

# **Teaching Financial Accounting and Reporting Through A Venue-Based Experiential Learning Approach**

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## **Abstract**

This paper explores a venue-based experiential learning project to enrich financial accounting and reporting education. The project spans a semester, involving students in sequential tasks related to Starbucks Corporation's financial data. The project mitigates the challenges of abstract learning in accounting by connecting theoretical concepts with practical applications through data analysis and store visits. The flexible nature of the project allows for adaptation across various course levels and modalities, making it suitable for diverse educational settings. This case was administered to over 500 students in undergraduate and graduate accounting classes over a four-year period. Students were tasked with extracting, analyzing, and presenting financial data from Starbucks, integrating company and store-level risk information, and reflecting on their overall experience. Physical visits to local Starbucks stores further enhanced their practical understanding and engagement with real-world business environments. Survey results demonstrate the positive impact of experiential learning on students' comprehension and involvement, reinforcing the necessity of incorporating real-life world experiences into accounting education. This approach enhances student engagement and prepares them for future challenges in the accounting field.

**Keywords:** Experiential learning, active learning, venue-based experiential learning, Starbucks, abstract accounting, accounting theory, accounting practice.

## Introduction

Experiential learning strategies have long been known to transform abstract educational concepts into concrete experiences. Students generally learn better when applying concepts to real-world experiences (Dellaportas and Hassall 2013). Scholars have demonstrated that effective learners display four abilities: concrete experience, reflective observation, abstract conceptualization, and active experimentation (Kolb et al., 2014; Kolb, 2014). We developed a venue-based experiential learning strategy that achieves course learning outcomes by focusing on financial accounting and reporting issues affecting a business. We implemented it with a project we coined “The SBUX Project” (the ticker symbol for Starbucks is SBUX).

The SBUX Project is a semester-long, five-deliverable sequential project addressing shorter-term experiential learning deficiencies noted by Hoxmeier and Lenk (2003) and Wynn-Williams et al. (2008). A significant challenge students confront while studying accounting is their limited experience grasping the context of abstract educational concepts.

Compared to other disciplines (e.g., education and the physical sciences), accounting offers limited field experiences in undergraduate and graduate study courses. Internships and VITA programs are a few well-known project types. However, internships are limited in number, and VITA programs are limited to tax-related coursework. Most accounting courses do not offer opportunities to integrate classroom learning with real-world business practices. Although considered important, reading the text and doing homework exercises have limitations, often leaving accounting students seemingly stuck in the abstract, theoretical world.

Reading accounting textbooks is not easy for many students. Compounding these difficulties is the readability of accounting textbooks, as researched by Chiang et al. (2008). They discuss not only how accounting principles textbooks differ in readability but also how chapters within textbooks differ in readability.

The purpose of the SBUX Project is to address these deficiencies by connecting abstract, theoretical textbook learning with a practical term project. Its approach allows students to transform abstract learning into real-world applications by engaging them in concrete experiences, enabling them to absorb business-related experiences more thoroughly.

The SBUX Project takes accounting students on a venue-based experiential learning journey by extracting financial data from the Starbucks website, exploring and preparing the data for analysis, synthesizing their analyses with firm and store-level risk information, presenting their findings, and reflecting on the overall experience. A central experience with the project involves physical visits to local Starbucks stores.

Our research differs from extant accounting educational literature in the experiential learning space in several important ways. The semester-long project has a flexible and scalable framework that can be implemented in many different accounting courses, at any level or modality, or classes composed solely of accounting students or mixed business disciplinary majors. The project uses a for-profit setting, which has advantages. Ravenscroft (2007) makes the case about the importance and desirability of profit-based small businesses versus nonprofit businesses. Because of Starbucks’s ubiquitous nature, using this type of project also enables instructors to implement venue-based experiential learning projects that reach a more global student population. Moreover, the SBUX Project supports the growing literature that students generally learn better by applying abstract educational concepts to real-world experiences.

The balance of the paper is organized as follows: We present a literature review on Experiential Learning in Accounting, the Case Learning Strategy Objectives, the Case Learning Strategy Requirements, Implementation Guidance, Case Learning Strategy Efficacy, and comments on the Teaching Notes, and a Student Version Step-by-Step Guide of the Case. In separate documents, we provide Instructor Teaching Notes and a Student Version Step-

by-Step Guide that instructors can use as guidance, modify to their specific needs, and distribute to students upon the beginning of the project.

