



University
of Glasgow | Department of
Accounting & Finance

FACULTY OF LAW, BUSINESS AND SOCIAL SCIENCES

DEPARTMENT OF ACCOUNTING AND FINANCE

**ADVANCED ACCOUNTING THEORY
(Code 89KY)**

COURSE DOCUMENTATION

2008 - 2009

COURSE NAME: Advanced Accounting Theory (Honours course code [89KY])

LEVEL OF COURSE: Advanced Accounting Theory is a level 3/4 course.

IS THE COURSE COMPULSORY?

No

CREDIT POINT VALUE: This course carries a value of 15 SCOTCAT credits; equivalent to 7.5 ECTS credits.

USUAL YEAR OF STUDY:

Advanced Accounting Theory is normally taken by Bachelor of Accountancy (BAcc) students in either their third or fourth year of study. It is a 2nd Semester course.

LEARNING AND TEACHING METHODS, HOURS AND VENUES:

This course will be taught by way of lectures and tutorials giving a minimum of 24 contact hours, and by directed study including assigned reading. Some topics may be covered primarily by directed study methods.

Lectures:

Lecture Time		Location
Weekly 2-hour lecture, Friday 10-12	W/c 12 th January 2009 for 10 weeks	Davidson Building Room 208 (LT)

Tutorials:

Each student will be required to attend four tutorials, each of one hour duration. Tutorials will run on two fortnightly cycles beginning in w/c 26th January and w/c 2nd February respectively. There are expected to be three tutorial groups. Please refer to Moodle.

PREREQUISITES AND CRITERIA FOR SELECTION:

BAcc students must normally have successfully completed, that is with grade D or better, the Financial Accounting 2 course before they take the Advanced Accounting Theory course. Other students should not undertake this course unless they have previously completed foundation courses in financial reporting

STAFF AND HOUSEKEEPING MATTERS:

Course Co-ordinator	Prof. Vivien A. Beattie (Room 544; Tel. 0141 330 6855) e-mail V.Beattie@accfin.gla.ac.uk
Lecturers	Professor Vivien A. Beattie
Tutor	Professor Vivien A. Beattie
Course Administrator	Lynn Borges, Room 361 L.Borges@accfin.gla.ac.uk

To arrange an appointment to see Prof. Beattie contact her directly via e-mail. Notices will also be distributed electronically via the virtual classroom.

AIMS OF THE COURSE:

The course will provide students with a critical overview of the different approaches to research in financial accounting and the main research areas in financial accounting, and will specifically review:

1. The development of accounting theory and practice and the link between the two.
2. The different bases of accounting theory – alternative methodological approaches and foundation disciplines
3. The development of accounting policy.
4. The main research areas in financial accounting research.

INTENDED LEARNING OBJECTIVES OF THE COURSE:

Students by the end of the course should have a critical appreciation of the range of theoretical and empirical approaches used to understand the practice of accounting and its impact on users and society. Specifically, students should be able to:

1. Identify those factors which have led to the development of current accounting practices and assess the extent to which accounting theory has influenced current accounting practices.
2. Describe and distinguish the main approaches to development of a theory of/knowledge about accounting.
3. Identify the major elements of a conceptual framework for financial accounting and discuss the influence of economic consequence arguments.
4. Evaluate whether a theory of financial reporting can be politically neutral.
5. Explain and critically evaluate the nature of, and evaluate the contribution of: (i) normative accounting theory; (ii) behavioural accounting research and human information processing research, (iii) positive accounting theory and market-based accounting research, (iv) disclosure theory and (v) critical accounting theory.
6. Demonstrate an awareness of the evolving nature of accounting practice and assess the strengths and weaknesses of present day accounting practices.
7. Explain and critically evaluate recent proposals for the development and extension of the traditional financial reporting model
8. Apply knowledge of accounting research to real-world issues and debates in the accounting field and will have developed their personal transferable skills in the following areas:

<u>Academic</u>	-	analytical thinking
	-	information retrieval
	-	ability to think flexibility
<u>Communication</u>	-	delivering coherent arguments
	-	oral communication in group situations
<u>Self management</u>	-	meeting deadlines
	-	managing time effectively
<u>Inter-personal skills</u>	-	listening skills

COURSE OUTLINE:

Date	Topic
Week 14 16/1/09	Topic 1: The development of accounting practice and accounting theory
Week 15 23/1/09	Topic 2: Hour 1: Accounting policy-making: conceptual frameworks; economic consequences and the politicisation of accounting Topic 3: Hour 2: Normative perspectives: economic income models
Week 16 30/1/09	Topic 4: Normative perspectives: accounting for changing prices (CPP & CVA)
Week 17 6/2/09	Topic 5: Behavioural Accounting Research (BAR) – Overview and user needs research;– judgment and decision-making (HIP) research
Week 18 13/2/09	Topic 6: Positive accounting theory - agency theory; other contracting costs; evidence from accounting method choice and lobbying studies
Week 19 20/2/09	Topic 7: Hour 1: Market-based accounting research Topic 8: Hour 2: The corporate communication process
Week 20 27/2/09	Topic 9: Hour 1: Disclosure theory: objectives and motivations of preparers Topic 10: Hour 2: Management’s disclosure choices
Week 21 6/3/09	Topic 11: Management’s disclosure choices: accounting numbers (earnings management), narratives, graphs and photographs
Week 22 13/3/09	Topic 12: Business reporting: drivers of change, recent proposals (e.g AICPA, 1994; ICAS, 1999; FASB (2001); PricewaterhouseCoopers <i>ValueReporting</i> TM)
Week 23 20/3/09	Topic 13: Business reporting: current developments re web-reporting, inc. XBRL; risk; intangibles and intellectual capital; accounting narratives, the OFR and the Business Review

COURSEWORK:**Formative and summative coursework**

1. Essay – details provided separately.
2. Students will be required to read in advance material for discussion at tutorials and the quality of their oral contribution during tutorials will be assessed. Failure to attend without good cause will result in a mark of zero being awarded.

Jointly, this work will contribute 25% of the total assessment of the course. The assessment of this coursework will be broken down as follows:

Essay	%
Quality of contribution to tutorial discussions	15
	<u>10</u>
	<u>25</u>

Degree examinations

There will be a three-hour degree examination for this course. Details of timing and venues of examinations will be provided in due course by the Registry.

Eligibility for Degree Examination:

Only student’s who have a satisfactory record of attendance at tutorials and who have submit satisfactory coursework will be eligible to take the degree examination in this course. Students with more than one unexplained absence from tutorial classes will not be eligible to take the degree exam. Students have a right of appeal a decision to refuse them permission to take the degree examination. In the first instance an appeal should be addressed to the Head of Department.

Policy on exemption from degree examination: No exemption from the degree examination is available on this course.

METHOD OF FINAL ASSESSMENT:

The assessment weightings given to course-work and the degree-examination are as follows:

Coursework	25%
Degree-examination	<u>75%</u>
	<u>100%</u>

Resits:

A student failing this course on the basis of the first diet degree examination, may resit the degree examination. The assessed course-work element cannot be resubmitted. Coursework marks will be carried forward in the assessment of re-sitting students only if it is to the students advantage to do so. Students taking this course at honours level may not resit the degree examination.

RECOMMENDED TEXTS:

Unfortunately, there is no single textbook which covers the material in this course adequately. The two books which may be referred to are:

* Deegan C and Unerman, J Financial Accounting Theory – European Edition, 2006, McGraw-Hill.

A. Belkaoui, Accounting Theory (5th (or latest edition), 2004, Thomson Learning, ISBN 9781844800292).

* This is probably the better of the two for giving an overview of the course.

CORE READING:

Extensive use will be made of journal articles and selected extracts from other books. Where items are not available in electronic form from the library, photocopies will be distributed during class.

UNIVERSITY & DEPARTMENTAL POLICIES

This document MUST be read in conjunction with course document addendum on Departmental and University Policies which can be found on the BAcc Common Room on Moodle. There are no exceptions to these policies.