



# Upcoming AICPA Resources: Critical Thinking in an AI World



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<https://wolcottlynch.com/aaa-spark-2026>

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**SKEPTICISM**

**Agile Mindset**

**Self Management**

**Artificial Intelligence**

**Critical Thinking**

**COMMUNICATION**

**SUSTAINABILITY**

# **Future of Accounting**

**Teamwork**

**CROSS-FUNCTIONAL COLLABORATION**

**Technology**

**Decision Making**

**Data Analytics**

**Value-Added**

**OBJECTIVITY**

- AICPA & CIMA Professional Ready Initiative, Including Critical Thinking
- Links Between Critical Thinking and:
  - Cognitive Development
  - AI in Accounting Coursework
- Importance of Student Self-Management
- Upcoming Resources





# Profession Ready Initiative

# Introducing the Profession Ready Initiative

A research-backed effort to identify and develop the skills early-career CPAs need to succeed in today's rapidly changing environment.



# Key Outputs to Enhance Workforce Readiness



A **skills framework** to guide the training and development of early-career CPAs



**Learning solutions** that use emerging technologies to help professionals quickly build their skills



**Teaching resources** for colleges and universities

# Emerging Themes

Feedback from 775+ members and key stakeholders on entry-level skills gaps observed in practice, translating into development opportunities.

