HKUST BUSINESS SCHOOL
香港科大商學院
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HKUST Business School

Department of Accounting

Fifth Year Maintenance of Accreditation Report

Prepared for AACSB International
November 2013

Department of Accounting

Fifth Year Maintenance of Accreditation Report For AASCB International

Prepared by

Department of Accounting
School of Business and Management
The Hong Kong University of Science and Technology

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Section I   Executive Summary

The Department of Accounting was among the first departments set up in the Hong Kong University of Science and Technology (HKUST), and also in HKUST's Business School, in 1991. Despite its short history, the Department has achieved wide recognition for quality education programs and world-class research.

HKUST's accounting program was the first one outside North America to receive AACSB accreditation, in 1999. The Accounting Department's research quality is also ranked among the top 20 in the world by the UTD Top 100 Business School Research Rankings, based on publications in three top accounting journals – *The Accounting Review, Journal of Accounting and Economics* and *Journal of Accounting Research* – between 2008 and 2012.

The Department currently offers two degree programs, Bachelor of Business Administration (BBA) in Professional Accounting and PhD in Accounting, which are funded by Hong Kong's University Grants Committee (UGC) through HKUST. As of September 2013, there were 369 students studying the BBA in Professional Accounting and 10 taking the PhD program.

Demand for HKUST Accounting graduates was strong during the report period. According to the 2012 Graduate Employment Survey conducted by the University, Accounting graduates achieved a high employment rate of 95%. Nearly 90% of full-time employed graduates worked in the fields of accounting, auditing, taxation, banking and finance.

The Department has undergone a period of consolidation over the report period with special emphasis on stabilizing the faculty. The Department has a total of 22 full-time research (tenured and tenure-track) and teaching-track faculty. The percentage of tenured faculty has increased from 36% of research faculty in 2008 to 50% in Fall 2013.

Opportunities and Challenges Facing the Accounting Department

While the Accounting Department enjoys a growing reputation for its high quality programs and research, the management of the Department is mindful of the following comparative disadvantages that it is facing:

- The number of senior faculty is relatively small and the competition for top accounting scholars remains intense in the region.
- Similarly, there is keen competition for top students from the Department's counterparts in Hong Kong. Since HKUST is not a comprehensive university, the Department faces the challenges of recruiting top students who are interested in studying business along with other disciplines.
- The adoption of school-based admission at HKUST under the new academic structure places the Department in a more passive role in student recruitment.
- Given its short history, the Department's alumni network is relatively small and young compared to those of its local and international peers.

At the same time, recent changes arising from the global accountancy service market and the higher education sector in Hong Kong are posing new demands and challenges on the teaching, research, outreach and management fronts. These changes include:

- Changes in the accountancy professions – including tighter regulations and increased audit risks – that have not only had an impact on the role of auditing, but also imposed new demands on the required skill set of accounting professionals.
- Increasing cross-border business practices between Hong Kong and Mainland China, such as cross-border investments, initial public offerings and merger & acquisitions, as China transforms towards an open market economy. These are opening new research areas and creating more learning and career opportunities for HKUST's accounting students and graduates.
- The launch of academic reform in Hong Kong has lengthened UG study programs from three years to four years. This has provided the Department with an opportunity to enhance the curriculum of its BBA in Professional Accounting with an additional year of study. But at the same time, the four-year curriculum poses an increased teaching demand on the Department's faculty.

Strategic Developments

Echoing the Business School's mission, the Accounting Department strives to contribute to the development of the accounting profession and business communities of Hong Kong and the region by providing high quality education programs and conducting high quality research. Over the past five years, with support from the University and the School, the Department has made considerable progress in fulfilling its mission and capturing the new opportunities mentioned above.

Education Development
Under the new academic reform, BBA in Professional Accounting was extended from three to four years starting from 2012/13. This has allowed the program to become more broad-based. At the postgraduate (PG) level, the PhD in Accounting program has been restructured into two stages (MPhil and PhD) from 2011/12. The new model provides students with a more flexible structure and allows closer monitoring of students' progress. In addition, the Department has also planned to launch a new Master of Science (MSc) in Accounting in 2014/15.

Student Learning Experience and Support
Student advising services and support have been enhanced at both the UG and doctoral levels. Measures include: enhancing student advising services by leveraging on the School's UG Advising System; providing training seminars and coaching for students to help prepare them for case competitions; and increasing professional development and language training to PhD students.

Research Focus
The Department is committed to producing high quality academic research that is relevant to the accounting profession and contributes to the advancement of business knowledge. Over the report period, its faculty has produced nearly 100 discipline-based research outputs of which 60 were in peer reviewed journals. The Department focuses on archival research, which is the mainstream in contemporary accounting research. The Department has established a reputation of excellence in the research areas of international accounting, corporate governance (including executive compensation and financial disclosure), financial intermediaries (including auditing and financial analysts), and equity valuation.

Faculty Capacity and Development
The faculty capacity of the Department has been stabilized, with eight tenured faculty members who account for 50% of research faculty as of Fall 2013. The Department is moving towards its goal of achieving 10 to 12 tenured research faculty in the steady state.

To enhance HKUST's competitiveness in faculty retention and recruitment, the University and the Business School have launched various new initiatives, such as introducing a university-wide compensation review system in 2012 and launching new endowed professorships in early 2013. At the same time, the Accounting Department has created opportunities and provided resources to help its faculty achieve quality research and teaching. The initiatives include organizing academic conferences and seminars, supporting faculty to participate in international conferences, and providing funding to support the various needs of faculty.

Stakeholder Engagement
The Department believes that continued engagement and support from the business community and accounting profession will underpin its future development. The faculty members engage with business community through various ways, such as teaching in the School's executive education programs, presenting research insights to professionals, serving as independent directors of listed companies, and providing consulting activities for commercial firms and public bodies. The Department has actively explored new opportunities to build links with the accounting sector and foster interactions with key stakeholders. For example, the Department has arranged meetings with employers and professional accounting bodies to discuss curriculum matters, student quality, professional examinations, and market trends. In addition, through its own efforts and with the support of the School's Alumni Development team, the Department has organized or participated in meetings with alumni periodically.

Quality Assurance (QA)

While the Department continues to expand and consolidate its capacity on various fronts, it also places strong emphasis on assuring the quality of learning in its education programs. The Department adheres to HKUST's well-established quality assurance mechanisms and regularly reviews its programs, with the goal of achieving continuous improvement.

UG Program
The Department has modified its BBA in Professional Accounting program in conjunction with the new four-year college education system to provide students with broad-based learning, communications and leadership skills development, and experiential exposure in the field. The additional year of study in the new curriculum also offers a more flexible structure that allows students to take a double major or minor or participate in enrichment activities.

In addition to the restructuring of curriculum, HKUST Business School has taken the opportunity to enhance the quality assurance process of its UG programs, including the BBA in Professional Accounting. All UG programs' intended learning outcomes and course mapping have been reviewed. Direct assessment of learning goals has been rolled out with selected core courses and required courses in 2012/13, and two Accounting courses were among the first batch of courses in the pilot assessment exercise. The assessment exercise is being gradually extended to cover other core courses and senior required courses. Under the four-year curriculum, the Department is also required to conduct periodic reviews based on a four-year assessment plan.

The Department consistently benchmarks its programs against external reference points. During the report period, the Department was unconditionally re-accredited by the Hong Kong Institute of Certified Public Accountants (HKICPA) in December 2009 and CPA Australia in November 2012. The Department also conducts an annual review of course syllabi and samples of assessments to ensure compliance with the course mapping and HKICPA competency requirements. Annual updates are submitted to HKICPA and the Association of Chartered Certified Accountants (ACCA).

PhD/MPhil Program
The Department has also restructured its doctoral program. Starting from 2011/12, students enter the Department's MPhil program first and are expected to complete the MPhil degree in two years and pass a qualifying exam before entering the PhD program. The two-stage structure allows for closer monitoring of students' progress and gives students more time to consider whether they want to undertake the PhD program after obtaining the necessary proficiency in research-related subjects.

While the intakes of PhD in Accounting, along with other PhD programs at the Business School, have been kept small during the report period, a wide range of initiatives have been introduced at the school and university levels to enhance the quality and diversity of intakes.

As with other PhD programs at the School, the PhD in Accounting is governed by a school-level Research Postgraduate (RPg) Committee. External benchmarking also has a key role in the process of driving continuous improvement. The most recent school-level peer review exercise, conducted in 2009, affirmed that the School's PhD programs are aligned with international standards in terms of structure, goals and processes.

New Developments

As the Department has solidified its academic and research capacity, and built up strength in quality assurance and enhancement, it has also been exploring new areas of development.

A new MSc in Accounting will be launched in 2014/15 with the aim of capturing the strong demand for accounting talents in the region, especially in Mainland China. The one-year program will provide students who have completed a bachelor degree in business disciplines with a channel to enter accounting-related professions.

The new program will help the Department to expand its program portfolio, provide more opportunities for faculty to teach at postgraduate level, and open up a new funding source to support the Department's future development and new initiatives.

Section II Fifth Year Maintenance Report

1. Situation Analysis

1.1 Historical Background

The Department of Accounting was among the first departments set up in the Hong Kong University of Science and Technology (HKUST), and also in HKUST's Business School, in 1991. The Department offers world-class research, award winning teaching and highly progressive curricula.

Echoing HKUST's emphasis on research excellence, the Department of Accounting has a strong culture of undertaking internationally recognized research. According to the UTD Top 100 Business School Research Rankings, the HKUST Business School was ranked among the top 20 in the world in publications in top three accounting journals, namely *The Accounting Review, Journal of Accounting and Economics* and *Journal of Accounting Research*, between 2008 and 2012. In the *Quacquarelli Symonds (QS)* University Rankings by Subject released in May 2013, HKUST was ranked the world's No. 16 in the field of Accounting & Finance.

In addition to research, the Department strives to groom accounting professionals and leaders for the global marketplace by equipping students with an international perspective and cutting-edge skills that are essential for meeting the needs of the ever-changing business environment.

The Department currently offers two degree programs, Bachelor of Business Administration (BBA) in Professional Accounting and PhD in Accounting, which are funded by the University Grants Committee (UGC) of Hong Kong through HKUST. In 1999, HKUST's accounting program became the first outside North America to receive accreditation from AACSB. The BBA in Professional Accounting has also been accredited by the Hong Kong Institute of Certified Public Accountants (HKICPA) since 1998.

Among the six UGC-funded institutions which offer degree programs in accounting, HKUST has one of the largest, with around 200 students per academic year. Its accounting graduates consistently earn top honors in Certified Public Accountant (CPA) exams and are in great demand by Big-Four accounting firms and by other international employers, including multinational corporations and investment banks.

1.2 Opportunities and Challenges Facing the Accounting Department

While the Accounting Department enjoys a growing reputation for its high quality programs and research, it faces new demands and challenges arising from the global accountancy service market and the higher education sector in Hong Kong

New Developments in Accounting Landscape
Despite global economic uncertainty, the accountancy service market has experienced steady growth in the Asia Pacific region over the past few years. However, recent changes in the accountancy professions – including tighter regulations and increased audit risks – have not only had an impact on the role of auditing, but also posed new demands and challenges for talent development in the field.

The required skill set of accounting professionals has been shifting from the traditional emphasis on financial accounting or audit towards broader range of skills that are more forward-looking and strategic, including management accounting, corporate finance, treasury, information technology and corporate governance. The new generation of accounting professionals therefore must not only possess strong subject knowledge but also a more complete understanding of broader financial and economic issues, the ability to think strategically, professional judgment, creativity, an entrepreneurial spirit to innovate, and a global mindset.

The accounting service landscape in Asia is also evolving. As China transforms towards an open market economy, it is gradually reforming its banking and financial systems and an increasing convergence of China's accounting and auditing standards with those of Hong Kong. HKUST's strategic location at the edge of booming China provides its accounting students and graduates with learning and career opportunities in cross-border business practices, such as cross-border fund-raising, initial public offerings and merger & acquisitions.

Transformation of Undergraduate Study in Hong Kong
In Hong Kong, the higher education sector has undergone a major revamp with the introduction of a new academic structure for senior secondary and undergraduate (UG) education. From 2012 the secondary education curriculum changed from seven years to six years while UG study increased from three-year to four-year programs.

With an additional year of study, HKUST's four-year BBA in Professional Accounting gives students a more flexible learning experience that helps them to build a broader knowledge base and develop a more solid foundation for their holistic development. At the same time HKUST and all UGC-funded higher education institutions are facing a higher teaching load since the last three-year intake of students and first four-year intake have entered university at the same time. This is known as the "double cohort." The Department is no exception to this increased teaching demand.

HKUST has also, from 2012, adopted a school-based admission system to provide students with more flexibility in making their choice of majors. Students are first admitted to the school and do not have to declare a major until after their second year of study. While this gives students more time and opportunities to explore their aptitude and make a better-informed decision on their choice of majors, it also has repercussions for the Department. There is a risk of losing competitiveness in recruiting high caliber students since other institutions allow students to secure a place in their accounting programs upon entry.

1.3 Relative Advantages

The Accounting Department at HKUST has many strengths which enable it to achieve its mission.

- A strong faculty: The Department has 22 full-time and 2 part-time faculty members. All research faculty are PhDs from the world's top research universities. The Department recently recruited a senior scholar, Prof. Mingyi Hung from the University of Southern California, as well as faculty members with extensive professional or academic program administration experience. The percentage of tenured faculty has increased from 36% of research faculty in 2008 to 50% in Fall 2013. Faculty turnover has been low. For example, in Spring 2013, only one tenure-track and one teaching-track faculty departed. In Spring 2014, only one tenure-track faculty is expected to leave due to expiration of the tenure clock.

- A growing international reputation: Despite its short history, the Accounting Department has achieved wide recognition for research excellence and quality education programs. According to the UTD Top 100 Business School Research Rankings, the Department ranked No.15 in the world between 2008 and 2013 (October) with 21 articles (9.91 adjusted for co-authorship) in publications in the top three accounting journals. Its accounting program was the first one outside North America to receive AACSB accreditation. Graduates of its bachelor and doctoral programs are highly sought after with a strong track record of job placements in both industry and academic sectors.

- Strong research culture: The Department actively organizes research workshops and annual research symposia featuring renowned scholars from overseas. Since 1993, the Department has hosted the annual HKUST Accounting Research Symposium, which has become a valuable platform for accounting scholars and researchers from different parts of the world to share their research findings and exchange ideas and insights.

- Emphasis on teaching excellence: Faculty members of the Department have consistently been recognized for their exemplary teaching and dedication to education. From 2008-2012, the Department's faculty have won seven awards in the university-wide Best Ten Lecturers competitions. In the same period, the accounting faculty have also won six individual awards in the School's Franklin Prize for Teaching Excellence competitions and the Departmental Award in 2008/09.

- Extensive global network: The HKUST Business School has one of the largest UG exchange programs in Asia with 120 global partners spanning over 27 countries/ economies. In 2012/13, over 27% of UG Accounting students participated in international exchange programs.

1.4 Relative Disadvantages

As the Department continues to grow, the management is mindful of some comparative disadvantages that the Department is facing.

A relatively small number of senior faculty
Among the 22 full-time faculty members, 16 are tenured or tenure-track research faculty. However, only three are full professors (about 14%). This limits the Department's ability to contribute to the University's and the School's administrative needs.

Difficulty in recruiting faculty
Because the Department recruits faculty from top research schools overseas, faculty recruiting has always been challenging. Due to the scarcity of spaces in Hong Kong's international primary and secondary schools, recruiting senior faculty has become even tougher in recent years. As a result, the Department has to develop its own senior faculty, which will take time.

The situation is compounded by intense competition in the region for top accounting scholars. The University and the HKUST Business School have launched various new initiatives, such as introducing a university-wide compensation review system in 2012 and launching new endowed professorships in 2013, to enhance HKUST's competitiveness in faculty retention and recruitment.

On the other hand, the Department has been successful in recruiting experienced teaching-track faculty to meet the increased teaching load. Most of them are competent in handling technical courses such as Business Law, Company Law, Auditing, and Taxation.

Less favourable perception by local community
The Department faces keen competition from its counterparts in Hong Kong in attracting the best local secondary school students to its UG programs. Compared with the two other comprehensive universities in Hong Kong, namely the University of Hong Kong (HKU) and the Chinese University of Hong Kong (CUHK), HKUST has a relatively short history and a smaller pool of well-known alumni. Moreover, it is also perceived as "lesser" since it is not a comprehensive university (i.e. doesn't have schools such as law, medical and education). As a result, a perception that HKUST is number three has emerged among prospective students, their parents and secondary school teachers. This perception has also impacted the HKUST Business School and the Department of Accounting, and it has compounded the challenge of recruiting top students.

Constraints of school-based admission
In line with the University's school-based admission policy, the Department does not recruit students directly to its UG program. Risk-averse students may prefer conventional program-based admission as they can secure their seats in their desired major programs at the time of admission. The role of the Department in recruiting UG students has thus become more passive, and it has lost top students to other institutions that allow students to secure a place in their accounting programs upon entrance to the university.

Relatively small and young alumni base
With just over 20 years of history, the Department has a relatively small pool of alumni of over 3,400 graduates at the Bachelor's level and 19 at the PhD level. Given that alumni play an increasingly important role in student recruitment, community engagement and fundraising, the Department has faced constraints in leveraging alumni networks.

1.5 Opportunities for Enhancing Degree Program Offerings

The Accounting Department has undergone a period of consolidation over the past few years with special emphasis on stabilizing the faculty. Building on its strong reputation, the Department plans to launch a new MSc in Accounting in 2014/15 to capture the strong demand of the market, especially in Mainland China. The new program will provide students who have completed a bachelor degree in business disciplines with a channel to enter accounting-related professions (See Section 6 for more details of the program).

The new MSc in Accounting program is a response to the strong demand for accounting professionals in the region. For example, the largest four CPA firms ("Big Four") in Hong Kong hired about 1,000 fresh graduates at both UG and postgraduate (PG) levels in 2012. In addition, as Hong Kong continues to strengthen its position as a financial center, there are also job opportunities for accounting professionals in financial institutions, State Owned Enterprises ("SOEs"), multinational corporations ("MNCs") and mid-scale/national firms, particularly in Mainland China.

1.6 Degree Programs Included in the Accreditation

Both the BBA in Professional Accounting and PhD in Accounting which are currently offered by the Department of Accounting are included in this accreditation exercise.

BBA in Professional Accounting
The BBA in Professional Accounting aims to train students for successful careers in public accounting and in other industries that require a solid accounting background. Its graduates are eligible to register for the qualification program of the HKICPA and receive the maximum allowable exemptions from the Association of Chartered Certified Accountants (ACCA). In 2012-13, a total of 170 students graduated from the program.

PhD in Accounting
The PhD program is designed to train students to become outstanding researchers and educators in the field of accounting. The program requires students to go through rigorous course training in the first two years to build up a solid foundation of knowledge not only on accounting, but also economic theories, statistics/econometrics and finance. Upon finishing and MPhil thesis and passing the qualifying examination, students formally enter the PhD program which is also dissertation stage. Throughout the program, faculty advisors work closely with students to provide advice and guidance on coursework and research development.

2. Progress Update on Concerns from Previous Review

There were no major concerns indicated in the last report. However, in response to recommendations of the last Peer Review Team, the Department has made significant improvements in the following areas, with support from the University and the School.

Faculty retention and composition
Over the report period, the Department has put considerable efforts into retaining its outstanding faculty members and stabilizing its faculty capacity. The turnover of tenure-track faculty has been reduced [see tables I-1 to 3 in the following page]. Moreover, the number of tenured faculty has increased from 5 (36% of tenure-track faculty) in 2008 to 8 (50%) in Fall 2013.

As documented in Table I-1, faculty size has stabilized at around 22. In 2012, the University formalized the titles for teaching track faculty (previously, teaching faculty were appointed to adjunct or visiting positions even though they may be working full-time and long-term). Experienced teaching faculty are appointed as Associate Professor of Business Education to make teaching at HKUST on a long-term basis more attractive to them. They also relieve the advising/administrative burden on junior tenure-track faculty to allow the latter to concentrate on their research and quality teaching.

As shown in Table I-2, the faculty rank distribution has become more mature. The proportion of senior faculty has gradually increased as the Department successfully recruited/promoted senior scholars, including one professor and four associate professors, in the last four years. Four of them are from outside Hong Kong and one is female.

Among tenure-track faculty, Table I-3 confirms considerable stability. After adding three tenure-track faculty members in academic year 2009/10, only one faculty departed each year from 2011 to 2013.

Working within the constraint of faculty resources available from the School, the Department's number of total full-time faculty will be 22 in the near term, including 16 research and 6 teaching faculty. Benchmarking with comparable state universities in the US, the Department has set a goal of achieving a total of 10 to 12 tenured research faculty in the steady state. In Fall 2013 it had 8 tenured faculty, not far from the target.

Table I-1
Full-Time Faculty Distribution, Fall 2008 versus Fall 2013

	2008	%	2013	%
Professor	2	9%	3	14%
Associate Professor	3	14%	5	23%
Assistant Professor	9	41%	8	36%
Associate Professor of Business Education	0	0%	3	14%
Adjunct Associate Professor	4	18%	0	0%
Visiting Assistant Professor	1	5%	0	0%
Visiting Scholar	2	9%	0	0%
Lecturer	1	5%	3	14%
Total	22	100%	22	100%

Table I-2
Tenure-Track Faculty Distribution, Fall 2008 versus Fall 2013

	2008	%	2013	%
Professor	2	14%	3	19%
Associate Professor	3	22%	5	31%
Assistant Professor	9	64%	8	50%
Total	14		16	

Table I-3
Faculty Turnover for Tenure-Track Faculty, 2009 to 2013

As at 30 June	**2009**	**2010**	**2011**	**2012**	**2013**
Tenure-Track Faculty (***a***)	14	16	15	16	16
Increase/Decrease Year-on-Year	0%	14%	-6%	7%	0%
No. of faculty departing during the previous 12 months (***b***)	2	1	1	1	1
Turnover rate of faculty ***(b/a)***	14%	6%	7%	6%	6%
Annual new appointments previous 12 months	2	3	0	2	1

(Source: HKUST Human Resources Office)

Enhanced competitiveness in faculty recruitment
To further strengthen its competiveness in faculty recruitment and retention, HKUST underwent a university-wide faculty compensation review in Spring 2012 to align faculty compensation with performance and market salaries. To address the long-term needs to reward performance, the University introduced a new system under which 50% of the annual General Pay Adjustment funding from the Government in respect of faculty salaries is awarded across-the-board, while the other 50% is used for salary adjustments based on merit. This gives the Department more flexibility in rewarding faculty with excellent performance and makes the environment more performance-driven.

Strengthen support to faculty members
The Department is committed to providing the environment and resources that its faculty need to conduct their teaching, research and service work. In addition to various in-house training programs and support offered by the School and the University, the Department has also provided faculty members with opportunities and resources to enhance their skills and knowledge in teaching and research. For example, its faculty have attended external training programs and academic conferences that include the AACSB Assurance of Learning seminar, continuing professional development programme of the Hong Kong Institute of Certified Public Accountants, and the American Accounting Association Annual Meetings and Pre-Conference Workshops.

The Department recruited only three new doctoral graduates in the last five years. Most other new faculty have previous teaching or industry experience. Thus, the need to mentor new faculty is much lower than before. The Department Head monitors the teaching of new faculty closely. Other faculty with good teaching records are assigned to assist them if needed. Moreover, in 2013/14, the University has launched the Faculty Host Arrangement where all new faculty members are paired with a Faculty Host nominated by the Department Head. The goals of the Faculty Host Arrangement are:

- To provide new faculty members with collegial support, help familiarize them with the University culture, the new living environment in Hong Kong, and the many University resources;
- To foster a support network by helping new faculty members meet and network with other faculty members and staff;
- To contribute to the enhancement of new faculty morale, motivation and a sense of community.

