

Creative Instruction in Accounting: Accrual Accounting & Faith Integration

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ABSTRACT: This article introduces a semester-long project for an intermediate accounting course that generates a two-fold outcome from previous work that will challenge students to grow both academically and spiritually. The project utilizes the definition of faith in Hebrews 11 along with the heroes of faith analogies to improve the understanding of the concept of assurance in things not seen to introduce accrual accounting and estimates of transactions that have not occurred. The project builds upon belief preservation theory (BPT) and the idea of creating a teaching environment that builds upon the Christian worldview and faith foundations already held by the students in the program.

KEYWORDS: accrual accounting, intermediate accounting, faith analogies, belief preservation theory, creative instruction

INTRODUCTION

As Christian faculty, we have a responsibility to integrate faith into our accounting courses and curriculum, helping students connect their faith with their future professional fields (Correria et al., 2020; MacKay, 2013; Miller & Ewest, 2013; Sauerwein, 2013). Providing resources for new faculty with little training in faith integration can be a significant contribution from senior faculty (Leeper, 2022). The accrual accounting and faith integration project discussed in this article offers a starting point for new faculty to integrate faith in accounting courses and inspire other faith integration opportunities.

Christian business and accounting professors have an exceptional role model in Jesus, who used analogies and parables to teach complex concepts (Horne, 1920; Kim et al., 2024). These analogies simplify abstract issues by drawing on existing knowledge (Tucker, 2017). While faith integration can be challenging in complex courses, it is crucial for differentiation and curriculum alignment (Correia et al., 2020). This project uses the analogy of faith from Hebrews 11 to enhance understanding of accrual accounting and encourages students to reflect on how faith

influences their spiritual walk. The project aligns with Bloom's taxonomy understanding outcome (Anderson & Krathwohl, 2001) focusing on two specific outcomes: (1) learners will be able to explain the concept of accrual accounting, and (2) learners will be able to explain the interconnection between faith in the Bible and the concept of accrual accounting.

Most of our students come from a Christian background, and we use belief perseverance theory (BPT) to build on their pre-existing knowledge. Belief preservation theory focuses on the influence of prior information or beliefs that can impact the subsequent process of new information and learning (Lord et al., 1979). This combination of biblical analogies and students' Christian foundations creates a rich educational environment. Pan and Kirpatrick (2023) emphasize the importance of helping students develop a genuine love for Jesus Christ, including in data and quantitative topics, which can be challenging at Christian liberal arts universities. LaShaw et al. (2016) highlight the importance of integrating content that increases learning and confidence, motivating students to take their faith into their workplace. The technical field of accounting provides

opportunities in Christian education to prepare students for faith and spirituality in the workplace using the teaching examples that Jesus used so successfully.

This project aligns accounting concepts with faith integration and ethical decision-making, preparing students for their future as Christian leaders. Implemented over five years in a small Christian university, it uses analogies from the heroes of faith found in Hebrews 11 to connect faith with accrual accounting. These heroes exhibited confidence and assurance in things they could not see, such as Noah preparing for the flood, Abraham obeying the call to sacrifice Isaac, Joseph preparing for the famine, etc. The use of analogies to share the decisions made by these heroes with assurance about what was not seen opens the discussion for Christian students to build upon their understanding of faith and the similarities to recording business transactions for events that have not yet occurred yet are expected to occur.

This case contributes to other faith-based projects in accounting, such as LaShaw et al.'s (2016) service-learning auditing project incorporating Philippians 4:8-9 and Correia et al.'s (2020) integration of faith in financial accounting using Micah 6:8 applying faith-based accounting in real-world accounting situations. Abraham and Miller (2022) used BPT and *The Case for Christ* to teach reliable audit evidence. Sauerwein (2013) notes how faith-based connections impact student outcomes in their future work environments. The project also responds to MacKay's (2012) call for students to grow both academically and spiritually.