Applying accounting fundamentals

Understanding business context

Practical research skills

Communication

Critical thinking and professional adaptability

Excel and basic technology skills

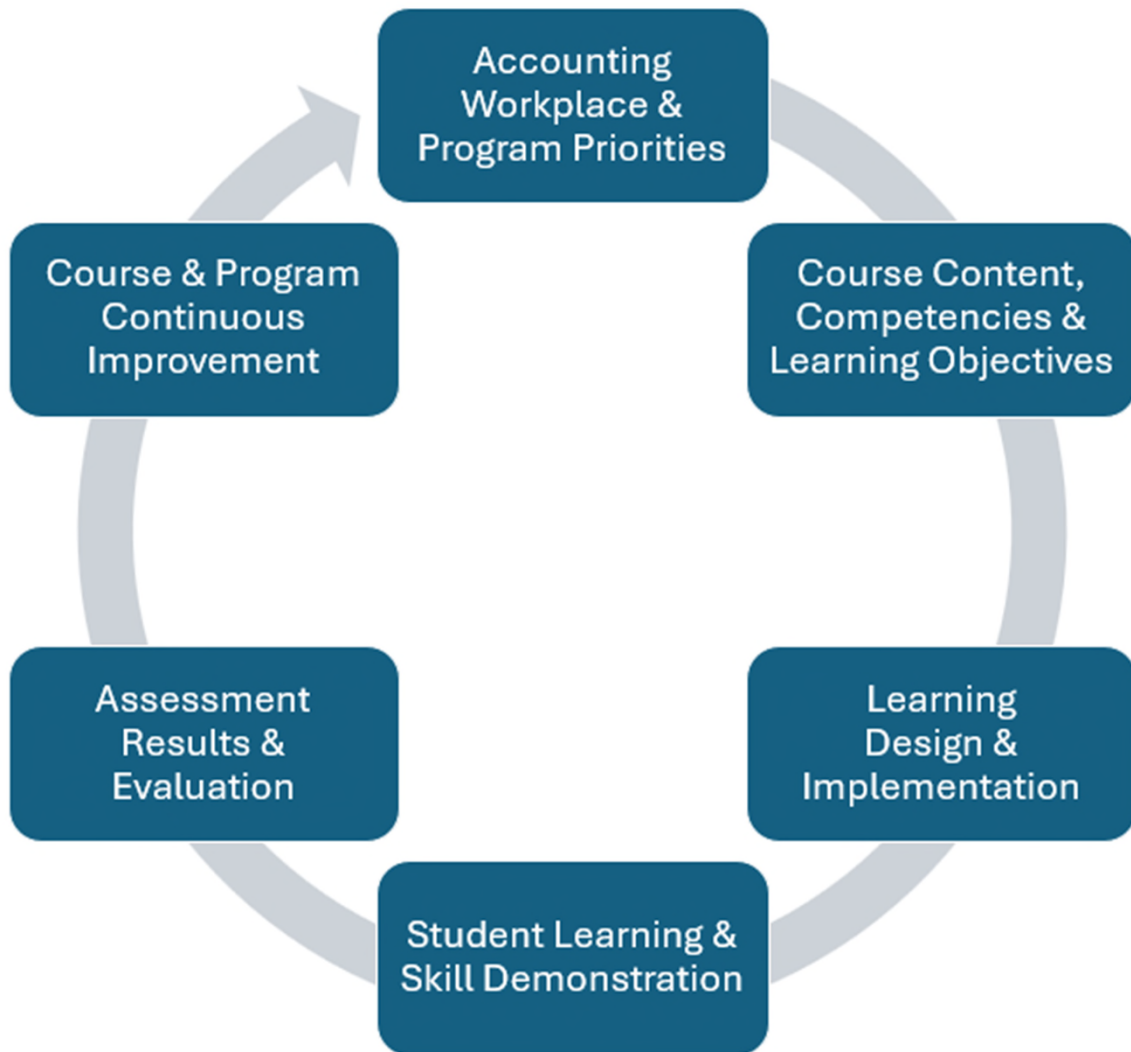
Professionalism

Using AI and technology with appropriate judgment

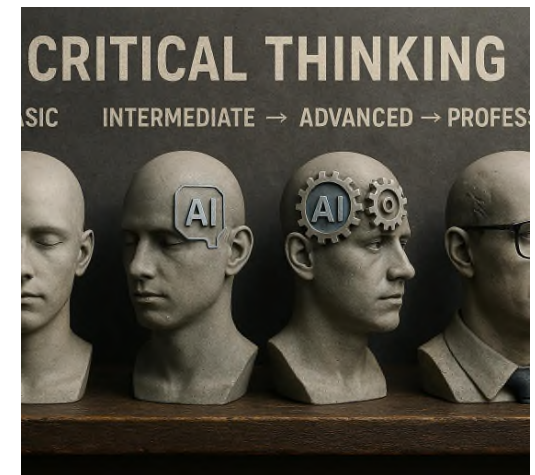
Confidence and initiative



# Cognitive Development of Critical Thinking Skills



# Iterative Course Design and Assessment



### **Well-Defined Problems:**


- Have only one correct answer



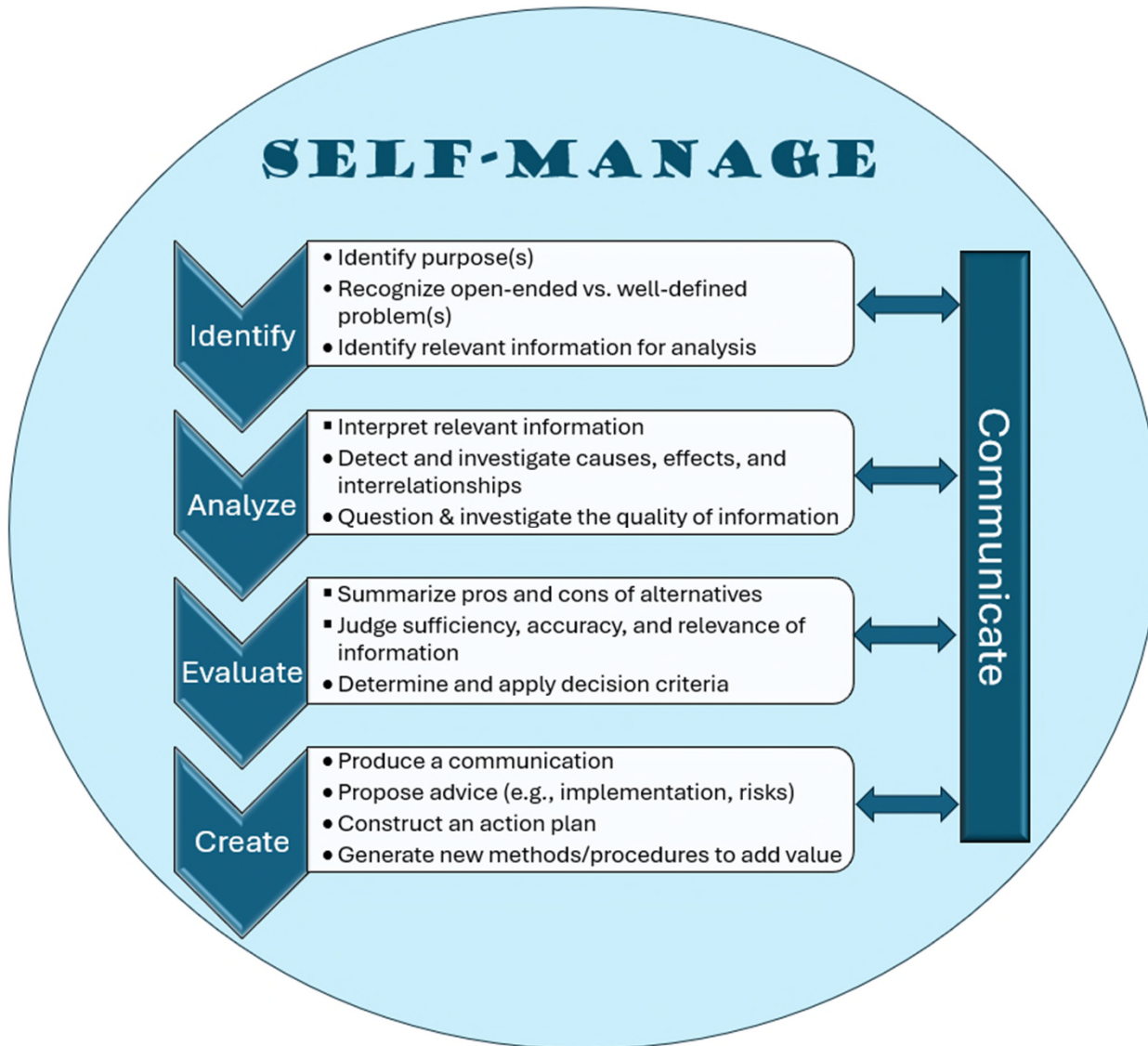
Right or Wrong

### **Open-Ended Problems:**

- Cannot be resolved with certainty
- Have more than one potentially viable solution
- Generate controversy, even among experts
- Contain incomplete information subject to various interpretations
- Have solution options with unknown outcomes
- May need to be addressed repeatedly over time as conditions change and new information becomes available



Require  
Strong  
Critical  
Thinking



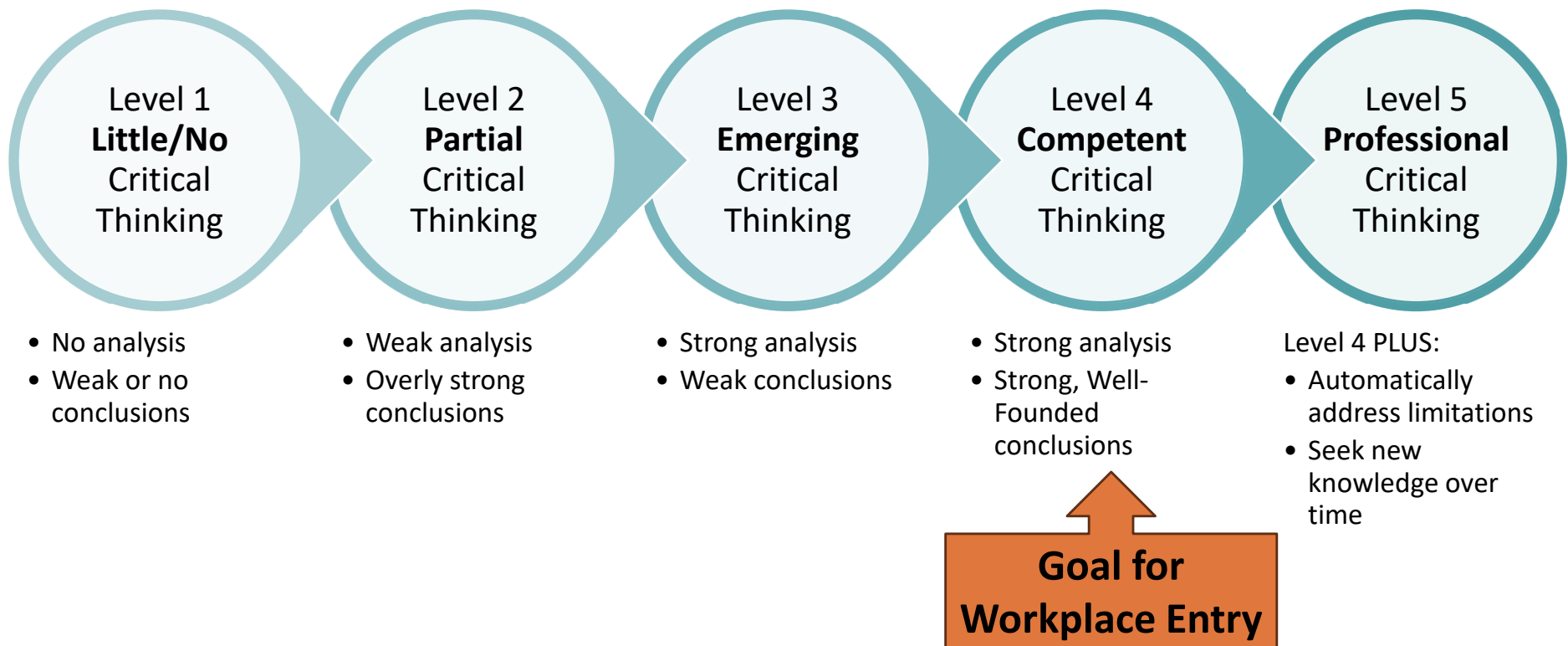
# Decision-Making Model

(Updated Version  
Draft 2026)



# Overview: Critical Thinking Skills By Cognitive Level

Based on Stages 3-7 of the Reflective Judgment Model

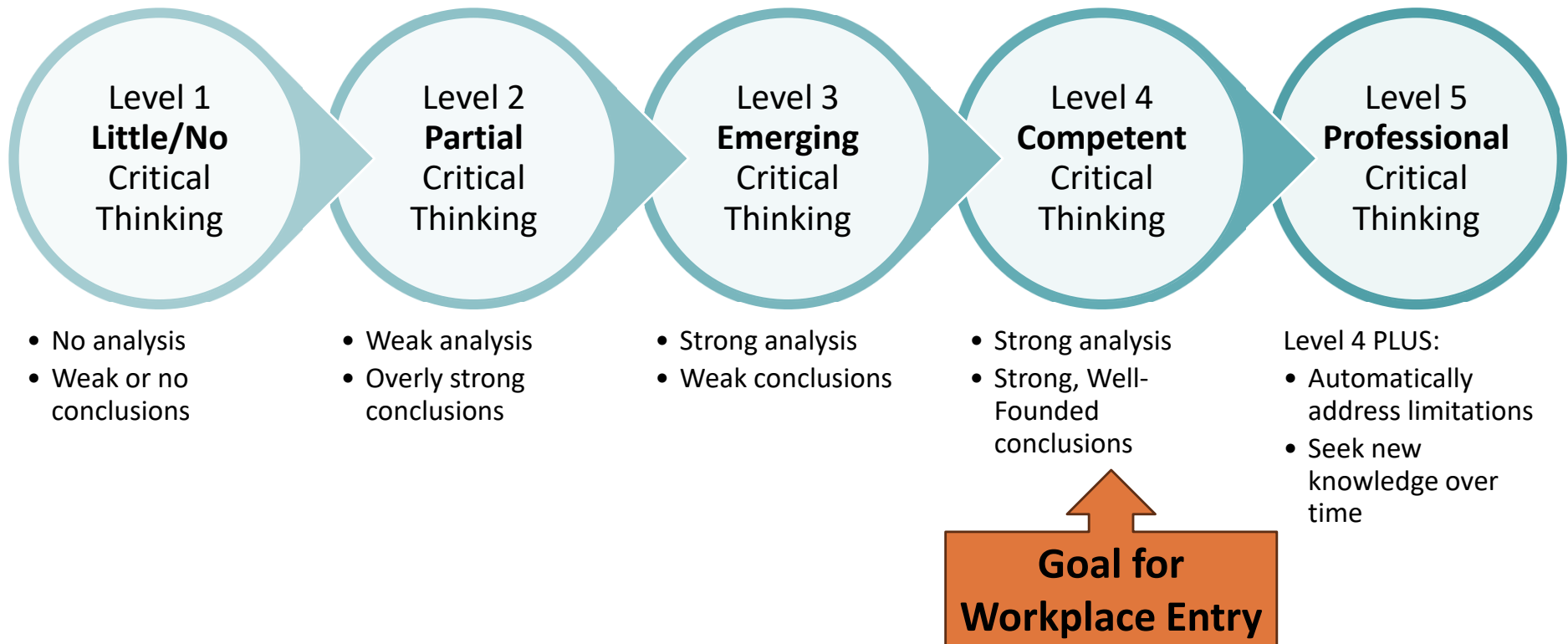


Over

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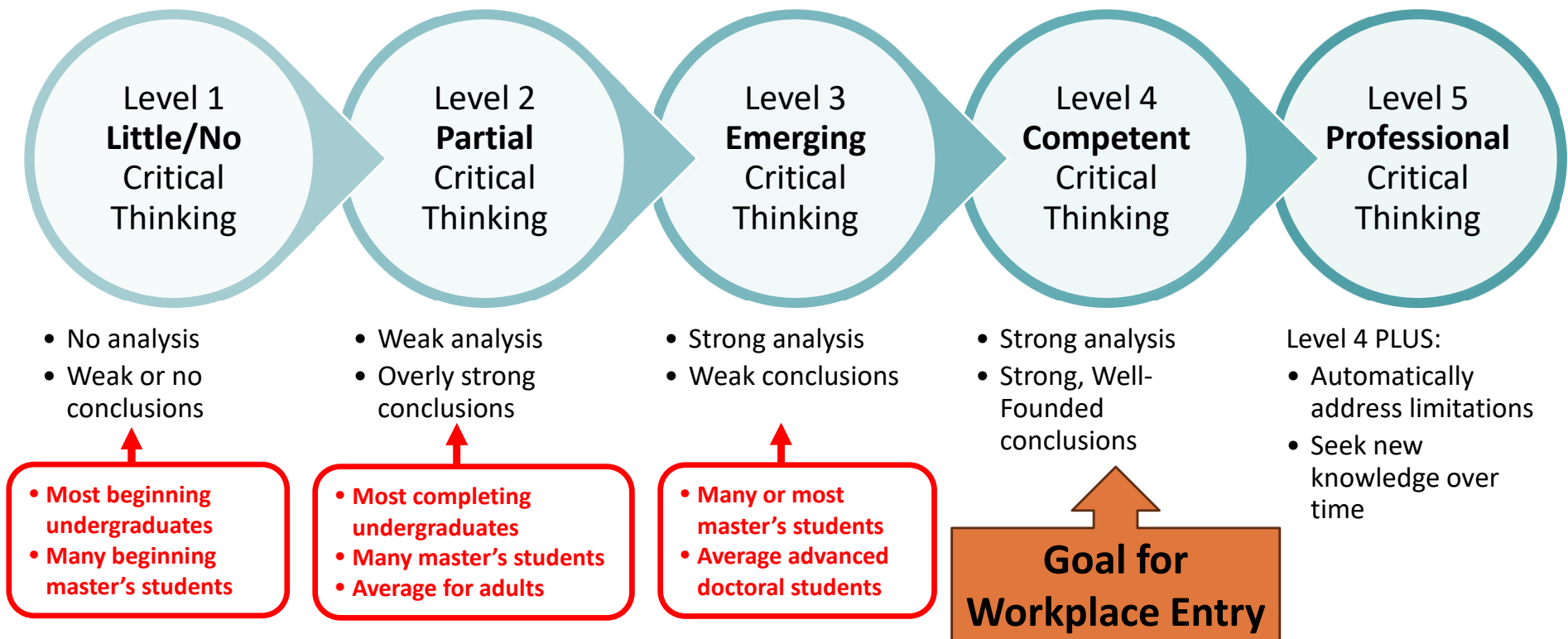
## Which Level Is Most Common at the End of an Undergraduate Degree?

Level



# Overview: Critical Thinking Skills By Cognitive Level

Based on Stages 3-7 of the Reflective Judgment Model; see data in Wolcott & Sargent, JAE 2021





**EXAMPLE**  
Modifying a  
Well-Defined  
Textbook  
Problem  
  
Management  
or Cost  
Accounting

# Tennant Vintage Trucks

Tennant Vintage Trucks produces and sells to retailers a line of 25 collectible metal toy trucks that are vintage truck replicas. Sales have deteriorated during the economic recession resulting in negative cash flows, and the company's managers are seeking ways to increase sales. One proposal is to launch a series of limited-edition trucks to increase sales to collectors.

The first limited edition would consist of 200 Ready Red classic fire trucks for a wholesale price of \$150 each. Manufacturing costs per unit are as follows:

Direct materials	\$25
Direct labor	45
Variable overhead	20
Fixed overhead	65

The per-unit costs include variable overhead licensing fees of \$13 for use of the Ready Red name. Fixed overhead includes \$55 per unit for truck design, manufacturing specifications, and customized die-cast molds. Traditionally, the company has used each die-cast mold set to manufacture only one product.





## **Required: (Typical Well-Defined Textbook Problem)**

Should the company launch the limited edition of Ready Red trucks?  
Provide appropriate calculations and explain your answer.



# Level 1 → Level 2

## Focus on: Knowledge, Information, and Uncertainty

			
Identify & Obtain Needed Knowledge	Identify Relevant vs. Irrelevant Information	Interpret Relevant Information	Identify Open-Ended Problems

## Level 1 → Level 2

### Tennant Trucks: Question Examples



Assume students have already completed the well-defined problem as homework.

1. Identify and explain each accounting term and calculation used in your homework answer.
2. Are all fixed costs relevant for this decision? Why or why not?
3. For each component of your calculations, identify and briefly explain at least one reason why actual revenues/costs/quantities might differ from the estimates.
4. In the “real world,” is this decision likely to be well-defined or open-ended? Discuss.
5. For costs in this problem: Are the costs the same for decision making as for financial accounting? Why or why not?

## Level 2 → Level 3

### Focus on: Alternatives, Perspectives, and Evaluation

			
Identify Alternatives	Identify Stakeholders & Preferences	Control Own Preferences	Thoroughly & Objectively Evaluate Alternatives

## Level 2 → Level 3

### Tennant Trucks: Question Examples


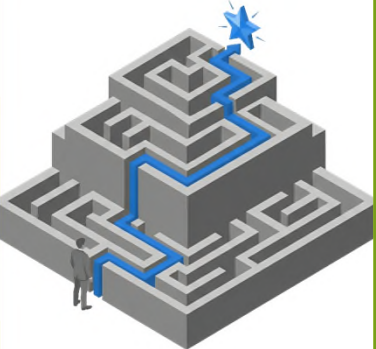




Assume students have already completed the well-defined problem as homework.