Engagement with business and professional communities
The Department believes that continued engagement and support from the business community and accounting professional sector are necessary to underpin its future development. While faculty members are encouraged to share their expertise and research work with the community, the Department has actively explored new opportunities to build links with the accounting sector and foster interaction with key stakeholders. Please refer to section 4.2 for details of faculty professional development activities.

3. Strategic Management

3.1 Mission Statement

The Department of Accounting reviews its mission statement from time to time to ensure that the mission reflects recent developments and maintains relevance to the key stakeholders and the community that the Department serves.

The current mission statement in general reflects the Department's positioning and aspirations. No significant changes were made during the report period. The existing mission is to

- Provide high quality accounting education to prepare students for successful professional and academic careers with international career prospects;
- Conduct high quality research contributing to the theory and practice of accounting internationally; and
- Contribute to the development of the accounting profession and business communities of Hong Kong and the region.

The mission statement links to the School's in the following ways:

Department Mission	School Mission
To provide high quality accounting education to prepare students for successful professional and academic careers with international career prospects	To develop business leaders in Asia for the world
To conduct high quality research contributing to the theory and practice of accounting internationally	To advance global business knowledge
To contribute to the development of the accounting profession and business communities of Hong Kong and the region	To contribute to the economic and social advancement of the region

3.2 Strategic Management Planning Process

3.2.1 Departmental Governance Structure

The Department Head is supported by the following committees and program coordinators in managing academic and administrative matters across the Department. They are:

1) On planning and administration issues
   - The Executive Committee
     The Committee acts as an executive group of the Department and assists the Department Head in the formulation of new policies and new initiatives. The Committee also formulates the long-term and short-term strategic direction and plans of the Department, and aligns them with the overall strategic objectives of the School and the University.

2) On faculty review matters
   - Appointments and Substantiation Committee:
     The Committee's functions are to review the substantiation and promotion of faculty members and the re-appointment of Assistant Professors and teaching-track faculty. Its terms of reference are:
     (a) To review and make recommendations on substantiation for Professor/Associate Professor appointments with substantiation following

receipt of appointment recommendations from the Search and Appointments Committee
(b) To review and make recommendations on the substantiation and/or promotion of tenured/tenure-track faculty members as appropriate
(c) To review and make recommendations on the re-appointment of tenure-track Assistant Professors for contract renewal before substantiation
(d) To review and make recommendations on requests for a second attempt for substantiation (beyond probation) and a further attempt for promotion (made within two years of a negative application)
(e) To review and make recommendations on the re-appointment of teaching-track faculty
(f) To review and make recommendations on the promotion of teaching faculty members as appropriate
(g) To conduct any other relevant academic reviews required by the University policies as established from time to time

- Merit Salary Review Committee
  The Committee's functions are (a) To review the performance of all faculty members of the Department for the annual merit salary adjustment; and (b) To provide written review feedback to the Head on the performance of each faculty for that year and make suggestions to the Head where improvements in performance are needed if and as requested by the Head.

3) On faculty recruitment
   - The Department's Search and Appointments Committee is in charge of recruiting both tenure- and teaching-track faculty members. Its terms of reference are:
     (a) To conduct searches for all academic and teaching staff as requested by the Department Head when there are such openings in the Department
     (b) To review and shortlist applications
     (c) To solicit reference letters (if necessary)
     (d) To conduct interviews
     (e) To seek inputs from faculty members of the Department and relevant members of the University as appropriate in the search and review process
     (f) To review and make recommendations on the re-appointment (contract renewal), with or without a break in service, of non-tenure-track academic staff and teaching staff to the same or another rank/title
     (g) To submit recommendations to the Department Head

4) On academic & student matters
   The Department has the following three committees to oversee its three academic programs

   - Undergraduate Committee
     The Committee is led by the Department's Undergraduate Coordinator, who is assisted by the Deputy Coordinator. Its terms of reference include:
     (a) To develop programs and courses taking into account international benchmarks and input from students and other stakeholders and meeting professional recognition requirements
     (b) To recruit and admit students, provide induction, and give academic counseling and guidance
     (c) To review and monitor the curriculum and co-curriculum, the delivery of

programs, the assessment of students, and student advising and mentoring, and to follow up with action and plans for improvement
(d) To handle student appeals and grievances
(e) To provide a channel of communication for student participation

To facilitate (e), The Undergraduate Committee has a sub-committee Student-Staff Liaison Committee. The Undergraduate Coordinator represents the Department in the School's Committee of Undergraduate Programs (CUP).

- Research Postgraduate (RPg) Committee
  The Committee is led by the Department's PhD Coordinator. Its terms of reference are:
  (a) To develop programs that take into account international benchmarks and input from students and other stakeholders, and meet professional recognition requirements wherever applicable
  (b) To recruit and admit students, provide induction, and appoint research supervisors
  (c) To review and monitor the curriculum and co-curriculum, the delivery of the programs, the assessment of students, and student advising and mentoring, and to follow-up with action and plans for improvement
  (d) To handle student appeals and grievances
  (e) To provide a channel of communication for student participation

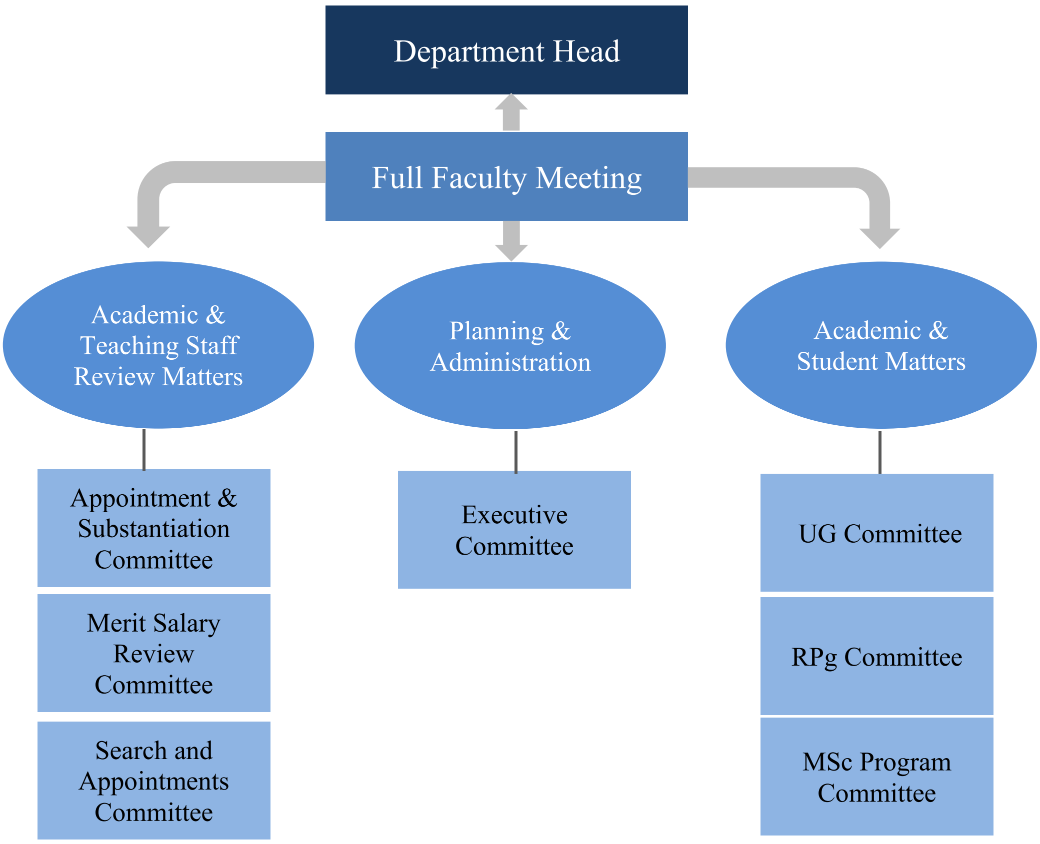
- MSc Program Committee
  The Committee is led by the MSc in Accounting Program Director. Its terms of reference include:
  (a) To develop programs and courses taking into account international benchmarks and input from students and other stakeholders and meeting professional recognition requirements
  (b) To recruit and admit students, provide induction, and give academic counseling and guidance
  (c) To review and monitor the curriculum and co-curriculum, the delivery of programs, the assessment of students, and student advising and mentoring, and to follow up with action and plans for improvement
  (d) To handle student appeals and grievances
  (e) To provide a channel of communication for student participation

The Department holds faculty meetings at least once a year. The meetings involve all faculty members and key administrators of the Department. Items that are discussed and reported in the faculty meetings include updates by the Department Head, the appointment of committee members, planning of research activities such as workshops and symposium, curriculum changes, new program developments, student advising, and issues raised by students in Student-Staff Liaison Committee, etc.

The Department's faculty members are also involved in management at the School level. For example, one of them serves on the University's Appointment and Substantiation Committee and another serves on the same committee in the School in 2013/14. The Department's faculty members are also members of the School Board which meets every semester to discuss major curriculum changes, new programs, and other important academic issues. The Department Head is a member of the School Administrative Committee (SAC) which plays a steering role in planning and developing the School's strategic directions. It meets on a monthly basis and its members also include the Dean, all associate deans, other department heads, program directors, and heads of the Executive Education Office, Communications and External Affairs, and Alumni Development.

In addition to the standing committees, the Department's faculty also participated in ad-hoc committees, task forces and working groups at the department and school level, such as the School and Department Outcome Based Education (OBE) Task Forces (2008 – 2010), Task Force on UG Intake Quality, and the School's 334 Task Force which was set up to prepare for the new four-year curriculum.

The departmental governance is illustrated graphically below:



Memberships of the committees are listed in Appendix 1 – Committee Membership.

3.2.2 Departmental Strategic Management

Periodical strategic review: the University's triennial planning cycle

HKUST has a triennial program review and planning cycle that guides the Department's periodical strategic review. This involves the broadest review of the University's education programs to underpin its presentation to the UGC of an Academic Development Proposal (ADP) for each up-coming three years. The exercise covers an extensive review of programs, including intake quality, needs of society, international and local benchmarking, and delivery quality.

The latest round of the exercise was undertaken in 2011 for the ADP 2012-2015. The scope of that exercise was particularly extensive as the Department, along with other academic units of the University, had to adopt the four-year UG curriculum that was to be launched in 2012/13 under Hong Kong's new academic structure. (Please see Section 5.1 for details of the four-year curriculum).

In that round of review, the Department obtained one additional line of tenure-track faculty and one additional line of teaching-track faculty to handle the additional teaching load owing to the change of ACCT2200 (Principles of Accounting II) to a business core course and the need to teach ACCT2010 (Principles of Accounting I) to all business students in Fall 2012 and Spring 2013.

New strategic initiatives

As most of the activities and resources within the HKUST Business School are centralized at the school level, all strategic decisions of the Department are shaped by discussions in the Department's Executive Committee and the School Administrative Committee (SAC) and by interactions between the two committees.

For example, the idea for an MSc in Accounting program emerged after the SAC decided in Spring 2012 to offer a broader portfolio of MSc programs within the School and to set up an MSc program office to support the programs. The Department Head brought this development to the Department's Executive Committee in Fall 2012, which agreed to launch the MSc in Accounting program. The decision was endorsed by the Department's faculty meeting in early 2013. A program application process was then followed through the School and University in Spring 2013.

3.3 Financial Strategies

The Department has maintained a stable financial profile over the report period. There are two major funding sources: Recurrent Budget and Research Grants. The recurrent budget is mainly provided by the government and allocated to the Department through the University and the School. The research grants are given to individual faculty through open competition.

Recurrent Budget
The salary budget figures for the Department's faculty, staff and teaching assistants (TA) are included in Section 3.5 of the School's Maintenance Report (Academic & teaching staff and Administrative staff). The staff and TA support is adequate. The Department has five staff members to support research and teaching activities and four full-time TAs. In addition, the Department added two program assistants in Fall 2013, one each to support the undergraduate and MSc in Accounting programs, respectively.

Other than salary, the Department's recurrent budget accounts are allocated by the School mainly based on the faculty size or teaching contributions. The annual amounts in the report period are:

(in USD)	2008/09	2009/10	2010/11	2011/12	2012/13
Total recurrent budget	$159,320	$134,351	$150,807	$180,144	$200,150

The total increased gradually in each year. The breakdown of the recurring budget in the most recent year (2012/13) is:

Item	Amount
General office expenses	$81,932
Duty visits	$20,076
Computer equipment	$16,410
Faculty development	$24,615
Discretionary fund	$57,117

Other than used in the Department's general office, part of general office expenses is allocated to each faculty as personal general administrative expense. The duty visits fund is used to fund faculty travels to overseas conference. The Department spent around US$20,000 each year recently for this purpose. The computer equipment fund is allocated to each individual faculty (US$1,000 per faculty per year) to purchase computer-related equipment. The faculty development fund is used in faculty recruiting and hosting overseas workshop presenters. The faculty recruiting expense is quite substantial as most of candidates have to fly in from North America. In 2010-12, the most recent year of active recruiting, the Department spent about US$14,000 to interview nine candidates. Finally, the discretionary fund is used to pay for the annual HKUST Accounting Research Symposium. The symposium costs about US$40,000 per year, including promotion, speakers' honoraria, luncheons and banquet.

In addition, the Department receives a School-based initiatives fund from the School. The amount is relatively small ($14,000 in 2012/13). It is used primarily to support PhD students who are in the fifth year of study and do not have postgraduate scholarships (PGS).

Research Grants

Most of the research grants are from the General Research Fund (GRF) administrated by the Research Grants Council (RGC) of Hong Kong government. The GRF is awarded to individual faculty members in open competition among eligible faculty of all universities in Hong Kong. The Fund is awarded on the basis of the merit of research proposals submitted. The Department has performed well in applications for GRF funding. Its performance in the GRF competitions over the report period is summarized in the following table. Further details are in Appendix 2 – General Research Fund Funded Projects 2008-2013.

General Research Fund (GRF)	2008/09	2009/10	2010/11	2011/12	2012/13
No. of applications	6	6	10	10	9
No. of funded projects	2	2	7	4	3
Total funding awarded (USD)	88,750	92,578	324,921	204,724	106,499

Moreover, in the year right after the report period, 2013-14, the Department's faculty won seven projects with a total of US$309,000 awarded. The funds can be used by each winning faculty on research assistants, overseas travels, databases, etc. over two years.

In addition, through the equipment funding from the University, the Department's faculty have access to commonly used research databases such as Bloomberg, Compustat, CRSP, Datastream, Worldscope, SDC Platinum and the platform of Wharton Research Data Services (WRDS).

Summary: funding available to faculty
Due to the success of faculty in the recent rounds of the GRF competition, most of the Department's research faculty have access to various amounts of research funds. In addition, each research faculty receives the following additional research support from the various budget accounts mentioned in this subsection:

- Funding of one trip to a major academic conferences (such as American Accounting Association Annual Meeting and conferences organized by major journals) each year.
- A computer equipment budget of US$1,000 per faculty each year (can be accumulated to following years).
- A personal general budget of US$750 per faculty each year.
- For faculty who do not currently have a GRF as primary investigator or co-investigator, the Department provides US$3,000 as stop-gap funding.
- New faculty members receive US$12,820 as a start-up research grant from the School.

3.4 Assessment of Continuous Improvement and Achievement of Mission and Goals

3.4.1 Quality Assurance Process

HKUST has a Quality Assurance (QA) framework to assess the Department's continuous improvement and achievement of mission and goals. The QA framework can be broadly divided into three layers, namely University-level, School-level, and Departmental/ Program-level. It is illustrated graphically in Appendix 2 of the School's Maintenance Report.

QA Framework
While the University Senate acts as the supreme academic body, the School is responsible for reviewing and overseeing its education programs, and for ensuring that the University's policies and procedures are properly implemented by departments and program offices (please refer to the Business Report Section 3.2 for details).

The departments, under the leadership of Department Heads, have principal responsibility for the quality of courses and programs under their remit. While the departments are given extensive delegated authority, their roles and responsibilities for the quality assurance of courses and programs are clearly defined. These responsibilities include:

1) Assessment
    - Assessing students' learning and maintaining academic standards relative to appropriate external reference points
    - Handling cases of academic dishonesty in line with the University policy

2) Outcomes/ Program Approval
    - Design of the curriculum
    - Making recommendations to Senate through the School. The recommendations should be consistent with the University's role and strategy; aligned with intended learning outcomes; benchmarked against relevant international standards; based on evidence that changes proposed will benefit students; supported by faculty; and consistent with the resources available.
    - Implementing outcome-based assessment plans for program outcomes

3) Maintaining and improving Quality
    - Ensuring the quality of courses and programs

- Establishing forums to review and monitor program and agree follow-up action
- Making arrangements for seeking feedback from students and other stakeholders and other evidence of success
- Benchmarking programs against external reference points
- Submitting an Annual Report on teaching and learning

HKUST's QA framework focuses on the establishment of learning objectives, evaluation, benchmarking and review for continuous improvements. It is supported by a set of well-established processes in program development and approval, as well as monitoring and review.

3.4.2 Program Review and Development

Program restructuring

The Department continues to review its programs for improvement. Starting from 2011-12, the Department formally adopted a two-stage program for PhD students. The students enter the Department's MPhil program initially and are expected to complete the MPhil degree in two years. They then have to pass a qualified exam to enter the PhD program in the third year. The PhD program requires additional courses and the preparation of a doctoral dissertation. The two-stage structure provides closer monitoring of students' progress since they need to complete an MPhil thesis in two years before entering the PhD program. It also allows them time to consider whether they want to enter the PhD program after obtaining the necessary proficiency in research-related subjects. (Appendix 3 – MPhil Program in Accounting and PhD Program in Accounting (2+3 MPhil/PhD Program)

New programs

As to new programs, the University's policy requires the Department to seek endorsements from the SAC and the School Board before proposals are presented to the relevant Senate committees – the Committee on Undergraduate Studies (CUS) or Committee on Postgraduate Studies (CPS). Their deliberations will focus on a proposal's consistency with the University's role and the School's mission, alignment of learning goals, strategic objectives and academic strengths, community need, student quality and desired graduate outcomes. It is also expected that program proposals will have been reviewed by an advisory group, such as employers and academic peers, prior to submission to the Senate committee.

After endorsement of the relevant committee, proposals are submitted to the Senate for approval. Both publicly funded and self funded programs are subjected to the same approval process. Self-funded programs are also reviewed by the Sub-Committee on Continuing and Professional Education (SCCPE).

The recent approval of the MSc in Accounting serves as an example of the approval process. Please see Appendix 4 for the Final Proposal MSc in Accounting Program, May 2013.

Monitoring and Review of the UG program

As discussed in the School's Maintenance Report, the UG Programs Office has taken the opportunity of the new academic reform to enhance the Quality Assurance process of all UG programs, including the BBA in Professional Accounting. All UG programs' ILOs and course mapping have been reviewed, and direct assessment of learning goals has been rolled out with selected courses in 2012/13. Two Accounting courses were among the first batch of courses in the pilot assessment exercise. They included ACCT 2010 *Principles of Accounting I* for assessing the outcome of ethical responsibility, and ACCT 3610 *Functions* *of Law in Society and Business* for assessing the outcome of critical thinking. In addition, ACCT 2200 *Principles of Accounting II* was selected for assessing the outcome of understanding core business functions to solve business problems in Fall 2013 while ACCT 3880 *Professional Excellence* was used to assess the outcome of effective communication in Spring 2013.

The assurance of learning in the BBA in Professional Accounting is a process that takes place at the department, program/inter-department and school level. While the School's CUP is responsible for monitoring the quality of the program, the Department and its UG Coordinator manage all related academic matters of the program and carry out assurance of learning activities. The UG Coordinator is the Department's representative in the CUP. Major academic and quality assurance issues are brought to the SAC and the School Board for discussion and endorsement. Under the four-year curriculum, the Department is required to conduct periodic reviews based on a four-year assessment plan under the leadership of the CUP. Please see Appendix 14 of the School Maintenance Report for the Template of the Multi-Year Plan of Assurance of Learning.

In addition to the direct assessment on learning outcomes conducted by the CUP, the Department carries out an annual review of course syllabi and samples of assessments to ensure compliance with the course mapping and HKICPA competency requirements.
<u>Appendix 5 – Course Review Plan for 2012/13</u>

As a backbone of the program monitoring and review system at HKUST, the Department, along with other academic departments and program offices, is required to submit an annual self-evaluation report to the Committee on Teaching and Learning Quality (CTLQ), a standing committee that is responsible for giving advice to the Senate on policies and regulations relating to quality assurance of teaching and learning, promoting the quality of teaching and learning, and monitoring the operation of the related processes. Areas to be covered by the Annual Reports on Teaching and Learning include:

- Response to feedback, results of benchmarking exercises and other evidence relevant to the evaluation of the BBA in Accounting;
- Reflection on student statistics, including data collected from the Student Engagement and Satisfaction Questionnaire, Course Evaluations and Graduate Employment Survey;
- Planned actions for the further and follow-up action items from previous reports;
- Difficulties facing the Department, including resource constraints;
- Examples of good practice that can be shared with other units within HKUST.

The most recent Annual Report of the Department (2011/12) is available in <u>Appendix 6 – Departmental Annual Report on Undergraduate Education 2011/12.</u>

In addition, meetings and gatherings with students and alumni have been arranged to gather their feedback on the quality of the programs. To ensure programs meet the market's needs, the Department also holds regular meetings with employers, such as senior partners and recruiters from the "Big Four" and other local corporations, to gauge their views on the program curriculum and the quality of graduates, as well as the latest market trends and demands for talent.

Apart from focusing on the programs under its management, the Department also provides full support to the assurance of learning initiatives introduced by the School and the University. For example, six Accounting faculty members took part in the University's OBE pilot program from Spring 2009 to Spring 2010.

External review and benchmarking
The Department gives strong emphasis to the quality of its education and research programs. It consistently benchmarks its programs against external reference points. During the report period, the Department was unconditionally re-accredited by HKICPA in December 2009 and CPA Australia in November 2012. Accreditation reports by HKICPA and CPA Australia are included in Appendix 7 – HKICPA Accreditation Report and Appendix 8 – CPA Australia Accreditation Report.

The Department also submits annual updates to HKICPA and ACCA. The Department Head, the UG Coordinator and faculty members teaching UG accounting required courses also meet with HKICPA periodically to discuss curriculum and re-accreditation matters.

Quality Assurance for PhD/MPhil Program
Like the other PhD programs offered by the School, the PhD in Accounting is governed by a research postgraduate (RPg) Committee at the School level. The committee comprises the PhD/MPhil Director appointed by the Dean, and seven Program Coordinators appointed by the Department Heads of the School, including one from the Accounting Department. The School's RPg Committee is responsible for monitoring the program operation and development, including student recruitment and admission, the quality of intakes, curriculum design and development, postgraduate studentship allocation, and other operational matters.

As one of the RPg programs at the School, the PhD in Accounting is benchmarked against international practices. The School has invited scholars from internationally renowned business schools to review its RPg programs. The most recent peer review exercise was conducted in 2009 by two scholars from the University of Texas at Austin and Northwestern University, who have rich experience in PhD programs at their institutions. The review covered program strategy, student recruitment, curriculum, extracurricular activities, student communication enhancement, placement, and alumni relations. The review team affirmed that "the doctoral program's structure, goals and processes are aligned with those found in top business PhD programs around the world". Please see Appendix 27 of the School's Maintenance Report for the Peer Review Report of PhD Programs 2009.