Developing high-quality curriculum that integrates faith meaningfully remains a challenge. Shankle (2023) highlights the difficulty of applying a Christian worldview in business disciplines and admits the difficulty of a process that is not natural and takes time, even within Christian schools. Shankle (2023) builds his framework around a principle by Murison (2018) calling out Christian schools where Christian worldview does not have a significant impact as "merely adaptations of their secular counterparts" (p. 19). Correia et al. (2020) bring emphasis to the financial challenges and disruptive innovations bringing challenges to Christian colleges and the underlying shift to become more precise in integrating faith. As Christian professors and authors committed to creating Christian business leaders, we join other authors who recognize the integration of faith and learning as a major feature that distinguishes religious universities from their secular counterparts (Abraham & Miller, 2022; Correia et al., 2020; Dulaney et al., 2015).

The article proceeds with a literature review on the conceptual development of this project, including the use of analogies, an explanation of BPT, and a discussion of the similarities between accrual accounting and faith. We then

discuss the project implementation, student responses, and areas for further improvement and research.

LITERATURE REVIEW

The accrual accounting and faith integration project integrates faith and learning in an intermediate accounting course using analogies and belief perseverance theory (BPT). The goal is to enhance students' understanding of accrual accounting by building on their Christian beliefs and understanding of faith, particularly through Hebrews 11 and the concept of "assurance about what we do not see."

Creative Instruction Using Analogies

Teaching accounting, a data-heavy course, is challenging, especially with faith integration in a liberal arts university. Dee Fink (2003) advocates for "significant learning" experiences, recommending various methods, including cases, debates, simulations, writing to learn, small groups, assessment, problem-based, and online learning. This project focuses on cases and assessment learning, integrating analogies throughout the semester and uniquely incorporating BPT to build upon the existing Christian beliefs and insights that Christian students bring to the university. Elsayed et al. (2022) utilize BPT to analyze student perceptions in accounting and recommend additional studies that consider cooperative and project-based learning over more traditional methods to improve student perceptions of accounting.

Analogies, as rhetorical devices, compare two domains to evoke meanings (Oswick et al., 2004). This project uses analogies from Hebrews 11:1 to help students understand accrual accounting and its connection to faith "in what we hope for and assurance about what we do not see" in comparison to accounting estimates and forecasts in financial transactions that cannot be seen yet are expected to occur. This case aligns with Tucker (2017), noting that analogies aid in knowledge dissemination and creative thinking and with the Bloom's taxonomy outcome of understanding. Empirical evidence supports the value of analogies in higher education (Gick & Holyoak, 1987; Mouraz et al., 2013) and the benefits for technical courses like engineering and accounting (Kim et al., 2024). Hanson and Philips (2006) and Tucker (2017) highlight the benefits of analogies in improving comprehension in introductory accounting courses.

Tucker (2017) emphasizes the advantages of analogies and their importance of context-specific learning, particularly in faith-based institutions. Analogies in this project support the context-specific learning of accrual accounting as well

as the mission of integrating faith into each course. Kim et al. (2004) argue that technical subjects require intentional methods to explore faith integration. This project helps students understand both spiritual and discipline-specific aspects of faith and accrual accounting with the preparation of estimates and forecasts of what is yet to come.

Belief Perseverance Theory and Christian Worldview

BPT suggests that learners' perceptions are influenced by prior information (Lord et al., 1979). Prior research notes how worldviews prior to college influence students' predetermined views of accounting (Broadbent & Unerman, 2011; Tucker, 2017) and how prior information influences new insights (Bieroff, 1989). The faith accrual project builds on BPT and previous work using existing beliefs to enhance faith-based learning (Abraham & Miller, 2022). BPT can be perceived negatively and as a hindrance to the student's ability to form new insights and develop new perspectives. Work by Mladenovic (2000) explores changing students' negative perceptions, while Abraham and Miller (2022) use prior beliefs positively.

The faith accrual project also follows Tucker (2017) and the use of scaffolding and anchoring to introduce new concepts earlier, improving student learning by getting students to think differently about difficult subjects like accrual accounting. The introduction of accrual accounting and the connection to faith prior to the overall accrual discussion utilizes an anchor to instigate dialogue from existing and previously shared experiences before introducing the complex accrual accounting concept.