1. Is the proposed Ready Red product likely to be viable? Why or why not? Is the company likely to have any other viable options at this time?
2. New Information: *Based on the advice of five long-time customers, the marketing manager established the proposed wholesale price of \$150. These five customers also made preliminary commitments to purchase 50 limited-edition Ready Red trucks. The marketing manager is confident that the remaining 150 trucks can be sold easily.* Discuss the reasons for and implications of possible bias in setting a \$150 wholesale price for Ready Red.
3. Do you have any personal preferences that might influence how you analyze this problem?
4. What additional information might help the managers make their decision?

## Level 3 → Level 4

### Focus on: Priorities, Decision Criteria, and Implementation

			
<p>Assess Priorities &amp; Trade-offs</p>	<p>Establish Decision Criteria</p>	<p>Develop Implementa- tion Plans</p>	<p>Monitor and Revise as Needed</p>

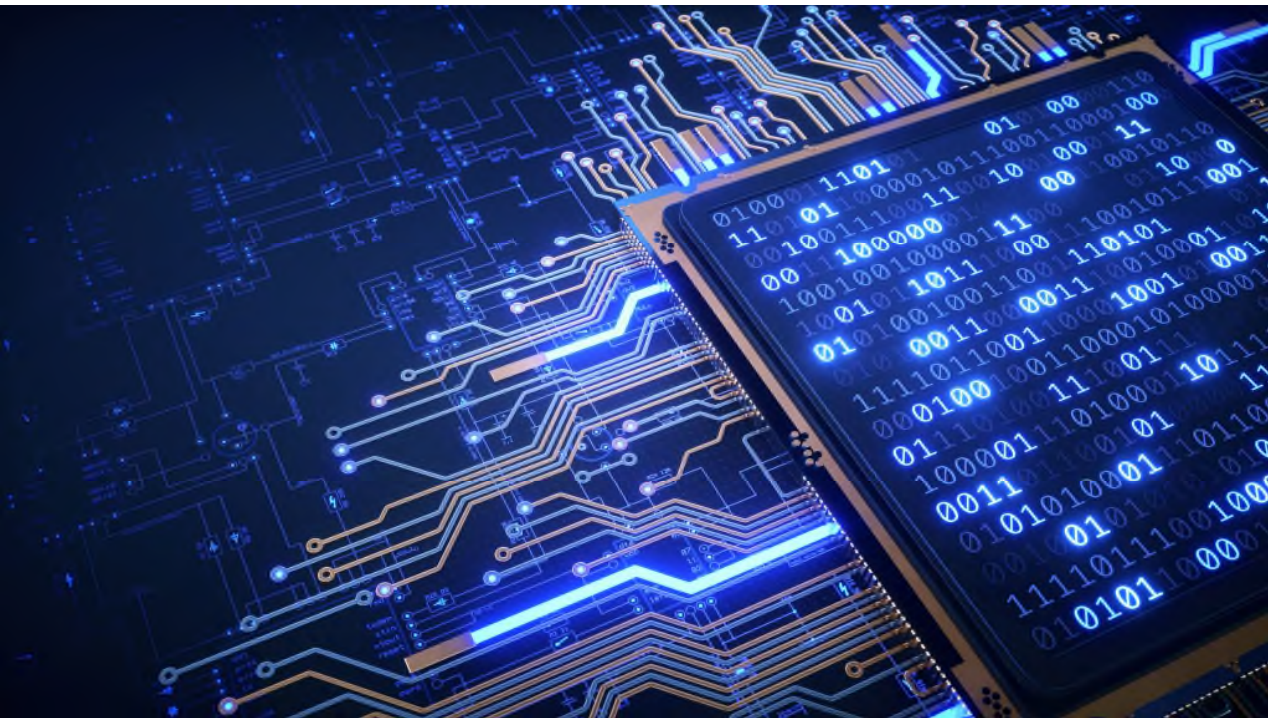
## Level 1 → Level 2

### Tennant Trucks: Question Examples



Assume students have already completed the well-defined problem as homework.

1. What criteria did you use to recommend a decision in the initial (well-defined) problem?  
Explain.
2. New Information: *Company managers believe that vintage truck replicas are more important to the company's customer-oriented strategy than the company's existing lines of metal toy trucks.*  
Discuss whether/how this information affects the decision criteria in the Ready Red decision.
3. Identify and explain several actions that the company will need to take if it decides to launch the Ready Red product.
4. If you were a manager working on this decision, what additional information might you like to have and how might it be obtained?



