

# 7101AFE

## Financial Accounting Theory

### Semester 1 - 2008

Academic Organisation:	Department of Accounting, Finance and Economics
Faculty:	Griffith Business School
Credit point value:	10
Student Contribution Band:	Band 3
Course level:	Postgraduate
Campus/Location/Learning Mode:	Nathan / On Campus / In Person Gold Coast / On Campus / In Person
Convenor/s:	Dr Reza Monem (Nathan) Ms Robyn-Ann Cameron (Gold Coast)
Enrolment Restrictions:	Nil
This document was last updated:	6 February 2008

#### **BRIEF COURSE DESCRIPTION**

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This course critically examines the theoretical framework of financial reporting and its regulation. It is therefore assumed that students have the necessary technical skills and understanding of accounting following the successful completion of the required prerequisite(s). The course covers the historical development of accounting and its role in society, standard setting and institutional arrangements, politicisation of accounting, international accounting trends and harmonisation, a range of theoretical perspectives and the links between accounting theory, research and practice.

This course is normally offered at

Gold Coast - Semester 1 Day even years, Night odd years

Nathan - Semester 1 night and Semester 2 Day.

Prerequisites: 7111AFE or 7001ABF Accounting

Incompatibles: ABF7027/N or FF72A20 Financial Accounting Theory; 7212ACF or ACF7212 Accounting Theory; FF51A20 Accounting Theory; 7027ABF Financial Accounting Theory OR 7212ACF Accounting Theory.

## **SECTION A – TEACHING, LEARNING AND ASSESSMENT**

### **COURSE AIMS**

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The course aims to develop critical analysis, communication skills and thinking about accounting issues and challenges facing the accounting profession. To achieve this, the student is exposed to a range of theories about accounting and accountants, to acquire a deeper understanding of accounting beyond the technical procedures.

Accounting provides information that is critical to the measurement of organisational performance. Earlier courses in financial accounting focus on a technical understanding of accounting for specific transactions. In contrast, as the final course in a sequence of courses in financial accounting, the central purpose of this course is to critically examine and discuss the role of financial accounting theories and frameworks in understanding the nature and form of regulated and voluntary accounting information choices. As such it integrates knowledge gleaned in earlier courses and provides a framework for examining current accounting issues. This course enhances the student's understanding of the issues and controversies facing the accountant in practice.

### **LEARNING OUTCOMES**

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Upon completion of this course students will be able to

- a) demonstrate a broad understanding of the accounting regulatory environment; alternative models of financial accounting and theories in and of accounting;
- b) analyse regulatory and accounting choices in practice;
- c) apply relevant theories to an understanding of accounting choices, and
- d) work with colleagues to develop personal and interpersonal skills to explore issues collaboratively.

### **CONTENT, ORGANISATION AND TEACHING STRATEGIES**

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This course critically examines the theoretical framework of financial reporting and its regulation. It is therefore assumed that students have the necessary technical skills and understanding of accounting following the successful completion of the required prerequisite(s).

The course will be presented as a series of weekly lectures and tutorials. Tutorials commence in Week 2. The course covers the development of accounting and its role in society, standard setting and institutional arrangements, the politics of accounting, international accounting trends and harmonisation, a range of theoretical perspectives in and of accounting and the links between accounting theory, research and practice.

**CAMPUS-SPECIFIC ARRANGEMENTS:** This course is taught on two campuses this semester (Nathan and Gold Coast). You are required to enrol and participate at ONE campus only. All concerns will be dealt with on a local campus basis. Please make sure you note any information relevant to the campus where you are enrolled.

Course notes will be placed on the web to provide an outline of material relevant to the topic for each week. These are NOT lecture notes. The lecture will provide an overview of the topic and cover *selected* aspects of each topic. In particular the lecture will demonstrate applications to accounting practice. It is therefore expected that students will attend each lecture. In addition, the tutorials provide an opportunity for interactions between students and the teaching team through discussion of set reading materials and tutorial questions. Again, students are expected to attend all tutorials with prepared responses eager to engage in the learning experience.

