

Financial Accounting Option (FFAC)

The Financial Accounting Option provides students with a mixture of finance and accounting electives, and students pursuing this option will often double-major in the two subjects. The Financial Accounting Option prepares students for multiple career paths within both the finance and accounting fields. Common career paths for which the Financial Accounting Option is particularly relevant are auditing, tax, internal audit (within a company), and consulting.

The material below covers different potential career paths for the Financial Accounting Option (FFAC).

Auditing

Auditors are an essential part of the capital markets, because they ensure that companies are preparing their financial statements properly. Auditors are experts on accounting procedures and rules. Auditors make sure that the proper procedures and accounting rules are been followed by each company they review.

The largest employers of auditors are the Big 4 accounting firms: PricewaterhouseCoopers, Deloitte, KPMG and Ernst & Young. There are, however, other national, regional and local auditing firms for which one can work. In order to become an auditor, a graduate must pass the Certified Public Accountant (CPA) exam, which is a nationwide licensing exam. In order to sit for the CPA exam, graduates must have completed 150 semester hours of college course credits. Students generally reach the 150-hour threshold by either double-majoring in finance and accounting via the Financial Accounting Option or by following their undergraduate finance degree with a Master of Accounting Degree.

Corporate Accounting and Internal Audit

Company's maintain their own staffs of accountants to maintain their financial records and prepare their financial statements. The finance and accounting coursework in the FFAC option provides the framework for the understanding of these statements, and the valuation and financial impact of accounting line items. In addition, Internal Audit is another accounting area within companies. Internal auditors check the work of the company's accountants to ensure compliance with proper accounting procedures, and act as an internal check and balance to make sure that the accounting work is properly done so that the company's external auditors do not find any discrepancies or problems.

Tax Accounting

Tax Accountants have two primary functions. The first is to ensure that companies calculate their taxes correctly and pay the amount legally owed to various governments overseeing the areas in which they do business. The second function of tax accountants is to analyze a company's tax situation and find ways in which the company can modify its business to reduce its tax bill in a legal manner. In addition to having their own tax accountants inside the company, many company's use tax consultants from the large public accounting firms to help them with this work.

Consulting

Many finance majors pursue careers as consultants. Consultants are professionals who provide advice to companies, government entities and other organizations that are trying to solve problems or improve their operations. A consultant collects data about the problem and then devises a solution that they then present to the client.

Within the consulting career path, there are several subspecialties open to finance majors. These include management consulting, risk consulting, valuation consulting and information systems consulting. The most significant employers of Virginia Tech finance students in the consulting area are the big four accounting firms, all of which have large consulting units.

Students interested in Consulting should join Virginia Tech's Consulting Club, which can provide additional career information and exposure to potential employers.

Information Systems Consulting

This is one of the most actively recruited areas of consulting at Virginia Tech. Information systems consulting involves helping companies to improve their ability to gather data, store it, analyze it and ensure that their employees have access to in order to make their businesses more efficient and profitable. Consulting projects may involve designing and implementing new information systems or fixing and upgrading existing systems. These systems may also be related to accounting data, production data, inventory control, account collections and billing, quality control, logistics, customer data, and a variety of other aspects of a business or government. With the continued advancement of technology and computing power, this continues to be a very active branch of consulting. A double-major in Finance and BIT (Business Information Technology) provides an excellent preparation for a career in information systems consulting.

Risk Consulting

Risk consultants help businesses to identify, quantify and mitigate risks. These risks may be related to the company's business, its markets, regulations, security, information systems, technology, or a variety of other factors. Not all risks are the same – some have minimal impact on a business, while others could have high costs and result in serious financial, legal or regulatory problems. Consultants work with companies to develop procedures for identifying, monitoring and controlling risks. Solutions involve updating internal rules and procedures, installing new monitoring systems, adding new equipment, or adding additional personnel with expertise related to the risks in question.

Valuation

Valuation consultants determine the value of businesses, portfolios or individual assets. The valuation of assets occurs when businesses are bought or sold, as well as for tax implications. Valuation expertise is also needed for determining the value of complex assets on the balance sheets of financial institutions for regulatory and accounting purposes.

Management Consulting

Management consulting is the broadest area of the consulting profession. It involves giving advice to management teams and business owners about how to improve the performance of their businesses. Management consultants are often brought in to solve specific problems, which could relate to a variety of business areas. Examples include how to market a product more effectively or improve its brand image, how to improve a company's customer service, how to make production more efficient in a factory, how to optimize a distribution network, and how to more effectively manage, motivate and compensate employees. Other assignments may be more general, with the consultant needing to identify the problems, in addition to providing a solution.

Individuals pursuing this area must have a broad range of business skills and problem-solving abilities. Because of the breadth of skills required, MBAs are often preferred to undergraduates in this area. A benefit of this career path is that it may provide an accelerated path to corporate management positions as companies often hire their consultants into full-time management positions within the businesses to which they were providing advice.