

UNIVERSITY OF LETHBRIDGE – FACULTY OF MANAGEMENT
MANAGEMENT 4160Z – ACCOUNTING THEORY
COURSE OUTLINE – FALL 2009

Classes: Mondays, September 14 to December 7, 2009; 1800 to 2050
Thursday, December 10, 2009; 1800 to 2050

Location: EC1120

Pre-requisite: Mgt 3100 and one of WRITING 1000 or a university English course

Instructor: Tom Gee

Office: EC1307 **Office hours:** by appointment

Telephone: 428-8530 (downtown office), 481-2856 (home)

e-mails: gee@petersonwalker.ab.ca

Course description: This course is intended to provoke thoughtful discussions and questions and possible solutions to current accounting issues. Topics include: the practical and theoretical problems of the present value model versus the historical cost model, the decision usefulness approach, efficient securities markets, the information perspective, the measurement perspective, international financial reporting standards, economic consequences, positive accounting theory, agency theory, executive compensation, earnings management, and the standard setting process.

Required text: Scott, William R., *Financial Accounting Theory*. Fifth Edition, Pearson Prentice Hall Canada Inc. 2009, ISBN 978-0-13-207286-1.

Students may wish to periodically check the CICA's website for current changes by accessing <http://www.cica.ca>.

Course delivery: Classes will consist of a combination of lectures, class discussions and team debates. Students are encouraged to ask questions in class to facilitate their understanding of the concepts.

<u>Student evaluation:</u>	Position paper	10%
	Team debate	10%
	Quizzes	10%
	Midterm examination (October 26, 2009)	35%
	Final examination (December 14, 2009)	<u>35%</u>
		<u>100%</u>

Late assignments will not be accepted. An absence from the mid-term will result in a grade of zero being assigned, unless a student is able to provide documented support for an absence. When this happens, the weighting of the mid-term examination will be shifted to the final examination.

Management 4160Z – Accounting Theory Course Outline**Grade Conversion Scale**

A+	95 – 100	C+	70 – 73
A	90 – 94	C	66 – 69
A-	86 – 89	C-	62 – 65
B+	82 – 85	D+	58 – 61
B	78 – 81	D	50 – 57
B-	74 – 77	F	00 – 49

Dates**Coverage**

Sept 14	Chapters 1 and 2: Introduction and Accounting under ideal conditions
Sept 21	Chapter 2: Accounting under ideal conditions
Sept 28	Chapter 3: The decision usefulness approach
Oct 5	Quiz 1 and Chapter 4: Efficient securities markets
Oct 12	Thanksgiving Holiday – NO CLASS
Oct 19	Chapter 5: The information perspective on decision usefulness Quiz 2 and position paper 1 due
Oct 26	Midterm examination
Nov 2	Review midterm exam and debate 1
Nov 9	Chapters 6 and 7: The measurement perspective and debate 2
Nov 16	Chapter 8: Economic consequences and debate 3
Nov 23	Quiz 3, Chapter 9: An analysis of conflict and debate 4
Nov 30	Chapter 10: Executive compensation and debate 5
Dec 7	Quiz 4 and Chapter 11: Earnings management
Dec 10	Chapters 12 and 13: Standard setting Position paper due
Dec 14	Final examination

Management 4160Z – Accounting Theory Course Outline

Position paper (Position papers should be approximately 5 to 10 pages in length and double-lined.)

Due Dec 10: The historical cost model is irrelevant and should be replaced with an alternative model such as the present value model.

Debates

Nov 2 Debate 1: Financial accounting serves an important role in society by providing information that is useful to readers.

For:
Against:

Nov 9 Debate 2: Financial markets are efficient in that they absorb information to accurately reflect the fair market value of securities.

For:
Against:

Nov 16 Debate 3: Investors view accounting information to be useful in helping them to make decisions about their investments.

For:
Against:

Nov 23 Debate 4: Accountants need to consider the economic consequences of the information presented in financial statements.

For:
Against:

Nov 30 Debate 5: Managers should be allowed to manage earnings.

For:
Against: