



## **BUSI 4000 A ACCOUNTING THEORY Fall 2014**

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**PROFESSOR:**

Dr. Hilary Becker

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**Office Hours:** Tues and Wed 1-2PM and by Appointment

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**COURSE TIME :**

Tuesdays, 14:35 – 17:25.

**LOCATION:**

**PREREQUISITES:**

BUSI 2002, BUSI 2504, and one of ECON 2202 or STAT 2607 (with a grade of C- or higher in each)

**The School of Business enforces all prerequisites.**

**COURSE OVERVIEW AND OBJECTIVES:**

This course focuses on the evolution of accounting theory and its importance for accounting practice and standard setting. Instead of being a practice-oriented professional course, the course focuses on understanding the theories underlying the generally accepted accounting principles. Major empirical evidence supporting such theories is reviewed, with emphasis placed on income measurement and current issues. In addition to gaining an understanding of the impact of theory and empirical research literature on accounting practice and standard setting, the students develop an ability to critically evaluate current and proposed accounting practices within a broad conceptual framework.

**TEXTBOOKS REQUIRED:**

Scott, William R. Financial Accounting Theory. Seventh Edition. Prentice Hall/Pearson Education Canada, 2015.

**SELECTED SUPPLEMENTARY REFERENCE RESOURCES:**

CICA Accounting Handbook and Public Sector Handbook. The Canadian Institute of Chartered Accountants (available on line through Carleton library electronics journals at <http://catalogue.library.carleton.ca/screens/wr/wr.html>).

Accounting Journals (serials in the library and/or electronically):

Accountancy	HF5601.S622
Accountancy International	HF5601.S62
Accounting, Auditing and Accountability Journal	(electronic)
Accounting Horizons	HF5601.A36
Accounting, Organizations and Society	HF5601.A3
CA Magazine	HF5601.C2422
Contemporary Accounting Research	HF5601.C65
Journal of Accountancy	HF5601.J7
Journal of Accounting, Auditing and Finance	HF5601.J729
Journal of Accounting and Economics	HF5601.J727
Journal of Accounting Research	HF5601.J73
The Accounting Review	HF5601.A6

Professional Accounting Organizations (Websites):

Accounting Standards Board (Canada):

<http://www.AcSBCanada.org/cica/cicawebsite.nsf/public/SGAccountingStandards>

American Institute of Certified Public Accountants: <http://www.aicpa.org/index.htm>

Certified General Accountants of Canada: <http://www.cga-canada.org/>

Certified General Accountants of Ontario: <http://www.cga-ontario.org/>

CMA-Canada: <http://www.cma-canada.org/>

CMA-Ontario: <http://www.cma-canada.org/ontario/index.asp>

Financial Accounting Standards Board (US): <http://accounting.rutgers.edu/raw/fasb/index.html>

Governmental Accounting Standards Board (US): <http://www.gasb.org/>

International Federation of Accountants: <http://www.ifac.org/>

The Canadian Institute of Chartered Accountants: <http://www.cica.ca/>

The Institute of Chartered Accountants of Ontario: <http://www.icao.on.ca/>

Academic Accounting Associations (Websites):

American Accounting Association: <http://accounting.rutgers.edu/>

British Accounting Association: <http://www.shef.ac.uk/~baa/>

Canadian Academic Accounting Association: <http://www.stmarys.ca/partners/caaa/caaa.htm>

European Accounting Association: <http://www.bham.ac.uk/EAA/>

Accounting Networks:

Accountingeducation.com: <http://www.accountingeducation.com/>

Rutgers Accounting Web: <http://accounting.rutgers.edu/>

The International Accounting Network: <http://www.csu.edu.au/anet/>

**TEACHING METHODOLOGY:**

Teaching methodology for this course encompasses assigned readings, brief lectures, discussions, and problem solving exercises and cases. Students are expected to read the assigned material, including the cases and discussion problems **before each class** and to come to class fully prepared to discuss them. Brief lectures are utilized to highlight and clarify key concepts, and example cases and applications are discussed in class to apply these concepts.