# How Does This Apply to AI???

# Cognitive Development and Likely Approach to AI

Level 5 Professional Critical Thinking is omitted from this table

	Level 1 Little/No Critical Thinking	Level 2 Partial Critical Thinking	Level 3 Emergent Critical Thinking	Level 4 Competent Critical Thinking
<b>Beliefs That Hinder Progress</b>	<b>All problems are well-defined;</b> the student’s job is to find the <b>correct answer according to experts</b>	<b>Open-ended problems cannot be solved by anyone, including “experts”;</b> it is sufficient to generate arguments to support one’s own position	<b>Endorsing one conclusion denies the legitimacy of other alternatives;</b> There are no overarching criteria by which to choose among competing evidence-based interpretations or solutions	<b>Open-ended problems can be solved in a tentative and pragmatic way based on available information;</b> no generalized principles/ procedures can be used to further investigate one’s resolution
<b>Likely Student Approach to Use of AI</b>	AI either is or is not an expert: <ul style="list-style-type: none"> <li>• Use AI to find correct answers, or</li> <li>• Don’t trust AI</li> </ul>	<ul style="list-style-type: none"> <li>• Use AI to reduce time/effort</li> <li>• Unlikely to prompt AI to more fully explore or analyze a problem</li> </ul>	<ul style="list-style-type: none"> <li>• Use AI to explore the problem and perspectives as fully as possible</li> </ul>	<ul style="list-style-type: none"> <li>• Use AI to more thoroughly analyze and/or effectively communicate</li> <li>• AI is a tool to reduce time and improve quality</li> </ul>

## Level 1 → Level 2 With AI Assistant

### Tennant Trucks: Question Examples



**The lesson for students:** AI handles well-defined problems with structured inputs quite well. Students learn to recognize *when* AI is genuinely useful and how to evaluate whether its output is accurate.

#### Learning Examples:

- The earlier Level 1 questions ("identify and explain each accounting term," and "are fixed costs relevant?") are well-defined and factual. You could have students first answer them independently, then have them prompt an AI with the same questions and compare outputs.
- Have students write a one-paragraph critique of the AI's answer. You are looking to see the extent to which students recognize whether AI is showing a real understanding of the concepts, or is it just pattern-matching.

## Level 2 → Level 3 With AI Assistant

### Tennant Trucks: Question Examples



**The lesson for students:** This is where the use of AI can get interesting. Students will likely observe that it tends to produce a balanced but generic list of biases, rather than reasoning from the specific context (five loyal customers, preliminary commitments, etc.).

#### Learning Examples:

- The earlier Level 2 bias question ("discuss possible bias in the marketing manager's \$150 price") requires identifying stakeholder motivations and controlling one's own preferences. Students can prompt AI with the same question, review the output, and compare to their response.
- Have students diagnose why the AI answer seems inadequate and whether it is missing contextual anchoring. Does AI seem avoid a definitive stance on the topic? Or does AI seem to be too confident in its response? This can help student better understand both the importance of prompt engineering and critical evaluation of AI outputs.

## Level 3 → Level 4 With AI Assistant

### Tennant Trucks: Question Examples



**The lesson for students:** Have students use AI as a brainstorming partner. The students can generate a list of implementation actions or decision criteria, but then require the students to rank, challenge, or discard those ideas with justification.

#### Learning Examples:

- The earlier Level 3 implementation and criteria questions require genuine judgment about trade-offs and strategy. Have students submit their final answer alongside their AI conversation. They should also submit a prompt log that annotates which AI suggestions they kept, modified, or rejected and explain why the output was reliable or unreliable. This makes the human judgment both visible and gradable.
- As an additional reflection question: Suppose a hallucination generated by AI appeared in your final submission, you failed to catch it, and it caused harm to an organization. Who would be legally and ethically responsible, and why?

## Another Example: Fraud-Based AI Assignment

**Exact Prompt Used:** “Is B. Lewis’s secondary commission rate of 19% significant?”

**AI Output Summary:** “B. Lewis’s secondary commission rate of approximately 19% appears significant because it is consistently applied across his near-threshold contract transactions. This consistency suggests the secondary commission payments were not random or isolated exceptions but followed a repeated pattern. When combined with the fact that these contracts were close to the \$25,000 approval threshold and generated unusually high secondary commission dollars for Lewis, the 19% rate could be viewed as a potential indicator of structured commission activity, which could be indicative of fraudulent activity.”



**Your Evaluation:** Upon further examination of the average secondary commission rates for all secondary sales reps, 19% was a very understandable figure that should not be treated as a significant fraud indicator. The AI did not have all the information, so it gave an unsatisfactory answer. I needed to reject this finding as accepting it and putting it in my report could create legal issues for myself and my firm.