3.4.3 Major Continuous Improvement Outcomes

Over the past five years, the Department has made considerable progress in various areas as it continues to fulfill its mission. Major achievements and progress are summarized below.

Domain	Achievement/ Progress
Education Development	• Launch of 4-year UG curriculum in 2012/13 with more flexible program structure • Offering of more advance-level electives, such as ACCT 4020 Financial Statement Analysis and ACCT 6900A Security Analysis - Global Macro Investment after the Financial Crisis with a China Focus • Incorporation of practical content into the curriculum as suggested by HKICPA • Launch of assessments of Accounting courses under the four year curriculum • Expansion of program portfolio with the introduction of MSc in Accounting which will be launched in 2014/15 • Restructuring of PhD program to require two-stage (MPhil and PhD), five-year study

Domain	Achievement/ Progress
Recognition/ Accreditation	• Re-accredited by HKICPA in December 2009 • Accredited by CPA Australia in November 2012 • Undertaking of internationally recognized research. The School was ranked 16th in the world in publications published in three top journals between 2009 and August 2013 by UTD Top 100 Business School Research Rankings, and the world's No. 16 in the field of Accounting & Finance, by the Quacquarelli Symonds (QS) University Rankings by Subject in 2013
Student Learning Experience and Support	• Enhancement of student advising service by leveraging on the School's UG Advising System • Provision of training seminars and coaching for students to help prepare them for case competitions • Increase of professional development and language training to PhD students following the enhancement of the PhD at the school level • Provision of overseas research attachment opportunities for PhD students with the introduction of Overseas Research Awards by the University
Faculty Capacity and Development	• Stabilization of faculty capacity, with tenured faculty accounting for 50% of research faculty as of Fall 2013. • Frequent recognition of faculty members for their teaching excellence. From 2008-2012, the Department's faculty have won seven awards in the university-wide Best Ten Lecturers elections. In the same period, the accounting faculty have also won six individual awards in the School's Franklin Prize for Teaching Excellence competitions and the Departmental Award in 2008/09. • Provision of opportunities to attend seminars and workshops on teaching pedagogy and technique. For example, Accounting faculty have participated in teaching workshops by Professor Harvey Brightman, case teaching and writing workshops organized by the Business School, HKUST library workshops on referencing, an AACSB Assurance of Learning seminar, the American Accounting Association Annual Meetings and Pre-Conference Workshops. • Provision of more incentives for faculty to supervise PhD students with the School's launch of a fund swap scheme for PG studentships
Stakeholder Engagement	• Increased engagement with alumni with the support of the School's Alumni team • Familiarizing faculty members with the local accounting profession through regular meetings with the professional bodies • Faculty engagement with the community and knowledge sharing through the Business Insights Presentation Series, consulting services, service as independent non-executive directors, and committee positions in professional bodies.

3.5 Intellectual Contributions

The Department is committed to producing high quality academic research that is relevant to the accounting profession and contributes to the advancement of business knowledge. As discussed in Section 1, the Department and its faculty members have earned wide recognition for their high quality research and productivity. The Department has been consistently ranked No. 1 in publications in top-3 accounting journals (*The Accounting Review, Journal of Accounting and Economics and Journal of Accounting Research*) in the Asia-Pacific and among the top 20 in the world.

Research Strategy

The Department's goal is to continue to be a internationally recognized premier research faculty in accounting. Faculty members pursue state-of-the-art accounting research and aim to produce research publications in top international journals.

The Department focuses on archival research, which is the mainstream in contemporary accounting research. The Department has established a reputation of excellence in the research areas of international accounting, corporate governance (including executive compensation and financial disclosure), financial intermediaries (including auditing and financial analysts, media, etc.), and equity valuation.

The Department has senior faculty who are well known in those areas. The performance review system encourages them to collaborate with and train junior faculty and PhD students. The Department's recruiting efforts focus on experienced or junior researchers in those areas. Further, the Department, with the support from the School and the University, strives to provide faculty members with the environment and resources they need to develop quality research and teaching. Other than providing financial support, it emphasizes the maintenance of a strong culture of excellence in research by setting standards of promotion that are comparable to top business schools in North America, and evaluating progress through an annual merit review.

To facilitate the exchange of ideas with top international researchers and raise the visibility of our research, the Department has been hosting the internationally recognized HKUST Accounting Symposium every year since 1993.

Details of HKUST Accounting Symposium in recent years:

Date	Keynote speaker	Number of paper submissions	Number of papers presented	Number of registered attendees
Dec. 17-18, 2010	Philip Berger (University of Chicago)	71	8	68
Dec. 17-18, 2011	John Core (MIT)	80	7	74
Dec. 17-18, 2012	S.P. Kothari (MIT)	97	8	70
Dec. 16-17, 2013	Richard Sloan (UC-Berkeley)	81	8	Still open for registration

Research Portfolio

As indicated in Tables 2-1 and 2-2 in the School's Maintenance Report, the Accounting faculty has produced 99 discipline-based research outputs of which 60 are in peer reviewed journals.

This research expertise allows the Department's faculty to contribute to practice in a few ways. Some provide consulting services to fund management companies in the design of financial products and the review of trading strategies. Some serve as independent non-executive directors of listed companies. Some serve as members of regulatory bodies such as the Financial Reporting Council in Hong Kong. In addition, the Department's faculty also participate in the School's Business Insight Presentation Series to give talks on research findings which are of interest to professionals in the local business community.

Please refer to Tables 2-1 and 2-2 in the School's Maintenance Report for the intellectual contributions of the Accounting faculty.

4. Participants

4.1 Students

The Department currently offers two degree programs: BBA in Professional Accounting and PhD in Accounting. The UG program has undergone a major overhaul with the introduction of the four-year programs in 2012/13. In coordination with the PhD Program Office of the School, the PhD program underwent a restructuring in 2011/12.

4.1.1 BBA in Professional Accounting

Three-year curriculum
HKUST has the one of the largest UG intakes of accounting majors among the UGC-funded institutions. The number enrolled has risen from 106 in 2008/09 to 124 in 2012/13. With the increasing student numbers, there was a slight decrease in admission scores. But admission into the Department has remained competitive.

The Department has been diversifying the student composition by recruiting more non-local students within the government quota limit of 20%. With the exception of 2009/10, the proportion of non-local students has been stable at around 14%.

	2008/09	2009/10	2010/11	2011/12	2012/13
No. of student enrollment	106	130	110	124	124
Mean HKALE*	23.6	22.7	21.1	20.9	20.6
% of non-local students	16	4.6	14.5	12.1	13.7

** The Hong Kong Advanced Level Examination (HKALE) grade score represents the aggregate score of the best 2AL+ 1Al/2AS subjects other than Use of English & Chinese Language and Culture (AS weight =0.5). Additional subjects are not included in the calculation.*

Implications of new four-year curriculum
With the new curriculum reform in UG education in Hong Kong, the BBA in Professional Accounting, together with other UG programs at the HKUST Business School, has been revamped to offer broad-based learning and a flexible structure, so as to enhance students' holistic development (see Section 5.1 for details of the new curriculum).

Under the new academic structure started in 2012/13, the new Hong Kong Diploma of Secondary Education has replaced the Hong Kong Certificate of Examination and the Hong Kong Advanced Level Examination as the major matriculation qualification for admission to the local universities.

Following HKUST's school-based admission system, students are not admitted directly to the BBA in Professional Accounting, but to the School. Students who are interested in BBA programs (including Accounting) offered by the School decide their majors at the end of Year 2.

In the transition year of 2012/13, the School's total first-year enrolment doubled as it admitted two cohorts of students: the last batch of the three-year program and the first batch of the four-year program. Although students of the four-year program will not declare their majors until the end of Year 2, the number of students taking Accounting courses as Business Cores, which are graduation requirements, has increased. The Department also needs to prepare for an increase in the number of students declaring an Accounting major in 2014/15. Student numbers are expected to stabilize at around 200 from 2015/16.

The learning experience of Accounting students has been enhanced by taking advantage of various initiatives developed at the University and School level. These include expanding co-curricular activities, out-of-Hong Kong learning opportunities, all-round advising and mentoring services. Please refer to Section 4.1 of the School's Maintenance Report for details.

4.1.2 PhD in Accounting

The intakes of PhD in Accounting have been kept small during the report period. Admission to the program is competitive. In earlier years, most students came from Mainland China. In recent years, most had earned a master's degree overseas or in Hong Kong. The students have also become more diverse in terms of nationality. In the last two years (2012-13 and 2013-14), four students were admitted from China, Ghana, Indonesia, and Kyrgyzstan. To increase students' exposure to different cultures, the Department also invites visiting students from European countries such as France and Germany periodically.

Student statistics for the reporting period are summarized in the following table.

	2008/09	2009/10	2010/11	2011/12	2012/13
No. of applications	30	23	25	33	37
No. of students admitted	2	2	1	4	2*
% of non-local students	100	100	100	100	100

**Deferred to 2013/14. From 2008/09 to 2011/12, all students admitted had enrolled.*

While the student numbers have been small, a wide range of initiatives have been introduced at the School and University levels to enhance the program content and student support, as well as the quality of intakes, of RPg programs. Please refer to Section 5.3 of the School's Maintenance Report for details of the new initiatives. The Department plans to increase the intake to three in the future. To maintain international diversity, the RPg Committee will participate in the School's overseas student recruiting activities.

4.2 Faculty

The Accounting Department has a balanced mix of faculty members. They include active researchers and also faculty members who were professional accountants or lawyers with years of experience in their areas of expertise (Appendix 9 – List of Full-Time Accounting Faculty). They are consistently recognized for their excellent teaching performance. Please refer to Appendix 10 – Faculty Teaching Awards for the teaching awards earned in 2008-2012.

As indicated in IC Table 10-1, in addition to intellectual contributions, the faculty members have also been involved in consulting, professional activities and public services, by serving as independent directors of listed companies, and engaging in consulting activities for commercial firms, public bodies and professional associations (including accreditation board of HKICPA and AACSB peer review teams).

Building on the management framework and support from the School, the Department has created opportunities and provided resources to help its faculty achieve quality research and teaching, build links with the accounting sector, engage the accounting profession, and contribute to business and the wider community through knowledge sharing. For example, it supports:

- Participation in academic conferences. As mentioned in the section on Financial Strategies, the Department funds one trip to major academic conferences such as the American Accounting Association (AAA) Annual Meetings for each faculty member. For example, in August 2013, six faculty participated in the AAA Conference in Anaheim.

- Organization of academic conferences and seminars. The Department organizes various academic activities to foster knowledge exchange and sharing. As mentioned in Section 3.5, it hosts an annual international Accounting Research Symposium on the HKUST campus, attracting scholars from the region, Australia, Europe and North America. In addition, the Department also schedules regular workshops by its own faculty and visitors. In 2011-12 and 2012-13, the numbers of workshops were 23 and 14, respectively. The number of workshops in 2012-13 was unusually low because a large number of faculty were involved in teaching the double cohort of students.

- Community engagement. Faculty members participate in knowledge sharing initiatives developed by the School. Between 2008/09 and 2012/13, nearly 30 feature articles on the Accounting faculty's research were issued to the School's external stakeholders through its Business Insights platform. Each year, two Accounting faculty serve as speakers in the School's monthly Business Insights seminars to share their latest research findings with attendees from the business community. In addition, some faculty also contribute to a weekly column in a major Chinese financial newspaper in Hong Kong.

- Interaction with industry practitioners. Regular meetings are arranged with employers, including those involved in the annual student mentoring program. The Department also organizes annual lunch gatherings with Big-Four firms, and receptions before Big-Four Recruitment Talks.

- Interaction with professional associations. Meetings are organized with professional accounting bodies, such as HKICPA, to discuss curriculum and examination matters.

Highlights of the faculty's professional services and development activities:

Kevin Chen	*Journal of Accounting and Public Policy,* Editorial Board, 2009-present.
Kevin Chen	*Abacus,* Editorial Board, 2010-present.
Kevin Chen	Independent nonexecutive director, Chanjet, Inc. (to be listed in Hong Kong Stock Exchange), 2011 to present
Kevin Chen	AACSB Peer Review Teams for Nanyang Technological University (2009) and National Chengchi University (2013)
Peter Chen	Independent non-executive director, Kumin Machine Ltd. (listed in Hong Kong Stock Exchange), 2011 to present.
Dennis Chan	Expert Witness, Review of equity valuation of a listed company in Malaysia conducted by an appraisal company in HK, Appointed by Brandt Chan & Partners, Aug 2012 to Jan 2013
Dennis Chan	Member of Academic Advisory Panel, Hong Kong Institute of Chartered Secretaries, Sep 2011 to Sep 2012
Mingyi Hung	*The Accounting Review*, Editorial Board, January 2013-present.

Mingyi Hung	*Journal of International Business Studies*, Editorial Board, April 2012-present.
Kelvin Mak	CTA qualifying examination Paper 5 examiner, Taxation Institute of Hong Kong, April 2013 to present
Kelvin Mak	Member of the Board of Review, Inland Revenue Ordinance, HKSAR Government, July 2013 to present
Xi Li	Member of Board of Director, Chicago Quantitative Alliance (CQAsia, a professional organization of quantitative investment practitioners), 2011 to present
Xi Li	Consultant on curriculum for CFA Institute, 2012
Xi Li	Consultant on asset allocation and stock selection for Brokerage Firms in Shanghai
Tony Shieh	Independent non-executive director, Winner Medical Group Inc. (NASDAQ Listed), July 2008 – 2011
Haifeng You	Consultant on quantitative investment for Bosera Asset Management (August 2009-November 2012), GSA Capital Partners LLP (October 2012-present), CHJ Capital Management LLC (June 2011-May 2012)
Guochang Zhang	Associate Editor, *European Accounting Review*, 2012 – present.
Guochang Zhang	Associate Editor, *Asia Pacific Journal of Accounting and Economics*. 2007–2011

Please refer to Tables 9-1, 10-2 and 10-2 in the School's Maintenance Report for the faculty sufficiency and qualifications of the Accounting Department.

5. Assurance of Learning

In line with the School's goals in this area, the Department places strong emphasis on assurance of learning of its education programs. This section describes the assurance of learning of the BBA in Professional Accounting and PhD in Accounting, including quality assurance processes and the progress of continuous improvement.

5.1 BBA in Professional Accounting

The BBA curriculum gives students in-depth knowledge of Hong Kong, China and international accounting principles through broad-based learning, communications and leadership skills development, as well as experiential exposure in the field. The aim is to prepare them for successful careers in public accounting and in other industries that require a solid accounting background.

The program is the first accounting program outside North America to win accreditation by AACSB. Recently, it has been re-accredited by the HKICPA and accredited by CPA Australia. Graduates are eligible to register for the HKICPA's qualification program and receive the maximum allowable exemptions from the ACCA.

5.1.1 Curricular Development

Accounting students are highly motivated. Many of them seek to pursue double major/ minors, and participate in various enrichment activities including overseas exchanges and internships. However, as a professional program, the BBA in Professional Accounting has a relatively high number of required courses, mainly due to the accreditation requirements of professional bodies. These requirements restricted motivated students under the three-year curriculum from taking more electives or participating in enrichment activities.

Like other UG degree programs at the School, the BBA in Professional Accounting program has been redesigned under the new curriculum to offer a more flexible structure. The number of required credits has been reduced to 10 from 11 under the three-year curriculum, and new requirements have been introduced, such as general education and business breadth.

To graduate, students are required to complete at least 120 credit points. The following tables compare the graduation requirements of the three-year and four-year programs, and the specific course requirements in Accounting.

Breakdown of Credits

Accounting Majors	Min Credit Requirement	
	3-year curriculum	**4-year curriculum**
Business Core	34	41
Language Courses *Chinese Communication* *Business/English Communication*	 3 3	 3 6
Business Major	37	28*
Business Breadth & Free Electives	7	15
General Education / University Common Core	18	27
Graduation requirement	102	120

** 3 credits of Management Accounting is included in Business Core in the 4-year curriculum*

Required Courses for Accounting

Accounting Major	3-year curriculum	4-year curriculum
Major Required	ACCT 2200 Principles of Accounting II* ACCT 3010 Financial Accounting I ACCT 3020 Financial Accounting II ACCT 3210 Advanced Management Accounting ACCT 3610 Functions of Law in Society and Business ACCT 3880 Professional Excellence Program ACCT 4010 Advanced Financial Accounting ACCT 4410 Taxation ACCT 4510 Auditing ACCT 4610 Company Law MGMT 4210 Corporate Strategy	ACCT 3010 Financial Accounting I ACCT 3020 Financial Accounting II ACCT 3210 Advanced Management Accounting ACCT 3610 Functions of Law in Society and Business ACCT 3880 Professional Excellence Program I ACCT 4010 Advanced Financial Accounting ACCT 4410 Taxation ACCT 4510 Auditing ACCT 4610 Company Law MGMT 4210 Corporate Strategy
Business Breadth	Minimum 3 business courses outside their first major	Minimum 3 business courses outside their first major
Free Electives	Nil	Minimum 6 credits

** Included in Business Core in the 4-year curriculum*

A full list of core courses and electives for Accounting majors is available in Appendix - BBA in ACCT Curriculum.

5.1.2 Intended Learning Goals

The BBA in Professional Accounting shares the School's intended learning objectives (ILOs) with all other business programs. In line with the refinement of the School's intended learning goals (ILOs), the program's ILOs has been refined to make sure that they can be directly and effectively assessed. The program's ILOs are mapped with the University's graduate attributes ABC LIVE and the Schools' eight ILOs as below.

HKUST ABC LIVE	School's ILOs	Program's ILO
Academic excellence	#4 Discipline-based competency	• Demonstrate substantial knowledge and understanding of accounting. • Apply discipline-based frameworks and tools to resolve business problems in accounting.
Broad-based education	#3 Core business function and integration	• Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems
Competencies and capacity building	#1 Critical thinking # 2 Communications #7 IT competency	• Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques • Graduates will be effective communicators in oral and written English for general business applications • Graduates will be effective users of information technology in business applications
Leadership and teamwork	#5 Teamwork and leadership	• Graduates will be effective team members and leaders
International outlook	#6 Multi-cultural and international setting	• Graduates will be effective in multi-cultural and international settings
Vision and orientation to the future	#1 Critical thinking #6 Multi-cultural and international setting	• Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques • Graduates will be effective in multi-cultural and international settings
Ethical standards and compassion	#8 Ethical responsibility	• Graduate will understand their professional and ethical responsibilities

The program's ILOs are mapped to individual courses in Appendix 12 – BBA in ACCT PILOs and Course Mapping.

5.1.3 Assessment Tools

Both direct assessment and indirect assessment are used to evaluate the quality of the program and identify areas for continuous improvement.

Direct Assessment

As part of the School's new assessment exercise which started from September 2012, two Accounting courses were selected to be assessed for learning outcomes, together with 14 courses of other disciplines, in Fall 2012 and Spring 2013. These Accounting courses included:

Course Title	Semesters of Assessment and Students Involved	Outcome to Assess
ACCT 2010 Principles of Accounting I	• School core course that students normally study in their first year • Offered to 888 students (mainly 3-year program) in Fall 2012	#8 Ethical responsibility
ACCT 3610 Functions of Law in Society & Business	• Required course of the Accounting program • Offered to 140 students [3-year program] in Fall 2012	# 1 Critical thinking

Instructors of the courses concerned were provided a consistent set of rubrics (Appendix 12 of the School's Maintenance Report – UG Rubrics) and were asked to submit an Assessment Report (Appendix 13 of the School's Maintenance Report - Template of Assessment Report) to the UG Programs Office for consolidation and data analysis. The assessment results are presented to CUP for discussion. Recommendations on follow-up actions, if needed, are provided to the Department and course instructors to act upon.

The assessment of ACCT 2010 in Fall 2012 found a majority of the class was at the developing stage and one-third of the class was able to master the learning goal. A concluding comment was drawn that most students respected ethics and recognized the importance of social and civic responsibility. They were also able to identify potential ethical and social issues. However, only a small percentage of students were able to discuss the issues using theoretical approaches to present balanced arguments. To address this finding, course instructors were recommended to continue increasing students' focus on the impacts of ethical and social responsibility in society by using simple examples, in-class group exercises and mini-case studies. Follow-up actions were implemented in Spring 2013.

The findings on ACCT 3610 were satisfactory. Students were generally able to apply critical thinking to analyze legal issues and carry out legal analyses of the topic and make suggestions to change the law for the better. To enhance the course delivery, course instructors were advised to source more topical problems for students to consider and give them opportunities to demonstrate critical analysis. Follow-up actions will be implemented in Fall 2013.

The assessment exercise has gradually been extended to cover other core courses and senior required courses. Two Accounting courses have been selected for assessment in Fall 2013 and Spring 2014. They include:

Course Title	Semesters of Assessment and Students Involved	Outcome to Assess
ACCT 2200 Principles of Accounting II	• School core course that students normally study in their first year • Offered to students (mainly 4-year program) in Fall 2013	#3 Core business function and integration
ACCT 3880 Professional Excellence	• Required course of the Accounting program • Will be offered to students (mainly 3-year program) in Spring 2014	# 2 Communications

In addition to the above assessment exercise, the Department conducted an annual review of course materials to ensure compliance with the course mapping and HKICPA competency requirements. Faculty members were asked to review the course syllabi and samples of assessments against the course mapping and HKICPA competency requirements, and prepare review reports on an anonymous basis. To close the feedback loop, course instructors were then asked to respond to the review comments and incorporate the recommendations where appropriate.

The findings of the direct assessment exercise coincided with the indirect assessment below.

Indirect Assessment
In addition to the assessment of classes, the Department also collects other data and student feedback on the quality of the program through various channels. These include: course syllabus, samples of major assessments of learning, First Year Experience Survey, Student Feedback Questionnaire (SFQ), Student Engagement and Satisfaction Questionnaire (SESQ), Graduate Employment Survey, and students' qualitative comments on the program at Staff and Student Liaison meetings.

According to the latest round of the First Year Experience Survey (2012) and SESQ (2011/12), the UG Accounting Program is effective in helping students to achieve desired learning outcomes. Although not a longitudinal study, final-year students in general give higher ranking compared to first-year students.

Desired learning outcome (from student surveys)	ACCT 1st Year	ACCT SESQ	School SESQ
Communicating effectively in English	3.53	3.92	4.00
Improving presentation skills	3.75	4.36	4.41
Thinking analytically and critically	3.7	3.79	3.96
Getting along with people of diverse backgrounds and views	3.7	3.82	3.97
Working collaboratively with others	3.65	4.04	4.16
Leading a group to complete a challenging task	3.43	3.88	3.91
Learning a new skill or area of knowledge by yourself	3.62	3.88	3.85
Being socially aware and responsible	3.68	3.64	3.7
Being ethical and honest	3.53	3.68	3.57
Viewing things from a global perspective	3.43	3.73	3.79
Thinking creatively	3.22	3.09	3.28

** The rating is over a 5-point scale with 1=Not at all and 5 = A lot.*

In terms of teaching quality, students were generally satisfied with the performance of the Accounting faculty. According to the semester-based Student Feedback Questionnaire, the Accounting Department achieved 70.9 out of 100 in overall course evaluation and 76.9 out of 100 in overall instructor evaluation. Findings of the First Year Experience Survey 2012, below, also show that the Department's teaching quality is satisfactory and faculty have good interaction with students and demonstrate concern about student development. The ratings for Accounting are higher than those of the University as a whole.