The primary role of the instructor in this course is to encourage and facilitate student learning by helping students understand and apply key concepts and by providing them with regular feedback on their progress. All lecture notes are available to students, and students have frequent opportunities to obtain feedback on the mastery of material through regular class discussions and graded class exercises, research assignments, and examinations. It should be emphasized, however, that diligent independent preparation for and active participation in class discussions are crucial to develop a thorough understanding of the course material and to perform well in the course.

**EVALUATION METHODS:**

Project Assignment - report	15%
Class Activities/Participation	10%
Mid-Term Examination	30%
Final Examination	<u>45%</u>
Total	<u>100%</u>

**Project Assignment.** The project assignment comprises a comprehensive written report examining a particular emerging issue and the process of getting into the CPA handbook, completed in groups of three (minimum) or four (maximum). The report should be approximately 10 pages in length, double spaced, excluding major tables, appendices, and preliminary matter, and be professional in its style and format. The reports are evaluated for both content and style. In writing the report, assume the role of independent management consultants analyzing the issue(s) and implications of the topic for different stakeholders. (Note: As changes in accounting issues are fluid at the current time, the project assignment may change. Your instructor will advise you of any changes early in the course). A hand-out will be provided with detailed instructions early in the course.

**Class Activities/Participation.** Relevant activities or exercises are conducted periodically in class, some of them in small groups, and may require brief written reports to be handed in. Please note that marks are not awarded for mere class attendance, but they require active participation in completing and discussing these assignments. Because of the participative nature of these activities, make-up assignments, or compensation for marks lost due to missed classes, are not provided for any reason. Suggested solutions to participative class assignments are discussed in class, but any material required to be handed in is not returned to students.

**Mid-Term Examination.** The mid-term examination (October 21 in-class) is approximately two hours in length and consists of short-answer objective questions, short essay questions, and

problems requiring some interpretation and integration of material. The only valid reason for not writing the mid-term examination at the scheduled time is a medical condition, documented with a medical certificate. Reasons such as conflicts with work or travel arrangements are not considered to be valid reasons.

**If you must miss the mid-term exam due to verifiable illness (or, in rare cases, some other circumstances beyond your control) you may apply to shift the weight of the mid-term to the final exam by submitting a medical certificate or other verifiable documentation to me—the instructor—no later than five (5) calendar days after the midterm date. Please use the medical certificate form found at:**

**[http://www.carleton.ca/registrar/forms/Med\\_Cert\\_Carleton\\_University.pdf](http://www.carleton.ca/registrar/forms/Med_Cert_Carleton_University.pdf)**

**Final Examination.** The final examination is comprehensive, covering the material of the entire course. It is three hours in length and consists of short-answer objective questions, short essay questions, and questions requiring interpretation, integration, and application of several concepts. A **minimum mark of 45 percent** must be obtained on the final examination in order to be eligible to pass the course.

For examination purposes, students are responsible for all material in the assigned readings, class exercises and activities, as well as for any additional material and interpretation provided by the instructor in class. Supplemental or grade-raising examinations are not available in this course.

Requests for deferred final examinations must be directed to the Office of Registerial Services for assessment. In order to be eligible to write a deferred examination, a student must have completed all term work with a minimum mark of 45 percent. If these conditions are not met, a grade of FND (failure with no deferral) will be assigned.

### **SPECIAL NEEDS ASSISTANCE:**

Students with a disability who require special accommodations should first contact a coordinator at the Paul Menton Centre to complete the necessary forms and then discuss their accommodation needs with the instructor. In order to allow sufficient time to make the necessary arrangements for examinations, these forms must be completed at least two weeks prior to the mid-term examination and by November 7, 2014 for the final examination.