### Literature Review: Experiential Learning in Accounting

Experiential education has been defined as “a philosophy that informs many methodologies in which educators purposefully engage with learners in direct experience and focused reflection in order to increase knowledge, develop skills, clarify values, and develop people’s capacity to contribute to their communities” (Association for Experiential Education, 2016). Experiential learning is a more constructivist approach (as opposed to lecturing) in that knowledge is constructed by learners. For this construction to take place, the learning environment must be rich and reflective of real-world contexts to transfer knowledge beyond the classroom (Kirschner, 2001). See Moon (2004) for a more comprehensive list of experiential learning definitions.

Experiential learning theory suggests that effective learners develop two levels of experiences: concrete and abstract. Concrete experiences are the basis for reflections, which synthesize to understand abstract concepts and develop the ability to act on abstract concepts (Kolb et al., 2014). Learners move in and out of these levels to varying degrees, but many experiential learner theorists agree that reflection is probably the most important stage in learning (Kolb, 2014).

Specific mentions of elements of experiential learning in the accounting field did not surface until 2008 with The Pathways Commission. They examined the higher education structure for the accounting profession, including experiential learning processes (Black, 2012). The Association to Advance Collegiate Schools of Business (AACSB) embraced experiential learning in Standard 13 for meeting Business and Accounting accreditation (AACSB International, 2013). In its most recent guidance, Standard 4: Curriculum states, “The school’s curriculum promotes and fosters innovation, experiential learning, and a lifelong learning mindset.” (AACSB International, 2020, pp. 37-40).

There is much variation in the literature on how faculty in different schools have implemented experiential learning projects that take students out of the classroom environment and into the real-world physical environment. Gittings et al. (2020) give a systematic review, but the general activities when students leave the classroom have been centered on service learning and Internal Revenue Service Volunteer Tax Assistance Program (VITA) programs. Service learning is a specialized form of experiential learning combining academic study with community service, often involving work with nonprofit organizations (Rama, 2011). The VITA program is an IRS initiative designed to support free tax preparation services for the underserved through various partner organizations (Internal Revenue Service, 2021). For examples of specific accounts of VITA involvement, Boneck et al. (2014), Carr (2007), Oestreich et al. (2007), and Bootsma et al. (2021) discuss how they implemented and assessed the VITA program in their respective schools.

Lenk and Donnelly (1998) use a real nonprofit organization case study to facilitate discussions for students to step in the shoes of leader and team player positions, examine financial statements, and question internal controls. Roberts and Zamora (2012) engage their students with the nonprofit organization One Laptop per Child. Michenzi (2007) had his students work with local nonprofit organizations to act as consultants on Information Systems (IS) type projects. Lenk (2007) implemented a four-stage strategic alliance model whereby students visited nonprofit organizations and identified research issues. Hoxmeier and Lenk (2003) discuss an array of IS service-learning projects with nonprofit organizations. Woolley (2007) discussed how accounting students addressed IS needs for local nonprofits dealing with tax matters and financial statements.

We know of no such formal definition of employing a strategy whereby students leave the classroom to engage in real-life activities. Field trips or fieldwork is the more general term employed, but a field trip or field work may be devoid of critical aspects of experiential learning. Service learning is a more narrowly scoped conceptualization dealing with community service. Since no formal definition is established, we define it as venue-based experiential learning, conceptualized in the current research as *providing a concrete experience outside of a classroom setting*. It is more holistic and aligned more with situated learning and the importance of place (Dellaportas & Hassall, 2013)

and includes the environment and all its factors that provide the stimulus for learning (Wilson & Beard, 2003). For a concise explanation between experiential learning, service learning, and situated learning, see Bootsma et al. (2021). The concrete experience in the Kolb Experiential Learning Theory model shows that venue-based experiential learning has the greatest impact. The primary goal in this type of venue-based experiential learning is to get students out of the classroom to maximize thinking, feeling, perceiving, and behaving opportunities.

