



universidade de aveiro



isca

instituto superior de contabilidade e administração





Business Simulation

- Business Simulation is a **curriculum unit** of the Accounting degree taught in the sixth semester (Accounting School, University of Aveiro).
- Business Simulation has been developed since 1998 and is **recognized by the Portuguese accounting professional board** as fundamental in future professionals' training.





Business Simulation

- Recognition, by both Portuguese professionals and academics, led to the establishment of a **teaching network**, coordinated by Aveiro. The network communicates through e-mail, internet and e-learning platforms.

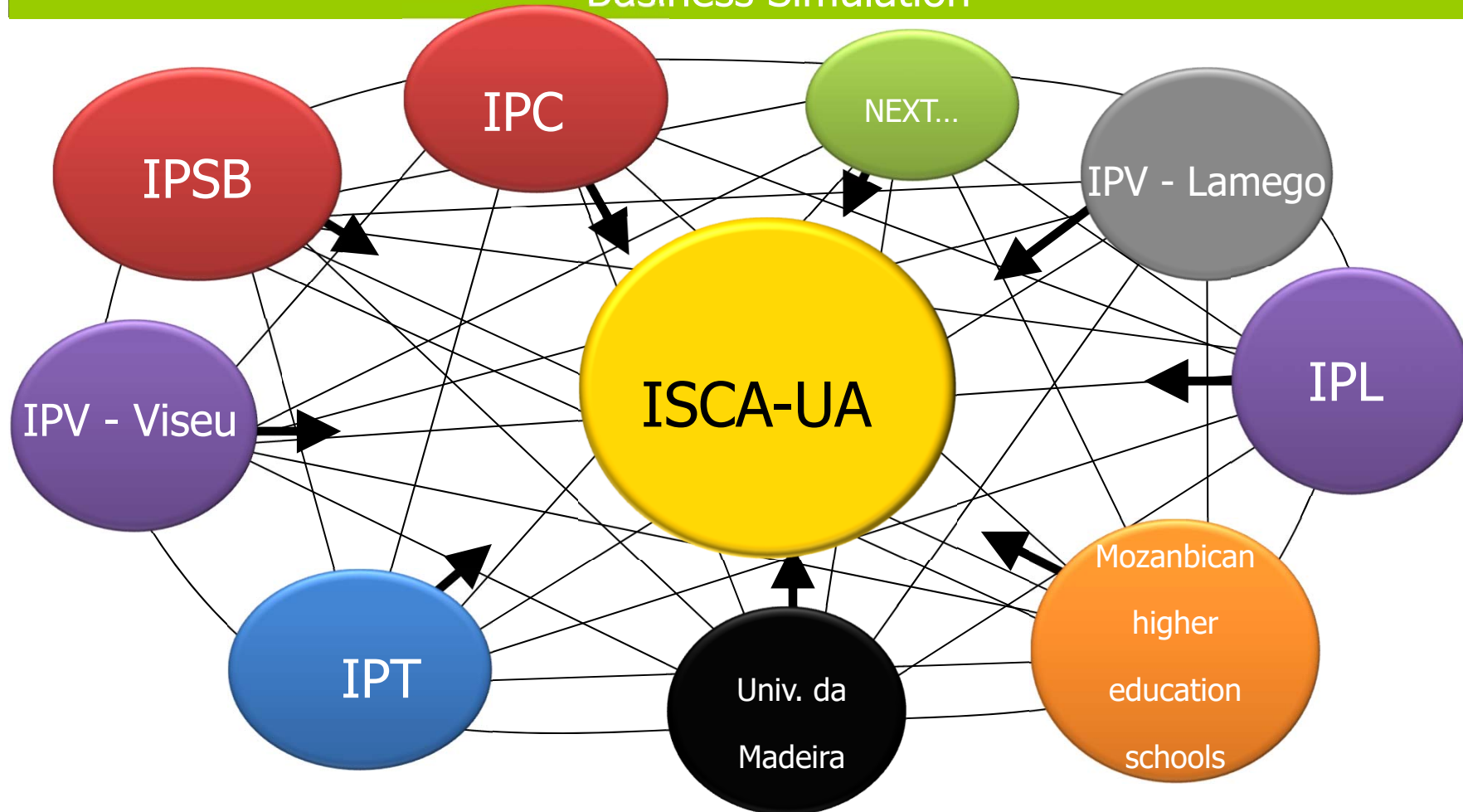
- In the academic year 2018/2019 the network involved

500 students,
8 Portuguese higher
education schools,
and 3 higher education
Mozambican schools in
Maputo and Chibuto.





