



School of Business
Te Kura Pakihi

Department of Accountancy & Finance

ACCT 320
Accounting Theory
Semester 1, 2015
(0.15 EFTS; 18 points)

COURSE OUTLINE

Paper description and aims

In ACCT 320 we will expose you to the conceptual underpinnings and pragmatic analysis of some of the important and fundamental aspects of accountancy, which we'll present in three modules: evolution of accounting thought, and selected topics from financial and management accounting. The teaching material which underlies our discussions comes from the professional and academic literatures. Further, the paper provides for the opportunity to practice communication. Overall, the aim is to enhance the ability of students to participate more effectively in discussing the future development of accounting theory and accounting practice.

Learning outcomes

Upon successful completion of this paper, you should be able to

- engage in debate concerning the nature and purpose of accounting matters, and so contribute to the further development of the accounting discipline and the accounting profession; and
- improve verbal communication and presentation skills, and the ability to undertake teamwork.

Teaching staff

Paper Coordinator

Name: Dr Michael Falta (MF)
Office: C05.35
Email: michael.falta@otago.ac.nz
Office Hours: Tuesdays 12:00-15:00

Lecturer

Name: Dr Sriya Kumarasinghe (SK)
Office: C05.34
Email: sryia.kumarasinghe@otago.ac.nz
Office Hours: Mondays 14:00-16:30

Course delivery

Lectures: Weeks 9 and 18:.....**CHEM1; Tuesday, 09:00 – 10:50**
All other weeks:.....**RMOOT, Mondays 09:00 – 09:50, and**
CHEM 1, Tuesdays, 09:00 – 09:50

Seminars:

	Meeting time	Seminar room
Stream 1	Thursday 08:00 – 09:50	BURN3
Stream 2	Thursday 13:00 – 14:50	BURN3
Stream 3	Thursday 15:00 – 16:50	BURN3

Each seminar will normally consist of three components:

1. Presentation: each student will participate in one group presentation and you will obtain via e-mail a separate document 'Case Study Presentation Information'.
2. A reflection, by the lecturer, on the weekly topic.
3. Group discussions in class: a list of questions made available on the day will be first discussed in small groups and then communicated to the class by a designated speaker.

Seminars begin in the first week of the semester. Initially, you will be allocated to a seminar stream, for your convenience however, there will be the opportunity to self-stream during the first week of the semester.

The Course Calendar details scheduling information. Note that this calendar may change as the course proceeds. Any changes will be announced by e-mail.

Course calendar 2015

Topic No	Week commencing	Topic	Lecturer
1	23 February (Week 9)	Introduction to the course & the evolution of accounting thought Overview of accounting theory, evolution of double entry book-keeping, development of accounting principles.	MF
2	2 March (Week 10)	Accounting regulation, standard setting and conceptual framework Nature of accounting standards, goals of accounting standards, formation of accounting standards, legitimacy of accounting standards, normative characteristics of accounting pronouncements, objective of the conceptual framework.	MF
3	9 March (Week 11)	Assets, liabilities and owners' equity (theory) Definition of assets and liabilities, recognition criteria, application of definitions and recognition criteria to specific financial arrangements.	MF
4	16 March (Week 12)	Assets, liabilities and owners' equity (measurement) Purpose of measurement from behavioral, contracting and capital market perspectives.	MF
Wed 18 March: Exam prep clinic (voluntary attendance), HNG10, 14:00-15:50			
5	23 March (Week 13)	Revenues and expenses, allocations Timing of recognition of revenues and expenses, operating cycle, different options for recognizing revenue, arbitrariness of allocations, accruals and the matching concept.	MF
6	30 March (Week 14)	Income measurement and alternative accounting models Differing concepts of profit, effects of inflation on profit, measurement issues, current value accounting, fair value accounting.	MF
April 3 (Good Friday, public holiday) Mid-semester break begins			
7	13 April (Week 16)	Capital market research, equity valuation, bankruptcy analysis (no seminars in this week)	MF
Friday 17 April: Mid Semester Exam, BURN7, 14:00-15:50			
8	20 April (Week 17)	Performance management and responsibility accounting Theoretical frameworks in performance management, use and existence of techniques, and unintended consequences of these systems.	SK
9	27 April* (Week 18)	Intellectual capital Issues surrounding the definition, valuation, recognition and disclosure (theory and practice) of intellectual capital.	SK
10	4 May (Week 19)	Mergers and acquisitions Motivations for M&A, key factors, cross-border M&As and valuation, foreign investments, transfer pricing, multinational capital budgeting, research on M&A	SK
11	11 May (Week 20)	Corporate social responsibility and sustainability Social and environmental reporting issues, development of theoretical models of corporate social responsibility, corporate social responsibility reporting practice and issues.	SK
12	18 May (Week 21)	Corporate governance Governance principles, regulatory and legislative requirements and approaches, role of the board, role of the auditors, capital markets, shareholder and investor activism.	SK
13	25 May (Week 22)	Earnings management and ethics Importance of earnings and managing earnings, professional ethics, ethical dilemmas, New Zealand Institute of Chartered Accountants code of ethics.	SK
30 May –17 June First semester examinations			

