

# **ACCOUNTING EDUCATION IN RUSSIA AND THE USA: A COMPARATIVE STUDY**

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## **Abstract**

This study compares and contrasts the accounting education provided by Russian universities with that given at American universities. Two typical universities were chosen for comparison purposes, one Russian and one American. Their curricula were compared and evaluated. Accounting educators at five Russian universities were also interviewed. The information gathered during the course of those interviews is also discussed. It was found that Russian accounting students spend a significantly longer amount of time studying both accounting and other subjects during the course of their university attendance. Part of the reason is because the average Russian accounting program is five years, compared to four years in the American system. However, Russian accounting students also spend more time at their studies each year.

## **INTRODUCTION**

Before the collapse of the Soviet Union, Russia and the other Soviet republics had a more or less uniform accounting educational program in the universities. Accounting actually formed a very minor part of the university curriculum. Students

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studied accounting as part of the economics major. The main emphasis was on the chart of accounts. There was also something about cost accounting, although cost accounting in Soviet times did not involve prices, since all prices were arbitrarily determined and were not used to allocate resources or measure profits. Financial statements consisted mostly of what would be called a funds flow statement in the west. There were no audit courses until the early 1990s.

Since Russia became an independent nation that is making the transition from a centrally planned economy to a market economy, it has had to adopt an accounting system that is more in tune with a market economy (Cheney 1990; Enthoven 1999; Verrue 1995). Perestroika has caused major changes in the economy and those changes have filtered through to the Russian accounting system (Enthoven 1992; Shama and McMahan 1990; Sherry and Vinning 1995). Even before perestroika, Russian managers realized that there was a need to change the way things are accounted for in the former Soviet Union (Chastain 1982). The Russian Finance Minister has declared that all Russian banks and many Russian businesses must start using International Financial Reporting Standards by January 1, 2004. No one who is knowledgeable about the state of Russian accounting expected that to happen, and in fact it has not, but the mere fact that the Finance Ministry wants to push Russian accounting practices in that direction so fast – a year ahead of a similar requirement to be adopted by the EU – indicates that there is strong support for upgrading accounting in Russia.

One of the major impediments to converting from the accounting system Russia had under central planning to the system they need for their emerging market economy is that there is an insufficient number of accountants in Russia who are trained in the new system. Before 1998 International Accounting Standards (IAS), which are promulgated in the UK and used in dozens of countries worldwide, were not available in the Russian language. The translation that is now available has several flaws. For one, it does not incorporate any of the numerous changes that have been

made to IAS since 1998, although some of the more recent international standards have been translated into Russian since then. Another criticism of the Russian version of IAS is that the translation of certain passages leaves a reader wondering what the standards say. Some passages contain major translation errors. At least one sentence leaves out the word “not,” leading the reader to believe that something must be done when in fact it must not be done (Preobragenskaya and McGee 2004).

There is also a lack of recent, high quality texts and other learning material. Although some western accounting texts have been translated into Russian, many of the texts that are available are two or more editions behind what is available in western universities. A U.S. text dated 2003 in the eleventh edition might be available in Russian only in the 8<sup>th</sup> edition, published in 1994 (Preobragenskaya and McGee 2003). Another problem with using U.S. texts in Russian universities is that they are based on U.S. GAAP, not IAS. If Russian students need to learn IAS, they must find another way to do it, since the U.S. texts they are using say little or nothing about IAS.

Another impediment to fully adopting and implementing IAS is the lack of professors who are familiar with the subject. It is difficult to teach IAS and western audit techniques to the new generation of Russian accounting students if the professors themselves are not familiar with these subjects. Professors who graduated from a Russian university before 1990 or so had little or no exposure to the accounting concepts they are being called upon to teach. Many of the Russian professors who graduated after 1990 also have not had sufficient exposure to IAS and the International Standards on Auditing (ISA) to give adequate lectures, unless they learned IAS and ISA on their own. The situation is even worse outside the major cities of Moscow and St. Petersburg, since the demand to learn the new accounting is much less outside of Russia's two capitals. One reason for the lack of demand is because only Russia's largest companies need to use IAS, and the main reason they need to use IAS is to attract foreign capital. Otherwise, there would be no need, since the Russian tax

authorities demand information that is compiled using Russian Accounting Standards (RAS). Where there is no demand, there is also no supply. So the situation outside of Russia's largest cities will not change any time soon.

That being the case, the authors wanted to learn what Russian universities are doing in the area of accounting education. Specifically, they wanted to learn what is being taught to accounting students in Russian universities. A comparison was then made to the accounting curriculum offered by the average U.S. university.

### **REVIEW OF THE LITERATURE**

A wealth of literature exists on accounting education in the United States. However, most of this literature is irrelevant for purposes of the present study, which focuses on accounting education in Russia.

A second category of literature pertaining to accounting education addresses accounting education in transition economies. The International Federation of Accountants (IFAC) provides some guidelines that are being adopted in several transition economies (IFAC 2003a-h).

The third category of literature addresses accounting education in Russia (Anon. 2001, 1994; Coyle and Platonov 1998; Enthoven et al. 1998; Kobrak 1991; Smirnova et al. 1995). There is also some literature that discusses accounting education in other former Soviet republics (McGee 2003). This literature was also examined, since the accounting education in other Soviet republics was more or less the same as the accounting education received by Russian accounting students, although accounting education has been evolving in different directions in the various former Soviet republics since the demise of the Soviet Union. Unfortunately, most of the literature on accounting education in Russia and other former Soviet republics has become dated, since it was published before the recent changes.

### **METHODOLOGY**

After reviewing the literature on accounting education in Eastern Europe and the former Soviet republics, the authors developed a tentative list of questions to ask Russian accounting educators. A sample of accounting educators representing state universities was then selected and contacted. Interviews were scheduled and held during the summer and fall of 2003 in Moscow, St. Petersburg, Omsk and Kazan. Interviews were held at the following universities:

St. Petersburg State Polytechnic University [[www.spbstu.ru](http://www.spbstu.ru)]

St. Petersburg State Railway University (a.k.a. Petersburg State Transport University) [[www.pgups.ru](http://www.pgups.ru)]

Timiryazev Agricultural Academy, Moscow [[www.timacad.ru](http://www.timacad.ru)]

State University of Omsk [[www.omsu.omskreg.ru](http://www.omsu.omskreg.ru)]

Kazan State Finance Economic Institute [[www.kfei.kcn.ru](http://www.kfei.kcn.ru)]

Interviews were held with deans, accounting department chairs and other accounting professors. Materials describing their accounting programs were gathered as well.

### **ACCOUNTING EDUCATION IN RUSSIA**

Russian universities do not necessarily offer their accounting programs over the same period as American universities. Whereas American universities offer the bachelor's degree over four years, the vast majority of Russian universities have a five-year program. Less than 10 percent of all Russian universities offer a four-year bachelor's degree in accounting. The vast majority offer a five-year specialist designation. One reason for the popularity of the five-year program is because most Russian employers think that a bachelor's degree holder does not offer much value to their company. They prefer to hire someone who has the specialist designation because of the perception that specialists have more to offer.

Saint Petersburg State Polytechnic University was chosen for comparison purposes. It was chosen because its accounting curriculum is relatively innovative and modern by Russian standards. Its curriculum represents the trend in Russian

accounting education, with the result that the comparison of its curriculum to that of the average American AACSB school will stand the test of time longer than the curriculum of some other Russian universities that have not progressed to the same point as St. Petersburg State Polytechnic University.

This university offers a four-year bachelor's degree, a five-year specialist designation and a sixth year master's degree. However, only about 20 percent of the students who complete the specialist designation go on for the sixth year master's degree. There are a number of reasons for not getting the master's. For one, the government will not subsidize the sixth year of study, so the university has to pay the expenses for the sixth year out of its own budget. However, the interview in Kazan revealed that the university there does receive funding for the sixth year, so the policy regarding the sixth year of accounting education does not seem to be uniform throughout Russia. Also, people who earn the master's degree are not able to command a higher salary than students who left school after earning just the specialist designation, so there is little incentive to go the extra year for the master's degree. Students who decide to go for the master's anyway often do so because it will make them more marketable in the west.

Table 1 shows how hours are allocated among the various disciplines for students enrolled in the five-year specialist program. The five-year program was chosen for analysis because the five-year program is the most popular and frequently offered program, not just at St. Petersburg State Polytechnic University but throughout Russia. If a comparison is to be made between accounting education in Russia and that in the United States, it was thought that the program chosen should be the one that most Russian accounting students actually take. That is why the bachelor's degree program was not selected, even though the Russian four-year bachelor's degree program covers the same period of time as the American bachelor's degree program.

Russian students who study accounting spend a significant amount of time studying other subjects, many of which have

nothing to do with accounting. In this respect, they are much like their American counterparts. Much time is spent by all students, regardless of major, studying social sciences, humanities, mathematics and natural sciences. Table 1 shows the standard accounting curriculum recommended by the Russian government. A total of 9280 hours are required to earn the accounting specialist designation.

Table 2 gives a detailed breakdown of subjects studied for accounting majors at St. Petersburg State Polytechnic University. Its curriculum varies slightly from the Russian government's recommended curriculum, which is permitted under the Russian Education Ministry regulations. There are separate columns for lectures, class study, laboratory study and self study. This table was compiled from official university documents. Hours for class study, self study, etc. are not the authors' estimates. They are the actual hours programmed into the university's curriculum.

Table 3 shows the breakdown of the curriculum by category. There are separate categories for accounting, other business and nonbusiness. Some arbitrariness was involved in making these three categories. For example, statistics and probability theory were classified as business courses, when in fact they could be either business or mathematics. Some U.S. universities teach statistics in the business school, whereas other schools teach it in the mathematics department. Jurisprudence was classified as other business, since some of the content of that course includes business law. Information science was classified as other business, since this topic is often taught in U.S. business schools, although some U.S. schools teach it in arts and sciences.

### **ACCOUNTING EDUCATION IN THE USA**

Accounting education in the United States is not identical from university to university, although there is not much variation, especially at the undergraduate level. One reason for the relative uniformity is because the Association to Advance Collegiate Schools of Business (AACSB), the agency that accredits some business schools in the United States, has rather rigid requirements

regarding what must be taught to gain accreditation. [www.aacsb.edu](http://www.aacsb.edu) Although the AACSB accredits less than half of the business schools in the United States, it is very influential because the schools that are AACSB accredited tend to be the larger schools. Nearly all of the universities that offer a PhD in accounting are AACSB accredited.

That being the case, the authors decided to use the curriculum requirements of an AACSB accredited school for comparison purposes. Barry University was chosen because it is a small university, with slightly fewer than 9,000 students, and it received AACSB accreditation in April, 2003, so, presumably, its accounting curriculum meets the current AACSB standards (although some AACSB standards are in the process of changing, but those standards do not relate to curriculum). Barry University is representative of the schools that most recently became AACSB accredited. When the AACSB first began accrediting schools, it was mostly the larger schools that applied for accreditation. Now it is mostly the smaller schools that apply for AACSB accreditation.

Table 4 shows the breakdown of curriculum for the four-year bachelor's degree in accounting. There are separate categories for accounting, other business and nonbusiness. Barry University uses the semester hour system. Each semester hour represents 15 academic hours of class meetings. One academic hour consists of 50 minutes. However, for purposes of simplicity, we have defined one academic hour as 60 minutes. For comparison purposes, we have estimated that 1.5 hours is spent in study for each hour spent in class.

There was some arbitrariness in the categorization of some subjects. For example, Barry University lists macroeconomics as a social science but we have listed it as a business course. Barry University classifies precalculus for business and elementary probability & statistics as mathematics courses. We listed them as business courses. Barry lists basic computer applications as a nonbusiness course. We classified it as a business course.

## COMPARISONS

It is difficult to make a strict comparison between the university curriculum that a Russian accounting student would follow and the curriculum an American student would follow. For one thing, the courses they take are much different. Their entry level backgrounds are also different. Various international standardized exams that allow student achievement to be compared between and among students in different countries uniformly show that American students are at or near the bottom of the scale in terms of math and science skills. Russian students, on the other hand, have a reputation for having strong math and science skills. Thus, one might conclude that the average first year student at a Russian university is better prepared for academic work than is the average American student. If true, Russian universities would be able to demand more from their first year students than would be the case for American universities.

This initial view was confirmed by interviews one of the present authors has had with a variety of students from East European countries over the years. They generally felt that American universities did not challenge them as much and that some of the courses they took at American schools consisted mostly of material they had already learned when they were high school students. However, that general view did not extend to some of the accounting courses they took at American universities. Intermediate accounting seemed especially demanding, although none of the students interviewed said that intermediate accounting was any more rigorous than some of the courses they took at their East European university.

But that is not the only difference between the attributes of first year students in Russian and American universities. A higher percentage of high school graduates enter universities in the United States than in Russia, so even if the average Russian high school student were the rough equivalent of the average American high school student, the average Russian first year university student would be superior to the average American first year student because Russian universities tend to accept only the best high

school graduates, whereas some American universities will accept almost anyone who graduates from high school. Some American universities will even accept high school dropouts who are over the age of 23, the rationale being that they have acquired some work experience and maturity by then. Taking all these factors into account would take us too far afield from the main area of investigation, which is a comparison of the university accounting curriculum of Russian and American universities, so we will leave discussion of these other items for another day.

There are other reasons why comparing the accounting curriculum at a Russian university to the accounting curriculum at an American university may be difficult. For one thing, the period of study may be different. At American schools, the total curriculum consists of between 120 and 128 semester hours, with each semester hour being the equivalent to 15 hours spent in class. But each class hour consists of just 50 minutes. The curriculum can be completed over four years by a full-time student.