### **Case Learning Strategy Objectives**

The overarching goal of the SBUX Project is to deliver an open-access, venue-based experiential learning environment that is flexible enough to meet program and course learning outcomes (PLOs and CLOs) in accounting curricula. The project attempts to deepen the understanding of accounting by connecting accounting theory to practice the basic skill sets of collaborative group work, leadership, and communication skills. Although the objectives outlined in this project may not perfectly map onto any school's Program Learning Outcomes and/or Course Learning Outcomes model, it provides a good starting point that is flexible enough to adjust. The goal of connecting theory to practice is important, as many students do not get the opportunity to put accounting into practice until they enter the workforce. The learning outcomes (LOs) of the project are:

- LO 1: Create and contribute individualized work within a collaborative group setting, fostering teamwork, collective problem-solving, and personal accountability.
- LO 2: Using common technological tools, organize, structure, and present complex financial data for thorough analysis, demonstrating proficiency in financial statement preparation under GAAP.
- LO 3: Demonstrate a comprehensive understanding of company operations, clarifying accounting contents and financial statement analysis.
- LO 4: Explain how different types of risk can adversely affect financial statements, proposing strategies for management to mitigate these risks, thereby strengthening financial statements.
- LO 5: Synthesize connections between the first three deliverables, showing a cohesive understanding of accounting, financial statement analysis, and financial statement preparation under GAAP.
- LO 6: Critically reflect on how abstract accounting concepts learned in the textbook relate to real-world experiences, thus connecting theory to practice to understand financial principles.
- LO 7: Recognize the project's innovative value and motivational aspects, understanding its contribution to increased effort and the belief that the time devoted to the project is worthwhile.

To achieve its objectives, the SBUX Project is divided into five deliverables due incrementally during the semester. Each deliverable has a weighted grade based on the level of work involved. Students must follow each deliverable sequentially to receive a grade for the term project. Students are provided with a grading rubric to understand how each deliverable is assessed.

### **Case Learning Strategy Requirements**

Figure 1 illustrates the Project Summary Flowchart, describing the following deliverable process for The SBUX Project.

#### ***Deliverable One: Financial Statement Analysis***

Deliverable one involves students analyzing financial statements, focusing on learning outcomes one and two: collaborating in a new group setting and using technology to structure and prepare GAAP financial data for analysis. This process includes becoming familiar with financial data, as referenced in Starbucks' public SEC filings and 10-K reports. The project is designed to build accounting proficiency using an assigned textbook and other course materials, and with Starbucks's financial information and business operations. Students must execute five specific sequential tasks to successfully analyze and present their findings on Starbucks' financial and business operations.

Task one requires students to collaborate in groups. The SBUX Project emphasizes collaboration in accounting, with students working in random groups yet being assessed individually. Students share contact details, establish communication methods, schedule meetings, and elect a leader for streamlined interactions and peer reviews.

Task two requires students to use Excel to analyze financial statement information. Pelzer and Delaurell (2018) provide the rationale for using low-cost data processing tools like Excel for data analysis to meet AACSB Standard A7. They surveyed mostly accounting alumni who, in hindsight, expressed that students would be better prepared for the workforce if they had more training in analyzing data. The use of spreadsheet software by faculty is widely used in both undergraduate and graduate accounting courses, addressing concerns raised by the Accounting Education Change Commission (AECC) (1990) and more recently, Behn et al. (2012) (Blankley et al., 2018).

Students access the Starbucks website to gather Income Statement, Balance Sheet, and Cash Flow Statement data from the last three years of Starbucks' Form 10-K filings. Specifically, they navigate the website through About Us > Investor Relations > Annual Reports > FY2x Annual Report to retrieve these documents. Students create three Excel worksheets in one file to organize this data chronologically from the earliest to latest. For example, FY 2023 in column B, FY 2022 in column C, and FY 2021 in column D. Visual aids guide students through these steps. This process helps students learn to organize and present complex financial data effectively.

Task three requires a limited financial statement analysis. Students enhance their financial analysis skills by performing horizontal, vertical, and ratio analysis on Excel spreadsheets, techniques found in basic accounting textbooks. This exercise also allows students to practice Excel functions such as inserting rows and columns, creating headers and footers, using color schemes, and developing formulas for subtotals and totals. By calculating changes in financial data and developing and analyzing ratios, students learn to identify potential risks and make informed business decisions.

Task four requires students to chart horizontal, vertical, and ratio analysis results. This task is streamlined to minimize the number of charts while maintaining analytical value. For Indirect Cash Flow Statements, detailed charting of each line item is unnecessary. The Teaching Notes provide examples and guidelines, including video tutorials for creating these analyses and charts.

Task five requires students to submit an Excel file. Students must work in a collaborative framework, with each member creating their own spreadsheet and undergoing peer review by at least one group member. The group leader's role in ensuring compliance is of utmost importance, as it helps maintain the quality of the project.