Accrual Accounting

Accrual accounting measures and reports economic effects of transactions, even when the timing of the cash flows occurs in a different period (Wahlen et al., 2019), and aligns with the matching principle, recognizing revenue when earned and matching expenses accordingly. Accrual accounting is preferred over cash accounting for its transparency and accountability (Moretti, 2016). Nichols and Wahlen (2004) show that earnings information based on accrual accounting influences market share returns more than cash-basis methods. Undoubtedly, the concept that subjective (accrual method) data requiring estimates, assumptions, discretion, and judgement can be more accurate or relevant than objective (cash method) data that is reactive, concrete, and based on past transactions can be daunting for the student entering the accounting major and intermediate accounting.

Accounting courses address U.S. Generally Accepted Accounting Principles (GAAP), emphasizing reliable

and unbiased evidence. However, financial reporting often involves subjective judgments for estimates like accounts receivable, allowance for doubtful accounts, asset impairment, inventory valuations, depreciation, warranties, etc. Integrating faith highlights the use of estimates to report revenues to be collected, expenses to be paid, and adjustments for transactions anticipated but not incurred by making the connection to the "assurance of what we do not see" in Hebrews 11:1.

Hebrews 11:1 defines faith as confidence in things yet to be realized. The Greek word "hypostasis" means "realization" or "guarantee of ownership" (Bauer & Arndt, 2000). This verse emphasizes faith in God's promises. While faith in God differs from faith in accrual accounting, both involve confidence in future outcomes. Accrual accounting relies on legal contracts, empirical data, and management judgment, while biblical faith is based on God's character and promises. Both require decisions based on expected future events.

This project does not insinuate that faith in God is the same as faith exercised in accrual accounting. Nonetheless, there are similarities. Accrual accounting is based on confidence in future outcomes and assurance in the estimates that are used, even though not realized. Revenue and expenses are based on when they are earned or incurred rather than when cash is paid. This practice is premised on the belief that even though certain events will occur in the future, decisions are made in the present. Recording transactions related to those future events then become part of the economic reality of an organization. Recording sales revenue when a performance obligation is complete (even without payment) and recording estimated sales returns in a particular period in anticipation of future returns are examples. The faith illustrations in Hebrews 11 and faith connected to accrual accounting both involve making decisions today based on the expectation of future outcomes. In both cases, there is a form of confidence that events that are yet to occur will take place in the future. However, there are also differences that need to be emphasized. The foundation of biblical faith is spiritual and based on God's character and his promises. On the other hand, faith connected with accrual accounting is based on legal contracts, empirical data, and informed judgement by management. Furthermore, biblical faith is based on absolute certainty in the promises of God, even without physical proof. Faith connected to accounting is based on reasonable assurance with a degree of uncertainty involved and focuses on economic activities. Nonetheless, in both cases, decisions are made today based on what is expected to happen in the future.

The remainder of the article provides a detailed description of the faith and accrual accounting project along with recommendations for future adoption and implementation.

ACCUAL ACCOUNTING AND FAITH INTEGRATION PROJECT IMPLEMENTATION

This accrual accounting and faith integration project takes place in the first intermediate accounting course with students in their sophomore and/or junior semesters with approximately 10 to 25 students in each class during the five-year implementation period.

The use of analogies to integrate faith and to help students have a better understanding of accrual accounting was incorporated in four phases throughout the course: 1) scripture that is integrated with lectures, 2) student discussion of scripture and current issues, 3) assessments and 4) comprehensive student video presentations. Appendix A provides an example of the weighted grades for the overall course assessment and the allocation of weights to the faith and accrual accounting project. A brief assessment (included in Appendix B) was implemented to measure student understanding and perceptions of the topics of accrual accounting and faith prior to the start of the course. During the final class, students were provided with their initial responses to the introductory assessment and were asked to reflect on their learning of the project in relation to these topics over the semester. The following discussion includes project implementation details, assessment samples, and anonymized student responses about the project.

This project is based on four different teaching and assessment methods to help students better understand the similarities between accrual accounting and faith as discussed in Hebrews 11. These four methods and examples of related student responses follow beginning in Phase One.