The time period for Russian universities is not so uniform. Some Russian universities have a curriculum that stretches over four years, while others have a five-year program. Some Russian universities also have a sixth year, which often results in a master's degree. Also, in Russian universities, study is not measured only in terms of hours spent in class. Other factors are included, such as study time, laboratory time and time spent working as an intern or practicing accountant. Also, some lectures are given in big lecture halls by full professors, whereas other sessions are given in smaller groups and are conducted by assistant professors, so there may be some qualitative differences between the lectures received in small universities and large universities, if one believes that the quality of instruction declines as class size increases. There is the perception that smaller classes result in a better educational experience than large classes held in lecture halls. Students tend to pay more attention, do not talk to each other as much and can hear the professor's lecture better in a small classroom. This same format is used in some of the larger American universities, at least

in the first year or two of instruction, but it is not used in the smaller universities.

In an attempt to equalize these differences, we have made some assumptions regarding the American system. For comparison purposes, we have assumed that the average American student spends 1.5 hours studying outside of class for each hour in class, and we have treated each hour as if it consisted of 60 minutes, for simplification purposes, although an academic hour consists of just 50 minutes.

For comparison purposes, we decided to compare the Russian five-year program to the American four-year bachelor's degree program. While such a choice might seem odd, the reason for it can be justified. As was previously mentioned, less than 10 percent of the Russian universities that offer accounting programs offer the four-year bachelor's degree. The vast majority of them offer the five-year specialist degree. Thus, if the goal is to compare the accounting offered by the "average" Russian university to that offered by the average American school, the decision to compare the five-year Russian specialist program to the four-year American bachelor's degree program seems most appropriate.

Table 5 compares the accounting curriculum of the Russian and American universities selected for comparison purposes. As one might expect, Russian accounting majors spend more time studying all three categories of subjects than their American counterparts. One reason for the extra study hours is because the Russian program is five years, whereas the American program is four years. The comparison could be tightened up a bit if the numbers were annualized. If one divides the Russian total (8684 hours) by 5 and the American total (4726) by 4, the annual study times are 1737 and 1182, respectively. If these numbers are reliable estimates of time spent studying, that means that the average Russian accounting student spends an additional 555 hours a year (47%) studying.

If one compares the total study times, the results are even more remarkably different. Russian students spend 8684 hours earning their diploma, compared to 4726 for the average American

accounting student, a difference of 3958 hours. That is an extra 84%.

The evidence seems overwhelming, on the surface at least, that the average Russian accounting graduate is better prepared than the average American accounting graduate. Russian universities are more selective regarding whom they allow into their programs and Russian students study many more hours in total as well as in accounting. Russian students spend 31.2% of their time studying accounting, compared to 23.8% for American students. Russian students spend 2707 hours studying accounting, compared to 1125 hours for American students. That's an extra 1582 hours, or 141%.

However, there are other factors to consider. For example, the quality of Russian textbooks and other study materials may not be as good as those used by American students. Russian accounting texts do not have nearly as many examples as American textbooks. There are no Russian texts that are closely comparable to an American intermediate accounting book in terms of depth or breadth of coverage. Although some American texts have been translated into Russian, the Russian translation may be 8 or 10 years old and the quality of the translation may be less than perfect.

Furthermore, many Russian students, perhaps the great majority, do not own many (or any) accounting textbooks. They are too expensive for the average Russian student. They compensate for this factor by going to the library and reading the books the library has. This approach to study is quite common in Russian universities. The problem is that Russian university libraries sometimes do not have enough books for all the students who want to read them. This is especially true outside of Moscow and St. Petersburg. Or at least that is what one professor told us, although information we received elsewhere seems to dispute this general claim. Other people interviewed also thought that the libraries had a sufficient number of books for the students, so perhaps it cannot be said that there is any widespread shortage of textbooks.

Another solution that was discovered during the course of the interviews was that some student book purchases are subsidized. For example, the Agriculture Ministry, which has a great deal of control over Timiryazev Agricultural Academy, subsidizes book purchases so that the average book costs students about \$2, which is a sufficiently low price that students are able to afford to purchase their own copies of the books they need for class. However, this practice was not present at the other universities that were interviewed.

Subsidizing the cost of textbooks was also done in the accounting reform projects carried out by the United States Agency for International Development (USAID) in Armenia and Bosnia. In those countries, USAID gave books to the university libraries or subsidized the cost of translating and publishing accounting books so that the local accounting association could sell the books at an affordable price. However, the interviews conducted as part of the present study did not find much evidence of text subsidization in Russia, with the exception of Timiryazev Agricultural Academy.

It could also be mentioned that some accounting texts only cost about \$3 without the subsidy, making it possible for Russian students to purchase books if they want to. However, there is another reason why many Russian students do not buy texts even if they can afford them. Why pay \$3 to own a book on econometrics when you can read it in the library for free? The Russian thought process here is that it does not make sense to spend money on a book that has no value after graduation, either because, like econometrics, it will never be read again or, in the case of accounting, because the text will become outdated by the time one graduates.