### ***Deliverable Two: Connecting Theory to Practice – Company-Level Risk Analysis***

Deliverable two connects theoretical accounting knowledge to real-life experiences, aiming to demonstrate an understanding of company operations and the impact of various risks on financial statements. It consists of three sequential tasks. Students collaborate in groups for this deliverable but are graded individually. A new leader centralizes communications and peer reviews.

Task one requires students to continue to collaborate, select a new group leader, review the Starbucks 10-K, and evaluate a risk factor that could come true. To apply theoretical accounting to real-life, students analyze company-level risk through Parts I and II of the Form 10-K. We refer to company-level risks as those that could originate from internal or external sources. Reviewing these risks helps them understand a company's business model, revenue segmentation and sources, risk exposure, properties, legal proceedings, management discussions, and financial statement notes.

Task number two requires students to read selected parts of the Starbucks 10-K, identify and evaluate a risk factor of interest that could come true, and then answer three related short essay questions. The first question asks them to evaluate a company-level risk and its potential impact on financial statements. The second question requires a detailed comparison of management's assertions against their understanding, highlighting any discrepancies with a focus on professional skepticism. The third question involves a what-if analysis related to a risk scenario provided

by the instructor, such as a coffee bean price crisis, asking students to predict its effect on financial ratios and restate the latest financials accordingly.

Task three requires students to submit their individual answers as Word documents to the learning management system. The use of Word documents by faculty is widely used in both undergraduate and graduate accounting courses (Blankley et al., 2018). The deliverable two submission is designed to improve writing skills by breaking them down into smaller, more manageable pieces as Liu et al. (2019) suggest.

### ***Deliverable Three: Connecting Theory to Practice – Store-Level Risk Analysis***

Deliverable three involves a store-level risk analysis to apply theoretical accounting knowledge to practical situations, specifically at Starbucks locations. We refer to store-level risks as more specific to Starbucks' operations within stores. Store-level risks can overlap with company-level risks, but the intention is to focus on what happens in a typical Starbucks store. Students aim to demonstrate a comprehensive understanding of operations, assess how specific store-level risks impact financial statements, and suggest management actions to mitigate these risks. This deliverable consists of three sequential tasks and includes an option for virtual completion, as developed during the COVID-19 pandemic. This hands-on approach emphasizes real-world experiences in financial analysis.

Task one requires students to continue to collaborate and select a new group leader. Then, select at least two different Starbucks stores, visit each for at least one hour, and identify and evaluate one store-level risk factor of interest that could come true. An alternative option is presented if visiting physical stores is not viable. This experiential learning component helps students link abstract accounting theories with practical store operations. The visits exclude Starbucks in supermarkets or schools, which may not accurately reflect corporate operations. Students are encouraged to collaborate during student observations, connecting their insights to previous deliverables' analyses. Students should focus on several key observational points to aid their required essay responses:

1. The possibility of unrecorded sales or free beverage distribution and the accounting for courtesy items.
2. The range of inventory available, susceptibility to theft, and the accounting methods for inventory.
3. The condition and arrangement of store facilities, such as signage, lighting, and seating, and how these factors are represented in financial statements. These observations should deepen their understanding of how store-level risks impact financial statements, especially fixed assets and depreciation concepts, and propose risk mitigation strategies.

Task number two requires students to answer four short multi-part essay questions. As students develop a more comprehensive understanding of Starbucks' financial statements and exposure to company-level and store-level risks, students are tasked to answer questions to continue bridging theoretical accounting with practical observations. The first question involves selecting a store-level risk, conducting a what-if analysis with hypothetical figures, and discussing its impact on financial statements. The second question delves into inventory risks, asking students to hypothesize the financial consequences if a specific item is stolen repeatedly across all company stores. The third question focuses on fixed assets and depreciation, clarifying concepts like "estimated useful life", and LIFO versus FIFO. Finally, the fourth question challenges students to propose management strategies to boost revenue, control expenses, optimize asset efficiency, or analyze the effects on a financial ratio. This comprehensive approach helps students apply accounting theory to real-world scenarios.

Task three requires students to submit their individual answers as Word documents to the learning management system, following the rationale by Blankley et al. (2018) and Liu et al. (2019).

### ***Deliverable Four: Connecting Theory to Practice – Communicating Results***

Deliverable four synthesizes prior work by connecting abstract financial data from deliverable one with insights from deliverable two and real-world observations from deliverable three. In two tasks, students collaborate in groups, presenting their findings via a recorded PowerPoint to the class, and are graded collectively. A new group leader coordinates communications to ensure timely compilation, rehearsal, and group project presentation.