Business Simulation





Business Simulation - Problems and Solutions

Any training process should include among its objectives the creation and development of **skills**:

- scientific and technical;
- personal and social.

In terms of higher education it is crucial to consider skills and abilities of students that are **entering professional life**. These skills will determine the way **transition from school to professional environment** will occur.





If graduate skills meet expectations and needs of employers, the graduate's transition to professional life, training school image and employer satisfaction will be better.

Usually companies do not have much time to spend with professional integration of their employees, and expect higher education schools to form graduates with knowledge, skills and attitude.





Business Simulation

"If schools can not offer students curricular professional practice to complete their training, it is necessary to **transport real world into the schools**"





Business Simulation - **Objectives**

This means that higher education curricula must break traditional barriers, creating space and finding mechanisms to:

- Integrate knowledge from different scientific areas;
- Promote a multidisciplinary perspective of knowledge;
- Develop teaching-learning process in a business environment;
- Develop multidimensional skills and attitudes.





Business Simulation

- There are complementary objectives to achieve during the teaching-learning process, directed to personal development, that we consider crucial in the context of global training:
 - Ability to work in group;
 - Ability to work under pressure;
 - Written and oral communication skills (write reports and memos in a correct and clear way);
 - Effective response to environment changes;
 - Take the initiative in leading a process or transaction;
 - Find solutions in new contexts;
 - Have an overview of the organization and business.





Business Simulation- Teaching Model

- Business Simulation is the teaching model used for training young graduates in Accounting. It has received a strong influence of PBL methodologies (Project or Problem Based Learning).
- Business Simulation goes further than methodologies used in structured cases, extending the work to be done on the basis of **intense interactivity**, allowing participants **freedom of action**.





Business Simulation- Operation

- Business Simulation teaching model is based on a **large virtual market** in which a group of companies – each **established and run by two students** - interact, allowing the emergence of a dynamic market.
- **Students** have a double role: they are simultaneously the **managers** of the company and its **accountants**. They take management decisions and record the economic impact of their decisions in the accounting information system.