Phase One: Integrating Faith-Based Scripture into Lectures

The course and this project focused on Hebrews 11 and a key verse from Hebrews 11:1: “Now faith is confidence in what we hope for and assurance about what we do not see.” This verse was reiterated at the start of each lecture, including the introductory lecture after the initial assignment was completed. In subsequent lectures, the key verse was reiterated along with analogies and examples to help students grasp the similarities between faith and accrual accounting. Specific examples focused on items on the balance sheet, including the recording; measurement; and disclosure of accounts receivable, inventory, and fixed assets.

An income statement example involved the relationship between the cost of goods sold and inventory. When inventory is purchased, it is considered an asset initially and not expensed until sold because management has confidence and assurance that it will be used to generate future revenue based on marketing estimates and forecasts. In a similar manner, Noah was tasked with estimating and collecting sufficient inventory to sustain his family and the animals on the ark amidst a very negative forecast. Based on GAAP, an item is recorded as a probable future benefit even before the benefit is realized, very similar to the definition of faith in Hebrews 11:1. Both assume a confidence of events that are yet to take place but are expected to occur in the future. Other examples incorporated included capitalizing assets, estimating bad debt expenses, and estimating sales returns allowances. The focus was primarily on the asset side of the balance sheet. The discussions focused on using the definition of faith in Hebrews 11:1 as an analogy to explain accrual accounting, which involves covering the similarities and the differences between the two as discussed in the literature review.

Phase Two: Evaluating Current Issues and Faith-Based Scripture via Student Presentations

Each week, select students were required to present a brief discussion (3-4 minutes) on an assigned news article along with a brief discussion of a Hebrews 11 Hall of Fame Faith Character. Where relevant, students were asked to relate the faith character back to the news article and to accrual accounting as a means of reinforcing the concept. In most cases, the articles were selected for students by the faculty member from *The Wall Street Journal* and CNBC based on current business and finance events.

An example of an assigned news article is “Returns Are the Retail Industry’s Quietly Mounting Logistics Problem” (*The Wall Street Journal*, 2022). The news clip focused on the process of returns and reverse logistics and the increasing cost of customer returns, especially for online companies. The news clip concluded by highlighting how sales returns negatively affected margins and the bottom line for companies. The news clip emphasized the cost involved in allowing sales returns, yet companies still choose to allow returns since it leads to more and repeat sales in the long run. There is an analogy between the concept of sales returns and the choices made by Moses in Hebrews 11:24-27. Moses made several choices including

refused to be known as the son of Pharaoh’s daughter... to be mistreated along with the people of God rather than to enjoy the fleeting pleasures of sin... because he was looking ahead to his reward... not fearing the king’s anger... because he saw him who is invisible.

Moses made choices in consideration of the future, even though there was a present cost associated with it. Sales returns are accounted for in the present to provide users with a more realistic estimate of the net sales of a firm. Companies make a choice to allow sales returns due to the potential future benefit. The sales returns represent an allowance that is yet to be incurred but must be accounted for in the present, a very good example of accrual accounting. This lends similarity to the choice to allow generous sales returns policies and thus larger estimates of sales allowances (a negative impact on margins) that will reduce net sales to maintain customers and increase repeat sales in the future (benefit of the invisible). The focus of the discussion is on understanding the concept of sales return in line with our learning objectives (rather than the specific calculation of sales returns), which is covered separately.

The student summarized the news clip and addressed the topic of accounting for sales returns. The student quoted Hebrews 11:1 and connected the discussion to how companies account for (estimated) sales returns even before the customers have returned the products and why this improves the quality of earnings.

Other connections between the current-issue articles and heroes of faith included a couple of references to Cain and Able and their faith in giving compared to interest rate increases and the impact on monthly budgets with another comparison of tip fatigue in the restaurant industry. In addition, Joseph's planning for the drought lends to connections of planning and estimating how much current production needs to be stored for future use to sustain the country. Students can think outside of the box in making their connections. The goal is to build upon their understanding of faith to help them understand the concept of accruals and making decisions in the current period for things that will take place in a future period.