Items	ACCT	HKUST
Good teaching	3.43	3.26
Instructor-student interaction	3.34	3.18
Instructors' concern for students' development & teaching	3.43	3.29

Demand for HKUST Accounting graduates was strong during the report period. In the most recent year (2012), the "Big Four" alone hired more than 120 accounting majors and 100 non-accounting majors from HKUST. According to the Graduate Employment Survey conducted by the University in 2012, Accounting graduates achieved a high employment rate of 95%. Nearly 90% of full-time employed graduates worked in the fields of accounting, auditing, taxation, banking and finance. A summary of graduate statistics for the past five year is listed below.

	2008	2009	2010	2011	2012
No. of graduates	180	163	168	181	161
Response rate	86.7%	90.2%	89.3%	96.7%	86.3%
Full-time Employment Rate	97.4%	93.8%	94.0%	97.2%	95.0%
Working in Accounting/ Auditing/ Taxation/ Banking/ Finance	99.3%	89.2%	86.6%	86.4%	89.3%
Average Annual Salary (USD)	19.8K	19.6K	18.9K	23.0K	21.8K

The Department also collects feedback from the Big 4 firms on graduate recruitment and internships. For example, in 2013 recruitment statistics from a Big 4 firm suggested that our students were not very strong in group discussions of current issues during an assessment exercise. The assessment centre pass rates serve as a measure of our students' team work and verbal communication skills. Follow-up action was taken in Fall 2013 where alumni were invited to coach our final year students on group interviews.

Big-4 Graduate Recruitment Survey

	2013 %
Online test pass rate	72
Assessment centre pass rate	56
Partner interview pass rate	72

Finally, our Accounting graduates have been top performers in the Qualification Program exams held by HKICPA. During the report period, six alumni won the Gold/Silver awards; one won the ICAEW/Simon Morris Memorial Prize; seven came first in a module (financial reporting / corporate financing / business assurance / taxation) examination.

Top HKUST Accounting Graduates in HKICPA Qualification Programmes

ICAEW/Simon Morris Memorial Prize

(Awarded to the graduate attaining the highest aggregate marks in the four modules of each final examination session)

Ms Fung Pui Kwan	June 2011

Top QP Final Professional Examination (FPE) Candidates

Ms Wong Pui Yin	Silver Prize Winner (BDO Prize winner)	Dec 2012
Mr Tang Cheuk Hang	Silver Prize Winner (BDO Prize winner)	Jun 2012
Mr Yim Ho Chuen	Gold Medalist	Dec 2011
Mr Pang Tsun Kit	Silver Medalist	Dec 2011
Mr Fung Ho Ming	Gold Medalist	June 2011
Ms Poon Kit Yu	Gold Medalist	Dec 2010

Top QP Module Examination Candidates

Ms Zhang Jingtong	Module B	Corporate Financing	Jun 2012
Ms Lai Shek Kin	Module C	Business Assurance	Jun 2011
Ms Lee Hoi Ka, Jennifer	Module D	Taxation	Jun 2011
Ms Pang Ka Ying	Module B	Corporate Financing	Dec 2010
Ms Ng Ching Man	Module C	Business Assurance	Dec 2010
Mr Cheung Yu Lung	Module B	Financial Management	May 2010
Mr Yuen Yiu Po	Module A	Financial Reporting	Feb 2010

5.1.4 Examples of Continuous Improvement

Continuous improvement forms an integral part of the QA process in the Accounting Department. In response to the findings from direct and indirect assessments, a number of improvement initiatives have been rolled out over the past few years. Below are some examples.

- Based on the feedback collected from SESQ and other interactions with students, the Department has initiated a number of changes in the curriculum to increase the flexibility of the program. The Department had reduced the number of credits of six 4-credit courses to three credits, and ACCT188 Professional Excellence I and ACCT 288 Professional Excellence II were consolidated into ACCT188 in 2010/11. These changes allow students to have more opportunities to take a second major or minor or other electives and enrichment activities.

- The Department has also allowed outstanding students to take a Year 3 Taxation course in the Spring of Year 2. Such changes have been welcomed by students as they enable them to take more electives and more easily fulfill double major requirements.

- According to the First Year Experience Survey and SESQ (as shown in Section 5.1.2), an area that needs improvement is helping students to think creatively. The Department incorporated more HKICPA Qualification Programme materials into intermediate and advanced accounting courses in 2012/13, especially more practical case questions, to give students more opportunities to think creatively.

- To strengthen the link between research and teaching, the Department encourages its faculty to incorporate their research insights into their teaching, e.g. earnings management in financial reporting and investors' interpretation of accounting numbers based on different accounting standards.

- According to the SESQ 2011/12, 73.2% of Accounting graduates participated in competitions related to academic study during their UG education. To further encourage student participation, the Department has assigned faculty members to coach them for case competitions.

- The Department has stepped up efforts in alumni engagement. With the help of the school-level Alumni Development team, alumni happy hour gatherings, Big-Four alumni networking luncheons, and HKUST Business School alumni dinners have been arranged to strengthen the bonds among alumni, the program, the Department and the School.

- Under the School's coordination, the Department has started a faculty advising system in which each faculty is assigned around 10 Year 1 students. Faculty advisors meet with advisees at least once a semester to learn students' progress and identify possible problems. The system started in 2012-13 with the involvement of tenured faculty, and expanded to all faculty starting from Fall 2013.

- As part of the School's efforts to enhance support to students, the Department received a budget to hire a program assistant in Fall 2013. The assistant will work with the UG program coordinator to engage in student activities and serve as the liaison between faculty and UG students.

5.2 PhD in Accounting

The PhD in Accounting aims to prepare students to become outstanding researchers and educators in the field of accounting. The program shares the six intended learning goals of all PhD programs in the School. They include:

1) Students will have up-to-date and in-depth knowledge of their areas of specialization.
2) Students will have a broad understanding of contemporary business and organizational issues.
3) Students will be equipped with rigorous, ethical research methodology needed to conduct high quality research in their areas of specialization.
4) Students will be able to conduct original research and create new knowledge in their area of specialization.
5) Students will be able to communicate the results of their research clearly in both written and oral presentations.
6) Students will be able to teach college-level course in their areas of specialization.

These goals are achieved through rigorous curricular and extracurricular programs, including teaching assistant training, summer teaching programs, overseas conferences, research paper competitions, and departmental seminars. The enrichment activities have been further expanded in recent years to include overseas research attachments, professional development workshops, language training and support, etc. Details of the program's ILOs and the mapping with curricular and co-curricular activities are listed in Appendix 9 of the School's Maintenance Report - PhD ILOs and Course Mapping.

Under the new MPhil/PhD structure, students build up a solid foundation of knowledge not only in accounting, but also economic theories, statistics/econometrics and finance in their first two years of study. They enter the dissertation stage after completing an MPhil thesis and passing the PhD qualifying examination at the end of the second year. Students prepare their dissertations under the supervision of faculty afterwards.

Assessment tools include course work, PhD qualifying examination, MPhil Thesis and PhD Thesis which are reviewed by an MPhil and a PhD Thesis Examination Committee at each stage. The Department's PhD Coordinator is a representative of the Department in the school-level RPg Committee which is led by the Director of PhD/MPhil Programs appointed by the School Dean. The PhD Coordinator works closely with the RPg Committee to regularly monitor and review academic issues, and devise and implement improvement measures.

A series of continuous improvement initiatives for the PhD program have been developed during the report period. Please refer to the School's Maintenance Report for details. For the Department, the most significant change is to restructure the program into a two-stage (MPhil and PhD) and five-year study (discussion in Section 3.4.2).

The PhD program achieved a good track record of placements. From 2008 to 2012, there were seven PhD graduates and they received job offers from overseas universities and those in Hong Kong and the Mainland. The PhD graduates and their present universities are as follows:

Sheng-quan Hao (PhD, 2008): Associate Professor, Shanghai Jiaotong University;
Rui Ge (PhD, 2009): Assistant Professor, Hong Kong Polytechnic University
Rui Shen (PhD, 2009): Assistant Professor, Erasmus University Rotterdam, the Netherlands
Feng Tang (PhD, 2010): Assistant Professor, Hong Kong Polytechnic University
Yangxin Yu (PhD, 2011): Assistant Professor, Australian National University
Junqi Zhou (PhD, 2011): Research Assistant Professor, Hong Kong Baptist University
Yao Zhang (PhD, 2012): Assistant Professor, Tongji University

Four of them already have a total of six publications in top accounting and finance journals (including *Journal of Accounting and Economics, The Accounting Review, Review of Accounting Studies, and Journal of Financial and Quantitative Analysis*). The list is included in Appendix 29 of the School's Maintenance Report – Selected Publications of PhD Graduates and Students 2008-2012. Moreover, an earlier graduate, Zhihong Chen (PhD, 2005), has accumulated a substantial record and was hired back to HKUST in Fall 2013 as Associate Professor, from City University of Hong Kong.

6. Other New Developments

While the Department has further solidified its academic and research capacity, and built up strength in quality assurance and enhancement, it has also been exploring new areas of development.

The Department plans to launch the new Master of Science in Accounting (MSc(ACCT)) in 2014/15, to expand its program offerings. The one-year full-time program consists of technical accounting courses that allow students to enter the public accounting certification program administered by HKICPA. It also provides courses in other related disciplines such as finance, management, and information systems to broaden students' knowledge base.

The new program is designed to meet the strong demand for accounting talents in the region by adding a supply of accounting students at the PG level. Given that accounting is a relatively stable profession that is not driven by fads or depressed by economic downturns, the demand for highly qualified accountants is expected to be strong in the foreseeable future.

Apart from accounting firms, graduates of this program are expected to have job opportunities in financial institutions, State Owned Enterprises (SOEs), multinational corporations (MNCs) and mid-scale/national firms, particularly those in Mainland China. In a survey conducted by the Department, Chinese Mainland's SOEs, MNCs, and listed companies expressed a strong preference for recruiting accounting students with master's degrees. They also indicated that Mainland students are very keen on pursing master's degrees due to a very competitive job market in China.

The projected intakes for the first three years are 50 in 2014/15, 50 in 2015/16 and 60 in 2016/17. Students are expected to come from Mainland China, Hong Kong and overseas.

The new program will provide faculty with an additional opportunity to teach accounting courses at PG level. The increase in tenured faculty and the stabilization of teaching faculty provide the necessary teaching capability.

A faculty member from the Accounting Department has been appointed Program Director to manage the program. A program committee is also in place to oversee academic and quality related matters. With the support of dedicated administrative staff from the School's new MSc Programs Office, the Program Director will also lead the program's recruitment and admission strategies, enrichment activities and daily operations.

The MSc(ACCT) is a self-financed program. The courses will be taught by existing faculty members on an extra-load basis or by adjunct faculty. The program is expected to generate a surplus in 2014/15, opening up a new funding source for the School and the Department. According to the current financial model, the Department will receive an additional amount in the discretionary budget account based on the credit hours of teaching and School will retain the rest of the surplus.

In addition to new degree programs, the Department is also actively exploring other new developments, such as new modes of program delivery. One faculty member is experimenting with a blended mode of teaching using an online textbook package. The Department Head is also leading a School-level task force to examine opportunities in online education.

Appendices

Appendix 1	Committee Membership 2013/14
Appendix 2	General Research Fund Funded Projects 2008-2013
Appendix 3	Proposal of MPhil Program in Accounting and PhD Program in Accounting (2+3 MPhil/PhD Program)
Appendix 4	Final Proposal of MSc in Accounting Program, May 2013
Appendix 5	Course Review Plan for 2012/13
Appendix 6	Departmental Annual Report on Undergraduate Education 2011/12
Appendix 7	HKICPA Accreditation Report
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Appendix 9	List of Full-Time Accounting Faculty
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Appendix 11	BBA in ACCT Curriculum
Appendix 12	BBA in ACCT PILOs and Course Mapping

DEPARTMENT OF ACCOUNTING COMMITTEES & COORDINATORS

2013 – 2014 (Effective 16 Sept. 2013)

Executive/Resource/Planning Committee	Kevin Chen (Chair) Guochang Zhang Mingyi Hung Peter Chen
Search and Appointment Committee	Mingyi Hung (Chair) Guochang Zhang Peter Chen Charles Hsu Derrald Stice
Departmental Substantiation and Promotion Committee (DSPC) (also Merit Salary Review Committee)	Mingyi Hung (Chair) Guochang Zhang Peter Chen Taiyuan Chen Zhihong Chen Charles Hsu (For full professor cases: Mingyi Hung (Chair), Guochang Zhang and Sudipto Dasgupta (FINA)) (Kai Wai Hui is not included due to expected sabbatical in 2014)
Symposium Coordinator	Shiheng Wang
Workshop Coordinator	Haifeng You
Library, Computing, Database Coordinator	Zhihong Chen
Research Postgraduate Committee	Taiyuan Chen (Coordinator) Mingyi Hung Zhihong Chen
MSc in Accounting Academic Director	Tony Shieh
UG Coordinator	Kelvin Mak David Lai (Deputy Coordinator)
UG Curriculum Committee	Charles Hsu (Chair) Sabrina Kwan Kelvin Mak

Accreditation Coordinator	Sabrina Kwan
Alumni Relationships	Sabrina Kwan David Lai
Students Liaison Committee Coordinator	Amy Zang
UG Student Recruiting	Derrald Stice Allen Huang
Course Coordinators	Charles Hsu (ACCT2010) Kai-Wai Hui (ACCT2200) Charles Lam and David Lai (law) Kelvin Mak (taxation) Amy Zang and Chia-chun Hsieh (financial accounting)
HKICPA QP Advisors	Dennis Chan David Lai Kelvin Mak
Case Competition Advisors	David Lai (Deloitte Tax Competition) Kelvin Mak (HKICPA Case Competition) Dennis Chan (HKICPA Case Competition Judge Panel) Xi Li
MSc in Accounting Curriculum Committee	Kevin Chen Charles Hsu Tony Shieh

University Committee:

University Senate	Kevin Chen
University Appointment & Substantiation Committee (UASC)	Guochang Zhang

School of Business & Management Committees:

School Administrative Committee (SAC)	Kevin Chen
School Appointment & Substantiation Committee (SASC)	Mingyi Hung
School Research Committee (SRC)	Peter Chen
School PhD/MPhil Programs Committee	Taiyuan Chen
Committee on Undergraduate Programs (CUP)	Kelvin Mak
Library/Computing Resources Committees	Zhihong Chen
Teaching and Learning Committee	Sabrina Kwan
World Bachelor in Business Program Associate Director	Charles Lam
Global Business Program Committee	Allen Huang

Appendix 2 – General Research Fund Projects 2008-2013

Department of Accounting
External Competitive Peer-Reviewed Research Grants
Funding Body: RGC - General Research Fund

No.	Project Number	Project Title	Principal Investigator Last Name	Principal Investigator First Name	Period	Total Award Amount in USD	Duration	Start Date	End Date
1	641908	Earnings Forecast and Analyst Behavior	HSU	Charles Y	2008/09	$ 53,974	2008-12 - 2011-05	2008-12-01	2011-05-31
2	644708	Analyst forecast revisions and the informational efficiency of stock prices: the case of R&D intensive industries	ZHANG	Guochang	2008/09	$ 34,776	2009-01 - 2011-06	2009-01-01	2011-06-30
						$ 88,750			
3	641309	How do investors respond to fraudulent earnings news?	HUI	Kai Wai	2009/10	$ 55,978	2010-01 - 2011-12	2010-01-01	2011-12-31
4	643409	Effects of The Mandatory Adoption of International Financial Reporting Standards on Corporate Financing Activities	WANG	Shiheng	2009/10	$ 36,599	2009-07 - 2011-12	2009-07-01	2011-12-31
						$ 92,578			
5	640410	Corporate Transparency and Financing Choices of Family Firms	CHEN	Tai-yuan	2010/11	$ 43,914	2011-01 - 2013-06	2011-01-01	2013-06-30
6	641310	Readability of Analyst Forecast Report	HSIEH	Chia-chun	2010/11	$ 57,415	2010-07 - 2012-06	2010-07-01	2012-06-30
7	641410	Managerial Overconfidence in Earnings Forecasts	HSU	Charles Y	2010/11	$ 56,120	2010-07 - 2012-12	2010-07-01	2012-12-31
8	643010	Managerial decisions in the face of uncertainty, real earnings management, and financial reporting quality	NOVOSELOV	Kirill	2010/11	$ 36,277	2011-01 - 2013-06	2011-01-01	2013-06-30
9	644010	The Impact of GAAP Differences and IFRS Adoption on Foreign Bank Loans: The Role of Global Accounting Harmonization	WANG	Shiheng	2010/11	$ 60,143	2011-01 - 2013-06	2011-01-01	2013-06-30

No.	Project Number	Project Title	Principal Investigator Last Name	Principal Investigator First Name	Period	Total Award Amount in USD	Duration	Start Date	End Date
10	645210	Informativeness of Analyst Opinions in Written Reports	ZANG	Amy Y	2010/11	$ 28,912	2010-07 - 2013-06	2010-07-01	2013-06-30
11	645710	Effectiveness of Corporate Internal Control System and Insider Trading	ZHANG	Yong	2010/11	$ 42,141	2011-01 - 2012-07	2011-01-01	2012-07-06
						$ 324,921			
12	641411	Can Firms Commit to Good Governance Practice to Substitute for Poor Investor Protection?	HUI	Kai Wai	2011/12	$ 82,887	2011-08 - 2013-08	2011-08-30	2013-08-29
13	644511	Is There Value in Serendipity? An Investigation of Conference Calls	NOVOSELOV	Kirill	2011/12	$ 67,503	2012-01 - 2013-12	2012-01-01	2013-12-31
14	645911	GAAP Differences, Mandatory IFRS Adoptions and Cross-border Mergers and Acquisitions	WANG	Shiheng	2011/12	$ 23,225	2012-01 - 2013-12	2012-01-01	2013-12-31
15	647111	Accounting Standards, Capital Allocation, and Welfare	ZHANG	Guochang	2011/12	$ 31,109	2012-01 - 2013-12	2012-01-01	2013-12-31
						$ 204,724			
16	640212	The Effect of Firm-initiated Clawback Provisions on Managers' Choice of Earnings Management Tools	CHEN	Kevin C W	2012/13	$ 29,349	2012-09 - 2014-08	2012-09-01	2014-08-31
17	641712	Accrual and Real Earnings Management and Stock and Operating Performance Around Open-Market Repurchases	LI	Xi	2012/13	$ 46,896	2012-07 - 2014-06	2012-07-01	2014-06-30
18	642412	The Importance of Being Nimble: Equity Valuation in the Face of Future Challenges and Opportunities	NOVOSELOV	Kirill	2012/13	$ 30,255	2013-01 - 2013-12	2013-01-01	2013-12-31
						$ 106,499			

The Hong Kong University of Science and Technology
Proposal for making changes to a PG program

PG
Form D 01.2004

To: PG Secretariat, PROVOST

Program title: *(in English)* *MPhil Program in Accounting and PhD Program in Accounting (2+3 MPhil/PhD Program)*

(in Chinese) *會計學哲學碩士暨博士課程*

Offering department(s)/Program Office(s): **Department of Accounting**

(1) Details of the proposed changes

Nature of change(s) *(Please tick boxes as appropriate.)*

- ☐ Changing the generic title of the program. *[Proposed new title]*
- ☐ * Deleting core/required courses from the program. *[course code(s) & vector(s)]*
- ☐ * Adding core/required courses to the program. *[course code(s) & vector(s)]*
- ☐ Removing specified elective courses. *[course code(s) & vector(s)]*
- ☐ Adding specified elective courses. *[course code(s) & vector(s)]*
- ☐ Changing the total core/required course credits. *[from ...... to ......]*
- ☐ Changing the total elective course credits. *[from ...... to ......]*
- ☑ Changing the sequencing of courses to be attempted. *[course code + vector + from which semester & year to which semester & year]*
- ☐ Changing the total credits required for graduation. *[from ...... to ......]*
- ☑ Other changes. *[please provide details]*

* *Deletion or addition or individual courses is dealt with separately. Please use other appropriate proformas designed for these purposes.*

In the space below and on p.2, please

(a) List the proposed changes
(b) Provide a comparison of the original and revised curricula and
(c) Provide the rationale for making the change(s). For each type of change, please start a new paragraph.

(a) List the proposed changes.

1. **To revise the admission requirements for the PhD program as below :**
   - Complete HKUST MPhil degree in ACCT in 2 and no more than 2.5 years, or equivalent;

2. **To integrate the MPhil program curriculum with the PhD program curriculum.**

3. **To replace the research paper requirement by the MPhil thesis.**

(b) Provide a comparison of the original and revised curricula.

<table>
<tr><td></td><td colspan="2">Program Curricula</td></tr>
<tr><td></td><td>Current School PhD curriculum
(36 credits)</td><td>Revised MPhil/PhD (ACCT) curriculum
(36 credits)</td></tr>
<tr><td></td><td colspan="2"><u>a. Introductory Quantitative Requirements:</u>
(credits not counted towards graduation requirements)
- ECON 510 Mathematics for Business and Economics;
- ISOM 581 Introduction to Probability;</td></tr>
<tr><td></td><td colspan="2"><u>b. General Management Requirements:</u>
(Students who do not have an MBA or equivalent are required to take at least three of the following MBA-level courses)
i) ACCT 510 Financial Accounting Foundations
ii) FINA 512 Corporate Finance; or
FINA 521 Investment Analysis
Iii) ISOM 561 Operations Management
iv) MARK 512 Marketing Strategy and Policy
v) MGMT 523 Management of Organizations</td></tr>
<tr><td></td><td colspan="2"><u>c. Common Core Requirements:</u>
(Each student must take five common core courses)
i) ECON 513 Microeconomics Analysis; OR
ECON 521 Microeconomics Theory I
ii) ISOM 582 Statistical Methods for Business and Economics I;
iii) LANG 501 Postgraduate English for Academic Purposes;
iv) Any two of the following :
ECON 522 Microeconomic Theory II;
ECON 530 Econometrics or ISOM 583 Statistical methods for Business and Economics II
ISOM 553 Multivariate Data Analysis
MGMT 714 Doctoral Seminar in Behavioral Research Method</td></tr>
<tr><td></td><td colspan="2"><u>d. Major Field Requirements:</u>
Each student is required to take at least 9 credits of PhD level courses in the major field.</td></tr>
<tr><td></td><td colspan="2"><u>e. Minimum Course Requirements:</u>
Each student is required to take at least 36 credits overall, with a minimum of 15 credits of PhD level courses excluding the common core requirements.</td></tr>
<tr><td></td><td><u>f. Major Field Examination</u>
Full-time students must make the first attempt by the end of second year, and part-time students must make the firs attempt by the end of the third year, unless a later date is approved by the Department.</td><td><u>f. Major Field Examination</u>
Students must make the first attempt by the end of the second year in the MPhil program. Students must pass th exam before entering into the PhD program.</td></tr>
<tr><td></td><td><u>g. Research Paper Requirement</u></td><td>None (replaced by the MPhil Thesis)</td></tr>
<tr><td></td><td colspan="2"><u>h. Thesis Requirement</u></td></tr>
</table>

There is no change in MPhil (ACCT) program. Courses taken in MPhil (ACCT) will be counted toward courses in PhD (ACCT) program.

(c) Provide the rationale for making the change(s).

The change will integrate the 2-year MPhil and 3-year PhD programs. The PG Committee of Department of Accounting has observed that PhD (ACCT) students tend to take at least five years to finish. MPhil and PhD provide a clear two-step path of study for students. The integrated program provides sufficient time for students to complete the PhD degree. It also allows flexibility for students to exit with an MPhil degree if PhD degree is not appropriate for them.

