

Following the Money: Introducing Students to Accounting & Finance through Capital Utilization

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Introductory accounting and finance education courses have each had strong traditions of topical coverage that neatly organize their respective content according to the concepts particularly relevant to each field. The endurance of this approach no doubt speaks to some inherent advantages. However, the approach lacks an interconnectedness that may impair cognition, as well as blind students to the underlying system to which both disciplines belong. Imagine for a moment Elon Musk sending a topically based book on “being human” aboard his unmanned Mars probe to introduce Martians to the meaning and nature of being human. It seems likely to this author that said Martians would completely miss the point of what it means to be human upon being introduced to the myriad parts of the human body as if they were independent concepts.

An alternative is proposed herein. Specifically, this paper presents an approach that introduces accounting and finance concepts through an emphasis on the value creation system they both belong to; a system through which investment capital is attracted, consumed, and multiplied by the profit-making efforts of those employing the concepts within each discipline. This approach allows for a more natural organization of the material that does justice to the myriad interrelationships that exist among the various concepts within each of the disciplines, as well as across the disciplines themselves. We believe it can likely lead to improved cognition and retention of the material by providing students with a natural cognitive map of the subject matter.

