities; slightly less than 2011 (85%)

- If less than a complete conversion to IFRS starting in 2015 is chosen, only 29% say the U.S. Economy will be disadvantaged
  - *down from 2011 (>33%) and 2009 (45%)*
  - *a majority (56%) feel the U.S. will be neither advantaged nor disadvantaged*

- 8 in 10 now cite a low sense of urgency among regulators to adopt IFRS by a “date certain”; up from prior years
  - 2011: 60%
  - 2010: 49%
  - 2009: 47%

- 22% continue to say the U.S. should converge U.S. GAAP and IFRS with substantial equivalence by 2016 and 42% say the U.S. should do so after 2016

- Faculty now are not confident that the U.S. will adopt IFRS at some point

- Despite high levels of integrating IFRS into curriculums, 21% of respondents do not believe IFRS should be integrated into the curriculum

- A majority (56%) feel the U.S. will be neither advantaged nor disadvantaged if less than a complete conversion to IFRS is chosen
Key Findings

- Continuing to increase from prior years, 55% of respondents report that IFRS is significantly incorporated in the overall curriculum *(up from 4 in 10 in 2011)*
  - Another one-quarter say IFRS should be incorporated significantly into the curriculum this academic year or next
- Similarly, most (83%) say their school has taken significant steps towards incorporating IFRS into the curriculum; *up from 2011 (2010 (73%) and 2009 (69%))*
  - Significant majority (64%) implement significant components of IFRS into existing courses equivalent to at least 1 student credit hour;
    - most (81%) include in intermediate accounting; similar results for 2011, 2010 and 2009
    - 19%: Created a separate graduate course (17% in 2011)
    - 17%: Created a separate undergraduate course (12% in 2011)
    - 10%: Actively assessing appropriate course of action (15% in 2011)

- More schools have taken significant steps to integrate IFRS into their accounting curriculums
- IFRS is most often included in existing intermediate accounting courses
- 17% of respondents state their schools have created a separate undergraduate course, up from 12% in 2011
Key Findings

- Most (73%) expect the graduating class of 2017 or later to enter the workforce with a truly comprehensive knowledge of IFRS.
  - This is later than prior surveys when respondents expected students in 2015 or later to enter the workforce with this knowledge; a higher percentage of 2011 respondents expected this accomplishment than do now in 2014:
    - 78% in 2011
    - 58% in 2010
    - 39% in 2009
    - 8% in 2008
- Only 14% say the current year graduates of 2013-2014 have entered with a truly comprehensive knowledge of IFRS
- A significant minority (40%) say they expect the CPA exam will include significant IFRS coverage only in 2018 or later

One respondent notes negative student reaction to using an IFRS based intermediate accounting textbook:

“The students did not see any point learning IFRS when CPA exams had so few questions about IFRS.”
Key Findings

- 88% of respondents have no practical experience applying IFRS (similar to past years);
  - comments by the 12% who report having experience make it clear that they obtained their experience through academic activities related to research and teaching
  - many do report public accounting experience or experience working within multinational corporations or in locations in which IFRS is applied
- 38% continue to say their schools have identified faculty who will be responsible for teaching IFRS; similar results for 2011, 2010 and 2009
  - 43% have made no plans to prepare faculty to teach IFRS
  - 19% will provide funding to existing faculty to attend training
- A majority (59%) continue to say their administration does not understand the changes required in the curriculum; a continually increasing trend from results for 2011 (56%), 2010 (56%), 2009 (55%) and 2008 (38%)

- Respondents express sentiments such as “PhD level faculty are expected to engage in, and are fully capable of, self-directed learning.”
- Faculty continue to say their administrations do not fully understand the curriculum changes required related to IFRS adoption in the U.S.
Key Findings

Making room in the curriculum, training faculty to teach, and developing materials are the top reported challenges in integrating IFRS into the curriculum.

- Overall similar results to prior years
- A very broad range of other concerns are reported in respondent comments:
  - Faculty interest and/or resistance to change
  - Administrative/budgetary concerns
  - Justification to those recruiting graduates
  - Confusion on the part of students learning two sets of standards
  - Uncertainty, in general and specifically, about the SEC’s decision-making

About one-quarter have examined teaching materials and case studies developed by large public accounting firms; down from 2010 (34%) and 2009 (36%)
Key Findings

● Majority continue to say they have prepared for IFRS by attending:
  - IFRS session(s) at conferences (61%)
  - IFRS webcasts (37%), continuing trend downward from prior years (2011: 43%; 2010: 51%; 2009: 61%)
  - Dedicated IFRS conferences or programs (30%), similar to 2011 (28%)
  - Conferences and webcasts sponsored by
    ● Public accounting firm or state society: 59%
    ● AAA or FSA: 74%

● Other programs (15%)
  - IFRS Foundation, IASB
  - EAA, CAA, IAAER
  - Publishers, CPA review firms, CPA firms, and commercial conferences
  - AICPA and IMA
How valuable are external parties’ materials in facilitating faculty efforts to teach IFRS? (5: very valuable; 1 not valuable at all)

- a) Case studies comparing and contrasting concepts
- b) Problems with IFRS and U.S. GAAP technical commonalities and differences
- c) Stand-alone webcasts/podcasts for classroom use
- d) IFRS Test-Banks with Solutions
- e) Repurposed internal training courses for classroom use
- f) Subsidized/free access to IFRS certification
- g) Other. Please describe.

Q24. How might external parties (AAA, CPA firms, Industry) best facilitate faculty efforts to teach IFRS? Please rate how valuable each of the following would be to accounting faculty.
Which of the following subjects/areas are part of (or will be part of) your school’s accounting curriculum? (Select all that apply)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Response</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Forensics</td>
<td>104</td>
<td>39%</td>
</tr>
<tr>
<td>b) Ethics</td>
<td>226</td>
<td>85%</td>
</tr>
<tr>
<td>c) IFRS</td>
<td>195</td>
<td>74%</td>
</tr>
<tr>
<td>d) Sustainability/Corporate Social Responsibility</td>
<td>89</td>
<td>34%</td>
</tr>
<tr>
<td>e) Fraud</td>
<td>169</td>
<td>64%</td>
</tr>
<tr>
<td>f) Corporate Governance</td>
<td>143</td>
<td>54%</td>
</tr>
<tr>
<td>g) Professional Skepticism</td>
<td>173</td>
<td>65%</td>
</tr>
<tr>
<td>h) Writing Skills – general and technical writing</td>
<td>226</td>
<td>85%</td>
</tr>
<tr>
<td>i) Technology applications for accounting</td>
<td>203</td>
<td>77%</td>
</tr>
<tr>
<td>j) Data Analytics</td>
<td>101</td>
<td>38%</td>
</tr>
<tr>
<td>k) None of the above subjects are currently taught as part of my school’s accounting curriculum</td>
<td>7</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q21. Which of the following subjects/areas are part of (or will be part of) your school’s accounting curriculum? (Select all that apply)
Appendix: Detailed Findings
Demographics

Demographics are not comparable to prior periods in which data on faculty rank and geographic location of respondents was collected. In addition, 8% of respondents in 2011 were from non-U.S. schools.

In 2014, respondents instead were asked whether their programs are accredited, what are their AAA membership affiliations, and how many students are enrolled in their college or university and business college or school.

81% of respondents are located at AACSB accredited colleges/schools.

54% of respondents from the AACSB accredited colleges/schools also hold separate accounting program accreditation.

As of August 31, 2014, the AACSB reports that of the 510 accredited U.S. schools, 170, or 1/3, hold the separate accounting accreditation. The AACSB reports that less than 5% of the world’s 13,000 business schools hold AACSB accreditation.

The survey thus respondents heavily represent accredited business schools and, within that emphasis, a further bias towards schools holding the separate accounting accreditation, relative to the total population of U.S. collegiate business programs.
Q1. Given events to date, to what extent are you confident that the U.S. will adopt IFRS at some point?

1 = Not at all confident and 4 = Very confident
Most Continue to Say It Is Important For Faculty to Teach IFRS In U.S. Universities Despite Non-confidence in U.S. Adoption of IFRS

Q2. How important is it for faculty today to teach students IFRS in U.S. universities?

