

## **Analyzing Annual Reports Using a Value-Added Approach to Classroom Diversity**

**Betty S. Harper**

**Phil Harper**

Middle Tennessee State University

The monumental challenge of meeting diverse needs in an accounting service@ course motivated a change in teaching perspective. Group activities and case studies may be used to force interaction among students. There are wonderful teaching tools but academic background may yield a less-than-optimum result, especially for students with less aggressive personalities. We endeavored to meet the challenge by developing a value-added@ approach assigning a project unique to each student. Using the traditional textbook and classroom sessions as a foundation, a teaching tool was designed to blend accounting information with each area of academic study.

Our primary objective was to introduce students to the power of accounting information and to develop a healthy respect and skepticism of financial reporting. A Just How Successful is This Company@ became the lead question in our value-added approach. A traditional textbook provided a common thread of discussion.

Using a scheduled period near the beginning of the course we hosted the entire class to a learning lab session in the university library. Individual computer stations were available for each student. There, library professionals led the students through a myriad of data banks and research techniques, including Lexis-Nexis Academic Universe and ABI Inform. Designed to assist them in retrieving corporate accounting data, a worksheet was prepared with questions ranging from AWho is the CEO of General Electric?@ to AWhat does the FASB say about

retirement benefits?@ Students exercised patience and some degree of interest as we progressed through the common library assignment.

Their Awhat=s in it for me@ question was answered when each individual was asked to correspond with the shareholder relations department of three publicly-held corporations. To assure appropriate communication we drafted a letter of request, which was used by each student. Assuming personal responsibility for determining the mailing address of the shareholder relations contact, the letter solicited Aa copy of the most recent audited annual financial statements.@

Some students followed their head in selecting corporations in their major areas of academic study; others followed their heart in selecting the corporations they chose to contact. Immediately corporate information flooded student mail boxes. Almost as good as a care package from home was the deluge of materialCfood coupons from Sonic, room-size posters from Harley-Davidson. Excitement permeated the classroom as students displayed their most recent propaganda. This sharing provided a spark for spontaneous classroom discussion.

Selecting one corporate annual report (from the three requested) students were required to read (from cover to cover) the information provided. As a tool for analysis of AJust What is This Company Doing@a series of questions were to be answered and documented. Questions were designed to lead students through the annual report in an orderly manner and to follow closely with information discussed via the class textbook.

As a capstone to the project, students were required to access the Wall Street Journal in tracing the stock price and trading activity of the corporation. To encourage interest in general business and economic news, each student was required to read and summarize an article from any business publication.

Rather than having projects due within the semester, we assigned the project early in the semester and students were allowed to complete the project as information was discussed in class and/or as their personal schedule permitted.

Was the methodology successful? Frequently there are success stories that cannot be measured by statistical data. Is there a gauge or a graph sufficient to depict that awesome moment when a retiring student engages in an open classroom discussion? Each student felt confident and uniquely qualified to discuss the activities of at least one corporation report. More than ready for a job interview with their chosen corporation, students had the tools necessary to analyze and develop information about other business entities. Experience has shown us that the best combination for learning is interest and involvement. Although the parts they sang belie their differences, students in a diversified classroom can be led to blend their various voices in a common theme.

Copies of the project instrument are available by contacting the authors:

P. O. Box 178, Middle Tennessee State University, Murfreesboro, TN 37132, or via e-mail at [bharper@mtsu.edu](mailto:bharper@mtsu.edu).