Task one requires students to continue to collaborate and select a new group leader. Then, as a group, students showcase their unique perspectives by working together and agree on presentation content. They draft a storyboard, rehearse it, and concisely present it. The students integrate and formulate a story that discusses their findings, how management portrays that information, and how risks can be mitigated. Students should focus only on the most interesting findings for a concise delivery. This task builds on the collaborative efforts gained from work on previous deliverables. The target total presentation time is six to seven minutes per presentation.

Deliverable four allows students to engage in storywriting and storytelling as part of the experiential learning process. Freeman and Burkette (2019); Freeman and Friedman (2020) discuss the importance of storywriting and storytelling as a communication skill. Both actions have tended to motivate students to learn, and they tend to be more creative, critically think better, remember information, and understand the connection between theory and practice (Scofield, 1994).

Task two, unlike earlier tasks, requires the submission of a group PowerPoint file. It is graded collectively and requires significant contributions from each member. The group leader is responsible for submitting the PowerPoint presentation on behalf of the group to the learning management system. The use of PowerPoint by faculty is widely used in both undergraduate and graduate accounting courses (Blankley et al., 2018).

### ***Deliverable Five: Self-Reflection***

Students write a reflection that critically addresses how The SBUX Project facilitated their perception of how abstract financial information became less abstract and more concrete as the project evolved. Deliverable five has two tasks. Task one requires students to craft a personal narrative on their journey through The SBUX Project. They are asked to comment on specific moments when accounting concepts that were initially unclear became understandable through the project's practical application. Students are also asked to discuss real or hypothetical situations where they can apply their newly acquired skills to make better accounting decisions.

Task two requires students to individually submit their individual answers as Word documents to the learning management system, continuing to follow the rationale by Blankley et al. (2018) and Liu et al. (2019).

### **Implementation Guidance**

This project has several built-in characteristics that allow instructors to tailor it to course needs. These characteristics include project focus, project venue selection, project length, project length timing, class modality, course level and type, deliverable submission timing, individual versus group assignments, group dynamics, grading weights, and a virtual visitation option.

#### ***Project Focus***

Our strategy is a risk-based approach. Students assess risk to determine possible areas of concern for users of financial information. They analyze the results and make recommendations to internal and external information users. Instructors could focus on tax or GAAP issues or focus on certain areas of the financial statements by making slight alterations to Form 10-K readings and instructor-driven assessment questions.

#### ***Project Venue Selection***

The Starbucks Corporation was chosen for a venue-based experiential learning project for two principal reasons. First, student feedback suggests that most people know Starbucks exists due to its ubiquitous nature in almost every major market throughout the United States. In each course this project has been implemented, our anecdotal experiences confirmed its ubiquitous nature. Second, Starbucks is a wholly owned, publicly traded corporation with easily accessible financial data. Other retailers could be considered if Starbucks is not widely available in any particular market.

### ***Project Length***

The SBUX Project has been offered in 15-week and 7-week sessions. Running it in a compressed course of less than six weeks is not recommended, or significant compromises must be made to condense the project. Instructors have the flexibility to alter the length of the project throughout the semester. Although we feel it is best to implement it throughout the semester, instructors can alter that timing to meet their specific needs.

### ***Class Modality***

We have successfully implemented The SBUX Project in classes where students meet in-person, hybrid, and fully online environments. Instructors can easily adapt this project to any type of modality.

### ***Course Level and Type***

We have implemented the SBUX Project at various course levels. It has been run in fundamentals, intermediate, auditing, and financial statement analysis classes. Instructors can alter the readings and questions to adjust to the level of virtually all accounting courses. For example, for a corporate taxation class, all questions can ask about corporate tax effects instead of the effects on GAAP-based financial statements. Using one singular project can be successfully adaptable to other accounting course types. Castrigano et al. (2021) used the game of Monopoly to act as real estate moguls to review the accounting cycle and practice cooperative learning strategies. They used the game of Monopoly across principle of accounting, intermediate accounting and individual taxation courses.

### ***Deliverable Submission Timing***

A feature of The SBUX Project is flexibility of the submission timing. We have allowed longer Deliverable One submission time-lines for lower-level courses to accommodate more exposure to introductory theoretical concepts. Flexibility also allows for submission timings to be altered in the Fall and Spring semesters when Thanksgiving and Spring Breaks are not in sync over a 15-week semester.