Mean

2014: 3.0
2011: 3.1
2010: 3.2
2009: 3.3

Very important

Important

Not important

Not at all important

2014: 83%
2011: 85%
2010: 89%
2009: 91%

2014: 63%
2011: 58%
2010: 53%
2009: 54%

2014: 16%
2011: 13%
2010: 10%
2009: 8%

1 = Not at all important and 4 = Very important
Respondents hold memberships in a variety of AAA sections; respondents could select all that apply.

<table>
<thead>
<tr>
<th>Section</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting, Behavior and Organizations</td>
<td>61</td>
<td>21%</td>
</tr>
<tr>
<td>Accounting Information Systems</td>
<td>25</td>
<td>9%</td>
</tr>
<tr>
<td>Accounting Programs Leadership Group</td>
<td>37</td>
<td>13%</td>
</tr>
<tr>
<td>American Taxation Association</td>
<td>33</td>
<td>11%</td>
</tr>
<tr>
<td>Auditing</td>
<td>81</td>
<td>28%</td>
</tr>
<tr>
<td>Diversity</td>
<td>21</td>
<td>7%</td>
</tr>
<tr>
<td>Financial Accounting and Reporting</td>
<td>120</td>
<td>41%</td>
</tr>
<tr>
<td>Forensic and Investigative Accounting</td>
<td>36</td>
<td>12%</td>
</tr>
<tr>
<td>Gender Issues and Worklife Balance</td>
<td>14</td>
<td>5%</td>
</tr>
<tr>
<td>Government and Nonprofit</td>
<td>38</td>
<td>13%</td>
</tr>
<tr>
<td>International Accounting</td>
<td>68</td>
<td>23%</td>
</tr>
<tr>
<td>Management Accounting</td>
<td>45</td>
<td>15%</td>
</tr>
<tr>
<td>Public Interest</td>
<td>32</td>
<td>11%</td>
</tr>
<tr>
<td>Strategic and Emerging Technologies</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Teaching, Learning and Curriculum</td>
<td>90</td>
<td>31%</td>
</tr>
<tr>
<td>Two-Year College</td>
<td>9</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q3. Which AAA section membership do you hold? (Select all that apply.)
Respondents are From Schools Widely Varying in Size

<table>
<thead>
<tr>
<th></th>
<th>Size of College or University</th>
<th>Size of School of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>300</td>
<td>278</td>
</tr>
<tr>
<td>Minimum</td>
<td>400</td>
<td>120</td>
</tr>
<tr>
<td>25th Percentile</td>
<td>6,650</td>
<td>1,000</td>
</tr>
<tr>
<td>Median</td>
<td>14,600</td>
<td>2,000</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>27,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Max</td>
<td>77,000</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Q4. What is the size of your college or university as a whole?

Q5. What is the size of your college/school of business?
Q7: To what extent will the U.S. economy and capital markets be advantaged or disadvantaged if the U.S. chooses anything less than a complete conversion to IFRS?

1 = Very disadvantaged and 5 = Very advantaged

May not equal 100% due to rounding
Q5. When do you believe your school should significantly incorporate teaching IFRS into its curriculum? Note: 2014 asked only “in the next academic year or later”; 2008 survey did not ask whether IFRS was already incorporated into the curriculum.
Q8. When do you believe your school should significantly incorporate teaching IFRS into its curriculum?

*Note: 2014 asked only in the next academic year or later; 2008 survey did not ask whether IFRS was already incorporated into the curriculum.

Similar options used for yearly comparisons
Similarly, Most Say Their Schools Continue Taking Significant Steps Towards Incorporating IFRS Into Their Curriculum

Q9. Which of the following steps has your school taken to incorporate IFRS into the curriculum?

- Integrated significant components of IFRS into an existing course (equivalent to approximately 1 student credit hour)
- Integrated significant components of IFRS into an existing course (equivalent to 2 or more student credit hours)
- Created a separate graduate course
- Created a separate undergraduate course
- Actively assessing appropriate course of action*
- No significant steps yet taken

**Multiple Responses Allowed**

- Significant steps taken
  - 2014: 83%
  - 2011: 83%
  - 2010: 73%
  - 2009: 69%

- Significant steps not taken**
  - 2014: 17%
  - 2011: 17%
  - 2010: 27%
  - 2009: 31%

*Not asked in 2010 and 2009
**Mutually exclusive response choice
Most Have Integrated IFRS Components into Intermediate Accounting

Among Those Who Have Integrated Significant Components Of IFRS Into An Existing Course  

Q9a. Into which course(s) have IFRS components been integrated?