Another factor that needs to be discussed regarding the relative “raw material” and “finished goods” that the universities produce, if one thinks of accounting students as products and the universities as manufacturers, involves the processing of the raw material into the finished product. Although the raw material (first year student) that goes into Russian universities may be of higher

quality, it cannot be said categorically that the end product is better, because the processing is different, not only because of the difference in the quality of textbooks but also because of the gauntlet that students must successfully pass through to get their diploma at the other end of the production line.

It is a well-known fact in American universities that the first financial accounting course acts as a screen. It is part of the weeding out process. There is a high failure rate in that class because many students who take that course do not belong in the business school, or perhaps in any part of the university. The low admission standards at many American universities allow many students in who do not really belong in a university, but the low admission standards do not protect them once they are admitted and start taking classes. They have to demonstrate a certain amount of intellectual ability to remain, survive and prosper.

Students who pass the financial accounting course must also pass the managerial accounting course, which also acts as a screen to prevent the least able students from progressing to the next level. These courses are not intended to weed out a certain percentage of students. However, they do have that effect, since they are somewhat more rigorous than what some students can take.

The first financial and managerial accounting courses are the only accounting courses that business majors have to take, unless they are accounting majors. The next phase in the screening process is intermediate accounting, which is required only for accounting majors. A certain percentage of accounting majors who managed to survive financial and managerial accounting are unable to pass the first or second intermediate accounting courses. The vast majority of students who are able to pass the first two intermediate accounting courses are able to complete the other accounting courses and graduate.

The bottom line is that the average American accounting graduate may not be so inferior to the average Russian accounting graduate because only the best American accounting students can survive the gauntlet of accounting courses. The drop out rate is higher in American schools, which serves to narrow the differences

between the finished product in American and Russian accounting programs.

Another factor to be considered is opportunity cost. If one were to make a comparison of Russian and American accounting graduates five years after they enter the university, it would be necessary to include all of their educational related experiences over those five years. The analysis above did not do that. It compared the five-year Russian educational experience to the four-year American educational experience. A better comparison would be to compare what both groups did in the five years after entering their respective universities.

If we assume that the American accounting students who graduated after four years entered the workforce and worked 2,000 hours in some accounting capacity, those hours of practical work experience could be added to the American statistics, just like the practical training that the Russian accounting students received as part of their training was included in the statistics of their educational programs. However, adding the full 2,000 hours to the amount of time spent in educational activities might distort the amount of actual education that took place, since much of what a first-year accountant does is repetitious. Table 6 shows what the relative statistics would look like if half of the 2,000 postgraduate hours were added to the hours spent in a four-year bachelor degree program.

Table 6 shows that, if half of the first year of work experience were included in the American statistics, the American accounting graduates would have 2125 hours of accounting, compared to 2707 for the Russians, lessening the disparity to 582 hours. Of course, it could be argued that such a comparison is not appropriate if the goal were to compare the Russian university accounting program to the American university accounting program, since the fifth year is not spent studying accounting, but practicing it. Such a criticism has some validity. But so does the analysis of total hours spent in accounting over the five-year period, since this methodology compares both groups over the same time period rather than using five years of data for the Russian students

and four years of data for the American students. However, even if five years of data are used, the Russian accounting graduates still have more total hours than their American counterparts, 8684 compared to 5726. That is an additional 2958 hours, or 52%. That's more than a full year of additional educational experience, if one defines a year as 2000 hours.

We believe that the most valid comparison of American accounting programs to Russian accounting programs is to compare the four-year American bachelor's degree to the five-year accounting specialist diploma that Russian universities award. As we mentioned above, the rationale for this comparison is because the vast majority of Russian universities offer the five-year specialist program. Very few Russian students opt for the four-year bachelor's degree. Thus, if one were to compare the program the average American student takes to that of the average Russian student, the choice is clearly to compare the four-year American bachelor's degree program to the five-year Russian specialist diploma program.

However, one of the referees who commented on the first draft of this article criticized us for making this comparison. In spite of our explanation for comparing the four-year American program to the five-year Russian program, he/she insisted that it would be better to compare the American 150-hour program to the Russian five-year specialist program. While we think that making such a comparison has some merit, in theory at least, we also think that such a comparison suffers from several weaknesses.

For one, there is really no such thing as an American 150 semester hour program. Although most states in the United States require students to take 150 semester hours of coursework in order to be eligible to sit for the CPA (certified public accountant) exam, most students who complete a 120-hour or 128-hour bachelor's degree do not merely keep taking classes until they reach the 150 semester hour mark. They take a master's degree, either in accounting or in business. An MS degree in accounting can be anywhere from 30 to 42 semester hours. An MBA can be anywhere from 36 to 60 semester hours. Thus, it is difficult to

compare what an average American student would take to reach the 150 semester hour level with what the average Russian student would take to earn the five-year specialist diploma.