Phase Three: Assessments

In another class assessment, students were required to discuss the difference between a completing direct write-off and creating an allowance for bad debts and then to relate this to the key verse from Hebrews 11:1. While this topic had been discussed in the lectures, the assessment was meant to examine student understanding of the topic and whether students could articulate the similarity between faith and accrual accounting as it relates to allowance for bad debts. A copy of this assessment is provided in Appendix C.

Overall, the students demonstrated a good understanding of why GAAP requires estimates in relation to bad-debt expenses and the connection to earnings quality. Furthermore, they were able to demonstrate a

good understanding of faith and the similarity to recording bad-debt expenses before they were actually incurred. Key student quotes from this assessment include:

Quote One: “Bad-debt expense is the “evidence of losses not yet seen.”

Quote Two: “We also have faith that it is in the best interest of our company to record them now, rather than later.”

Quote Three: “A company must have faith that their customers will pay the accounts due. However, if that falls through, they must rely on their ability to estimate what will not be received based off their information and experience.”

Phase Four: Creating Comprehensive Student Video Presentations

Near the end of the term, students were required to create a short video presentation on accrual accounting, decision making, and faith entitled “Hall of Fame.” Students specifically discussed a topic related to accrual accounting and its similarity to faith and were then asked to reflect on any one Hero of Faith character from Hebrews 11. A copy of the assignment is provided in Appendix D. The assignment instructions included quotations on faith and a brief overview of faith and accrual accounting. Students were then asked to select a topic based on what had been covered in class related to accounting for events that are yet to happen but are expected to happen in the future. Students were also required to reflect on why this is considered more useful for analysis than waiting to record the event after it has happened. Further, students were required to highlight any one faith hero mentioned in Hebrews 11 and how that faith example can be applied to their personal life. Finally, students were encouraged to keep a copy of the recording as a useful reminder of why faith matters in business and in their personal spiritual life.

The recording of bad-debt expenses and the allowance for uncollectible accounts was the predominant topic selected by students for their video presentation along with accounting for intangible assets. Many students commented on how, compared to the direct write-off method (a reactive method), the allowance method (a proactive method) improved the accuracy of the financial statements and improved earnings quality. Students noted that without the allowance method, balance sheet and income statement values would be overstated. Overall, it was clear that students were able to articulate why accrual accounting was conceptually superior to the cash basis of accounting. Furthermore, many students successfully connected the proactive approach of the allowance for doubtful accounts

to the definition of faith in Hebrews 11:1, focusing on the recording of events that are yet to happen but based on the confidence that they will happen.

Several Heroes of Faith from Hebrews 11 were also highlighted. Examples included the faith of Joseph in setting aside a reserve during the seven years of plenty in Egypt, the faith of Samuel to anoint David, and the faith of Noah to build an ark in anticipation of a future event. Additionally, students provided meaningful examples of the connection between one of the heroes of faith and their own personal spiritual walk. One student connected to Abel and how God counted his gift through faith as righteousness. She connected this to her search for internships, graduate school, and career choices with faith that God has the perfect plan for her life. Another student connected with Abraham with a focus on the unchanging nature of God and faith in human beings. Focusing on Joseph and his faith in God when his family and other significant colleagues had betrayed him, one student noted that humans will let you down, but God never will. He was inspired by Joseph's desire to maintain faith in God and plan for the famine for the benefit of not only himself but for those who had betrayed him as well. The final reflections reveal the ability of the students to embrace the biblical analogies and make the connection to accrual accounting and to also reflect on their personal spiritual faith. The following student quote is reflective of the views expressed by the class: "To conclude, faith is a word that is often used in a limited or constrained manner. We tend to think of it in a religious sense or only as hypothetical guess work. However, when we look at it in our daily lives, we see that it is used much more in a calculative and predictive sense."

ANALYZING STUDENT REFLECTIONS AND PROJECT EVALUATION

The project is designed to collect student perceptions as the project is introduced and then to allow students to reflect on their initial perceptions and evaluate the overall learning process upon the completion of the project. These reflections examine overall student responses to the project and the use of analogies to integrate faith and its similarities to accrual accounting into the course. These reflections and evaluations were not designed to be robust measures of effectiveness, but they do provide valuable insights of the students' perspectives to our initiative to enhance the learning process through analogies and the integration of faith. Demonstrating success in teaching effectiveness is challenging (Hughes & Pate, 2013). Tucker (2017) notes

in the context of measuring teaching effectiveness that "evaluating the implementation of a particular strategy at a particular point (or points) in time is by definition, counterfactual; what would have happened had a different teaching approach been adopted with a particular class is difficult to ascertain" (p. 182). Nonetheless, student opinions and open-ended responses are useful in providing insights that can be used to gauge student responses to the teaching and assessment methods used (Berk, 2005).