(2) Timeframe for implementation of changes

(a) Changes will be effective from [semester/year; e.g. Fall, 2004/05] Fall, 2011/12

(b) The changes will apply to the student cohort admitted from [semester/year] Fall, 2011/12

(3) Feedback on proposed changes involving courses offered by other department(s)/program office(s)

(a) If the proposed changes involve courses offered by other department(s)/program office(s), has the offering department/program office sought the concurrence of these other department(s)/program office(s) on the proposed course changes? ☑ Yes ☐ No

(b) If 'No' to 1 above, the consultation should be done before the submission of this proforma to the School Board.

(c) If the response from the other course-offering department(s)/program office(s) has been negative, or there are difficulties, what are the concerns? What is the solution?

(4) Approval

I confirm that the department/program office and the School Board have endorsed the proposed program changes.

Department/Program Office	Prof. Kevin CHEN		
	Name of Dept Head/Prog Director or designee	Signature	Date
School Board			
	Name of Dean or designee	Signature	Date

For use by PG Secretariat

Received on: ____________ Approved by CPS at its ______ meeting held on ____________

Remarks: ____________

Note:

Changes are regarded as major when they involve any of the following:

a) *complete change in the program title;*

b) *change in the degree to be awarded;*

c) *change in the duration of the program;*

d) *changes made to, the removal, addition, or substitution of core and/or required courses in the program;*

e) *addition and/or deletion of an option/concentration in the program.*

Appendix I

Curriculum for MPhil degree program in Accounting

a. Introductory Quantitative Requirements:

Unless students have clearly demonstrated sufficient knowledge in the area, students entering the PhD program are required to take the following two mathematics-oriented courses in the first semester of study. Credits in the two courses are not counted towards the degree requirements.

ECON 510 Mathematics for Business and Economics;

ISOM 581 Introduction to Probability;

b. Common Core Requirements:

Each student must take two common core courses.

ISOM 582 Statistical Methods for Business and Economics I

AND one of the following:

ECON 513 Microeconomic Analysis

ECON 521 Microeconomic Theory I

ECON 530 Econometrics

ISOM 583 Statistical methods for Business and Economics II

MGTO 710 Behavioral Science

c. Minimum Course Requirements:

Each student is required to take at least 18 credits overall, with a minimum of 6 credits of MPhil/PhD level courses in the major field.

d. Thesis Requirement:

Students must complete a thesis following university guidelines on MPhil thesis.

Appendix II

Curriculum for PhD degree program in Accounting

a. Introductory Quantitative Requirements:

Unless students have clearly demonstrated sufficient knowledge in the area, students entering the PhD program are required to take the following two mathematics-oriented courses in the first semester of study. Credits in the two courses are not counted towards graduation requirements.

ECON 510 Mathematics for Business and Economics;

ISOM 581 Introduction to Probability;

b. General Management Requirements:

Students who do not have an MBA or equivalent are required to take at least three of the following MBA-level courses.

i) ACCT 510 Financial Accounting Foundations

ii) FINA 512 Corporate Finance; or

FINA 521 Investment Analysis

iii) ISOM 561 Operations Management

iv) MARK 512 Marketing Strategy and Policy

v) MGMT 523 Management of Organizations

c. Common Core Requirements:

(Each student must take five common core courses)

i) ECON 513 Microeconomics Analysis; OR

ECON 521 Microeconomics Theory I

ii) ISOM 582 Statistical Methods for Business and Economics I;

iii) LANG 501 Postgraduate English for Academic Purposes;

iv) Any two of the following :

ECON 522 Microeconomic Theory II;

ECON 530 Econometrics or ISOM 583 Statistical methods for Business and Economics II

ISOM 553 Multivariate Data Analysis

d. Major Field Requirements:

Each student is required to take at least 9 credits of PhD level courses in the major field.

e. Minimum Course Requirements:

Each student is required to take at least 36 credits overall, with a minimum of 15 credits of PhD level courses excluding the common core requirements.

f. Major Field Examination:

Students must pass the major field exam within one year after entering into the PhD program.

g. Thesis Requirement:

Students must complete a thesis following university guidelines.

The Hong Kong University of Science and Technology
Proposal for Introducing a PG Program

PG
Form F
11.2011

To: PG Secretariat, Office of the Provost

Submitted by: **School of Business and Management** (School)

Proposed title of the new program: *(in English)* MSc in Accounting (MSc(ACCT))

(in Chinese) 理學碩士(會計學)

Hosting School/ Department/ Program Office of the new program: ACCT

(1) General information on the proposed program *(Please tick as appropriate)*

(a) This program will be ☐ UGC funded* ☒ self-financing**

* *UGC has ceased funding taught postgraduate (TPg) programs since 2004/05, all new TPg programs are required to operate on a self-financing basis.*

** *If this is a self-financing program, approval should also be sought from the UAC Sub-Committee on Continuing and Professional Education (SCCPE) before it is considered by the Committee on Postgraduate Studies (CPS) and the Senate. Please provide in **Annex 3** information on the financial viability of the program.*

(b) Mode of attendance: ☒ Full-time ☐ Part-time ☐ Mix of full- and part-time

(c) Mode of delivery: ☒ Face-to-face only ☐ Electronic media only
☐ Mixed (about ____ % class contact + ____ % electronic media)

(d) Program duration: ☒ Full-time 1 ~~Years~~/ ____ Terms
☐ Part-time ____ Years/ ____ Terms

(e) Tuition fee: ☐ HK$ ____ per credit ☐ HK$ ____ per Term
☒ HK$ 200,000 for the entire program

(f) Fees other than tuition fee: ☒ None
☐ Please specify how much and what they are ____

(2) Admission

(a) The program will start admitting students in Fall (Term), 2014/15 (Academic year)

(b) Program admission requirements:

Please see Admission Requirements in Annex 2

(c) Will the program follow the regular Term System of the University? Yes ☒ No ☐

If 'No', please describe how the courses are scheduled.

(3) Planning and resources issues

Please provide in **Annex 1** the planning and resources consideration of the school/ department/ program office as described on the proforma.

(4) Program requirements

Please list in **Annex 2** the program curriculum and requirements for publication in the PG Programs Catalog.

(5) Partnership and program management

(a) This program is

[X] solely offered by the Department/Division of ACCT

[ ] offered by the School(s) of ________________, involving the Departments of ________________

[ ] jointly offered by the School/Department of ________________ and ________________

(Name of the partner institution(s))

If the program involves external partners(s), please provide in **Annex ___** information on the following:

(i) Who are the partners in organizing and offering the program? What are their roles and the extent of their participation in the program? What are the channels of communication among the partner institution(s)?

(ii) How will the program be managed? How will the work be shared? Who will be teaching the courses? Who makes decisions on admission policies, program requirements, program standards, and graduation standards? Who has the final responsibility for the program?

(iii) How will the academic award be conferred?

(b) Will the program be solely administered by the hosting school/department/program office of this program?

[X] Yes [ ] No

If 'No', please provide in **Annex ___** above information on the following:

(i) What are the other school(s)/department(s)/program office(s) involved?

(ii) Who will be the program director?

(iii) What are the role and responsibilities of each unit involved?

(6) Feedback and comments on the proposed program

The following feedback, comments or reports are provided as **Annex 4** of this proposal:

(a) Comments from School Board and/or School PG Studies Committee
(b) Comments and/or reports from External Advisors

(c) Comments and/or recommendations from other institutions

(d) Issues and questions raised by CPS and the Senate on the initial plan

(e) Responses of the offering school(s)/department(s)/program office(s) to comments, issues and questions raised by various parties listed in the (a) to (d) above.

(7) Concurrence of department affected

**Concurrence must be obtained from all schools and/or departments/program offices whose programs/ courses may be affected by this program*

**By signing in the space below, the department concerned supports the introduction of the above program.*

School/Dept/ Program Office	Names and Initials of PG Coordinator/Program Director	Date	Comments, if any
FINA			
ISOM			
MGMT			

(8) Endorsement by department and school

This is to confirm that the introduction of the proposed program, as presented in this document, has been endorsed by the Departmental PG Studies Committee and the School Board concerned.

Department/Program Office	**Kevin C W Chen** Name of Dept Head/Prog Director or designee	Signature	Date
School Board	**Leonard K Cheng** Name of Dean or designee	Signature	Date

Enclosed: **A total of ______attachments are enclosed with this proposal.**

For use by PG Secretariat

Received on: __________ Approved by CPS at its ____ meeting held on __________

Remarks:

Annex 1: Planning and Resources Issues

Please provide detailed information on each of the following issues:

1) Program aims and objectives

a) What is this program about and what does it intend to achieve?

b) How does this program match with the academic profile of the participating school(s)/department(s)/program office(s), and with the mission of HKUST?

2) Need for this program

a) Why is there a need for this program? What career opportunities are foreseen for students graduating from this program?

b) What are the consultation and/or surveys done concerning the viability of the proposed program? Have these involved major employers and people in the profession? What are the outcomes of the consultation/surveys?

c) What will be foregone if the proposed program is not launched?

3) Program demand and projected enrollment

a) Are there similar programs on the market? Who are the competitors? Is there room for a new comer? How different is this program from its competitors? Why does this program have an edge over the others?

b) Who will attend this program? How big is the demand for this kind of program? Will market demand diminish after the first few years of implementation?

c) What is the projected enrollment for the first five years? Is the enrollment in this program an addition to the total enrollment of the University? If not, which program(s) in the University will be affected, and to what extent?

4) Resource considerations

a) What are the manpower and resource implications for the department(s)/program office(s), school(s) and the University, including teaching and support staff needs? Will additional resources other than what is already available be required for the program? Will new staff be recruited to teach this program? Considerations should include class venue, library, computer facilities, laboratory facilities, consumables, program director, course instructors, technical or professional support, and administrative and support staff.

b) If additional resources are required, please state the projected amount required and the source of funding. If these cannot be provided from within the existing budgets allocated to the participating units, this must be stated clearly.

c) For self-financing programs, please provide the projected income and expenditure for the first three years in **Annex 3** of this proposal.

See attachments Annex 1 and Annex 3

Annex 2: Requirements of the proposed new program

Program Title: Master of Science in Accounting (MSc(ACCT))

Program curriculum and for publication in the PG Programs Catalog

Please refer to the entries of similar programs in the PG Program Catalog for format. Information should include:

(a) A preamble on the program stating the aims and objectives of the program and how it meets the needs of society;

(b) Program admissions requirements;

(c) Program requirements; and

(d) Program curriculum.

See attachment Annex 2

Annex 3: Financial viability for the proposed new program *(for self-financing program only)*

1) Projected income and expenditure statement for the program:

	Amount		
a) Projected income	**1st Year**	**2nd Year**	**3rd Year**
i) Program fees **(Please see Annex 3 – Table for details)**			
ii) Application fees			
iii) Others (*please itemize*)			
Total income:			
b) Projected expenditure			
i) Revenue contribution to the University			
ii) School/Department overhead			
iii) Remuneration for program directors/coordinators			
iv) Remuneration for course instructors and teaching assistants			
v) Remuneration for administrative and technical support staff			
vi) Venue rental (e.g. lecture theaters, classrooms, laboratories, etc.)			
vii) Facility charges (e.g. library, parking, sport facilities, etc.)			
viii) Acquisition of consumables, stationery, postage, IDD calls, etc.			
ix) Payment for materials development			
x) Expenses on printing and publication			
xi) Expenses on advertising and publicity			
xii) Entertainment expenses			
xiii) Travel and accommodation expenses			
xiv) Miscellaneous (*please itemize*)			
Total expenditure:			
c) Expected surplus			

For details of the financial viability, revenue, expenditures and surplus, please see Annex 3 - Table

2) What is the threshold enrollment for the program to be financially self-sufficient?

The Break-even numbers of students will be 23; 23 and 22 for 2014/15; 2015/16 and 2016/17 respectively.

3) How will earnings or deficits be managed and shared? Who has responsibility for liabilities arising from the conduct of the program?

Earnings or deficits will be managed by the School of Business and Management. ACCT Department will be responsible for liabilities arising from the conduct of the program.

Annex 1: Planning and resources issues

1) Program aims and objectives

a) What is this program about and what does it intend to achieve?

The proposed program – Master of Science in Accounting (MSc(ACCT)) aims at providing a channel to students who have completed a bachelor degree in business disciplines to enter accounting-related professions.

The program consists of technical accounting courses that allow students to enter the public accounting certification program administered by Hong Kong Institute of Certified Public Accountants (HKICPA). It also provides courses in other related disciplines such as finance, management, and information systems to broaden students' knowledge base.

The program is both practical and academically vigorous. It intends to groom "thinking" professional accountants at postgraduate level and educate them to become successful business professionals across different business functions, such as accounting, finance, treasury, taxation, auditing, business consulting, and corporate strategic planning.

b) How does this program match with the academic profile of the participating school(s)/department(s)/program office(s), and with the mission of HKUST?

The MSc(ACCT) is offered by the ACCT department. ACCT has a balanced mix of faculty members. There are active researchers as well as faculty members who were professional accountants or lawyers with years of experience in their areas of expertise. The MSc(ACCT) program creates an opportunity for more of the department's faculty members to teach at postgraduate level. It also helps them to achieve synergies between teaching and applied research. In addition, the program will further promote the collaborations and connections of the department with the professional community, e.g., CPA firms and other corporations. Further, by including specialized courses in finance, management, and information systems, the program will leverage the strengths of other departments within the school. In summary, the program will enhance the mission of HKUST, which include the advancement of learning and knowledge through teaching and research and to assist in the economic and social development of Hong Kong.

2) Need for this program

a) Why is there a need for this program? What career opportunities are foreseen for students graduating from this program?

Accounting is a necessary technique in the functioning of all types of organizations, including business, government, and non-profit entities. There has been a strong demand of accounting graduates in the region. For example, in each of last few years, the largest four CPA firms ("Big Four") alone hire more than 120 accounting majors and 100 non-accounting majors from the HKUST. The Big Four and smaller CPA firms indicate interest in recruiting more of our students if we can graduate more accounting majors. Our program will add to the supply of accounting students at postgraduate level. In addition, as Hong Kong continues to be a financial center, the graduates from this program are expected to have job opportunities in financial institutions, State Owned Enterprises ("SOEs"), multinational corporations ("MNCs") and the mid-scale/national firms (particularly those in Mainland China).

b) *What are the consultation and/or surveys done concerning the viability of the proposed program? Have these involved major employers and people in the profession? What are the outcomes of the consultation/surveys?*

The Department (ACCT) has been conducting interviews with the stakeholders we identified. They include senior human resources managers of CPA firms, SOEs executives, HKUST alumni, experienced CPAs who are practitioners or finance personnel of commercial enterprises, and the top officials of regulatory bodies.

Interviewee	Position held	Affiliation/Company
Jonathan Ng	Acting Executive Director	HKICPA
Bernard Wu	Managing Director	Agricultural Bank of China International Investment Management Limited
Diane Chan	Executive Director	Career Times Online Limited
Bevis Yiu	Manager, Human Resources	Deloitte Touche Tohmatsu
Jovy Wong	Senior Manager, Recruitment, China People Team	Ernst & Young
P M Kam (Dr)	CEO	Financial Reporting Council
Dickman Chiu (ACCT alumni)	Associate Director of Finance	Jane Street Asia Limited
Margaret So	Director, Recruitment & Resourcing; Human Resources	KPMG China
Tammy Yip	Associate Director, Human Resources	PwC China and Hong Kong
Chris Wong	Partner	RSM Nelson Wheeler
Mary Wong	Human Resources and Administration Manager	ShineWing (HK) CPA Limited
Nelson Lam	President	Society of Chinese Accountants & Auditors, The
Hui Hong Li	Vice General Manager	GF Securities Co. Ltd
Qi Han	Director of Accounting Management Office	China Merchant Bank
Ben Chen	South China Region Director	Microsoft
Julie Zhu	CEO & CFO	Glory Harvest Group Holdings
Run Bo Lv	Vice Chairman of Management Committee	Yong Tuo Group
Liping Yuan	Financial Controller	Shenzhen International South-China Logistics Co., LTD.
Chunhong Pan	President	Shenzhen Wealth Trust Investment Management Co.

The interviewees have provided us with useful and constructive comments that help us in the program design. Their comments are summarized below:

- They agreed that the one-year full-time model should be attractive to overseas or international students.
- CPA firms are interested in hiring graduates from this program. Their value, however, will be significantly higher if they have prior/relevant working experience. This will be taken into account in the admission of students.
- Interviewees from commercial enterprises expressed that our MSc(ACCT) graduates would be competitive in job market if we equip them with not just academic knowledge, but also other generic skills and business knowledge.
- One HKUST ACCT alumnus welcomed our proposed MSc(ACCT). He suggested that we can expand our existing UG ACCT alumni group to include our PG alumni in future. He felt certain that the inclusion of the PG group will make ACCT alumni group with diversity and to become stronger.
- Interviewees from the group of Chinese Mainland's SOEs, MNCs, and listed companies expressed that their companies have strong preference on accounting students with master degrees. One of the interviewees from group even stated that their companies only hire master program graduates now. They also indicated that Mainland students are very keen on pursing master degrees in order to have a better career path due to a very competitive job market in China.

The department has sent a Letter of Intent to obtain an academic program accreditation to the HKICPA in late 2012, and will submit the documents for review after the program is approved by the Senate.

c) *What will be foregone if the proposed program is not launched?*

Many local tertiary institutions have been offering master of accounting programs (see item c below). Those programs allow students who did not have prior accounting training in their UG study to obtain a postgraduate degree and fulfill the entry requirement for the professional CPA examination in Hong Kong. If HKUST doesn't offer this program, we will lose the opportunity to take advantage of the strong student demand. In addition, SBM already has six MSc programs, and accounting is a major missing component. Without this program, the school cannot make best use of its coordinated efforts in MSc student recruiting and placement.

3) Program demand and projected enrollment

a) *Are there similar programs in the market? Who are the competitors? Is there room for a new comer? How different is this program from its competitors? Why does this program have an edge over the others?*

Accountancy education offered at master's level is common and popular in Hong Kong, largely because of the strong demand for accounting and finance talents in the business community as discussed previously. We have identified the following programs offered by other institutions (excluding programs collaborated with Mainland institutions or without HKICPA accreditation):

- Chinese University of Hong Kong ("CUHK"): Master of Accountancy, FT/PT, 36-credit program ($180,000) that can be completed in 1 year (FT) or 2 years (PT)
- City University of Hong Kong ("CityU"): MSc in Professional Accounting and Corporate Governance, FT/PT, ($169,560), 36-credit program that can be completed in 1 year (FT) or 2 years (PT)
- CityU: MA in International Accounting, FT/PT, ($141,300), 30-credit program that can be completed in 1 year (FT) or 2 years (PT)
- Baptist University ("BU"): Master of Accountancy, FT/PT, ($145,800), 36-credit program that can be completed in 1 year (FT) or 2 years (PT)
- Hong Kong Polytechnic University ("PolyU"): Master of Professional Accounting, FT/PT, ($158,400), 36-credit program that can be completed in 1 year (FT) or 2 years (PT)
- Lingnan University ("LU"): Master of Accountancy, PT, ($60,000), 33-credit program that can be completed in 1 year

The programs content offered by these universities are all similar. The similarity is due to the nature of the accounting practice, i.e., it requires a collection of professional knowledge, skills and ethical training which already fill up most of the curriculum. In addition, the curriculum contents need to be accredited by the HKICPA. We also observe similar situation happened in other professional disciplines like law and medical schools.

However, our program will distinguish from the existing ones in the following areas:

- HKUST's much better brand recognition and reputation in providing global business programs.
- Full-time mode of study (most of the programs mentioned above offer classes only on weekends to accommodate part-time students).
- Placement services, such as career talks by recruiters, resume and interview workshops, and assistance from MBA Career Services.

Please see Annex 1-1 – benchmark table comparing our program against two PG accounting programs offered by Chinese University of Hong Kong and Singapore Management University (i.e., programs offered in the region); and Annex 1-2 three PG accounting programs offered in the US, namely, University of Texas-Austin, University of Southern California and University of Illinois at Urbana-Champaign for reference.

b) *Who will attend this program? How big is the demand for this kind of program? Will market demand diminish after the first few years of implementation?*

Our target will be students recently graduated from university. We prefer some working experience, although it is not necessary. The potential students will be from three sources: Mainland China, local, and overseas (including Hong Kong students graduated from overseas universities and are interested in returning). Both local competing accounting programs and the school's other full-time MSc programs have received large numbers of applicants. Since the demand of highly qualified accountants will remain strong in the foreseeable future, we anticipate a sufficiently large pool of applicants. Since accounting is a relatively stable profession that is not driven by fads or depressed by economic downturns, we expect to attract a few hundred applicants initially.

c) *What is the projected enrollment for the first three intakes? Is the enrollment of this program an addition to the total enrollment of the University? If not, which program(s) in the University will be affected, and to what extent?*

We projected the first three years intake to be 50, 50 and 60 from 2014/15, 2015/16 and 2016/17 respectively. The enrollment is an addition to the total enrollment of the University.

4) Resource considerations

a) *What are the manpower and resource implications for the department(s)/program office(s), school(s) and the University, including teaching and support staff needs? Will additional resources other than what is ready available be required for the program? Will new staff be recruited to teach this program? Considerations should include class venue, library, computer facilities, laboratory facilities, consumables, program director, course instructors, technical or professional support, and administrative and support staff.*

One of our faculty members, Dr. Tony Shieh has been assigned as the program director to administer the MSc(ACCT). In addition, we will hire an administrative staff to handle the daily operations of the program. The staff member will assist the program director to recruit students and provide students with a range of placement-related activities, e.g., inviting executives from potential employers to speak at seminars on topical issues, organizing workshops on topics like job interview skills and resume writing, providing optional internship opportunities, etc.

The courses will be taught by existing faculty members on an extra-load basis or by adjunct faculty. The department will need one more full-time teaching assistant. The cost of the teaching assistant will be paid from self-financed funds and has been included in the budget.

No on-campus housing will be provided to students. The program will provide off-campus housing information to students. The program will pay the university rental charges for classroom usage. We will also provide our students with assistance in looking for placement/internship opportunities through the school's MBA career placement office, tentatively at a cost of $15,000 per student.

For other items, please see the three year plan – Annex 3 "Financial viability of the proposed new program".

b) *If additional resources are required, please state the projected amount required and the source of funding. If these cannot be provided from within the existing budgets allocated to the participating units, this must be stated clearly?*

All additional resources are payments for various services and can be fully covered if the projected enrollment is achieved. Please see Annex 3 “Financial viability of the proposed new program” for details.

c) *For self-financing programs, please provide the projected income and expenditure for the first three years in Annex 3 of this proposal.*

MSc(ACCT) is a self-financed program. The projected income and expenditure for the first three years are listed in Annex 3 “Financial viability of the proposed new program”.