*Monday, April 27 is ANZAC Day (public holiday)

Expectations and workload

University guidelines indicate that a one-semester 18-point paper should involve students for 180 hours. On average, that is approximately 12 hours work per week (allowing for sufficient exam preparation after lectures end). Students found the following work schedule to be useful in the past:

	Per week [h]	Per semester [h]
In class (lectures)	2	26
In class (seminars)	2	24
Study and preparation for class	7	91
Preparation for presentation		15
Preparation for exams		2x 10
Mid semester and final exams		2 x 2
Total		180

Students are expected to prepare for and attend all classes to gain full benefit from the course; also students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.

Course learning resources

There is no set textbook for the course. The main course reading is a manuscript entitled 'Accounting Theory: Perspectives on and Challenges of a Discipline from Academic and Professional Viewpoints'. The manuscript will be made available via e-mail. Each chapter relates to a week's topic and also contains further reading references. Electronic copies of all other readings will also be available on Blackboard (<https://blackboard.otago.ac.nz/>). It is thus important that you check regularly Blackboard, and for more urgent announcements, your university student e-mail.

IMPORTANT:

Forward your University email address to an email address that you use regularly as follows:

1. [Log into your StudentMail account](#) using your student username and password
2. Click **Options >See All Options**
3. Under **Account**, select either the **Forward your email** shortcut or the **Connected Accounts tab**.
4. At the bottom of the screen, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
5. Click the **Start forwarding** link at the bottom of the page.

Assessment

The final grade for the course is calculated from the following three components:

Presentation	20%
Mid semester exam	40%
Final exam	40%
	<u>100%</u>

To pass the course, you must:

- sit both mid-term and final exams and obtain a combined average mark of at least 50% and no individual mark below 45%; and
- take part as a speaker in the presentation allocated to you.

Examinable material for the mid semester exam is all material from weeks 1 to 7 (including). Examinable material for the final exam is all material from weeks 8 to 13 (including).

The grading scheme used at Otago is:

A+	90-100	B+	75-79	C+	60-64	D	40-49
A	85-89	B	70-74	C	55-59	E	<40
A-	80-84	B-	65-69	C-	50-54		

The standard University cutting marks are used. 'C-' is the lowest passing grade.

80 percent of the assessment consists of work done under examination conditions, and 20 percent of the assessment is for group work and the emphasis placed in the course on enhancement of verbal communication skills, and on the planning and delivery of a convincing presentation to an audience. While the importance of communication and group work in building team-work skills is acknowledged, this assessment arrangement reflects two basic principles in the assessment of work for degree purposes: (i) a student cannot pass a course solely or principally on the strength of work done in collaboration with others, and (ii) group work, and work done under non-examination conditions, may enhance a passing grade, but it cannot convert a failing grade into a passing grade.

Quality assurance

At the Otago Business School we monitor the quality of student learning and your learning experience. Assessed work may be used for assurance of learning processes, such as evaluating the level of achievement of learning outcomes, with the aim of improving the quality of our programmes. All material used for quality assurance purposes will be treated as confidential and the outcome will not affect your grades.