- Introductory Accounting* (31%)
- Intermediate Accounting (81%)
- Advanced Accounting (44%)
- International Accounting (33%)
- Other (17%)

*Not asked in 2010 and 2009

Other courses include:
- Accounting theory and research
- Advanced theory
- Audit and systems
- Environment of accounting
- Financial statement analysis
- Grad financial accounting
- Graduate/senior capstone course
- IFRS course
- Integrative accounting
- Seminar in financial analysis
- Topics course

Multiple Responses Allowed

n = 221
Assignments from the Required Text are Most Frequently Used Resources to Blend IFRS into the Curriculum in 2014

- a. Assignments from the required text
- b. Published cases and/or projects
- c. Cases or projects that your faculty develop (please specify)
- d. Other (please specify)

Q9b. Resources used to blend IFRS coverage.
Majority Continue To Say They Have Prepared For IFRS By Attending An IFRS Session(s) but Attendance at IFRS Webcasts Has Steadily Declined

Other methods of preparation include:
- CPE Courses (online and in person)
- Read/watch/attend accounting firm seminars
- Research and reading related to IFRS
- Read IFRS, IFRS Updates, and/or read/subscribe to eIFRS
- AICPA IFRS certification

Q10. Have you prepared for IFRS in any of the following ways?

Multiple Responses Allowed

- Attended an IFRS session(s) at a conference
  - 2014 (n = 299): 61%
  - 2011 (n = 633): 51%
  - 2010 (n = 799): 52%
  - 2009 (n = 500): 52%

- Attended IFRS webcasts
  - 2014 (n = 299): 37%
  - 2011 (n = 633): 43%
  - 2010 (n = 799): 30%
  - 2009 (n = 500): 16%

- Attended dedicated IFRS conferences or programs
  - 2014 (n = 299): 28%
  - 2011 (n = 633): 34%
  - 2010 (n = 799): 30%
  - 2009 (n = 500): 20%

- Other
  - 2014 (n = 299): 16%
  - 2011 (n = 633): 17%
  - 2010 (n = 799): 17%
  - 2009 (n = 500): 20%

- I have not attended any of the above to prepare for IFRS
  - 2014 (n = 299): 24%
  - 2011 (n = 633): 20%
  - 2010 (n = 799): 15%
  - 2009 (n = 500): 11%
Majority Receive IFRS Training from AAA, Public Accounting Firms or State Societies

Q10. Have you prepared for IFRS in any of the following ways?

Q10a. What type of organization(s) sponsored these programs?

Other Programs (15%)
- IFRS Foundation, IASB
- EAA, CAA, IAAER
- Publishers, CPA review firms, and commercial conferences
- AICPA and IMA

May not equal 100% due to rounding

Similar options used for yearly comparisons
Q11. Do you have any practical experience applying IFRS?

Similar To 2011, Few Have Practical Experience Applying IFRS

- **Yes**: 12% (2014) vs. 9% (2011)
- **No**: 91% (2014) vs. 80% (2011)

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12%</td>
<td>91%</td>
</tr>
<tr>
<td>2011</td>
<td>9%</td>
<td>91%</td>
</tr>
</tbody>
</table>
Most Respondents Now Sense No Urgency Among Regulators to Adopt IFRS by a Date Certain

Q12. To what extent does a sense of urgency exist among regulators to adopt IFRS by a "date certain" for conversion to IFRS (rather than convergence of U.S. standards and IFRS)?

1 = No current sense of urgency and 5 = Strong sense of urgency

<table>
<thead>
<tr>
<th>Year</th>
<th>1-2</th>
<th>3</th>
<th>4-5</th>
<th>Mean</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>47%</td>
<td>36%</td>
<td>17%</td>
<td>2.6</td>
<td>493</td>
</tr>
<tr>
<td>2010</td>
<td>49%</td>
<td>35%</td>
<td>16%</td>
<td>2.5</td>
<td>790</td>
</tr>
<tr>
<td>2011</td>
<td>57%</td>
<td>31%</td>
<td>12%</td>
<td>2.3</td>
<td>630</td>
</tr>
<tr>
<td>2014</td>
<td>80%</td>
<td>16%</td>
<td>3%</td>
<td>1.7</td>
<td>289</td>
</tr>
</tbody>
</table>
Only 28% of Respondents Now Say the U.S. Should Converge U.S. GAAP and IFRS in the Near Future Though Most Favor Convergence Later

Q13. Regarding IFRS, what course of action do you believe the U.S. should follow?