Perhaps a more valid comparison would be to compare what the American master's degree student would take to what a Russian master's degree student would take. But this comparison also suffers from some weaknesses, the most noticeable being that only about 20 percent of Russian students take a master's degree, which is the sixth year of education in Russian universities. Thus, such a comparison would be between a Russian student that is unusual (only 20 percent take such a degree program) and a usual American student who is preparing for the CPA exam, which is not actually the usual American student, since only a small minority of American students take and eventually pass the American CPA exam. Also, such a comparison would involve comparing a Russian student taking a six-year program to an American student who takes either five or six years of university education, depending on whether the bachelor's degree was 120 or 128 hours and whether the master's degree consisted of 30 or 60 hours of coursework, or something in between 30 and 60 hours.

Another problem with using an American master's degree for comparison purposes is that the amount of accounting that must be taken in such a program varies widely. For example, an MS in accounting might require a student to take only 12 or 15 hours in accounting, with the remainder of the program being in other business areas, with the possibility of taking 3 to 9 hours outside the field of business. An MBA with a concentration in accounting might require a student to take just 9 to 15 hours in accounting out of a program that might consist of up to 60 semester hours of total coursework.

It might also be pointed out that the 150 semester hour requirement in most states does not require students to take *any* accounting courses beyond the bachelor's degree. The 150 semester hour requirement can be met by taking *any* university courses, at either the undergraduate or graduate level. Thus, an American student who has a bachelor's degree in accounting can

qualify to take the CPA exam by taking all additional courses in Spanish or even basket weaving, provided such courses were at university level.

All things considered, we do not think that comparing an American 150 semester hour program to the Russian five-year specialist diploma provides as valid a comparison as that between the typical four-year American accounting program and the Russian five-year program that is taken by the vast majority of Russian accounting students.

### **CONCLUDING COMMENTS**

Russian universities seemingly have a solid accounting program. Their students spend more time studying accounting and other subjects than do their American counterparts. The interviews the authors conducted at three of the Big-Four accounting firms in Moscow and St. Petersburg for another research project (Preobragenskaya & McGee 2004) confirmed that recent graduates were adequately prepared for entry-level accounting positions.

However, it cannot be said with as much certainty whether students who study accounting at universities outside of Russia's major cities receive the same quality of instruction. The interviews indicated that the quality of educational materials outside of Russia's major cities might be lower and professors in the regions might not be as well versed in International Accounting Standards, a factor that, if true, must have an adverse effect on the quality of the accounting education they provide.

The people interviewed who seemed to think that the quality of education provided outside of Russia's two capitals was at a lower level might have been exaggerating the point, at least to a certain extent. While it is probably true that the best universities in Moscow and St. Petersburg provide a better accounting education than universities in other Russian cities, it could also probably be said that many Russian universities outside of those two cities provide an accounting education that is roughly comparable to that offered by the second-tier universities in

Moscow and St. Petersburg. At least that was the view of some of the other people interviewed as part of the present study.

The present authors would be the first to admit that the comparisons made in this study are not the only comparisons that could be made. Choosing different American and Russian universities would produce slightly different results. Choosing a non-AACSB American school would perhaps produce somewhat different results as well. Choosing a Russian university that has a longer (or shorter) accounting program would produce different results. Choosing a Russian university that is not located in one of Russia's two capitals also might produce different results. Thus, there is room for further research, which could either replicate the present study or differentiate itself from the present study.

Studies could also be made comparing some American university to a university either in some other former Soviet republic (there are 15 of them) or to some university in the former satellite countries such as Poland, Hungary, the Czech Republic, etc. Other studies could be made that compare the accounting curriculum in a Russian university to that of one of the other former Soviet republics. It would be interesting to see how curricula have evolved in these former Soviet republics since the dissolution of the Soviet Union, and to speculate as to why the accounting curricula in the different countries are evolving in different directions. Or maybe they are evolving in the same direction, which is a distinct possibility, given the increased influence and spread of International Accounting Standards throughout both the EU and transition economies. Only additional research would reveal in which direction these universities are evolving.

Another possibility would be to replicate the present study in two or three years. Examining the curriculum at the same universities in a few years might produce different results, since the curriculum in Russian universities is in a state of change. Although the general movement is toward IAS, it is a movement with a Russian flavor. Russian accounting standards are not going to disappear overnight. Indeed, they are likely to be around for a

long time. The Russian tax authorities are not interested in looking at financial statements or footnotes prepared using IAS or GAAP. The tax law requires tax liability to be computed using RAS and it is unlikely that this rule will change in the near future. So some Russian companies will have to use two sets of accounting standards in the normal course of business.