### ***Individual versus Group Assignments***

We incorporated an important pedagogical feature into the project: working individually and collaboratively. Accounting instructors face assessment issues with many projects. For accreditation purposes, projects may have to have the ability to be individually assessed, yet in the working world, many projects are collaborative in nature and require group work. In the development of this project, we were sensitive to this imbalance. Therefore, a key feature of The SBUX Project is that it allows free collaboration, mimicking the real world, yet assessed individually to be sensitive to the needs of academia. In our version, group collaboration is required. We have implemented The SBUX Project by individually grading the first, second, third, and fifth deliverables. The fourth deliverable, a group presentation, is graded on a group basis. For instructors interested in assigning students individually or by group throughout each deliverable, the project is flexible to allow it in any or all deliverables.

### ***Group Dynamics***

At the beginning of the semester, we randomly assign students to groups after the last day of the add/drop period. We have found four students per group to be an optimal number, but instructors can deviate and alter group assignments and adjust expectations for assessment purposes. Instructors don't need to follow our exact approach to assigning students randomly. However, it is the author's experience that students come from all different backgrounds and personal experiences and have appreciated randomized assignments.

To ensure that all students assigned within a group are collaborating, we implement another key feature and require each student to take on a leadership role that rotates through each of the first four deliverables (Carson et al., 2007). Rotating leadership has been found to be common in the development of employees in firms with internal audit functions (Anderson et al., 2012). When in the rotational leadership role, student leaders facilitate communication

and the exchange of ideas among group members. They also ensure that all group members receive a peer review of their work before submitting it to the instructor. To further discourage social loafing among the group members, we require group leaders to submit a report explaining each member's contribution toward a collaborative effort for each deliverable. This can be an email, set up as an ungraded assignment, or discussion board posting within groups.

### *Project Graded Weights*

Each deliverable grade is weighed based on the level of work involved. The authors have placed heavier weights on deliverables one and three as they require more time and effort than the other deliverables. We suggest 20/20/35/15/15 weights for the deliverables. Instructors can alter the amount of work involved in each deliverable. For example, if instructors want to emphasize more detailed Excel techniques and financial statement analysis and less emphasis on presentation, the weights can be altered to accommodate such a grading structure. Overall, we suggest a 50% weight toward the overall grade.

### *Virtual Visitation Option*

For online courses, instructors have raised concerns about students who cannot physically visit a Starbucks store location. During the COVID-19 crisis, a virtual visitation option was created. During the COVID-19 pandemic, Castrigano et al. (2021) also successfully offered an online version of their project. Although a virtual option is presented for instructors to consider, if possible, a physical visitation should be the primary choice. A virtual field visit offers greater flexibility but may not stimulate the senses compared to an in-person visit.

### **Case Learning Strategy Efficacy**

We tested the effectiveness of the case learning strategy in 15 undergraduate accounting (308 students) and 12 graduate accounting (231 students) classes at four public universities<sup>1</sup>. In total, the case was used with 539 students over a four-year period (2018-2021). See Table 1, Student Participation Population by Setting.

In each class section, a survey was administered after the submission date of the fifth deliverable (near the end of each semester). The survey instrument was structured on a seven-point Likert scale anchored by "strongly agree = 1" and "strongly disagree = 7."

Student efficacy data are presented in Table 2, Project Evaluation Results. In alignment with the intended learning outcomes, the data indicates that the project helped students to clarify the contents of accounting (65.1 percent strongly agree or agree), the contents of financial statement analysis (71.6 percent strongly agree or disagree), and understand the preparation of financial statements under GAAP (69.8 percent strongly agree or disagree). In addition, students indicated that the case study helped them understand the alignment between practice and education (75.7 percent strongly agree or disagree), the project was innovative (72.2 percent strongly agree or disagree), motivated them to work harder in the class (65.5 percent strongly agree or disagree), and believed that the time devoted to the project was worthwhile (67.1 percent strongly agree or disagree).

Two-way ANOVAs were run to examine the effect of modality (in classroom/hybrid/online) and course level (advanced/intermediate/introductory) on each of the seven measures of efficacy depicted in Table 2. In unreported results, we were unable to reject the null hypothesis that the group means for modality or course level are equal for the following efficacy measures: 1. The Starbucks project helped me clarify the contents of accounting in general by making them easier to understand; 5. The project was innovative; and 6. The project motivated me to work harder in the class.