Learning outcomes

Learning Outcome	Presentation	Exams
Awareness of aspects of the evolution of accounting thought, financial and management accounting	x	x
Improve on verbal communication and presentation skills and discuss accounting issues	x	x
Weighting	20%	80%

Dishonest practice and plagiarism

Students should ensure that all submitted work is their own. Plagiarism is a form of dishonest practice (cheating). It is defined as copying or paraphrasing another's work and presenting it as one's own. Any student found responsible for dishonest practice in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including

forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about University policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, or the Student Learning Centre. The guideline for students is available at this link: <http://www.otago.ac.nz/study/plagiarism/>

The Library resource on ethical use of information is available via this link: <http://oil.otago.ac.nz/oil/module8.html>

Student learning support and information

Student Charter

<http://www.otago.ac.nz/about/otago005275.html>

Guidelines for Learning at Otago

<http://hedc.otago.ac.nz/hedc/wp-content/uploads/2012/12/Guidelines-for-Learning.pdf>
<http://hedc.otago.ac.nz/hedc/learning/>

Student Learning Centre

The Student Learning Centre, which is part of the Higher Education Development Centre, provides learning support, free of charge, to ALL enrolled students. Their services include:

- a workshop programme designed to help students to improve their learning strategies and their generic skills;
- individual assistance with learning issues;
- on-line study skills advice;
- a student leadership programme
- a student-led peer support programme for students of all ages and backgrounds.
- conversational English groups for students from a non-English speaking background

The Centre also provides two very helpful study guides, “Guidelines for Writing and Editing” and “Writing University Assignments” and these are available on the SLC website. <http://slc.otago.ac.nz/>

Library Support

The Library website <http://www.otago.ac.nz/library> provides access to resources and services, including group room bookings, library hours and locations, past exam papers, subject guides, article databases and more.

If you need assistance either check out the self-help guides <http://otago.libguides.com/selfhelp>, or ask Library staff at the ground floor service desks, or email ask.library@otago.ac.nz

Māori Student Support

Tēnā koutou katoa,
Ko Corey Bragg tōku ingoa
Ko Ngāi Tahu, Kāti Mamoe, Waitaha me Ngāti Kahungunu ōku iwi

Kia ora, my name is Corey Bragg and I am the Māori student support person in the Business School. My role is to help link Māori students with the various support networks throughout the university and the community. Kaua e whakamā, don't be shy - come in for a chat. Mauri ora mai.

Tel 479 5342

Email corey.bragg@otago.ac.nz

Room CO 3.21

Nicola Beatson is the Kaiāwhina Māori in the Department of Accountancy and Finance

Tel 479 8321

Email nicola.beatson@otago.ac.nz

Room CO5.32

Pacific Islands' Student Academic Advisor

Warm Pacific Greetings

Talofa lava, my name is Esmay Eteuati and my role is to liaise with Academic Departments and Student Services relating to Pacific students' and their course of study. I support both staff and students in the Business School and have a network of Pacific contacts in other Divisions around the University.

Tel +64 3 479 4756

Email: esmay.eteuati@otago.ac.nz

Disability Information and Support

Students are encouraged to seek support if they are having difficulty with their studies due to disability, temporary or permanent impairment, injury or chronic illness. It is important to seek help early, through one of the contacts below:

Dyna Seng

Tel 479 9072

Email dyna.seng@otago.ac.nz

Room CO5.47

Student feedback

We encourage your feedback. This can be in the form of contacting staff, participating in course evaluation surveys and communicating with class representatives. Continual improvements will be made to this course based in part on student feedback. Recent changes to this course as a result of constructive student feedback include a simplification of assessment and reduction of reading and course materials.

Class representatives

The class representative system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the teaching and delivery of the paper and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to the development of a sense of community within a department and it adds a further dimension to the range of support services offered to students.

Volunteers for the role of class representatives will be called early in the semester. The OUSA invites all class representatives to a training session, conducted by OUSA, about what it means to be a class representative and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class representatives during the semester. Departmental staff will also meet with class representatives during the semester to discuss general issues or matters they wish to have considered. Your class representative's name and contact details will be posted on Blackboard early in the semester.

Concerns about the Course

We hope you will feel comfortable coming to talk to us if you have a concern about the course. The Course Coordinator will be happy to discuss any concerns you may have. Alternatively, you can report your concerns to the Class Representative who will follow up with departmental staff. If, after making approaches via these channels, you do not feel that your concerns have been addressed, there are

University channels that may aid resolution. For further advice or more information on these, contact the departmental administrator or head of department.

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.