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**Table 1**  
**Allocation of Hours among Subject Categories**  
**Five-Year Specialist Designation**  
**Russian Government Recommendation**

Disciplines (including practice)	Total Hours	Percentage of Total
General Humanities and Social Economics Disciplines	1800	19.4%
General Mathematics and Natural Science Disciplines	1400	15.1%
General Professional Disciplines	2200	23.7%
Special Disciplines	2790	30.1%
Additional Courses	<u>1090</u>	<u>11.7%</u>
Totals	9280	100%

**Table 2**  
**Curriculum for Specialty “Accounting, Analysis and Audit”**  
**St. Petersburg State Polytechnic University**  
**Five-Year Specialist Designation**

Subjects	Number of Hours					Total	
	Lectures	Class Study	Laboratory Study	Total Class Hours	Self Study	Hours	% of Total (8208 = 100%)
<b>General Humanities and Social Economic Disciplines</b>	<b>272</b>	<b>969</b>		<b>1241</b>	<b>561</b>	<b>1802</b>	<b>22.0%</b>
<i>Federal Component</i>	<i>170</i>	<i>901</i>		<i>1071</i>	<i>391</i>	<i>1462</i>	
Foreign Languages		340		340	170	510	6.2%
Physical Training		408		408		408	5.0%
Russian History	34	17		51	34	85	1.0%
Philosophy	34	34		68	34	102	1.3%
Economic Theory	102	102		204	153	357	4.3%
<i>Regional (university) component</i>	<i>102</i>	<i>34</i>		<i>136</i>	<i>102</i>	<i>238</i>	
Social Science	34			34	34	68	2.4%
Jurisprudence	68	34		102	68	170	2.1%
<i>Electives</i>		<i>34</i>		<i>34</i>	<i>68</i>	<i>102</i>	
Culture Science		34		34	68	102	1.3%
<b>General Mathematics and Natural Sciences</b>	<b>440</b>	<b>187</b>	<b>355</b>	<b>982</b>	<b>560</b>	<b>1542</b>	<b>18.8%</b>
<i>Federal Component</i>	<i>338</i>	<i>119</i>	<i>321</i>	<i>778</i>	<i>492</i>	<i>1270</i>	
Mathematics	119	119		238	153	391	4.8%
Information Science	85		204	289	170	459	5.6%
Information	66		66	132	33	165	2.0%

38 Preobragenskaya & McGee: Accounting Education in Russia and the USA: A Comparative Study

Systems in Economics							
Concepts of Modern Natural Science (Ecology)	68		51	119	136	255	3.1%
<i>Regional (University) Component</i>	68	34	34	136	34	170	
Econometrics	68	34	34	136	34	170	2.1%
<i>Electives</i>	34	34		68	34	102	
Probability Theory	34	34		68	34	102	1.2%
<b>General Professional Disciplines</b>	<b>758</b>	<b>369</b>	<b>153</b>	<b>1280</b>	<b>942</b>	<b>2222</b>	<b>27.1%</b>
<i>Federal Component</i>	656	301	153	1110	721	1831	
Economics of Enterprises	85		68	153	51	204	2.5%
Management	51	34		85	136	221	2.7%
Marketing	34	34		68	34	102	1.2%
Statistics	68		68	136	34	170	2.1%
World Economics	34	34		68	51	119	1.4%
Financial Management	68	17	17	102	34	136	1.8%
Finance	34	17		51	51	102	1.2%
Insurance	51	17		68	34	102	1.2%
Cash, Loan, Banks	48	32		80	48	128	1.6%
Stock Exchange Market	48	32		80	96	176	2.1%
Taxes	51	34		85	51	136	1.8%
The Theory of Accounting	34	17		51	51	102	1.2%
International Accounting Standards	34	17		51	34	85	1.0%
International Standards of Audit	16	16		32	16	48	0.6%

<i>Regional (University) Component</i>	34	34		68	153	221	
Business Communications (Contracts)	34	34		68	153	221	2.7%
<i>Electives</i>	68	34		102	68	170	
Pricing	34	17		51	51	102	1.2%
Vital Functions Safety & Protection of Labor	34	17		51	17	68	0.8%
<b>Special Disciplines</b>	<b>539</b>	<b>269</b>	<b>201</b>	<b>1009</b>	<b>1157</b>	<b>2166</b>	<b>26.4%</b>
Financial Accounting	85	34	34	153	153	306	3.7%
Management Accounting	51	34		85	51	136	1.7%
Financial Statement Analysis	34	17		51	51	102	1.3%
Complex Economic Analysis of Enterprise Activity	68	34	34	136	102	238	2.9%
Audit	68	51		119	119	238	2.9%
Class Training (A case study of accounting of an enterprise activity)			82	82	182	264	3.2%
<i>Electives</i>	48	16		64	96	160	
Investment Analysis/Real Estate Economics	48	16		64	96	160	1.9%
<i>Specialization Discipline</i>	185	83	51	319	403	722	
Cost Accounting, Budgeting for Different	66	66		132	165	297	3.6%