Annex 1-1: Benchmark Table (Against programs offered by universities in the region)

University	Hong Kong University of Science & Technology (HKUST)	Chinese University of Hong Kong (CUHK)	Singapore Management University (SMU)
Title	MSc in Accounting (MSc(ACCT))	Master of Accountancy (MAcc)	Master of Professional Accounting (MPA)
Credits req.	30 (15 courses)	36 (12 courses)	12 courses
Program structure	8 Core courses (16 credit hours): Auditing Business Law Company Law Corporate Finance Corporate Financial Reporting I Corporate Financial Reporting II Managerial Accounting Foundations Taxation Elective courses: (7 out of 10) Corporate Governance Financial Statement Analysis International Treasury Management International Taxation Corporate Risk Management Financial Markets in China Merger, Acquisition & Restructuring Strategic Finance & Value Creation Information Systems Auditing Strategic Management in China	6 Core courses (18 credit hours): Financial Accounting & External Reporting Cost & Management Accounting Auditing & Professional Practice Business & Company Law Taxation & Tax Planning Financial Management for Professional Accountants Elective courses: (6 out of 10) Financial Accounting Theory Business Valuation & Analysis Comparative Financial Reporting Management Control Systems Assurance Services & Information Technology Accounting Information Systems & Internal Control Taxation in China Corporate Governance: A Global Perspective Independent Study in Accounting Financial Markets & Instruments	Business fundamentals: Economics & Statistics Finance Management & Strategy Accounting Core: Financial Accounting Management Accounting Corporate Reporting & Financial Analysis Accounting Information Systems Advanced Financial Accounting Legal Environment of Business Professional Services: Audit & Assurance Taxation Corporate Advisory

Annex 1-1: Benchmark Table (Against programs offered by universities in the region) – Continued

University	Hong Kong University of Science & Technology (HKUST)	Chinese University of Hong Kong (CUHK)	Singapore Management University (SMU)
Title	MSc in Accounting (MSc(ACCT))	Master of Accountancy (MAcc)	Master of Professional Accounting (MPA)
Admission requirement	Bachelor's degree with good standing in business disciplines Work experience would be advantageous but not a requirement	Bachelor's degree not lower than Second Class Lower Division or with an average grade of not lower than a "B"	University (bachelor) degree in any discipline Work experience would be advantageous but not a requirement
English /Other Requirement	TOEFL: (PBT) score ≥ 550 or (CBT) score ≥ 213 or Internet-based test (iBT) score ≥ 80; OR IELTS overall score ≥ 6.0, all sub-scores ≥ 5.5 (It will also be considered if GMAT scores are available)	GMAT (minimum 500) TOEFL/IELTS/CET of PRC/PETS (Graduates of non-English programs) Required scores not specified	GMAT (Compulsory; consider scores above 600 to be competitive) TOEFL/IELTS (Graduates of non-English programs) Required scores not specified
Tuition	HK$200,000	HK$180,000 Fundamental Business Program (HKICPA; QP admission requirement): HK$3,900 per course	S$36,000 Registration fee S$400 (local); S$500 (International)
Duration	12 months (FT)	12 – 24 months (FT/PT)	12 – 24 months (FT/PT)
No. of contact hours	420	432	432
Internship	Optional	Not mentioned	Not mentioned

Annex 1-2: Benchmark Table (Chosen programs offered by universities in the US for reference)

University	University of Texas at Austin (UTA)	University of Southern California (USC)	University of Illinois at Urbana-Champaign (UIUC)
Title	Master in Professional Accounting (MPA)	Master of Accounting (MAcc)	Master of Science in Accountancy (MSA)
Credits req.	36 (12 courses)	30 (10 courses)	32 (8 courses)
Program structure	6 Core courses of the following: (18 credit hours) Financial Accounting Management Accounting Financial Management Legal Environment of Business Information Technology for Accounting & Control Financial Accounting Standards & Analysis Introduction to Assurance Services Introduction to Taxation 6 courses (18 credit hours) in each of the following tracks: Managerial Accounting & Control Financial Reporting & Assurance Taxation Generalist Minimum number of credit hours is 36, including a minimum of 19 credit hours in accounting and 4 accounting courses beyond the core.	4 Required Accounting Courses Professional Responsibilities in Accounting Ethics for Professional Accountants Auditing and Assurance Services or Advanced Financial Statement Auditing Topics Enterprise Information Systems or Advanced Enterprise Systems and Technologies 1 Communication Course 3 Accounting Electives 2 Floating Electives Accounting Electives: Global Accounting Experience Management Accounting & Control Systems Performance Measurement, Evaluation & Incentives Strategy & Operations Through CFO Lens Tax Theory & Ethics Accounting in the Global Business Environment Tax Accounting Methods Financial Statement Analysis Mergers & Acquisitions Income Tax Accounting & Auditing Family Wealth Preservation Forensic Accounting	5 graduate-level accounting courses Accounting Analysis I Accounting Analysis II Managerial Accounting Auditing Federal Taxation 3 non-accountancy graduate courses

Annex 1-2: Benchmark Table (Chosen programs offered by universities in the US for reference) - Continued

University	University of Texas at Austin (UTA)	University of Southern California (USC)	University of Illinois at Urbana-Champaign (UIUC)
Title	Master in Professional Accounting (MPA)	Master of Accounting (MAcc)	Master of Science in Accountancy (MSA)
Admission requirement	Bachelor's degrees in any academic discipline; Pre-enrollment requirements (5 UG business subjects) Work experience is not required, but professional work experience is viewed positively	Bachelor's degree from an accredited institution; regardless of field or major	Bachelor's degree with good standing in business disciplines, specifically must have completed 2 Principles of Accounting courses & one course in each of the following areas: finance, marketing, management, statistics, microeconomics, and macroeconomics
English /Other Requirement	GMAT (does not require a minimum) TOEFL (internet-based test only) minimum score of 105 overall & 24 on each individual section; or IELTS with an overall band score of 7.5	GMAT scores required; scores more than 5 years old are not accepted; and consider the highest score if multiple times taken TOEFL scores only valid for 2 years, minimum score of 103 (iBT); and no less than 20 on each of the four test components IELTS is not accepted as substitute for TOEFL	GMAT scores required (minimum not specified) TOEFL: (PBT) score > 610 or (CBT) score > 253 or Internet-based test (iBT) score > 102; IELTS with an overall band score of 6.5 with a score of 6 or higher in all sub-sections (International applicants must submit)
Tuition	US$29,275 (R), US$47,490 (NR) Students can take six extra credit, and pay US$35,098 (R), US$55,927 (NR)	US$42,461	US$39,000
Duration	12 – 18 months (FT)	12 months (FT)	12 months (FT)
No. of contact hours	504	420	448
Internship	Optional	Not mentioned	Not mentioned

Annex 2: Requirements of the proposed new program

Program aims and objectives

The proposed MSc(ACCT) is a one-year full-time program that aims at providing postgraduate accounting education to students with bachelor degrees in business disciplines. Students will be provided with specialised knowledge in accounting which will enable them to enter the Hong Kong Institute of Certified Public Accountants (HKICPA) Qualification Program, as well as related fields of finance, information systems, and international business and investment so that graduates can make a significant contribution to the functioning and development of their employing organizations.

Admission requirements

Applicants of the program should satisfy all the following requirements:

- **Undergraduate education**

  Applicants must possess a bachelor degree with good standing in business disciplines of a recognized university or an approved institution.

- **Relevant experience**

  No minimum working experience is required. However, any relevant work or business experience will add weight to the application under consideration.

- **English Proficiency**

  The medium of instruction for the program is English. Those applicants that have attended educational institutions where the language of instruction is not English and whose first language is not English, they need to meet one of the following test requirements:

  - Test of English as a Foreign Language (TOEFL): Paper-based test (PBT) score ≥ 550 or (CBT) score ≥ 213 or Internet-based test (iBT) score ≥ 80; OR
  - International English Language Testing System (IELTS) overall score ≥ 6.0, all sub-scores ≥ 5.5.

- **Others**

  GMAT score is not required. However, a GMAT score will add weight to the application under consideration.

Shortlisted applicants will be invited to attend interview(s) during the admission process.

Graduation requirements

Students must complete a minimum of 15 courses, i.e., 30 credits of coursework to graduate. The program curriculum is as follows (faculty names are provided in parentheses).

Core courses: (16 credits)

1) ACCT 5160 Corporate Financial Reporting I (Charles Hsu)
2) ACCT 5170 Corporate Financial Reporting II* (Kevin Chen)
3) ACCT 5210 Managerial Accounting Foundations (Tony Shieh)
4) ACCT 5410 Taxation* (Kai Wai Hui)
5) ACCT 5510 Auditing* (Kelvin Mak)
6) ACCT 5630 Business Law (Charles Lam)
7) ACCT 5640 Company Law * (David Lai)
8) FINA 5120 Corporate Finance (Vidham Goyal)

Students completing the above eight courses are eligible to apply to HKICPA to start the Qualification Program.

Elective courses: (14 credits)
Seven courses from the following list will be offered each year.

9) ACCT 5140 Financial Statement Analysis	(Haifeng You)
10) ACCT 5220 International Treasury Management*	(Tony Shieh)
11) ACCT 5420 International Taxation*	(Kelvin Mak)
12) ACCT 5650 Corporate Governance*	(Dennis Chan)
13) FINA 5150 Corporate Risk Management	(Peter Mackay)
14) FINA 5340 Financial Markets in China	(Jerome Yen)
15) FINA 5350 Strategic Finance & Value Creation	(Kasper Nielsen)
16) FINA 5470 Merger, Acquisition & Restructuring	(Ahron Rosenfeld)
17) ISOM 5360 Information Systems Auditing	(Percy Dias)
18) MGMT 5480 Strategic Management in China	(Bilian Sullivan)

*New courses.

Students who have taken equivalent courses in college can apply for exemption of up to three courses. They need to substitute with courses that are offered in the school's MBA or other MSc programs, subject to the endorsement by the MSc(ACCT) program director. The course exemption of students who plan to enter HKICPA's Qualification Program (QP) requires the approval of the institute.

The HKICPA stipulates the following six basic subjects as entry requirements for QP. Students interested in QP but lack those subjects in college will need to make up with the equivalent HKUST course designated. The program will not admit students who missed more than two courses in their undergraduate study.

1) Accounting (ACCT 5150)
2) Economics (ECON 2103)
3) Information Systems (ISOM 2010)
4) Management (MGMT 1110)
5) Marketing (MARK 2120)
6) Statistics (ISOM 2500)

Students will be charged an extra fee of $15,000 per course for taking the UG basic courses.

Student Assessment:
Students are assessed based on course assignments, case studies, projects, class participations, quizzes, and/or examination. Letter grades are given to students based on their aggregate performance.

Annex 3: Financial viability for the proposed new program (for self-financing program only)

		Amount (HK$)		
1)	**Projected income and expenditure statement for the program:**			
a)	**Projected income**	**2014/15**	**2015/16**	**2016/17**
	Projected number of students enrolled	50	50	60
i)	Program fees (See footnote 1)	10,000,000	10,000,000	12,600,000
ii)	Application fees (See footnote 2)	32,400	32,400	38,880
iii)	Others (*please itemize*) (Tuition fees for UG courses for HKICPA QP purpose) (See footnote 3)	150,000	150,000	189,000
	Total income:	10,182,400	10,182,400	12,827,880
b)	**Projected expenditure**			
i)	Revenue contribution to the University (25%)	2,545,600	2,545,600	3,206,970
ii)	School/Department overhead	–	–	–
iii)	Remuneration for program directors/coordinators	90,000	90,000	90,000
iv)	Remuneration for course instructors (See footnote 4)	1,350,000	1,350,000	1,350,000
v)	Remuneration for teaching assistants (See footnote 5)	300,000	315,000	330,750
vi)	Remuneration for administrative and technical support staff (See footnote 6)	360,000	378,000	396,900
vii)	Overhead cost recovery charge for UG courses for HKICPA QP purpose (See footnote 7)	30,000	30,000	36,000
viii)	Venue rental (e.g. lecture theaters, classrooms, laboratories, etc.) (See footnote 8)	45,000	45,000	45,000
ix)	Facility charges (e.g. library, parking, sport facilities, etc.)	–	–	–
x)	Acquisition of consumables, stationery, postage, IDD calls, etc.	15,000	20,000	20,000
xi)	Payment for materials development	21,000	21,000	21,000
xii)	Expenses on printing and publication (marketing tools including website development & brochures etc)	300,000	200,000	200,000
xiii)	Expenses on advertising and publicity	500,000	500,000	500,000
xiv)	Expenses on student activities	50,000	70,000	90,000
xv)	Travel and accommodation expenses (e.g. re: meetings, interviews)	40,000	40,000	40,000
xvi)	Miscellaneous (please itemize) (student placement support: collaborating with MBA office) (See footnote 9)	750,000	750,000	900,000
	Total expenditure (See footnote 10)	6,396,600	6,354,600	7,226,620
c)	**Expected surplus**	3,785,800	3,827,800	5,601,260

Footnotes:

1. Based on the recommendation of SBM, tuition fee charged per student should be no less than $200,000. The tuition for 2014/15 and 2015/16 is $200,000 in each of the academic year. Tuition fee per student will be increased by 5% to $210,000 in 2016/17. The expected enrollments for the first three intakes are 50, 50 and 60.
2. The University's standard application fee is $180. We adopted this application fee level because we have planned to follow the normal application/admission policy of the university without any customization. We may raise the application fee in subsequent years upon review. We assume the number of applicants will be 180, 180 and 216 in the 3-year planning horizon (admission-to-application ratio: 3.6).
3. Extra courses needed to meet HKICPA QP admission requirement are charged with $15,000 per course. We expect that among the students enrolled, 10% (i.e., 5 students in the first year) will need two extra courses (maximum number allowed for admission) to meet the QP admission requirement. Total revenue is then estimated to be $15,000 x 2 courses x 5 students = $150,000. For the year 2016/17, with a 5% projected increase in course fee and intake quota to 60 students, the budgeted revenue is $15,750 x 2 courses x 6 students = $189,000.
4. Remuneration for course instructors is based on the current rate of $90,000 per course. The total is $1,350,000 for 15 courses ($90,000 x 15). The courses will be taught by existing faculty members on an extra-load basis or by adjunct faculty.
5. This item includes the pay of a full time TA, which is $25,000 x 12 = $300,000. It is expected there would be an increase of about 5% annually.

6. If the program is approved, the department will hire a Program Manager, starting in the summer of 2013 at about $30,000 per month. It is expected there would be an increase of about 5% annually. Since there is no income in 2013/14, we will use back-pay from the future to support it.
7. The overhead cost recovery charge for UG courses required for HKICPA QP is at $1,000 per credit per student. For the years 2014/15 and 2015/16, it shall be $1,000 x 3 credits x 2 courses x 5 students = $30,000. It shall be $36,000 for the year 2016/17 with 6 students expected to enroll HKICPA QP and need two extra courses.
8. Classroom costs: $100 x 30 hours x 15 courses = $45,000.
9. The program will provide placement services (through the school's MBA career service office) and communication training for the students, estimated at $15,000 per student.
10. The HKICPA will charge an accreditation fee of $30,000, which will be payable in 2013-14.

Annex 4: Comments from various parties (in italic) and response from the Department of Accounting

(a) Comments from School Board and/or School PG Studies Committee

The proposal has been endorsed by the School Administrative Committee (SAC) meeting on 3 April, 2013 and the School Board meeting on 7 May, 2013 without qualification.

(b) Comments and/or reports from External Advisors

See comment letter from Mr Philip Tsai, Audit Partner of Deloitte Touche Tohmatsu and former HKICPA President, at the end of this annex.

Mr Tsai's review is very positive and supportive. No response is needed.

(c) Comments and/or recommendations from other institutions

See comment letter from Prof Randolph Beatty, former Dean, Loventhal School of Accountancy, University of Southern California, at the end of this annex.

Prof Beatty recommends the need of additional research active faculty (comment 2), the provision of adequate administrative support (comment 3), and benchmarking programs in US like UT-Austin, USC's Leventhal School of Accounting, BYU, University of Illinois, and Notre Dame, to compare the resources devoted to these successful programs. At present, the department considers existing faculty adequate. It will evaluate the teaching load of faculty after the launch of program to see if additional faculty resources are needed. As to administrative support, with an academic director, a program assistant, involvement of faculty, and the support from SBM's Office of MSc Programs, the department is confident that it has adequate resources to launch the program. It will interact with successful programs in the US to learn their best practices in student service and make improvement as long as resources are available.

(d) Issues and questions raised by CPS and the Senate on the initial plan

By CPS:

(i) The proposed program required students to complete 15 courses of 30 credits while 12 courses of 36 credits were required in similar programs offered by other universities as shown in the benchmarking table of the initial plan. While noting that more topics would be covered in the proposed program than similar programs in other universities, the definition of a credit varied in different universities. The School was requested to provide the number of teaching/contact hours for benchmarking purpose in the final program proposal.

We note that the contact hours per credit at HKUST are longer than two benchmarking schools: HKUST has 14 hours, whereas CUHK and SMU in Singapore have 12 hours. Thus, our 30 credits (420 contact hours) are quite close to the 36 credits (432 hours) required by these two schools. The third benchmark program offered by UT-Austin requires 36 credits. The contact hours per credit are 14. Its total contact hours (504) are higher than our proposed program. However, we found two other prestigious programs in the U.S. (University of Southern California (USC) and University of Illinois at Urbana-Champaign, UIUC) require 30 and 32 credits, respectively. Their contact hours per credit are the same as HKUST's, so are their total contact hours are either the same as our program or slightly higher (by 14 hours). We have added these two additional programs in the benchmarking tables.

In summary, the total contact hours in the proposed program are comparable to the two programs in the region (CUHK and SMU) and two in the US (USC and UIUC). The UT-Austin program requires six more credit hours than ours. However, their students can complete the program within one year by taking two courses in a short summer term. Since all other MSc programs in SBM require 30 credit hours, we feel it better to be consistent with those programs.

(ii) It was noted that applicants of the program should have obtained a minimum of 500 scores of GMAT and that similar programs offered by other universities also required GMAT as one of the admission requirements. However, judging from other SBM programs having GMAT as the admission requirement, a majority of applicants did not have GMAT results and exemption was given to the selected applicants as a result. To reflect the actual situation of applications, the School was requested to consider whether GMAT should be included as one of the admission requirements.

Instead of indicating GMAT (minimum 500) on paper as "required", we have changed it to "It will also be considered if a GMAT score is available."

(iii) One of the faculty would be assigned as the Program Director to administer the program. The name of the Program Director should be stated in the final program proposal if it had been confirmed.

Dr Tony Shieh will be the Program Director. His name has been stated in the final program proposal.

(iv) Out of the 15 courses required by the program, 9 were existing courses while 6 were new ones to be developed by the program. The names of the faculty who would teach the courses for the program should be provided in the final program proposal.

The names of the faculty who will teach the courses have been provided in the final program proposal. In each year, 15 of the courses will be offered based on annual review.

By the UAC Sub-committee on Continuing and Professional Education (SCCPE):

(v) The program would require students to take 7 out of 10 electives, but the budget only included the instructors' fees for 7 electives. While it was planned that the electives would be pre-selected for students, the program might consider offering more electives so as to provide more course choices and flexibility to students. If more courses would be offered, the budget should be adjusted accordingly.

Since the demand for each class varies, it is likely that the enrollments in some courses could be very small. To avoid this problem, we will offer only 7 pre-selected electives in the initial stage, and examine whether to offer more electives later.

(vi) With the recent introduction of several new MSc programs in SBM, which would all be delivered on extra-load basis, concern was raised on the availability of sufficient faculty to deliver separate classes for some common courses for these different programs. For instance, one of the core courses for this proposed program would simultaneously serve as a required course for five TPg programs. While noting that several faculty would be able to teach the same course and adjunct faculty could be engaged to deliver additional classes, the School should consider reviewing and coordinating the staffing needs of different programs to ensure that there would not be conflict against each other in terms of occupation of faulty time for these self-financing programs.

The core courses that will simultaneously serve as a required course for various TPg programs tend to be basic course of a discipline, and many faculty are capable of teaching. For example, FINA5120 is required in this program and several other TPg programs. The Department of Finance has several faculty who either have taught or can teach this course. The Department of Accounting also has two faculty who have taught this course previously. In addition, one of the objectives to offer MSc programs is for research track faculty to transition from UG to MBA or EMBA teaching. A basic course that is used by multiple programs provides such an opportunity.

By the Senate:

The University Senate has endorsed the initial plan on 16 April without qualification.

Philip Tsai Wing Chung
c/o Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

Professor Kevin C.W. Chen
Chair Professor and Head
Department of Accounting
Hong Kong University of Science and Technology
Clearwater Bay
Kowloon, Hong Kong

April 11, 2013

Dear Kevin,

I refer to your e-mail dated March 26 and would like to share with you my comments on your proposed Master of Science Program in Accounting to be launched in Fall 2014.

(1) Contributions of the Program to the accounting profession in Hong Kong and the Mainland

The offering of the Master of Science in Accounting Program (the "Program") by the HKUST is envisaged to make significant contributions to the accounting profession in Hong Kong as well as the Mainland.

As one of the international financial centers in the world, Hong Kong has a large demand for accountants at all levels in its booming financial services and related business sectors. Moreover, following the increase in the demand for professional accounting services in connection with capital market activities, there is an increasing need for more accountants with postgraduate accounting education, professional knowledge and experience to deliver these services.

With closer economic ties and integration with the Mainland, as exemplified by the rapid growth of IPO and listing of Mainland enterprises in Hong Kong, there has been an increasing demand for professional accountants in the Mainland who are well versed with international accounting standards and practices in Hong Kong.

According to the 2011 Manpower Survey Report of the Accountancy Sector (the "2011 Survey") published by the Accountancy Training Board of the Vocational Training Council, there were more than 98,000 persons engaged in full-time employment in the accountancy sector in January 2011, an increase of more than 2,800 (3%) as compared with the corresponding figure in 2009. In addition, there were more than 1,400 vacancies in the accountancy sector, an increase of more than 500 (155%) as compared with 2009. On the manpower growth, employers forecast that the accountancy sector would need an additional 600 employees by January 2013, bringing the total number of accountants to more than 100,000.

The Program aims at providing postgraduate accounting education to business graduates, which will help nurture "thinking" professional accountants and boost the education level of accountants as a whole. The Program would bridge the knowledge gap between accounting and non-accounting graduates and prepare them for taking professional examinations such as the Qualification Programme (QP) of the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Program curriculum is designed in alignment with QP's registration requirements and adequately covers the competency areas on core accounting sub-disciplines and basic business knowledge areas for QP admission. Graduates of the Program should be able to fully satisfy QP's pre-entry education competency requirements en route to the CPA qualification program.

(2) Possible student demand of the Program

There is an increasing demand for accountants with higher education and professional qualifications in Hong Kong. The 2011 Survey indicated that more than 32% of the accounting positions required the job holders to possess a university degree or above, and more than 30% of the accountants at various job levels were required to possess professional qualifications. It also revealed that one of the main reasons of recruitment difficulties for accountants as reported by employers was a "lack of candidates with relevant experience and training".

Currently, all local tertiary institutions except HKUST have been offering Master of accounting programs of different study modes (e.g. full-time, part-time, distance-learning or internet-based) targeting both business and non-business graduates who intend to develop a career in the profession or to enhance their accounting knowledge which might be useful to their work. Some institutions even offer more than one Master's programs in accounting, with at least one of them specifically designed for graduates of Mainland universities. Most of these programs have been accredited/ recognized by one or more of the local and overseas accountancy bodies (e.g. HKICPA, ACCA and CPA Australia) for direct entry to/ paper exemptions of their professional examinations.

Given the brand recognition and reputation of the HKUST, especially the consistently high academic ranking of its Business School, the one year, full time Program should have no difficulty in attracting a large number of well-qualified applicants from local and abroad.

(3) Potential job prospects of the students

The prosperous financial services sector in Hong Kong has resulted in a strong and stable demand for well-qualified accountants, especially those with a degree and professional qualifications in our knowledge-based economy. According to the 2011 Survey, employers generally preferred their employees at managerial level and staff members engaged in training/ development functions to possess professional qualifications.