Student perspectives were collected during the first and final classes of the semester. During the introductory class, students completed a short assessment centered around accrual accounting and faith. These questions were assigned before any specific content was discussed. The questions focused on the difference between cash and accrual accounting and the connection between faith and accrual accounting. Appendix B provides a list of the questions. In the concluding class, students were provided with their responses to questions one and three from the introductory assessment and were asked to briefly reflect on their subsequent learning over the course of the term using the following reflection prompt: "Each of you will be handed your response to two of the questions we examined in our first class. Your task is to reflect on your learning so far and, in about 100 words, discuss whether your view remains the same or different or if you have further points to add to what you recorded earlier." Examples provided in Appendix B include a sample of introductory (initial perception) and concluding (final reflection) responses to the difference between subjective and objective information and the similarities between accrual accounting and faith.

Student responses to the introductory assessment showed a tendency to emphasize the importance of the objective cash basis of accounting (reactive) as providing better quality accounting information than subjective information based on professional judgements about the future. However, student responses to the final assessment indicate an enhanced understanding of the similarities between faith and accrual accounting. The students' modified responses to the questions reveal their ability to see the importance of subjective versus objective reporting in accrual accounting. Responses indicate that the emphasis on assessments and contra assets played an important role in understanding this difference. Students noted that even though objective data is more concrete, accountants and businesses can rely on future predictions and estimates for accuracy, even though subjective. Even students with a favorable view of accrual accounting in both assessments seem to indicate a much better understanding of decisions made on the future and not just past transactions. Overall, student responses

indicate an enhanced understanding of the importance of making subjective professional judgements with confidence about events that are expected to occur in the future and the importance of doing so for enhanced investor decision making, even after considering the risk involved in making these decisions. In addition, the responses seem to indicate an improved understanding of faith as it applies to business and to the students' personal lives.

ADDITIONAL CONSIDERATIONS AND CONCLUSION

This accrual accounting and faith integration project provides a great resource for faculty looking for opportunities to integrate faith-based projects into the accounting curriculum. It has worked successfully in the first intermediate accounting course, but it can certainly be modified to align with the curriculum for other courses. While the project focused primarily on the definition of faith in Hebrews 11:1 and the heroes of faith analogies throughout the chapter, additional scriptures can be adopted to extend the discussion to other biblical topics. The parables of the ten virgins and the bags of gold in Matthew 25:1-13 provide two great analogies of preparing to meet the bridegroom with enough oil in the lamps and making wise decisions with the wealth entrusted to the servants by their master. While not parables, Jesus does provide other great examples in Luke 14:28-33 about estimations and planning for what is yet to come including estimating the costs to build a tower and the ability to anticipate the outcome of war based on the size of the battalion. In addition to the faith aspect, professors might consider the concept of peace in preparing for future business events with scripture from Philippians 4:6-7 and John 14:27 or the concept of developing the "mind of Christ" in 1 Corinthians 2:16 as the foundation for understanding future events. This project should provide a great foundation that can be modified as needed for other accounting courses.

Further improvements to the assignment might involve encouraging students to think about a larger variety of contra assets beyond the allowance for doubtful accounts, the provisions for sales returns, and accumulated depreciation and warranty expenses. Assignments could be designed to specifically compare and contrast between the various heroes of faith and accrual concepts depending on the objective of the assignment and the anticipated learning goals. We have used the project to enhance the understanding of the concept of accrual accounting and have opted to allow the students to think outside of the box and be creative in making their connections and to encourage them to make

the connections based on their own Christian worldview and perspective of faith.