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<sup>1</sup> Necessary Institutional Review Board (IRB) approvals were obtained.

In Table 3, results are shown where either the modality or course level, or the interaction term between the two variables are statistically significant ( $p < .05$ ). For each of the four panels presented in Table 3, a one-way ANOVA with Bonferroni-corrected post-hoc tests were run, which confirmed that there were no significant differences between the groups.

We also asked students to provide verbal feedback about the case. Students overwhelmingly agreed that the SBUX Project was innovative, worthwhile and it motivated them to work harder, lending support to Castrigano et al. (2021); Freeman and Burkette (2019); Freeman and Friedman (2020) that experiential learning projects are motivational. Importantly, it helped them understand accounting better and helped them connect abstract educational theory to real world practical concrete applications. The two-way ANOVAs helped us to understand if there were differences between groups of students who participated in the SBUX Project at different levels and course delivery methods. The results informed us that it did not matter if the course was introductory, intermediate, or advanced, or whether students took the course in a classroom, hybrid or fully online to help make accounting easier to understand. These results confirm our experiences that this project can be run in any modality and at any course level.

The results in Table 3, Results of Two-Way Anova, Panels A and B, informed us that students were more likely to agree with the statement that the project helped clarify the contents of financial statement analysis, and that the project helped in gaining a greater understanding of accounting requirements pertinent to the preparation of a company's financial statements under GAAP when the modality was in-classroom than hybrid/online. Although the SBUX Project has been implemented successfully in hybrid and fully online environments, it is our assessment that students felt in-classroom interaction and discussions tended to be more beneficial and hands-on.

Efficacy is further supported by five independent faculty class observers who have witnessed The SBUX Project implemented in classes and have positively communicated its content and professional presentation. Additionally, hundreds of student reflections positively expressed its innovativeness, how much it helped understand accounting concepts, and how it helped connect accounting theory to practice.

#### *Teaching Notes and Student Version of the Case*

Teaching Notes and the Student Version of the Case are available upon request to the corresponding author at joseph.foy@cuny.edu. Instructors are asked not to make the Teaching Notes available to students or post them on websites.

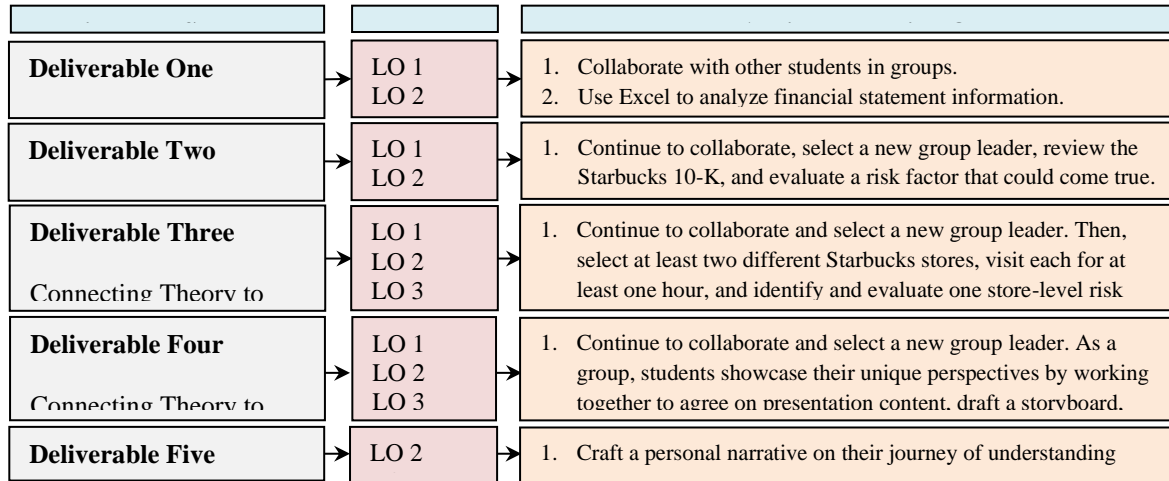
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**FIGURE 1**  
**Project Summary Flowchart**



**TABLE 1**  
**Student Participation Population by Setting**

<b>Types of Settings</b>	<b>Total Students</b>
In-Classroom	283
Hybrid	32
Online	224
Beginning Classes	175
Intermediate Classes	332
Advanced Classes	30
Undergraduate	308
Graduate	231
Public University 1	199
Public University 2	151
Public University 3	175
Public University 4	13