- Adoption of IFRS in place of U.S. GAAP for publicly-traded companies on or before 2016:
  - 2014: 6% (23%), 2011: 17% (23%)
- Convergence of U.S. GAAP and IFRS, with substantial equivalence achieved only after 2016:
  - 2014: 22% (45%), 2011: 46% (45%)
- Convergence of U.S. GAAP and IFRS, with substantial equivalence by 2016:
  - 2014: 22% (42%), 2011: 22% (20%)
- Indefinite continuation of U.S. GAAP:
  - 2014: 12% (29%), 2011: 16% (29%)

May not equal 100% due to rounding

2014 (n = 289)  2011 (n = 636)
Q14. When do you believe the CPA Examination will include significant IFRS coverage? (that is, more than 5 or 6 multiple choice questions.)

Similar options used for yearly comparisons
In Contrast, in 2011, Majority Expected The CPA Exam To Include Significant IFRS Coverage By 2014

Q14. When do you believe the CPA Examination will include significant IFRS coverage? (that is, more than 5 or 6 "awareness" multiple choice questions.)

Similar options used for yearly comparisons
Trend Shows Growing Majority Delaying Expectations that Graduating Students will Enter Workforce with Comprehensive Knowledge of IFRS

Q15. Which graduating class of students at your school do you expect will enter the workforce with a truly comprehensive (working) knowledge of IFRS?

Similar options used for yearly comparisons

Does not add up to 100% due to rounding
About 4 in 10 continue to say their schools have identified faculty who will be responsible for teaching IFRS and another 4 in 10 have made no plans; fewer are willing to provide funding for training.

Q16. What plans has your school made to prepare faculty to teach IFRS?

- Individual faculty have been identified who will be responsible to teach
- Will provide funding to existing faculty to attend training
- Will provide funding or release time to existing faculty to develop course materials
- Will hire new IFRS-ready faculty
- A combination of hiring new IFRS-ready faculty and developing existing faculty
- Other
- Undecided, no plans

Multiple Responses Allowed

Similar options used for yearly comparisons.

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Making Room In The Curriculum Continues to be the Greatest Challenge in Integrating IFRS Into The Curriculum, While Developing Curriculum Materials is Less Challenging than in 2011

Q17. How challenging are the following aspects of IFRS curriculum integration for the academic community? Use a 1-5 scale where 1 means “Not at all challenging” and 5 means “Very challenging”.

*Not asked in 2008
Q17. How challenging are the following aspects of IFRS curriculum integration for the academic community? Use a 1-5 scale where 1 means “Not at all challenging” and 5 means “Very challenging”.

*Not asked in 2008
Almost 6 in 10 Say Their Administration Does Not Understand The Changes Required In The Curriculum, Up From Prior Years

Q18. To what extent does your school administration understand the magnitude of the curriculum change required by faculty to respond to IFRS adoption in the U.S.?

<table>
<thead>
<tr>
<th>Year</th>
<th>1-2</th>
<th>3</th>
<th>4-5</th>
<th>Don't know*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>38%</td>
<td>30%</td>
<td>23%</td>
<td>9%</td>
</tr>
<tr>
<td>2009</td>
<td>55%</td>
<td>22%</td>
<td>23%</td>
<td>9%</td>
</tr>
<tr>
<td>2010</td>
<td>56%</td>
<td>24%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>2011</td>
<td>56%</td>
<td>25%</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>2014</td>
<td>59%</td>
<td>27%</td>
<td>15%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Mean: 2008 = 1.8, 2009 = 2.5, 2010 = 2.5, 2011 = 2.4, 2014 = 2.3


1 = Does not understand at all and 5 = Understands very well
2008 Rating scale has been adjusted for comparisons

May not equal 100% due to rounding
Consistent with Prior Surveys, 1 in 3 Have Comprehensively Examined Materials/Case Studies Developed by Large Public Accounting Firms

Q19. To what extent have you examined teaching materials and case studies developed by the large public accounting firms?