**ACADEMIC ACCOMMODATION FOR RELIGIOUS OBSERVANCE:**

Students requesting accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of classes, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

**PREGNANCY:**

Pregnant students requiring academic accommodation are encouraged to contact the Equity Advisor in Equity Services to complete a *letter of accommodation*. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**EXAMINATION POLICY:**

The University policy with respect to examinations is strictly adhered to.

Non-programmable calculators without alpha storage capability may be used on examinations.

**ACADEMIC INTEGRITY:**

The University regulations and sanctions for instructional offences such as plagiarism and unethical conduct during examinations and graded class assignments are enforced. The University regulations require all violations of the instructional offences policy to be reported.

The University Senate defines plagiarism as follows: "to use and pass off as one's own idea or product work of another without expressly giving credit to another."

Borrowing someone else's answers and unauthorized possession of examinations, solutions to examination questions, or material designed to help answer examination questions during examinations also constitute violations of the policy on instructional offences.

Examinations and graded individual assignments must be the exclusive work of the individual student and all graded group assignments the exclusive work of the members of that group.

**GROUP WORK IN BUSINESS COURSES:**

We encourage group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. If you have a group assignment you may find the resources at [http://sprott.carleton.ca/academic\\_programs/groupwork.html](http://sprott.carleton.ca/academic_programs/groupwork.html) useful.

Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

**RELEVANT DATES:**

September 4, 2014	Classes begin
September 30, 2014	Last day to withdraw with full fee adjustment
October 21, 2014	<b>Midterm exam (in-class)</b>
October 27-31, 2014	Fall Break – No Classes
November 7, 2014	Last day to submit to Paul Menton Center for Fall exams
December 2, 2014	<b>Term Project Report Due</b>
December 8, 2014	Last day to withdraw from classes
December 10-21, 2014	Final Exam Period

**TENTATIVE TOPICAL OUTLINE AND SCHEDULE:**

<b>Date</b>	<b>Topic</b>	<b>Chapter/ Readings</b>	<b>Problems (TBA in class)</b>
Sept. 9	Introduction	Chapter 1	
16	Accounting Under Ideal Conditions	Chapter 2	
23	Decision Usefulness Approach to Financial Reporting	Chapter 3	
30	Efficient Securities Markets	Chapter 4	
Oct. 7	Value Relevance of Accounting Information	Chapters 5	
14	Measurement Approach to Decision Usefulness and its Applications	Chapters 6 and 7	
21	<b>Midterm Examination</b>	Ch. 1-7	
28	<b>No Classes – Fall Break</b>		
Nov. 4	Efficient Contracting Approach to Decision	Chapter 8	

	Usefulness		
11	Analysis of Conflict	Chapter 9	
18	Executive Compensation and Earnings Management	Chapters 10 and 11	
25	Standard Setting: Economic Issues	Chapters 12	
Dec. 2	Standard Setting: Political Issues <b>Term Project Due</b>	Chapter 13	

## **IMPORTANT ADDITIONAL INFORMATION**

### **REQUIRED CALCULATOR IN BUSI COURSE EXAMINATIONS**

Only Texas Instruments BA II Plus calculators will be permitted in all Business course examinations.

This calculator is available in the campus bookstore (1<sup>st</sup> floor, University Centre) and at various other off-campus retail stores.

### **GROUP WORK**

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**Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.**

### **PERSONS WITH DISABILITIES**

Students with disabilities requiring academic accommodations in this course are encouraged to contact a coordinator at the Paul Menton Centre for Students with Disabilities to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with me at least two weeks prior to the first in-class test or ITV midterm exam. This is necessary in order to ensure sufficient time to make the necessary arrangements. Please note the deadline for submitting completed forms to the PMC for formally scheduled final exam accommodations is March 14<sup>th</sup> for winter term courses. Please refer to <http://www.carleton.ca/pmc/> for all PMC information.

### **RELIGIOUS OBSERVANCE**

Students requesting academic accommodation on the basis of religious observance should make

a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

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