## CONTENT SUMMARY

This course is structured to integrate theory and practice. Our textbook, Deegan, demonstrates these linkages. The course covers a broad spectrum of theories and their application in financial accounting. It does so deliberately, to provide a wide coverage of different perspectives in and of accounting. As such it meets students' professional needs to understand the demand and supply of accounting regulation as well as the incentives to select specific accounting policies. The course develops communication skills, interpersonal skills associated with group-work experience, conceptual and analytical skills to critically examine issues from a variety of perspectives, community and social skills from an understanding of the role of the profession and its influence in society and research skills to find appropriate authoritative evidence to develop and substantiate thought with verifiable facts.

Topic	Lecture Content	Tutorial/Laboratory Content	Readings
1.	Role of information, theory and research in accounting	NIL	Deegan Chapter 1
2.	Financial reporting environment in Australia	1.9, 1.13, .16, 1.17, 1.19	Deegan Chapter 2
<b>GOOD FRIDAY PUBLIC HOLIDAY 21 MARCH: NO LECTURES</b>			
3.	Regulation of financial reporting	2.2, 2.4, 2.8, 2.9, 2.13	Deegan Chapter 3
<b>MID-SEMESTER BREAK 24-28 MARCH</b>			
4.	Competing regulatory institutions and harmonisation	3.3, 3.8, 3.14, 3.16, 3.22	Deegan Chapter 4
5.	The conceptual framework and alternative financial accounting models	4.3, 4.8, 4.10, 4.12, 4.15	Deegan Chapters 5 & 6
6.	Capital market theory and research. <u>Note that this lecture will be held on Thursday April 24 due to Public Holiday on Friday April 25</u>	6.8, 6.9, 6.18, 5.3, 5.6, 5.20	Deegan Chapter 10
7.	Positive accounting theory and research	10.6, 10.7, 10.11, 10.15	Deegan Chapter 7
8.	Legitimacy, Stakeholder and Institutional theories and research	7.1, 7.6, 7.7, 7.8, 7.11, 7.14	Deegan Chapter 8
9.	Social and environmental reporting and research	8.1, 8.8, 8.17, 8.20, 8.21	Deegan Chapter 9
10.	Behavioural theory and research	9.4, 9.6, 9.9, 9.14, 9.17, 9.30	Deegan Chapter 11
11.	Critical perspectives	11.2, 11.5, 11.7, 11.11, 11.12	Deegan Chapter 12
12.	Review	12.2, 12.3, 12.4	Nil

## ASSESSMENT

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### Summary of Assessment

Item	Assessment Task	Length	Weighting	Total Marks	Relevant Learning Outcomes	Due Day and Time
1.	Mid-semester examination	1 hour	30%	30	a,b	Week 8, Saturday 3 May 2008 (to be confirmed)
2.	Tutorial assignments	Depends on content covered	10%	10	a,b,c	At the commencement of the relevant tutorial
3.	End-of-semester examination	2 hours	60%	60	a, b, c	Weeks15-16

### Assessment Details Mid-semester Exam

The mid-semester examination will provide timely feedback on students' comprehension and application of theories in accounting.

### Assessment Details Tutorial Questions.

Because the completion of the tutorial work is essential to successfully completing this unit, your tutor will randomly over the 12 week course choose to mark the content of 5 tutorials through out the course. In order to be awarded 2% per tutorial marked, the student must have made a reasonable attempt to answer every question from that week's tutorial. The tutor will collect tutorial work at the beginning of the tutorial, and return the marked work at the next tutorial.

### Assessment Details End-of-semester Exam

There will be an end-of-semester examination designed to test students' comprehension and application of the various topics included in the course. All topics covered during the course are examinable.

### Return of Assessment Items

Students are directed to Learning@Griffith website, "Assessment" for details of how marked assessment items are to be returned.

### Notification of Availability of Feedback on Assessment

Once marking of the mid-semester examination and tutorial assignments has been completed, student results will be displayed (by student number) on the course website under "Assessment".

