

ROLE OF FINANCIAL ACCOUNTING COURSE PERFORMANCE IN PREDICTING GRADUATION RATES

Sudha Krishnan, College of Business, California State University, Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840, 562-985-5757, Sudha.krishnan@csulb.edu

Sabrina Landa, College of Business, California State University, Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840, 562-985-4578, Sabrina.landa@csulb.edu

Ping Lin, College of Business, California State University, Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840, 562-985-4560, ping.lin@csulb.edu

Jasmine Yur-Austin, College of Business, California State University, Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840, 562-985-5639, jasmine.yur-austin@csulb.edu

Rachel Rivas, Academic Planning and Resources, California State University, Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840, 562-985-1085, Rachel.rivas@csulb.edu

ABSTRACT

We study the impact of the introductory Financial Accounting (FA) class on graduation rates in a public state university. The students who take this class are business and non-business majors. For business majors, this is a core course and a pre-requisite to other business courses. For non-business majors, it is a required course for graduation. About 48.5% of the students in the study are in a classroom environment with embedded tutors.

Preliminary results show that the student GPA in the first term, the cumulative final exam in the FA class, and the term in which the class is taken have a significant impact on four-year graduation rates after the course is taken. The higher the GPA in the first term at the college and the better the student performs in the FA course, the more likely the students will graduate. Students with high FA final exam scores are also more likely to graduate within four years of taking the course. The embedded tutoring program seems to positively impact performance on the first exam in the FA class but shows no added impact on the four-year graduation rate. This suggests that embedded classroom tutors support students with learning the initial challenging concepts of the entire accounting close cycle. As to the effect of race and gender, we find non-underrepresented minorities (non-URMs) and women tended to have better first term GPAs.

We also investigate the impact of these factors on the length of time it takes a student to graduate after controlling for gender, race, major (quantitative vs. qualitative), and embedded tutor. Again, we report that the effect of first semester GPA is significant: the better the GPA, the shorter it takes a student to graduate. The cumulative FA final exam score becomes marginally significant in predicting the length of time to graduate.

Though past studies have indicated that first term GPA is a good predictor of graduation rates, we posit that performance in the FA course has additional predictive value in forecasting student graduation rates and time.