**Action Taken:** Accepted/Rejected/Modified : Rejected

## Important Professional Expectations for AI Use

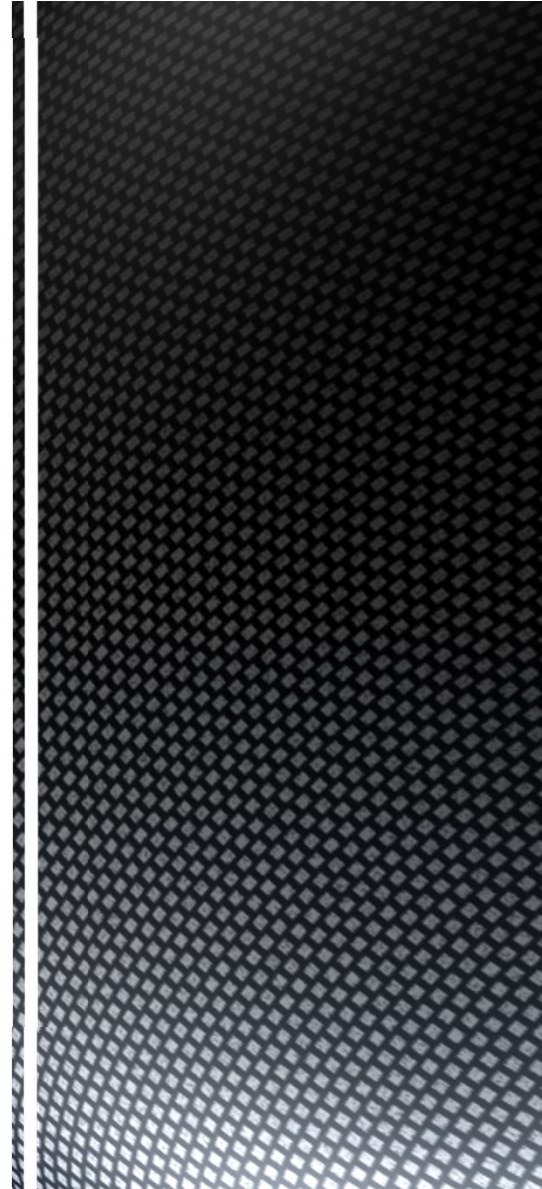
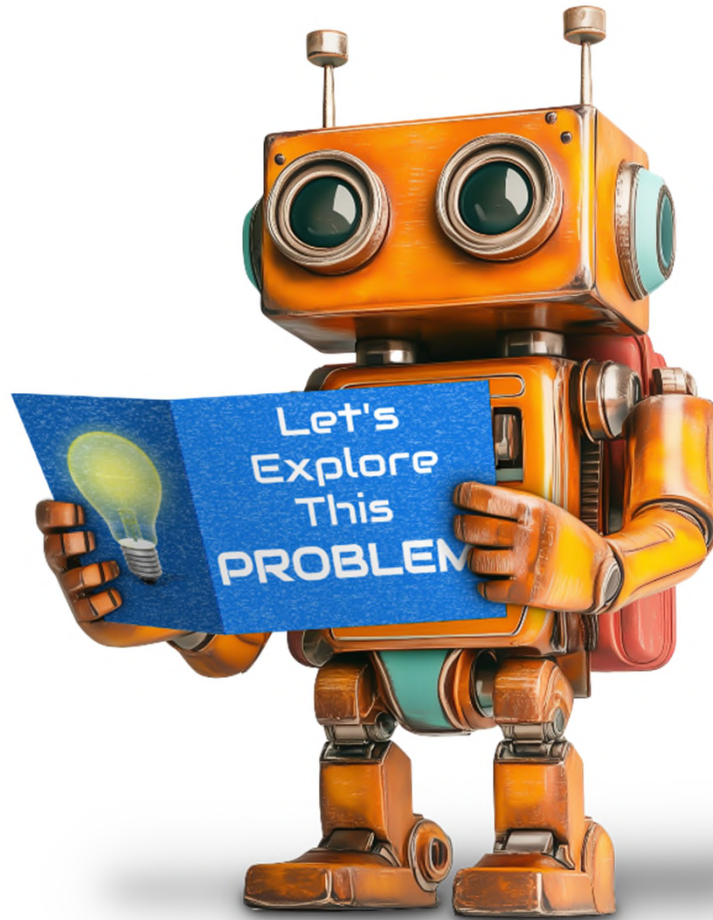
- Do not treat AI output as evidence. AI output is a lead that must be validated by you.
- Do not try to force AI toward an answer by using answer-seeking prompts without independent reasoning.
- Be careful with false accusations that could come from AI output. Unsupported allegations can create reputational, legal, and ethical harm.
- Clearly separate AI-generated observations from conclusions you have independently verified.
- Your responsibility does not transfer to the AI system. You remain fully accountable for what appears in your formal report.



# Self-Management → Accounting Professionalism



The Upcoming  
Critical Thinking  
Materials  
Will Provide Far  
More Guidance  
and Examples





How to help your  
students become  
better critical thinkers

# Current (Old) AICPA Faculty Guide



<https://www.thiswaytocpa.com/program/CriticalThinking>

Also see:

<https://wolcottlynch.com/aicpa-resources>

# Additional Questions/ Discussion

QR Code to Access Slides, or go to:  
<https://wolcottlynch.com/aaa-spark-2026>