TABLE 2

## Project Evaluation Results

Survey Item	Strongly Agree (1)	Agree (2)	Somewhat Agree (3)	Neutral (4)	Somewhat Disagree (5)	Disagree (6)	Strongly Disagree (7)	Mean (S.D.)
1. The Starbucks project helped me clarify difficult contents of accounting in general by making them easier to understand.	25.6%	39.5%	19.5%	8.3%	2.2%	2.0%	2.8%	2.39
	(138)	(213)	(105)	(45)	(12)	(11)	(15)	(1.36)
2. The project helped me to clarify difficult contents of financial statement analysis by making them easier to understand.	31.5%	40.1%	17.8%	6.5%	1.3%	1.1%	1.7%	2.16
	(170)	(216)	(96)	(35)	(7)	(6)	(9)	(1.20)
3. The project gave me a greater understanding of unique accounting requirements to evaluate whether a company's financial statements are in accordance with GAAP.	28.8%	41.0%	16.5%	10.4%	1.1%	1.5%	0.7%	2.22
	(155)	(221)	(89)	(56)	(6)	(8)	(4)	(1.16)
4. The project helped me to understand the alignment between practice and education.	37.5%	38.2%	14.3%	7.8%	0.9%	0.4%	0.9%	2.01
	(202)	(206)	(77)	(42)	(5)	(2)	(5)	(1.10)
5. The project was innovative.	38.2%	34.0%	16.3%	9.6%	0.7%	0.2%	0.9%	2.05
	(206)	(183)	(88)	(52)	(4)	(1)	(5)	(1.12)
6. The project motivated me to work harder in the class.	34.3%	31.2%	16.3%	11.1%	3.3%	2.0%	1.7%	2.31
	(185)	(168)	(88)	(60)	(18)	(11)	(9)	(1.38)
7. I believe that time devoted to the Starbucks project was worthwhile.	30.4%	36.7%	18.9%	9.5%	2.8%	0.6%	1.1%	2.24
	(164)	(198)	(102)	(51)	(15)	(3)	(6)	(1.20)
Notes: N = 539. The number of students for each answer is in parentheses.								

**TABLE 3****Results of Two-Way Anova**

Two-way ANOVAs were run to examine the effect of modality (in classroom/hybrid/online) and course level (advanced/intermediate/introductory) on each of the seven measures of efficacy depicted in Table 2. In unreported results, we were unable to reject the null hypothesis that the group means for modality or course level are equal for the following efficacy measures: 1. The Starbucks project helped me clarify the contents of accounting in general by making them easier to understand; 5. The project was innovative; 6. The project motivated me to work harder in the class.

Results are shown where either the modality or course level, or the interaction term between the two variables are statistically significant ( $p < .05$ ). For each of the four panels presented below, a one-way ANOVA with Bonferroni-corrected post-hoc tests were run, which confirmed that there were no significant differences between the groups.

**Panel A: Results of Two-Way ANOVA on ‘Clarify Contents of Financial Statement Analysis’ Between Modality and Course Level**

Source	Partial SS	df	MS	F	$p > F$
Model	24.95	4	6.24	4.43	0.002
Modality	9.78	2	4.89	3.48	0.032
Course Level	0.02	1	0.02	0.01	0.911
Modality × Course Level	1.45	1	1.45	1.03	0.310
Residual	751.33	534	1.41		
Total	776.28	538	1.44		

N = 539. R-squared = .032; Adjusted R-squared = .025.

Results: Simple main effects show that students were more likely to agree with the statement that the project helped clarify contents of financial statement analysis when the *modality* was in classroom than hybrid/online.

**Panel B: Results of Two-Way ANOVA on ‘Understanding GAAP’ Between Modality and Course Level**

<b>Source</b>	<b>Partial SS</b>	<b>df</b>	<b>MS</b>	<b>F</b>	<b><i>p&gt;F</i></b>
Model	62.67	4	15.67	12.63	0.000
Modality	25.16	2	12.58	10.14	0.000
Course Level	0.06	1	0.06	0.05	0.829
Modality × Course Level	3.94	1	3.94	3.18	0.075
Residual	662.36	534	1.24		
Total	725.04	538	1.35		

N = 539. R-squared = .086; Adjusted R-squared = .079.

Results: Simple main effects show that students were more likely to agree with the statement that the project helped in greater understanding of accounting requirements about the preparation of a company’s financial statements under GAAP when the modality was in-classroom rather than hybrid/online.