The faith and accrual accounting project was incorporated throughout the entire course, and assessments were included in the overall grading scheme of the course. With increasing focus on key performance indicators and quantitative support for the impact of faith integration, future implementations might consider specific rubrics designed to capture the overall learning goals of such faith integration projects, student evaluations that are specifically meant to provide feedback on the project itself, external and internal validation of the instruments used for pre and post measures of student learning, and relevant demographic data of student cohorts. Examining student responses across multiple institutions would be another extension of testing the effectiveness of this project.

Finally, Tucker (2017) challenges faculty to consider alternate conceptualizations that can be used in accounting that include drawing on personal experiences and developing personal analogies to resonate with students. We hope this project provides a starting point and possible inspiration for accounting faculty to assume this challenge.

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AUTHORS' NOTE

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APPENDIX A: INTERMEDIATE ACCOUNTING I WEIGHTED GRADING SCALE

Please see the notations and explanations below for the allocation of the faith and accrual project weights.

Assignment	Grade Weight
Pre-Class Homework	15%
Class Participation & Group Work Assessments	13%*
Critical Review of Accounting Issues	22%***
Post Class Homework Assignments	15%
Data Analytics & Visualization	5%
Term Assessments	30%**
Total	100%

***Phase Two: Student Presentations:** The weekly presentations were part of a broader group of class participation and group activities that accounted for 13% of the total course grade. The faith and accrual presentation itself accounted for 1% of the total course grade.

****Phase Three: Assessments:** There were three overall in-class assessments, and each counted for 10% of the total grade. The faith and accrual assessment with objective and open-ended responses was included in the second overall course assessment, which was administered during the second half of the course. The open-ended response question, which focused on faith and accrual accounting, accounted for 2% of the total course grade.

***** Phase Four: Comprehensive Student Video Presentations:** The comprehensive presentations accounted for 7% of the total course grade and was submitted in the final week of the semester.

APPENDIX B: INTRODUCTORY ASSESSMENT AND PERCEPTIONS AND SAMPLE STUDENT RESPONSES

Question #1: Accounting provides information on economic events that impact an organization. Investors can then use this information to make decisions. Put yourself in the shoes of an investor who is using financial information to evaluate the financial performance of a company over the course of a financial year. Below are two options for your company to report financial information.

Option #1: Use an objective approach and account for events only after the event has happened. In this way, the company knows the exact amount to report for the financial year.

Option #2: In addition to accounting for events that have happened in the financial year, introduce some subjectivity into the decision-making process and account for events that have not yet happened but are related to the financial year. In this case the company may not be sure about the exact amount to report and so will need to make a good faith estimate about this.

Discuss which option you would prefer. Make sure to provide reasons for your answers. Include an example as part of your answer.

Question #2: Briefly discuss what accrual accounting means and provide an example of accrual accounting.

Question #3: Discuss your understanding of what faith (in God) means.

Question #4: Hebrews 11:1 defines faith as “confidence in what we hope for and assurance about what we do not see.” Do you see any connection between this verse and accrual accounting?

Student Responses (Initial Perception and Final Reflection)

Sample One Initial Perception: I believe that objective data is more important in accounting because it uses data from the past to predict the future. This helps eliminate much of the guessing when it comes to looking at what will happen.

There is absolutely a connection, much like we trust that God is going to do what he said he will do for us. We must trust that we are going to receive payment like has been promised.

Sample One Final Reflection: Throughout my time in this course, my answer to question one has completely changed. I now know the importance of accrual accounting and estimating before an event happens. If we wait until we know the exact amounts, we will often misrepresent our numbers until they are corrected. Before this course, I was not very familiar with contra-asset accounts, so I did not know how to portray estimates. Now I understand that by using these accounts we can portray our numbers as they are likely to happen, and it will be much more accurate throughout the entire process. So, I believe that subjective will be better.

Sample Two Initial Perspective: I think investors will benefit more from subjective information. This allows them to get a glimpse of what the future is expected to look like. While predicting the future is not always 100% accurate, it is often the most helpful for investors when they are making investing decisions.

I believe that there is a connection between faith in God and accrual accounting. We are called to use our resources wisely and documenting our expenses is a good application of this. We should use our money wisely and account for every expenditure. You should be wise with your money and accounting allows you to do so.