1 = Have not examined any materials/case studies developed by the large public accounting firms; and
5 = Have comprehensively examined materials/case studies developed by the large public accounting firms
For 2014 Graduates, Faculty See Importance In Having A Good Grounding In Several Areas. Data Analytics Emphasized Less than Technology Skills.

<table>
<thead>
<tr>
<th>Area</th>
<th>2014</th>
<th>1-2</th>
<th>3</th>
<th>4-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Analytics*</td>
<td>15%</td>
<td>34%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>Strong Technology Skills*</td>
<td>6%</td>
<td>93%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Critical Thinking Skills</td>
<td>8%</td>
<td>98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong Writing Skills</td>
<td>4%</td>
<td>97%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting Concepts and Principles</td>
<td>4%</td>
<td>96%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics</td>
<td>8%</td>
<td>90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Skepticism</td>
<td>9%</td>
<td>89%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud</td>
<td>5%</td>
<td>25%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Fair Value (including Mark-to-Market)</td>
<td>9%</td>
<td>29%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>15%</td>
<td>37%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>IFRS</td>
<td>22%</td>
<td>41%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Forensic accounting</td>
<td>27%</td>
<td>44%</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

Q20. How important is it that your accounting students graduating in 2014 have a good grounding in the following: Use a 1 to 5 scale where 1 means "Not important at all" and 5 means "Very important"
For 2011 Graduates, Faculty See Importance In Having A Good Grounding In Several Areas

Q20. How important is it that your accounting students graduating in 2011 have a good grounding in the following: Use a 1 to 5 scale where 1 means "Not important at all" and 5 means "Very important"

<table>
<thead>
<tr>
<th>Area</th>
<th>Mean</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Thinking Skills</td>
<td>4.8</td>
<td>629</td>
</tr>
<tr>
<td>Accounting Concepts and Principles</td>
<td>4.8</td>
<td>630</td>
</tr>
<tr>
<td>Strong Writing Skills*</td>
<td>4.6</td>
<td>631</td>
</tr>
<tr>
<td>Ethics</td>
<td>4.6</td>
<td>629</td>
</tr>
<tr>
<td>Professional Skepticism</td>
<td>4.4</td>
<td>631</td>
</tr>
<tr>
<td>Fair Value (including Mark-to-Market) Accounting</td>
<td>3.9</td>
<td>626</td>
</tr>
<tr>
<td>Corporate Governance*</td>
<td>3.8</td>
<td>631</td>
</tr>
<tr>
<td>Fraud</td>
<td>3.8</td>
<td>624</td>
</tr>
<tr>
<td>IFRS</td>
<td>3.2</td>
<td>624</td>
</tr>
<tr>
<td>Derivatives and Financial Instruments*</td>
<td>3.2</td>
<td>632</td>
</tr>
<tr>
<td>Forensics</td>
<td>3.1</td>
<td>628</td>
</tr>
</tbody>
</table>

*Not asked in 2010 and 2009
Q21b. What percent of your school's faculty teach or are preparing to teach this subject?

*First asked in 2014

May not equal 100% due to rounding
Percentage of Faculty Teaching or Engaged In Preparing to Teach Subjects

Q20a. What percent of your school's faculty teach or are preparing to teach this subject?

*Not asked in either 2010 or 2009

May not equal 100% due to rounding

© 2014 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.
The Majority of Faculty Continue to Say IFRS, Ethics, Writing Skills, Fraud, and Professional Skepticism Is Part of Their Accounting Curriculum

Q21. Which of the following subjects/areas are part of (or will be part of) your school’s accounting curriculum?

*Not asked in either 2010 or 2009

Multiple Responses Allowed
While Only 38% of Faculty Say Data Analytics Are Part of the Accounting Curriculum, 77% Include Technology Applications.

Q21. Which of the following subjects/areas are part of (or will be part of) your school's accounting curriculum?

- Data Analytics: 38%
- Technology Applications for Accounting: 77%
- Derivatives and Financial Instruments*: 49%
- Corporate Governance: 39%
- Forensics: 43%
- Sustainability/Corporate Social Responsibility*: 34%
- None of the above subjects/areas are currently taught as part of my school's accounting curriculum: 3%

*Not asked in either 2010 or 2009
Q21c. What percentage of your school's faculty have received financial support or course release time to train for, develop, and/or incorporate specific materials on this subject into the curriculum

<table>
<thead>
<tr>
<th>Subject</th>
<th>2014</th>
<th>Average Percentage</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Analytics*</td>
<td>49%</td>
<td>13%</td>
<td>71</td>
</tr>
<tr>
<td>Technology Applications for Accounting*</td>
<td>38%</td>
<td>22%</td>
<td>86</td>
</tr>
<tr>
<td>IFRS</td>
<td>41%</td>
<td>15%</td>
<td>91</td>
</tr>
<tr>
<td>Ethics</td>
<td>45%</td>
<td>16%</td>
<td>85</td>
</tr>
<tr>
<td>Writing Skills (general and technical writing)</td>
<td>51%</td>
<td>20%</td>
<td>71</td>
</tr>
<tr>
<td>Professional Skepticism</td>
<td>57%</td>
<td>13%</td>
<td>65</td>
</tr>
<tr>
<td>Fraud</td>
<td>46%</td>
<td>12%</td>
<td>82</td>
</tr>
<tr>
<td>Sustainability/Corporate Social Responsibility</td>
<td>55%</td>
<td>10%</td>
<td>71</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>54%</td>
<td>11%</td>
<td>68</td>
</tr>
<tr>
<td>Forensics</td>
<td>55%</td>
<td>9%</td>
<td>73</td>
</tr>
</tbody>
</table>

*First asked in 2014

May not equal 100% due to rounding.
Q21c. What percent of your school's faculty have received financial support or course release time to train for, develop, and/or incorporate specific materials on this subject into the curriculum:

*Not asked in either 2010 or 2009

May not equal 100% due to rounding
Almost 6 in 10 Have Taken Steps to Incorporate Data Analytics into the Curriculum

Q22. Which of the following steps has your school taken to incorporate Data Analytics into the accounting curriculum? (Select all that apply.)

- Created a separate graduate course: 10%
- Created a separate undergraduate course: 9%
- Integrated significant components of Data Analytics into an existing course (equivalent to approximately 1 student credit hour): 21%
- Integrated significant components of Data Analytics into an existing course (equivalent to approximately 1 student credit hour): 11%
- Have students take a course(s) offered in another business curriculum rather than accounting (please specify): 13%
- Have students take a course(s) offered in another program outside the business curriculum (i.e., mathematics, IT, etc) (please specify): 6%
- Actively assessing appropriate course of action: 14%
- Other: 4%
- No significant steps yet taken: 42%

Significant steps taken 2014: 58%
Significant steps not taken* 2014: 42%

Summary of “Other”
- Offer major, minor, graduate and undergraduate degrees and certificate programs
- Incorporated in courses offered by other departments, such as finance, information systems, management science and math
- Still trying to define how Data Analytics may be integrated into accounting educations

*Not asked in prior surveys
Most Accounting Educators Favor Teaching U.S. GAAP With Progressively More Time and Attention on IFRS--Equally Split Between Concepts and Technical Standards

Q23. Given the current dynamics in the economic and regulatory environment, what do you believe is the appropriate path that accounting educators should pursue over the next 3 to 5 years?

- Continue to teach U.S. GAAP with progressively more time and attention afforded to IFRS CONCEPTS taught on a compare and contrast approach with U.S.:
  - 2014: 74%
  - 37% in 2014

- Continue to teach U.S. GAAP with only modest time and attention afforded IFRS:
  - 25%

- Teach only IFRS standards and concepts:
  - 1%

May not equal 100% due to rounding

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NDPPS 328179
In 2011, A Significant Majority Said Accounting Educators Should Teach U.S. GAAP With Progressively More Time/Attention On IFRS Concepts