40 Preobragenskaya & McGee: Accounting Education in Russia and the USA: A Comparative Study

Industries							
Accounting, Analysis and Audit of Foreign Economic Activity	34	17		51	68	119	1.5%
Logistics	85		51	136	170	306	3.7%
<b>Practical Training</b>							
<b>Additional Courses</b>		<b>476</b>		<b>476</b>		<b>476</b>	<b>5.7%</b>
TOTAL (hours)	2009	2270	709	4988	3220	8208	100%
Army Course		476		476		476	
<b>TOTAL</b>	<b>2009</b>	<b>2746</b>	<b>709</b>	<b>5464</b>	<b>3220</b>	<b>8684</b>	

**Table 3**  
**Breakdown of Curriculum by Category**  
**Five-Year Specialist Designation**  
**St. Petersburg State Polytechnic University**

	Hours	Subtotals	% of Total
<b>Accounting</b>			
Taxes	136		
The Theory of Accounting	102		
International Accounting Standards	85		
International Standards of Audit	48		
Financial Accounting	306		
Managerial Accounting	136		
Financial Statement Analysis	102		
Complex Economic Analysis of Enterprise Activity	238		
Audit	238		
Class Training (A case study of enterprise accounting)	264		
Electives	160		
Cost Accounting, Budgeting for Different Industries	297		
Accounting, Analysis and Audit of Foreign Economic Activity	119		
Practical Training	476	2707	31.2%

<b>Other Business</b>			
Economic Theory	357		
Jurisprudence	170		
Information Science	459		
Information Systems in Economics	165		
Econometrics	170		
Probability Theory	102		
Economics of Enterprises	204		
Management	221		
Marketing	102		
Statistics	170		
World Economics	119		
Financial Management	136		
Finance	102		
Insurance	102		
Cash, Loan, Banks	128		
Stock Exchange Market	176		
Business Communications (contracts)	221		
Electives	170		
Pricing	102		
Vital Functions Safety and Protection of Labor	68		
Investment Analysis/Real Estate Economics	160		
Logistics	306	3910	45.0%
<b>Nonbusiness</b>		2067	23.8%
<b>Total</b>		<b>8684</b>	<b>100.0%</b>

**Table 4**  
**Breakdown of Curriculum by Category**  
**Four-Year Bachelor's Degree**  
**Barry University**

	Sem. Hrs.	Hrs. in Class	Study Hours	Total Hours	% of Total
<b>Accounting</b>					
Financial Accounting	3	45			
Managerial Accounting	3	45			
Intermediate Accounting I	3	45			
Intermediate Accounting	3	45			

42 Preobragenskaya & McGee: Accounting Education in Russia and the USA: A Comparative Study

<b>II</b>					
Intermediate Accounting	3	45			
<b>III</b>					
Cost Accounting	3	45			
Federal Income Taxation	3	45			
Accounting Information Systems	3	45			
Advanced Accounting	3	45			
Auditing	3	45			
Total Accounting	30	450	675	1125	23.8%
<b>Other Business</b>					
Introduction to Business	3	45			
Microeconomics	3	45			
Macroeconomics	3	45			
Applications of Statistics in Business	3	45			
Introduction to Information Systems	3	45			
Organization Behavior and Management	3	45			
Operations Management	3	45			
Marketing Concepts and Applications	3	45			
Business Law I	3	45			
International Business	3	45			
Financial Management I	3	45			
Strategic Management	3	45			
Business Electives	3	45			
Basic Computer Applications	3	45			
Precalculus Mathematics for Business	3	45			
Elementary Probability & Statistics	3	45			
Social & Ethical Issues in Business	3	45			
Total Other Business	51	765	1148	1913	40.5%
<b>Nonbusiness</b>	45	675	1013	1688	35.7%
Totals	126	1890	2836	4726	100.0%

**Table 5**  
**Comparison on Russian and American Accounting Curricula**

	Russian University (Table 3)		American University (Table 4)	
	Hours	% of Total	Hours	% of Total
Accounting Courses	2707	31.2%	1125	23.8%
Other Business Courses	3910	45.0%	1913	40.5%
Nonbusiness Courses	2067	23.8%	1688	35.7%
Totals	8684	100.0%	4726	100.0%
Hours per Year	1737		1182	

**Table 6**  
**Five-Year Comparison**

	Russian Accounting Majors		American Accounting Majors	
	Hours	% of Total	Hours	% of Total
Accounting Courses & Practical Experience	2707	31.2%	2125	37.1%
Other Business Courses	3910	45.0%	1913	33.4%
Nonbusiness Courses	2067	23.8%	1688	29.5%
Totals	8684	100.0%	5726	100.0%
Hours per Year	1737		1145	