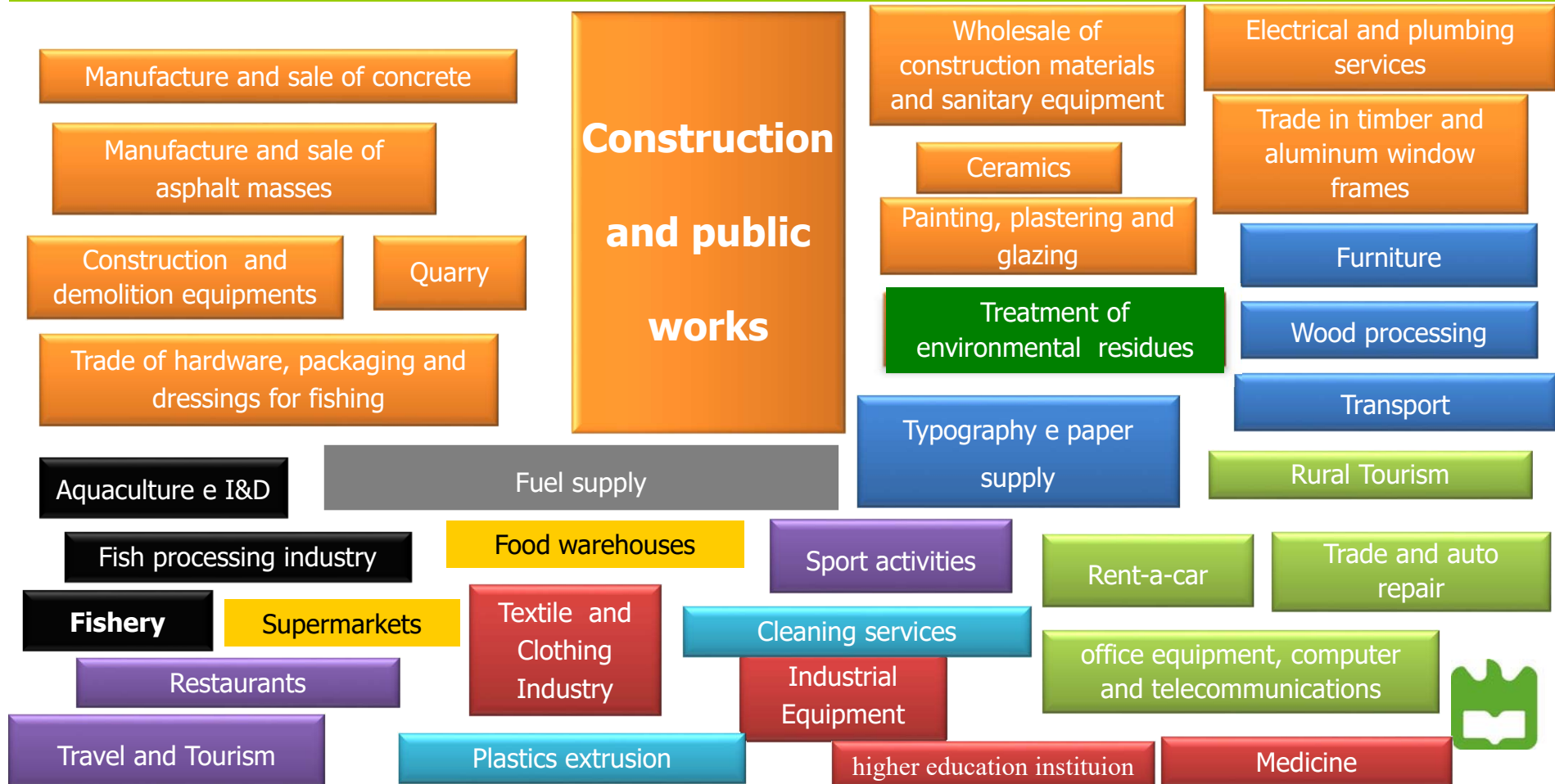
Business Simulation- Operation

- So, the starting point is the construction of a virtual market where value chain among different businesses is guaranteed, thereby creating a domino effect that promotes the business relationship among all virtual companies involved. There are **34 different economic activities**.
- An economic year (1st January – 31st December) is converted in a **virtual calendar of 13 weeks** (second semester). During this period, each virtual company will perform all economic transactions as a real company and will also comply to all legal and tax obligations according to tax obligations Portuguese calendar.





Business Simulation- The market





Business Simulation

- Dealing in the market is an underlying condition for each company. The performance depends on dynamism of its managers.
- By operating, interactivity emerges among companies and economic activity develops throughout virtual market.
- Each group faces a reality very similar to the real world and singular for each company.





Business Simulation

- Thus, students can experience for the first time situations that they will face in their professional life.
- This allows students to experience:
 - real and effective use of knowledge acquired throughout the course;
 - the existence of knowledge gaps that must be overcome.





Business Simulation - Media work

- In operational terms, Business Simulation model is based on a **set of infrastructures, managed exclusively by teachers**, with the assistance of monitors, including:
 - **Private and Public Services**, whose mission is to ensure the relationship between enterprises and public sector (taxes, social security,...), commercial companies operating in monopoly (water, electricity, ...) or services (attorney, engineer,...)
 - **A Commercial Centre**, whose mission is to ensure that all offer and demand is met in virtual market. This unit only interacts if market needs are not fulfilled by virtual enterprises.





Business Simulation - Media work

- A **Bank**, where the usual financial instruments (leasing, insurance, deposits, loans, commercial paper) are available. Banking operations are performed in an especially conceived software tool, which allows virtual enterprises to carry out all financial transactions. It is available on the PC of each virtual company by web access.
- Virtual companies also comply to **tax, social security, employment obligations** using the **same tools as real companies** wear to submit their computer files.





Business Simulation - Assessment

- During classroom work (14 hours per week), there is always at least one teacher available.
- Assessment is based on:
 - three written reports and oral presentations;
 - several audits performed by different teachers during the semester;
 - Tutor's evaluation.





Business Simulation - Assessment

- First report
 - Previously, and before beginning the negotiation process in the virtual market, all students, as managers of companies involved in Business Simulation, must present a report describing the frameworks under which their companies will operate or comply to (legal, financial, organizational and accounting).
- Second report
 - Interim report and financial statements (30th June).
- Third report
 - Annual report and financial statements and tax file (31st December).





It can also be offer as an isolated curricular unity to students not only of [Universidade de Aveiro](#) but also of other higher education schools.





- <http://seonline.isca.ua.pt>





Thanks for listening!