The Program curriculum consists of core technical accounting courses which equip students with specialized knowledge in accounting and prepare them for taking professional accounting programs (e.g. the QP of HKICPA), upon completion of which they would be qualified to perform the roles and undertake jobs ascribed to a professional accountant in CPA firms, commercial and industrial sectors, the Government and other public organizations.

Furthermore, apart from accounting subjects, the Program curriculum also covers elective courses in corporate finance, information systems, international business and investment, strategic management, etc. Such a cross-discipline training would be conducive to its students starting their careers in professions other than accounting (e.g. business consulting, corporate strategic planning or investment banking etc.)

(4) Rigor of the Program

The Program is offered by the Department of Accounting of the HKUST, which is one of the most reputable academic departments of the University with a high ranking in areas of teaching, research and publication. The undergraduate accountancy degree programme offered by the Department (i.e. the BBA (Hons) in Accountancy) was accredited by the HKICPA as one of the first batch of local accountancy degree programs for QP admission in 1998. With an experienced Program leader in Dr. Tony Shieh assisted by a strong teaching and research team of existing faculty members and adjunct faculty, the Program should be able to provide its students with courses of the highest academic standard and quality.

The Program has a comprehensive and in-depth coverage of core accounting sub-disciplines and basic business knowledge areas. With two subjects on financial accounting and stand-alone subjects on business law and company law which are not commonly found in other accountancy master programs, the Program would equip students with a solid foundation of accounting knowledge for their future development in the profession or other business

Should you have any questions on the above please do not hesitate to contact me. All the best with your proposed program.

Sincerely yours,

Philip Tsai

April 29, 2013

Master of Science in Accounting Program
HKUST – Department of Accounting
Proposal Review

The purpose of this review is to provide input to the administration of HKUST as you consider a proposed Master of Science in Accounting. My thoughts and conclusions have been drawn from a review of "Executive Summary – Plan for Introducing Master of Science (MSc) in Accounting Program March 2013". I have attached my vita to help you to understand my background. In particular, I served USC's Leventhal School of Accounting as Dean for a decade. The Leventhal School offers a nationally recognized Masters of Accounting (MAcc) degree. So, I am familiar with many of the issues that may be of concern to the administration of HKUST and the administration of your very well respected Business School.

The proposed Master of Science in Accounting is a very well-crafted program. The authors of this proposal have carefully explored the vast majority of potential concerns for a startup graduate accounting degree program. I believe that the HKUST's accounting department will generate a first-rate Master of Science program that will add to the prestige and reputation of the HKUST. In addition, the graduates of this program are likely to become excellent contributors to both the accounting profession and business in Hong Kong and the Chinese mainland.

In the next few paragraphs, I will consider a few questions that naturally come to mind as one thinks about adding a new program. I am not privy to issues related to facilities and budget but I assume that facilities are available and that a class of 50 – 60 students will generate sufficient resources to be viable. I have little doubt that HKUST will be able to identify qualified students because of the sterling reputation of HKUST and their excellent faculty. In sum, I would urge that the administration of HKUST support the proposed Master of Science in Accounting.

1. **Quality and academic rigor of the program**

HKUST's proposed Masters of Science in Accounting covers all the major areas of academic accounting including financial reporting, managerial accounting & control, taxation, auditing & forensic accounting, financial statement analysis, and ethics for the accounting professional. The issues that will be addressed in these classes will almost surely mirror the classes offered at other top accounting programs. HKUST's faculty members are strong scholars with excellent backgrounds in research, teaching, and the accounting profession. The research faculty received their doctoral training from major academic programs. Many of the tenure track faculty spent their early careers at top business schools where they developed both outstanding research records and substantial expertise in the classroom. In addition, it is my understanding that many of the faculty members that will likely teach in this new program have experience in HKUST's very strong MBA program. The proposal also mentions employing adjunct faculty to round out the educational experience of the Master of Science in Accounting students. Adjunct faculty can serve an important function exposing graduate accounting students to institutional details of the accounting profession. Our experience at USC's Leventhal School of Accounting suggests that the student experience is enriched by the involvement of adjunct professors (sometimes CPA firm partners) in the classroom. Thus, I conclude that the faculty of HKUST has developed a reasonable plan and possesses the capability of delivering an outstanding graduate program in accounting.

2. Adequacy of the size and expertise of faculty to administer the program

The HKUST accounting department would be quite stretched to administer and teach the proposed graduate program at the present time without a reasonable plan to develop additional capacity. As I've noted above, the accounting faculty is certainly sufficiently strong to build an excellent program. However, the tenure-track faculty is almost surely fully engaged in scholarship, teaching, and service with very little excess capacity given the size and quality of both their undergraduate and graduate teaching responsibilities.

The plan is carefully crafted to initiate the graduate program with a target of 50 students rising over a few years to 60. The program will be taught by adjuncts and tenure track faculty on an overload basis in the early years. This plan of demonstrating the viability of the program with faculty members that are willing to sacrifice their limited free time to perfect this new program seems to be a prudent approach. As the program matures, it would seem natural to add additional research active faculty members at an appropriate point in the future.

3. Applicant pool and placement prospects for the graduates

The applicant pool in the proposal is very well thought out. The plan seeks to attract undergraduate accounting or business majors. These business students have already demonstrated an interest in issues related to commerce. So, the chances that they would be interested in a graduate degree in accounting are higher than in the population of undergraduate students generally. Furthermore, it is likely that the students will be sufficiently homogeneous that the graduate level classes can presume a fairly high level of understanding of the fundamentals of business. With strong student business backgrounds, the program can explore the accounting for complex business processes and disclosures that one would expect in a top tier graduate program.

The discussion of competitor programs in the proposal suggests that HKUST will almost immediately be viewed as an elite graduate program in accounting in Hong Kong and Asia, generally. HKUST's reputation for excellence in business research and education is well known throughout Asia and the rest of the world. Thus, students will naturally be attracted to HKUST's program. I suspect that the administration of the program will have a difficult time selecting students from the applicant pool.

The graduates of HKUST's Master of Science in Accounting will be in high demand from top CPA firms. The Big-4 CPA firms are always in search of talented graduates from top programs. Given the growth regionally in business, I suspect that competition for the graduates of HKUST's program will be quite high. Although demand will almost surely be high for graduates, it will be important to consider the administrative burden imposed on HKUST of student recruiting both for admissions and placement.

4. Budget and Facilities

It's difficult to assess the budgetary and facilities issues. It would seem important to go to market with a strongly supported program to match HKUST's reputation for excellence. Thus, I would urge that the administration provide sufficient resources for this program to have administrative support that matches resources devoted to other graduate business programs. Students will compare their experiences to students in otherwise similar programs at HKUST. The success of the program will crucially depend upon an excellent student experience in the Masters of Accounting Program. It might be wise to benchmark programs like UT-Austin, USC's Leventhal School of Accounting, BYU, University of Illinois, and Notre Dame. A careful review of staff, faculty, and resources devoted to these successful programs may provide a sense of the resources needed to join the elite class of Masters of Accounting programs.

APPENDIX 5 – COURSE REVIEW PLAN FOR 2012/13

Department of Accounting

Internal Course Review Plan – 2012/13

Scope

Program Intended Learning Outcomes

Check course materials (syllabi, exam papers, etc.) against course mapping table to ensure alignment of course content, teaching activities and assessment with intended learning outcomes.

HKICPA Competency Requirements

Check course materials (syllabi, exam papers, etc.) against HKICPA Competency Requirements Questionnaire to ensure that the Competency Requirements are covered.

Check course materials to ensure that the relevant standards/legal materials are up-to-date.

Review exam papers and marking schemes to be submitted to HKICPA to ensure that the assessments are appropriate.

Review sample answer scripts (at 25 percentile, 50 percentile and 75 percentile) to be submitted to HKICPA.

Prepare review reports with recommendations for improvements.

Review Schedule

Course	**Reviewer**
Aug 2013 (review of courses taught in Fall 12)	
ACCT 2200 - Principles of Accounting II	David Lai
ACCT 3010 - Financial Accounting I	Dennis Chan
ACCT 3610 – Law and Business	David Lai
ACCT 4010 - Advanced Financial Accounting	Sabrina Kwan
ACCT 4510 – Auditing	Kelvin Mak
Dec 2013 (review of courses taught in Spring 13)	
ACCT 2010 - Principles of Accounting I	Sabrina Kwan
ACCT 3020 - Financial Accounting II	Dennis Chan
ACCT 3210 - Advanced Management Accounting	Dennis Chan
ACCT 4410 – Taxation	Kelvin Mak
ACCT 4610 - Company Law	Charles Lam

香港科技大學
HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY

Departmental Annual Report on Undergraduate Education
Academic Year 2011/2012

Source of the Report	
Department	Accounting
School	Business and Management

Author Details	
Name	Sabrina Kwan
Email	acskwan@ust.hk

Departmental Review of the Report
Has the annual report been considered by faculty members in a formal meeting at Departmental level? ~~Yes~~/No* * If No, please briefly explain how the report was reviewed in the Department: The report was reviewed by Dr Tedmond Tang, the Accounting UG Coordinator and the DH. Endorsed by: Professor Kevin Chen (Department Head's Name) ______ (Signature) Date: 31 October 2012

Submission Timeline
Departments submit reports to Schools on or before Wednesday, October 31, 2012. Schools submit reports to CTLQ on or before Monday, December 17, 2012.

Data Sets for Annual Reporting are available at http://qa.ust.hk/faculty_exercise.html

Departmental Annual Report on Undergraduate Education

Part A: Quality Assurance of Undergraduate Education [(1)]

A1. Follow-up Action Items from Last Year's Report

Copy Section B5 of last year's report and paste it below and add in comments on the follow-up for each of these:

Action Items	Implementation Comments
In Fall 2011, the Department OBE Task Force has started reviewing the course outlines and assessments of accounting courses to ensure that they are OBE compliant. We plan to review all accounting courses by Spring 2013.	The review of accounting courses is ongoing. However, with the start of the 4-year program, the review schedule will be extended until all 4-year program courses have been offered.
The HKICPA recommended offering more advance-level accounting electives.	Following HKICPA's recommendation, ACCT 4020 financial statement analysis (cross-listed with a similar finance course FINA 4204) was offered in Spring 2012. It was well received with a combined enrolment of 46.

A2. Implementation of Quality Assurance Framework

Has the department implemented the QA system and related policies according to the University's framework?

The University's QA framework focuses on the establishment of learning objectives, evaluation of success in achieving learning objectives, benchmarking and review for improvements.

Since Spring 2012, the Committee on Undergraduate Programs (CUP) at SBM has taken up the responsibilities of monitoring the quality of undergraduate education. The Department has provided full support of assurance of learning initiatives of the CUP and the School's OBE Task Force. These include:

- A faculty participated in a 2-day seminar on Assurance of Learning organized by the AACSB in June 2012;
- Suitable learning activities of two Accounting courses (ACCT 2010 Principles of Accounting I and ACCT 3610 Functions of Law in Society and Business) have been selected for the assessment of Program level learning outcomes. (Outcome to be assessed - ethical responsibility and critical thinking).

The Department has collected feedback on quality assurance through the following activities:

- Lunch meetings with undergraduate students (13 April 2012)
- Meetings with employers (28 Nov 2011, meeting with employers in students' mentoring program, 18 Apr PWC, 27 Apr 2012 EY, 21 May 2012 Deloitte, Sep 2012 Receptions before Big-4 Recruitment Talks)
- Student Engagement and Satisfaction Questionnaire
- Student Feedback Questionnaire
- Graduate Employment Survey
- Meetings with HKICPA on curriculum and re-accreditation matters (Oct 2011, Sep 2012)

Part B: Teaching, Learning and Assessment[(2)]

B1. Stakeholder Feedback

Have stakeholders including students, faculty and external parties expressed their views and suggestions on the quality of teaching, courses and programs? What are the department's responses and follow-up actions?

Stakeholders have provided valuable feedback on the program via different channels:
Students – lunch meetings with faculty, SESQ, SFC, 1st year experience survey
Employers – annual lunch gatherings, recruitment activities and professional functions
Accounting bodies – briefing and accreditation review

The HKICPA has suggested familiarizing our faculty with the local accounting profession, in particular the Qualification Programme (QP) of the HICPA.

At a lunch meeting with accounting students, they suggested that, while our accounting courses provided them with a good foundation on accounting theories, it will be helpful if more practical issues are discussed in class.

As a result of these suggestions, the Department Head has asked instructors of senior accounting courses to review the HKICPA QP materials and try to incorporate relevant practical content into the teaching/learning activities of their courses.

B2. Benchmarking

Has the department carried out any benchmarking in relation to teaching, learning and assessment?

The Department has been unconditionally re-accredited by HKICPA in December 2009 and submits annual updates to HKICPA and ACCA. We are currently under review for accreditation by CPA Australia.

Also, under the leadership of the SBM UG Program Office, the Department is preparing for the re-accreditation review of the AACSB in 2014.

B3. Review and Comment on Specified Items

(i) ***Intake Quality and Diversity***

(Reference: Enrolment 2011 and Trend of JUPAS Score available at Data Sets for Annual Reporting *at* http://qa.ust.hk/faculty_exercise.html*)*
Describe the intake quality and diversity? Any difference comparing with the previous reporting period?

The Department admitted 124 year-1 students in 2011. Admission into the Department remains competitive. The Mean ALE admission score is stable (20.9 vs 21.1 in 2010; SBM 2011=19.32 , 2010=18.69). The majority of our intakes are JUPAS students (82%) while there are 12% of non-local students.

With the introduction of school-based admission for the 4-year program in Fall 2012/13, JUPAS students will no longer be directly admitted into the Department in the future.

(ii) ***Course Evaluation Results (Student Feedback Questionnaire)***
(Reference: http://www.ust.hk/~webaa/courseval/index.html)
Has the department reviewed the course evaluation results with instructors? What are the department's follow-up actions?

The department head monitors the teaching performance of faculty at the end of each semester and, where necessary, discusses with faculty members to set improvement plans for the future.

Accounting faculty continue to perform well in teaching.

Department	Course Overall Mean(SD)	Instructor Overall Mean(SD)
FALL 2011-12		
ACCT	72.5(23.3)	77.3(24.5)
SBM	71.1(24.8)	75.9(25.2)
SPRING 2011-12		
ACCT	71.4(24.3)	77.2(23.2)
SBM	72.6(24.5)	76.8(24.7)

Professor Allen Huang won Fall 2011's Franklin Prize for UG while 3 Accounting Professors, Profs. Derrald Stice, Allen Huang and Shiheng Wang, were elected by students as Best Ten Lecturers.

(iii) ***Exit Survey***
(Reference: Results of Student Engagement and Satisfaction Questionnaire (SESQ) 2011-12)
Has the department made reference to the SESQ results (eg. Section I. Academic Experience at HKUST) to maintain and improve educational quality?

According to the First Year Experience Survey 2012 and SESQ 2011/12, the UG Accounting Program is effective in helping students to achieve desired learning outcomes.

	ACCT 1st Year	ACCT SESQ	SBM SESQ
Communicating effectively in English	3.53	3.92	4.00
Thinking analytically and critically	3.7	3.79	3.96
Getting along with people of diverse backgrounds and views	3.7	3.82	3.97
Working collaboratively with others	3.65	4.04	4.16
Learning a new skill ore area of knowledge by yourself	3.62	3.88	3.85
Being socially aware and responsible	3.68	3.64	3.7
Being ethical and honest	3.53	3.68	3.57
Improving presentation skills	3.75	4.36	4.41
Viewing things from a global perspective	3.43	3.73	3.79
Think creatively	3.22	3.09	3.28

An area that may need improvement is to help students think creatively. As mentioned in B1, the incorporation of HKICPA QP materials, especially adding more practical case questions, into our courses will give students more opportunities to think creatively. Also, per SESQ 2011/12, 73.2% of ACCT graduates have participated in competitions related to academic study during their UG education. To reinforce these activities, the Department has assigned faculty members to coach students in joining case competitions.

Finally, the First Year Experience Survey 2012 shows that our teaching quality is high, faculty interact well with students and are concerned about their development.

	ACCT	HKUST
Good teaching	3.43	3.26
Instructor-student interaction	3.34	3.18
Instructors' concern for students' development & teaching	3.43	3.29

B4. Review of Other Evidence Relevant to the Success of the Program
The relevant information would include data available at http://qa.ust.hk/faculty_exercise.html

Feedback from employers reveals that HKUST accounting graduates are valued for their international perspective, interactive style, and soft skills. According to the Graduate Employment Survey 2011, the employment situation of accounting graduates has improved (97.2% full-time employed, SBM 91.4%) over 2010 (94.0% full-time employed, SBM 92.4%). 84.2% (SBM 68.3%) of our graduates obtained the first job offer before June.

Also, 84.2% (SBM 64.6%) of the respondents regarded the accounting program as relevant or very relevant to their present jobs, in particular, 33.8% (SBM 14.9%) considered the program very relevant.

HKUST Accounting graduates continue to excel in professional examinations with a total of 8 HKUST graduates coming top in recent HKICPA QP exams.

June 2012 session

Silver prize winner	Tang Cheuk Hang
Module B (Corporate Financing)	Zhang Jingtong

Dec 2011 session

Gold prize winner	Yim Ho Chuen
Silver prize winner	Pang Tsun Kit

June 2011 session

Gold prize winner	Fung Ho Ming, Victor
ICAEW/Simon Morris Memorial Prize winner	Fung Pui Kwan

The ICAEW/Simon Morris Memorial Prize is awarded to the graduate attaining the highest aggregate marks in the four modules of each final examination session.

Module C (business assurance)	Lai Shek Kin
Module D (taxation)	Lee Hoi Ka, Jennifer

B5. Data on the QA Website
Have the data on the QA website //qa.ust.hk/faculty_exercise.html been helpful in preparing the annual report?

The data on the QA website have been helpful in preparing the annual report. In particular,
* ‘Enrolment 2011-12’ and ‘Trend of JUPAS Score over the years’ help us to review the quality of intake.
* ‘Undergraduate Employment Survey 2011’ is useful for monitoring placement.
* First Year Experience Survey, Student Feedback Questionnaire (SFQ) and Results of Student Engagement and Satisfaction Questionnaire (SESQ) provide good feedback on the quality of teaching and learning.

B6. Planned Actions for the Future
Based on the above review, what improvement actions and/or new initiatives are planned for the next reporting year?

Are there any remaining actions from A1?

Continue to review the course outlines and assessments of accounting courses to ensure that they are OBE compliant, until all 4-year program courses have been covered.

Collection of evidence on the assessment of learning outcomes, in preparation for the AACSB re-accreditation review in 2014.

B7. Difficulties for the Development of Programs Including Resources Constraints

Starting from 2012/13 academic year, the enrollment of ACCT major will be increased from 180 to 200. In addition, with the "double cohort" of having two intake classes in 2012 and a new MSc program in accounting planned for 2014, the teaching load of Accounting faculty will increase and class sizes may have to be enlarged.

B8. Examples of Good Practice
Provide brief details of good practices of teaching, learning and assessment which have a particular positive impact on the learning experience of the students and/or the success of the program.

Three events/activities that benefited students most in their university education (SESQ 2011/12 p.7):

	ACCT(%)	SBM(%)
Studying in a course in your major discipline	56.7	61.8
Participating in an internship	67.0	58.8
Participating in an exchange program	42.3	43.3

Accounting students participated actively in these enrichment programs:

Work placement/ Internship scheme	84.5	77.8
Student exchange program	45.4	47.1

The Department will continue to encourage our students to participate in these co-curricular activities.

B9. Other Information and Comments *(such as statistical observations and special events and activities)*

NOTES

1. In completing **Part A** department may make reference to the quality assurance framework of the University: *The Quality Assurance of Teaching and Learning at HKUST* available at http://qa.ust.hk/qa_framework.html. The major requirements are:

   - The department has in place committees or equivalent forums to review: admissions and induction of students; academic programs, courses and the co-curriculum delivered by the department; mentoring and advising; and student assessment and academic progress.
   - The role of individuals and committees is clearly assigned within a system that is designed to maintain and improve the quality of teaching and learning.
   - These committees: provide for a range of views to be expressed; consider evidence relevant for evaluating performance; share good practice; determine an agenda for action; and to follow up on planned action. In particular:
     - The department has taken advantage of external peer review and input from employers, professional bodies and others to benchmark academic standards and the quality of educational provision and the preparation of graduates for employment or graduate studies.
     - There are regular opportunities for students/student representatives to meet with faculty responsible for courses and programs and to freely express their views.
   - The relevant committees have met regularly and have documented their work.

2. In completing **Part B** department may wish to consider the following checklist of areas of concerns but reports are NOT expected to cover all areas:

Areas of concern	
<u>Admissions</u> Recruitment and selection Admissions data and quality of admissions	<u>Orientation and induction of students</u> Orientation and induction activities for new students Advising and mentoring of new students
<u>Development of the curriculum</u> Development of program/course objectives and outcomes Significant changes made/planned for the curriculum Difficulties and issues in developing the curriculum	<u>Development of the co-curriculum</u> Significant changes made/planned for the co-curriculum Difficulties and issues in developing the co-curriculum
<u>Teaching and learning</u> Innovation in delivery of teaching and learning Support for professional development of faculty, instructors and teaching assistants Incentives and recognition for good performance	<u>Learning environment</u> Student advising and mentoring Facilities, including: laboratories, study space, classrooms Learning resources, including: Library, on-line resources Availability of elective courses requested by students Class size, access to faculty, student campus engagement
<u>Assessment</u> Review of assessment results, including graduation results Application of Senate policy for grading, plagiarism and academic integrity	<u>Graduation and placement</u> Graduate employment and further study

CPA
Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Our Ref.: C/AAQ(HKUST), M67748

16 March 2010

Prof. Kevin Chen,
Chair Professor & Head,
Department of Accounting,
School of Business & Management,
The Hong Kong University of Science & Technology,
Clear Water Bay,
Kowloon.

Dear Prof. Chen,

Re-accreditation of Hong Kong University of Science & Technology's BBA (Hons) in Professional Accounting (the "Programme")

I refer to the above re-accreditation exercise carried out by the Assessment Team of the Institute's Accountancy Accreditation Board in December 2009. Our Assessment Team is pleased to have the opportunity of meeting you and your colleagues during the campus visit on 7 December 2009 to discuss matters relevant to the captioned Programme.

We understand that the Programme is a full-time honours degree programme offered under the credit-unit system. For graduation, students are required to complete a minimum of 102 credits, which comprises 28 credits of Core Courses, 49 credits of Required Courses and 25 credits of General Education Courses. We also note that the credits for graduation will be increased to 120 credits under the new four-year undergraduate curriculum to be implemented in 2012.

Having reviewed the re-accreditation documents submitted and considered your University's responses to issues of concern discussed during the re-accreditation visit, **we are pleased to advise you that your BBA (Hons) in Professional Accounting has been re-accredited as an approved Accountancy Degree Programme under the Institute's Qualification Programme (QP). The accreditation period will be valid for five years until December 2014.** Graduates of the Programme are eligible for direct entry to the QP, provided that they have fully met the competency requirements for QP admission.

With regard to granting of exemptions, we understand that you have put in place a policy for credit transfer. As a general practice, our Institute would like to place reliance on your University to grant credit transfer / exemptions / advanced standing to students, without forming a view on whether the right level of advanced standing has been given, as long as the 50 per cent maximum exemption rule is observed. However, you are still required to keep appropriate records of the credit transfer / exemptions given for our future analysis and review purposes.

