



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI4000 /A
2015/FALL
ACCOUNTING THEORY**

Instructor: Hilary Becker, Ph.D., CPA, CGA
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Course meets: Friday 11:35-2:25 SP 303

Pre-requisites & precluded Courses:

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 Calendar description from the 2015/2016 University calendar:

Evolution of accounting theory with emphasis on concepts of income and current issues.

Course Description 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.

Reading(s)/Textbook(s):

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

Education Canada, 2015.

SELECTED SUPPLEMENTARY REFERENCE RESOURCES:

CPA Accounting Handbook and Public Sector Handbook. The Chartered Professional 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
CPA 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>

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 Chartered Professional Accountants: <http://www.cpacanada.ca/>

Academic Accounting Associations (Websites):

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

British Accounting Association: <http://www.shaf.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/onet/>

Course Requirements & Methods of Evaluation:

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 or four. The report should be 10 – 12 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 issues 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).

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 23 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

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.

Course Schedule:

RELEVANT DATES:

September 11, 2015	Classes begin (For us, Sept. 11, 2015)
October 12, 2015	Thanksgiving, No Classes
October 23, 2015	Midterm exam
October 26-30, 2015	Fall Break, No Classes
November 6, 2015	Last day to submit to Paul Menton Center for Fall exams
December 4, 2015	Term Project Report Due
December 7, 2015	Last day to withdraw from classes
December 9-21, 2015	Final Exam Period

TENTATIVE TOPICAL OUTLINE AND SCHEDULE:

Date	Topic	Chapter/ Readings	Problems (TBA in class)
Sept. 11	Introduction	Chapter 1	
18	Accounting Under Ideal	Chapter 2	8, 10, 16, 18 (Pt. A only)

	Conditions		
25	Decision Usefulness Approach to Financial Reporting	Chapter 3	3, 5, 7, 10, 14
Oct. 2	Efficient Securities Markets	Chapter 4	1, 7, 10, 12
Oct. 9	Value Relevance of Accounting Information	Chapters 5	7, 9, 15, 20
16	Measurement Approach to Decision Usefulness and Its Applications	Chapters 6 and 7	6, 10, 13, 14 (ch. 6) 10 (ch. 7)
23	Midterm Exam	Chapter 1-7	
26-30	Reading Week		
Nov. 6	The Efficient Contracting Approach to Decision Usefulness	Chapter 8	1, 10, 14
13	Analysis of Conflict	Chapter 9	8, 10, 11, 12
20	Executive Compensation and Earnings Management	Chapters 10 and 11	1, 11, 17 (ch. 10) 4, 8 (ch. 11)
27	Standard Setting: Economic Issues	Chapters 12	10, 11, 13, 16
Dec. 4	Standard Setting: Political Issues Term Project Due:	Chapter 13	2, 5, 8, 11

FND:

To reduce instances of miscommunication Carleton introduced a grade FND (Failure with No Deferral) to be assigned to students who fail to meet the minimum in-term performance standards explicitly set out in the outline and applied consistently (i.e., there is no other hidden criteria).

Satisfactory In-term Performance

1. Unless otherwise stated below in item #2, the requirement for Satisfactory In-term Performance is set at 45% of all, not each, pre-final term work (i.e. assignments, participation marks, tests etc.).
2. The criterion/criteria and the standard(s) for Satisfactory In-term Performance are as follow(s):
 - a. 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.
3. Unsatisfactory In-term Performance in this course will lead to failure in this course (regardless of the performance at the Final exam or final project)
Yes
4. FND grade in this course (in case of missed Final exam or project)
Yes

ADDITIONAL INFORMATION

Course Sharing Websites

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages 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. 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.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

For Students with Disabilities:

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a

disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2015 exam period is November 6, 2015 and for the April 2016 exam period is March 6, 2016.

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation 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 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 website 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.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an 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.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure in the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

Sprott Student Services

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you're having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am

and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/support-services/>
Be in the know with what's happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
 - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>
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