Sample Two Final Reflection: I agree with the answers I had at the beginning of the course. My view is the same, but now, at the end of the course, I feel like I have a better understanding of why. Investors do benefit more from subjective information. We have no guarantee that what happened in the past will happen again in the future. However, we can look at past trends and other predictions to get a better idea of what the future will look like. We can make educated guesses based on the information we have to predict the future. Investors will make decisions based on how they think the company will do in the future, not based on how it was done in the past. If a company has a good history but bad projections for the future, you will not want to invest in them. Therefore, subjective information is much more helpful for investors. Also, faith and accounting are definitely connected. So many concepts and practices

of accounting require faith, such as recognizing revenue or allowance for uncollectible accounts. Also, as Christians, we are called to be good stewards of our resources, and accounting presents us with the perfect opportunity to do so.

Sample Three Initial Reflection: While both subjective and objective information can be used, objective information is better because it provides a more concrete mindset to work off rather than a risk. God commands us to be good stewards of our finances. Keeping accurate financial records of everything is fulfilling God's will for us.

Sample Three Final Reflection: I think my view has changed a little bit. While it is true that investors rely on objective information provided by the company, they also rely on future predictions made by that same company. These predictions would be considered good faith estimates. The idea behind this is that doing this properly would give a very high chance of accuracy for investors even though the information is subjective. I think my answer remains the same, however I would add a few things to it. First, I would add that part of faithful accounting is the reliance or "faith" in the predictions or decisions we make. We retire assets in the future, we recognize revenue in the future, and we expense things over time. All of this is based on faith that something will happen, while it isn't blind faith, it's faith, nonetheless.

APPENDIX C: CLASS ASSESSMENT

Scenario

You are working as an accounting trainee at Paper Mill Packets Corporation. At the end of the year, you made an entry for bad-debt expenses, which increased expenses and increased the allowance for uncollectible accounts. The accounting manager explained to you that bad-debt expenses represent estimated non-payments by customers rather than actual non-payments: "It isn't that customers have not paid, it's that they are not going to pay."

Based on the above scenario, answer the following questions:

Question #1: Why does GAAP require companies to estimate bad debt expenses rather than wait until the firm is sure customers will not pay (60 points)? Your answer should cover the following points: earnings quality, matching of expenses to revenue, and accrual accounting.

Question #2: Briefly discuss one method that companies use to estimate their bad-debt expenses (20 points).

Question #3: What is the connection between "faith" (Hebrews 11:1) and recording bad-debt expenses (20 points)?

APPENDIX D: HALL OF FAME VIDEO PROJECT



Prompt. St. Augustine wrote, “Faith is the first step to understanding: understanding is the reward of faith. Therefore, seek not to understand that you may believe, but believe that you may understand.” He also wrote that “God does not expect us to submit our faith to him without reason, but the very limits of our reason make faith a necessity” (as cited in Bible in One Year, 2021). Hebrews 11:1 notes, “Now faith is confidence in what we hope for and assurance about what we do not see.” Financial accounting and faith are connected. GAAP requires accountants to record information based on events that have not happened yet but are expected to happen in the future.

Requirement: For both (1) and (2) below, create a single video presentation between 2-3 minutes and upload it in the submission dropbox.

Question #1: Based on the topics covered so far in our intermediate accounting course, select any one topic that relates to accounting for events that are yet to happen but are expected to happen in the future. Your discussion should also explain why this is considered to provide more useful information to decision makers than waiting until the event has actually happened.

Question #2: “Faith is the bird that sings, when the dawn is still dark” (Sir Rabindranath Tagore, as cited in Bible in One Year, 2021). Using any one of the Hebrews 11 Hall of Fame Faith Heroes, discuss the above quote AND discuss how this can apply to your own personal life. If you do not wish to use a Hebrews 11 person, you can also choose someone from the business world to reflect on the quote.

Professor Note. I hope that you can refer back to this video that you created even later in your career as a useful reminder of why faith matters.

Bible in One Year. (2021). *Bible in one year*. <https://bibleinoneyear.org/en/>