From our past experience in reviewing applicants for entry to the QP, we have noticed that some institutions' interpretation of the competency requirements of the QP may sometimes differ slightly from the expectation of the Institute. In the light of our experience over the last few years, we would like to share with you our experience and observations and provide clearer guidance to you on exemption
--- process through the attached "Guidance Notes on Granting of Exemptions /

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Advanced Standing / Credit Transfer to Students Enrolled in Hong Kong Institute of CPAs Accredited Programmes". With better mutual understanding between us, it is hoped that situations in which graduates of an accredited programme being asked to make up a deficiency in certain accountancy sub-discipline(s) when seeking admission to the QP can be avoided.

The Institute has recently completed a major review of the QP, to be implemented from the December 2010 examination session onwards. The Information Paper, setting out the enhancements to the QP, can be accessed from the Institute's website at http://www.hkicpa.org.hk/students(NEW)/download/qp/info_paper.pdf. The Paper delineates the coverage of accountancy degrees and conversion programmes for meeting the graduate competency standards for QP admission. In this regard, we would like to remind you to ensure that these updated QP pre-entry competency requirements are incorporated into the curriculum and syllabuses of your accredited programme in due course.

Please note that although the re-accreditation period for the Programme is five years, annual update reviews will be carried out for the Programme to ascertain whether any significant changes have occurred in any of the relevant matters affecting the Programme. As part of the annual exercise, we may review the delivery of the Programme, including the examination papers and scripts, and various aspects of the curriculum to assess whether they continue to meet our requirements. Nonetheless, should there be any major changes to the Programme during the accreditation period, you are required to inform our Institute in the first instance.

Our Assessment Team has made some observations and recommendations, which we hope you would find useful for improving your Programme. These observations / recommendations are detailed in **Attachment I** for your consideration.

With regard to publicity, similar to the last accreditation, prior approval should be obtained from our Institute for any reference made to and / or the use of our name in any promotional materials.

Lastly, I wish to convey our appreciation for the co-operation and support given by you and your colleagues, especially Ms. Patsy Yip, during the re-accreditation exercise.

Yours sincerely,

Jonathan Ng
Director
Student Education & Training

JN/HW/kt
Encls.

Attachment I

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Re-accreditation of the Hong Kong University of Science & Technology's BBA (Hons) in Professional Accounting

Recommendations / Suggestions

1. Advanced Standing Policy

We note that the general policy on credit transfer set by your University is that no student shall be permitted to graduate unless s/he has completed a minimum of one year full-time study at HKUST and obtained a minimum of 35 credits. For your BBA (Hons) in Professional Accounting programme which requires a total of 102 credits for graduation, there could be a scenario that a student would be given credit transfer of 67 credits, which is about two-third of the total credits of the Programme. This will not be in line with the Institute's policy that the advanced standing / credit transfer granted to students of accredited accountancy programmes should not exceed 50% of the total credits required for the programme.

We understand that your Department has been stringent in the approval of credit transfer and no students were ever given credit transfer as high as 50% of the total credits. Nonetheless, we would appreciate it if your Department would continue to adhere strictly and state clearly to students of the Programme about the Institute's policy on the granting of advanced standing / credit transfer in accredited programmes.

2. Lowering the Class Size

We note that currently the average class size of the Programme is 60 students and a one-hour weekly tutorial class is arranged for most of the accounting courses. However, following the implementation of the 4-year undergraduate curriculum in 2012, the 4-credit courses will be changed to 3-credit courses and the tutorial class will be cancelled. We opined that an average class size of 60 students is not conducive to case discussion and group activities. As such, we would recommend that the class size be ideally trimmed to 50 or below if tutorial class is not available.

3. Linkage between Research and Teaching

We believe that the research endeavour of faculty members would benefit teaching considerably if it could offer students cutting-edge insights which are not covered in the textbooks. We therefore encourage your faculty members make the effort to link the research topics to the undergraduate teaching so that the students could greatly benefit from it.

4. Offering Electives on Advanced Level Accounting-related Subjects

We understand that under the four-year undergraduate curriculum, there will be more credit units available for teaching. We suggest that you might consider offering elective subjects on Advanced Auditing or Forensic Accounting, which could focus on more contemporary advanced topics and case studies.

5. QP Information Sessions for Faculty Members

We note that many of your faculty members are from the overseas academic community and they have just taken up their teaching in Hong Kong. They may not be familiar with our QP and its training philosophy. In this regard, we would like to work with your Department to provide Information Sessions for your faculty members so that they could understand more about the QP and get familiar with the publications and past examination papers of the Institute, which would facilitate their teaching.

Hong Kong Institute of CPAs
March 2010

30 November 2012

CPA Australia Ltd
ABN 64 008 392 452

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Australia

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Melbourne VIC 3001
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Website cpaaustralia.com.au

Professor Kevin C W Chen
Head of Department of Accounting
Hong Kong University of Science & Technology
School of Business and Management
Clearwater Bay, Kowloon, HONG KONG

Dear Professor Chen,

Re: CPA Australia Accreditation: Bachelor of Business Administration in Professional Accounting

The submission for accreditation of the Bachelor of Business Administration in Professional Accounting delivered at Hong Kong University of Science & Technology's Kowloon campus was considered by the Accreditation Management Committee on 28th November 2012.

I am pleased to advise that effective from 28th November 2012 CPA Australia has accredited the Bachelor of Business Administration in Professional Accounting delivered at Kowloon campus with a site visit to be completed in the near future.

An accreditation site visit is an important part of the accreditation process. Representatives from CPA Australia expect to undertake a visit to your institution within the next six months, depending on whether you have had an initial intake into your newly accredited program (s).

A site visit typically includes the following:

- A meeting with senior staff in the department of school responsible for operating the program,
- A meeting with a sample of the teaching staff involved in teaching the accredited subjects,
- A meeting with a sample group of students enrolled in the program, and,
- A brief tour of the teaching, library and computing facilities available to teaching staff and enrolled students.

In efforts to ensure that the course details are accurately reflected in our records, we will ask the institution to submit a completed subject table annually. This information forms the basis of the accredited course information outlined on the CPA Australia website. The accredited course search engine is readily accessible by students when making decisions about choice of courses. CPA Australia will email subject table information to your nominated accreditation contact for updating.

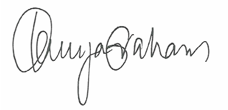
In addition please ensure you communicate any changes to your accredited course as per CPA Australia's Accreditation Guidelines http://www.cpaaustralia.com.au/cps/rde/xbcr/cpa-site/international-accreditation-guidelines.pdf and provide us regular updates of subject tables to ensure the information displayed on our website is current.

Should you have any queries in relation to CPA Australia's accreditation please email: accreditation@cpaaustralia.com.au and one of the team will respond to your enquiry.

Contact us at brand@cpaaustralia.com.au with regard to matters such as advertising your accredited program and use of the CPA Australia logo.

On behalf of CPA Australia, I look forward to working together and strengthening the relationship with your institution.

Yours sincerely



Tanya Graham
Accreditation & Tuition Manager, Education Policy

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Email tanya.graham@cpaaustralia.com.au

Full-Time Accounting Faculty – Fall 2013

Name	Academic Qualifications	Professional Qualifications
Dept Head		
Prof Kevin C W CHEN	PhD Illinois	CPA (Taiwan)
Professors		
Prof Guochang ZHANG	PhD UBC	
Prof Mingyi HUNG	PhD MIT	
Associate Professors		
Prof Peter F CHEN	PhD Alberta	
Prof Tai Yuan CHEN	PhD Texas	
Prof Zhihong CHEN	PhD HKUST	
Prof Charles HSU	PhD Purdue	
Prof Kai Wai HUI	PhD Oregon	CPA (USA)
Assistant Professors		
Prof Chia Chun HSIEH	PhD British Columbia	CPA (Taiwan)
Prof Allen HUANG	PhD Duke	
Prof Xi LI	PhD Vanderbilt	
Prof Kirill NOVOSELOV	PhD Texas	
Prof Derrald STICE	PhD UNC Chapel Hill	
Prof Shiheng WANG	PhD Queen’s	CPA (China)
Prof Haifeng YOU	PhD UC Berkeley	CFA
Prof Amy ZANG	PhD Duke	
Associate Professor of Business Education		
Prof Dennis CHAN	PhD Melbourne Tech	CPA (Australia)
Prof Ping Sheng KOH	PhD Tasmania	CPA (Australia)
Prof Tony SHIEH	PhD NYU	CISA
Lecturer		
Mr. David LAI	JD City U HK, Master Sydney	CPA (HK, USA), CA (Aust.), Barrister & Solicitor (Aust., NZ)
Mr. Charles LAM	LLM HKU	Solicitor (HK)
Dr. Kelvin MAK	PhD City U HK	CPA (HK), CA (ICAEW)

APPENDIX 10 – FACULTY TEACHING AWARDS

Department of Accounting

Faculty Teaching Awards 2008 – 2013

Best Ten Teaching Awards

These awards are determined by student votes across all fields and departments at HKUST, including Business & Management, Engineering, Sciences, and Social Sciences and Humanities. Each year, only ten awards are given for the entire University.

2012-2013	Prof. Allen HUANG
2011-2012	Prof. Derrald STICE Prof. Allen HUANG Prof. Shiheng WANG
2009-2010	Prof. KP RAMASWAMY Prof. Shiheng WANG
2008-2009	Prof. Tai Yuan CHEN

Franklin Prize for Teaching Excellence

The Franklin Prize for Teaching Excellence recognizes and encourages teaching excellence in the Business School. Nominees are selected through a process involving students' ratings and faculty evaluations of teaching philosophies, materials, and innovations. The awards are given once a year for different categories: Department Award, Undergraduate, MBA Required Courses, and MBA Non-required Courses / MSc Teaching.

Winter 2011/Spring, Summer, Fall 2012

UG	Charles Lam
MBA Required Courses	Tai-Yuen Chen

Winter 2010/Spring, Summer, Fall 2011

UG	Allen Huang

Winter 2009/Spring, Summer, Fall 2010

UG	Charles Hsu

Winter 2008/Spring, Summer, Fall 2009

Department Award	
UG	Shiheng Wang
MBA Required Courses	Tai-Yuen Chen

SCHOOL OF BUSINESS AND MANAGEMENT

The four-year School of Business and Management curriculum comprises four elements:

1. The University Requirements
2. School Core and English Communication Requirement
3. Business Breadth
4. Major Requirements

School Core

School Core courses provide students with a solid business foundation education and help them explore their interest in specific business disciplines. Students must complete all the courses in School Core.

Students may reuse up to 6 credits of courses to count towards both the School Requirements and the University Common Core Requirements.

Business Breadth

In addition to the School Core courses, all BBA students are also required to fulfill the business breadth requirement by completing three business courses outside their first major. To provide students with the flexibility to pursue a second business major, students are allowed to use business breadth credits to fulfill the second major requirement.

Major Requirements

Students are given flexibility to choose one of the 11 majors. The credit requirements for all majors, except BBA in Professional Accounting, BSc in Economics and Finance and BSc in Quantitative Finance, are within a range of 20-24 credits.

Students who wish to pursue a BBA in Global Business, BSc in Economics and Finance or BSc in Quantitative Finance must select one of these majors by the end of their first year of study. Students who opt to choose other BBA majors are required to select their major at the end of their second year of study.

Normative student's pathways for majors are provided for reference.

(For students admitted in 2013-14 under the 4-year degree)

School of Business and Management

In addition to the requirements of their major programs, students are required to complete the School Requirements as shown below.

Some courses can be used to fulfill both School Requirements and University Common Core Requirements. Students may reuse a maximum of 6 credits of these courses to count towards both Requirements.

Unless approved by the Dean or the Dean's designate, students are not allowed to use courses included in the School Requirements to fulfill the major requirements.

School Requirements

					Credit(s)
ACCT		2010	Principles of Accounting I		3
ECON			Note: ECON 2103 OR ECON 2113		3
	ECON	2103	Principles of Microeconomics	3	
	ECON	2113	Microeconomics	3	
ECON			Note: ECON 2123 OR ECON 3123 (Students who wish to pursue BSc ECOF must take ECON 3123)		3
	ECON	2123	Macroeconomics	3	
	ECON	3123	Macroeconomic Theory I	3	
FINA		2303	Financial Management		3
ISOM		2010	Introduction to Information Systems		3
ISOM		2500	Business Statistics		3
MGMT		2130**	Business Ethics and Social Responsibility		2
SBMT		1111	Business Student Induction		0
SBMT		2010	Business Ethics and the Individual		2
SBMT		2020	Effective Communication in Business		2
LABU			Note: LABU 2050 OR (LABU 2051 AND LABU 2052) (Students who wish to pursue BBA GBUS must take LABU 2050 while others must take LABU 2051 and LABU 2052)		3-4
	LABU	2050	Honors Business Case Analyses	3	
	LABU	2051	Business Case Analyses I	2	
	LABU	2052	Business Case Analyses II	2	
MATH			Note: MATH 1003 OR MATH 1013 OR MATH 1023		3
	MATH	1003	Calculus and Linear Algebra	3	
	MATH	1013	Calculus I	3	
	MATH	1023	Honors Calculus I	3	
SB&M			Note: Courses for BBA majors: ACCT 2200 AND ISOM 2700 AND MARK 2120 AND MGMT 2110 (Students who enroll in the BSc majors of SBM are not required to take these courses for graduation)		12
	ACCT	2200	Principles of Accounting II	3	
	ISOM	2700	Operations Management	3	
	MARK	2120	Marketing Management	3	
	MGMT	2110	Organizational Behavior	3	

SB&M	Business Breadth (3 courses) [All BBA students, except those of BBA GBM who are not allowed to pursue additional major, need to take 3 business courses (9 credits) from other disciplines which are not included in the University Common Core. Students can make use of all of these business breadth courses to fulfill their second major requirement. Students who enroll in BBA GBM or the BSc majors of SBM are not required to fulfill this requirement.]	9

***Remarks on course(s):*

-	MGMT 2130:	This is a new course subject to approval.

(For students admitted in 2013-14 under the 4-year degree)

BBA in Professional Accounting

In addition to the requirements of their major programs, students are required to complete the University and School requirements for graduation. For details please refer to the respective sections on this website.

Unless approved by the Dean or the Dean's designate, students are not allowed to use courses included in the University Common Core or the School Requirements to fulfill the major requirements.

Major Requirements

Credit(s)

Required Course(s)

ACCT	3010	Financial Accounting I	3
ACCT	3020	Financial Accounting II	3
ACCT	3210	Advanced Management Accounting	3
ACCT	3610	Functions of Law in Society and Business	3
ACCT	3880	Professional Excellence Program I**	1
ACCT	4010	Advanced Financial Accounting	3
ACCT	4410	Taxation	3
ACCT	4510	Auditing	3
ACCT	4610	Company Law	3
MGMT	4210	Corporate Strategy	3

***Remarks on course(s):*

- ACCT 3880: The course title will be changed to "Professional Excellence Program" starting from Spring, 2013-14.

APPENDIX 12 – BBA IN ACCT PILOS AND COURSE MAPPING

BBA in ACCT
Program Learning Goals and Objectives
(Revised October, 2013)

1. Goal: Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques.

Objectives: Graduates will:

- Analyze the core issues and weigh the significance of key assumptions used in business decision-making scenarios.
- Solve business problems using appropriate quantitative and analytical techniques.
- Approach business problems from alternative perspectives and consider unconventional concepts and solutions.
- Defend reasoned solutions to business problems.

2. Goal: Graduates will be effective communicators in oral and written English for general business applications.

Objectives: Graduates will:

- Produce professional quality business documents in English.
- Deliver a professional quality presentation in English.
- Communicate ideas persuasively to inform and convince others.

3. Goal: Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems.

Objectives: Graduates will:

- Articulate contributions made by functional areas to the overall well-being of an organization.
- Decide how one functional area impacts another.
- Identify the key functional areas that are involved in specific business problems and explain if and how they are interrelated.
- Connect different functional areas to formulate integrated solutions.

4. Goal: Graduates will have in-depth grasp of their area of business concentration or major.

Objectives: Graduates will:

- Apply financial accounting frameworks to business situations. Including:
  1. Identify the information needs of financial statements users and produce accounting information to satisfy those needs
  2. Demonstrate an understanding of the external reporting requirements of organizations.
  3. Identify, collect, measure, analyze and interpret financial information.
- Apply auditing theories, standards, and procedures to accounting situations.
- Apply management accounting frameworks to financial decision-making, performance measurement and internal control.

- Advise on Hong Kong tax issues in relation to both individual and business entities.
- Apply financial management skills to formulate financial strategies, assess financial risk and manage financing operations in organizations.
- Demonstrate a mastery of the legal and regulatory environment of business, including the law relating to business transactions and business entities.
- Conduct or interpret basic accounting or business research.

5. Goal: Graduates will be effective team members and leaders.

Objectives: Graduates will:

- Demonstrate an understanding of team dynamics and the various roles played within the team.
- Contribute to the successful and timely completion of a group project in line with their roles in teams.
- Collaborate positively by actively seeking and engaging in discussion of the views of others while showing sensitivity to opposing views.
- Demonstrate the ability to lead a team to success.

6. Goal: Graduates will be effective in multi-cultural and international settings.

Objectives: Graduates will:

- Demonstrate a global outlook and an understanding of cultural diversity, as evidenced by an understanding of globalization, the dimensions along which cultures vary and the implications of both for business.
- Demonstrate an understanding of the international dimensions of accounting / taxation.
- Demonstrate an understanding of the regulatory environment of accounting / taxation in Mainland China.

7. Goal: Graduates will be effective users of information technology in business applications.

Objectives: Graduates will:

- Locate, gather, and organize information using appropriate information technology and systems.
- Demonstrate an understanding of the application of information technology to management information systems.

8. Goal: Graduates will understand their professional and ethical responsibility.

Objectives: Graduates will:

- Be able to explain the role played by accountants in ensuring the integrity of financial and related information.
- Know the professional code of conduct in accounting.
- Identify the activities/issues in accounting that may present ethical challenges, and articulate the consequences associated with unethical behavior.
- Identify an ethical dilemma in business or accounting and apply professional ethical standards to propose and defend a resolution.

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
School of Business and Management
ACCT Program - Mapping of Intended Learning Outcomes

PILOs-BBA Program Objectives		**Core Courses**												
		ACCT 2010	ACCT 2200	ECON 2103/ 2113	ECON 2123/ 3123	FINA 2303	ISOM 2010	ISOM 2500	ISOM 2700	MARK 2120	MGMT 2110	SBMT 2010/ MGMT 2130	LABU 2050/2051 /2052	SBMT 2020
1	• think <u>critically</u> in making effective decisions	Ta, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP, A	Tb, aP, A	O, A	Ta, aP, A	Ta, aP, A	Ta, aP, A	Tb	Ta, aP, A	Ta, aP, A	Ta, aP, A
	• think <u>creatively</u> in making effective decisions	O	O			Tb, aP, A	O, A	Ta, P, A	Tb	Ta, aP, A	Tb	Ta, aP, A	Ta, aP, A	Ta, aP, A
2	• communicate effectively in oral and written <u>English</u>	O	O, A		A, aP, O		Tb, aP, A, O		O	O, A	Ta, aP, A	A, O	Ta, aP, A	Ta, aP, A
3	• understand core business functions	Ta	Ta	Tb, A		Ta	Ta	Ta, aP	Ta, A	Ta		Ta	Ta	Ta
	• integrate core business functions to solve business problems	Tb, O	Tb, P, A			Tb, aP, A	Tb, aP, A, O	Tb, aP, A, O	Ta, aP, A	Tb,aP, A		Ta, aP, A, O	O, A	O, A
4	• in-depth grasp of major	Ta, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP,A, O	Ta, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP, A			
5	• develop effective team work and leadership skills	O	O		O		O	O	O	O	Ta, aP, A	O	Tb, aP, A	Ta, aP, A
6	• work effectively in multi-cultural and international settings			Tb, A	Ta, aP, A		O		Tb	Tb, aP, A	Ta, aP, A	O	Tb, aP	Ta, aP, A
7	• use information technology effectively		Tb		O	Tb, aP	Ta, aP, A, O	Tb, O	Tb	O, A	O	Tb, aP, A, O	O	O
8	• understand professional and ethical responsibility	Tb	Tb				Tb, aP, A, O		Tb	Tb, aP	Tb, aP, A	Ta, aP, A	Tb	Tb, aP, A

Ta = taught as a major component of the class (>10%) Tb = taught as a minor component of the class aP = application of taught material
A = formally assessed O = opportunity for development of skills not formally taught (e.g. do not teach teamwork but have many team projects)

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
School of Business and Management
ACCT Program - Mapping of Intended Learning Outcomes

	PILOs-BBA ACCT	**Core Courses**		**Required Courses**									
	Objectives	ACCT 2010	ACCT 2200	ACCT 3010	ACCT 3020	ACCT 3210	ACCT 3610	ACCT 3880	ACCT 4010	ACCT 4410	ACCT 4510	ACCT 4610	MGTO 4210
1	Think critically and creatively in making effective decisions	Ta, aP, A	Ta, aP, A	Tb, aP, A	Tb, aP, A	Ta, aP, A	Ta, aP, A	O	Tb, aP, A	Tb, aP, A	Ta, aP, A	Ta, aP, A	Ta, aP, A
2	Communicate effectively in oral and written English	O	O, A			O	O	O	O	O	O	O	Tb, aP, A
3.1	Broad understanding of core functions of business	Ta	Ta										Ta, A
3.2	Understanding of the integration of business functions to solve business problems	Tb, O	Tb, aP, A			Tb, aP, A		Tb					Ta, aP, A
4.1	Apply financial accounting frameworks to business situations.	Ta, aP, A		Ta, aP, A	Ta, aP, A				Ta, aP, A				
4.2	Apply auditing theories, standards, and procedures to the practice of accounting.										Ta, aP, A		
4.3	Apply management accounting frameworks to financial decision-making, performance measurement and internal control.		Ta, aP, A			Ta, aP, A							
4.4	Advise on Hong Kong tax issues in relation to both individuals and business entities									Ta, aP, A			
4.5	Apply financial management skills to formulate financial strategies, assess financial risk and manage financing operations *		Tb	Tb	Tb								
4.6	Demonstrate a mastery of the legal and regulatory environment of business						Ta, aP, A			Ta, aP, A	P	Ta, aP, A	
4.7	Conduct or interpret basic accounting or business research						O, A					O, A	
5	Develop effective team work and leadership skills	O	O			O	O	O	O	O	O	O	O
6.1	Work effectively in multi-cultural and international settings [#]												Tb
6.2	Demonstrate an understanding of the international dimensions of accounting / taxation			Tb	Tb				Ta, aP, A	Tb, aP, A	Tb		
6.3	Demonstrate an understanding of the regulatory environment of accounting / taxation in Mainland China			Tb	Tb			Tb		Tb, aP, A	O		
7.1	Use information technology effectively [#]												O
7.2	Understand the design and the application of IT to management information systems **		Tb								Tb		
8.1	Understand the responsibility of accountants to ensure the integrity of financial information	Tb	Tb	Tb	Tb	Tb		Tb, O		Tb	Tb		
8.2	Know the professional code of conduct in accounting						Tb			Tb	Ta, A		
8.3	Identify ethical challenges in accounting and articulate the consequences of unethical behavior	Tb		Tb			Tb, A	O		O	Ta, A	O	
8.4	Identify ethical dilemma in accounting and apply professional ethical standards to propose a resolution			Tb			Tb, A				Ta, aP		

Ta = taught as a major component of the class (>10%) Tb = taught as a minor component of the class aP = application of taught material
A = formally assessed O = opportunity for development of skills not formally taught (e.g. do not teach teamwork but have many team projects)

[#] covered by Business Core courses * also covered by core course FINA 2303: Ta, aP, A ** also covered by core course ISOM 2010: Ta, aP, A, O