<table>
<thead>
<tr>
<th>Option</th>
<th>2011</th>
<th>Mean</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to teach U.S. GAAP with progressively more time and attention afforded to IFRS concepts taught on a compare and contrast approach with U.S. GAAP conceptual framework</td>
<td>12% 18% 69%</td>
<td>3.8</td>
<td>617</td>
</tr>
<tr>
<td>Continue to teach U.S. GAAP with progressively more time and attention afforded to technical IFRS standards taught on a compare and contrast approach with U.S. GAAP</td>
<td>15% 32% 53%</td>
<td>3.5</td>
<td>626</td>
</tr>
<tr>
<td>Continue to teach U.S. GAAP with only modest time and attention afforded IFRS</td>
<td>44% 26% 30%</td>
<td>2.8</td>
<td>624</td>
</tr>
<tr>
<td>Teach only IFRS standards and concepts</td>
<td>86% 9% 5%</td>
<td>1.5</td>
<td>610</td>
</tr>
</tbody>
</table>

Q23. Given the current dynamics in the economic and regulatory environment, what do you believe is the appropriate path that accounting educators should pursue over the next 3 to 5 years? Please rate each of the following using a 1-5 scale where 1 means "Not appropriate at all" and 5 means "Highly appropriate"
Q24. How might external parties (AAA, CPA firms, Industry) best facilitate faculty efforts to teach IFRS? Please rate how valuable each of the following would be to accounting faculty. Use a 1-5 scale where 1 means “Not valuable at all” and 5 means “Very valuable”.

<table>
<thead>
<tr>
<th>Option</th>
<th>2014 Mean</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Case studies comparing and contrasting IFRS and U.S. GAAP conceptual commonalities and differences</td>
<td>4.2</td>
<td>250</td>
</tr>
<tr>
<td>b) Problems comparing and contrasting IFRS and U.S. GAAP technical commonalities and differences</td>
<td>4.2</td>
<td>251</td>
</tr>
<tr>
<td>c) Stand-alone webcasts or podcasts for classroom use</td>
<td>3.5</td>
<td>248</td>
</tr>
<tr>
<td>d) IFRS Test-Banks with Solutions</td>
<td>3.8</td>
<td>248</td>
</tr>
<tr>
<td>e) Repurposed internal training courses for classroom use</td>
<td>3.4</td>
<td>247</td>
</tr>
<tr>
<td>f) Subsidized/free access to IFRS certification</td>
<td>3.6</td>
<td>247</td>
</tr>
<tr>
<td>g) Other</td>
<td>3.2</td>
<td>33</td>
</tr>
</tbody>
</table>
Faculty Still Say External Parties’ Value Is In Providing Problems And Case Studies That Compare/Contrast U.S. GAAP And IFRS

Q24. How might external parties (AAA, CPA firms, Industry) best facilitate faculty efforts to teach IFRS? Please rate how valuable each of the following would be to accounting faculty. Use a 1-5 scale where 1 means “Not valuable at all” and 5 means “Very valuable”.

<table>
<thead>
<tr>
<th>Problem Type</th>
<th>2011</th>
<th>Mean</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems comparing and contrasting IFRS and U.S. GAAP technical commonalities and differences</td>
<td>12% 85% 3%</td>
<td>4.3</td>
<td>608</td>
</tr>
<tr>
<td>Case studies comparing and contrasting IFRS and U.S. GAAP conceptual commonalities and differences</td>
<td>12% 81% 6%</td>
<td>4.2</td>
<td>611</td>
</tr>
<tr>
<td>IFRS Test-Banks with Solutions</td>
<td>23% 65% 12%</td>
<td>3.8</td>
<td>598</td>
</tr>
<tr>
<td>Repurposed internal training courses for classroom use</td>
<td>30% 50% 20%</td>
<td>3.5</td>
<td>600</td>
</tr>
<tr>
<td>Stand-alone webcasts or podcasts for classroom use</td>
<td>30% 48% 23%</td>
<td>3.4</td>
<td>603</td>
</tr>
</tbody>
</table>

May not equal 100% due to rounding.
8 in 10 Express Interest in AICPA’s IFRS Certificate

Q24. How might external parties (AAA, CPA firms, Industry) best facilitate faculty efforts to teach IFRS? Please rate how valuable each of the following would be to accounting faculty.

Q24a. Which certification would interest you?

Similar options used for yearly comparisons