## GRADUATE SKILLS

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Graduate Skills	Taught	Practised	Assessed
Effective communication (written)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Effective communication (oral)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Effective communication (interpersonal)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Information literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Problem solving	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Critical evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Work autonomously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Work in teams	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Creativity and innovation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ethical behaviour in social / professional / work environments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Responsible, effective citizenship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## TEACHING TEAM

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### Course Convenor

Convenor Details	Nathan
Campus Convenor	Dr Reza Monem
Email	r.monem@griffith.edu.au
Office Location	N72_0.11
Phone	373 53598
Fax	373 57760
Consultation times	See Learning@Griffith "Staff" for detailed information

Convenor Details	Gold Coast
Campus Convenor	Robyn Cameron
Email	r.cameron@griffith.edu.au
Office Location	G06_2.06
Phone	555 28522
Fax	555 28068
Consultation times	See Learning@Griffith "Staff" for detailed information

## COURSE COMMUNICATIONS

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Communications with the Course Convenor may comprise face-to-face consultations (regular consultation times will be detailed on the website, other times by appointment), the use of email, telephone and announcements on the Learning@Griffith website. Students should check the website weekly for new announcements.

## TEXTS AND SUPPORTING MATERIALS

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**Prescribed textbooks:**

Deegan, C., Financial Accounting Theory, Second Edition, 2006, McGraw-Hill, Australia.

**Supporting materials:**

Weekly course notes are available at the Learning@Griffith website.

Given the nature of this course students are expected to have some familiarity with refereed research journals such as *the Australian Accounting Review* and *Accounting Horizons* which attempt to link research and practice and professional accounting bodies' magazines such as *In the Black* and *Charter*.

Issues in practice may be gleaned from the regular reading of the financial press, such as the *Australian Financial Review*, *Sydney Morning Herald*, *The Australian* and *Business Review Weekly*.

The web sites of various standard-setting bodies such as the Australian Accounting Standards Board, FASB and International Accounting Standards Board are a useful source of information about topical standard setting issues.

**SECTION B – ADDITIONAL COURSE INFORMATION**

Students should refer to the Learning@Griffith website for further information about this course.

## SECTION C – KEY UNIVERSITY INFORMATION

### ACADEMIC MISCONDUCT

Students must conduct their studies at the University honestly, ethically and in accordance with accepted standards of academic conduct. Any form of academic conduct that is contrary to these standards is academic misconduct and is unacceptable.

Some students engage deliberately in academic misconduct, with intent to deceive. This conscious, pre-mediated form of cheating is one of the worst forms of fraudulent academic behaviour, for which the University has zero tolerance and for which penalties, including exclusion from the University, will be applied.

However the University recognises many students commit academic misconduct without intent to deceive. These students may be required to undertake additional educational activities to remediate their behaviour.

Specifically it is academic misconduct for a student to:

- **Cheat in examinations and tests** by communicating, or attempting to communicate, with a fellow individual who is neither an invigilator or member of staff; by copying, or attempting to copy from a fellow candidate; attempting to introduce or consult during the examination, any unauthorised printed or written material, or electronic calculating or information storage device; or mobile phones or other communication device, or impersonates another.
- **Fabricate results** by claiming to have carried out tests, experiments or observations that have not taken place or by presenting results not supported by the evidence with the object of obtaining an unfair advantage.
- **Misrepresent themselves** by presenting an untrue statement or not disclosing where there is a duty to disclose in order to create a false appearance or identity.
- **Plagiarise** by representing the work of another as their own original work, without appropriate acknowledgement of the author or the source. This category of cheating includes the following:
  1. collusion, where a piece of work prepared by a group is represented as if it were the student's own;
  2. acquiring or commissioning a piece of work, which is not his/her own and representing it as if it were, by
    - purchasing a paper from a commercial service, including internet sites, whether pre-written or specially prepared for the student concerned
    - submitting a paper written by another person, either by a fellow student or a person who is not a member of the University;
  3. duplication of the same or almost identical work for more than one assessment item;
  4. copying ideas, concepts, research data, images, sounds or text;
  5. paraphrasing a paper from a source text, whether in manuscript, printed or electronic form, without appropriate acknowledgement;
  6. cutting or pasting statements from multiple sources or piecing together work of others and representing them as original work;
  7. submitting, as one own work, all or part of another student's work, even with the student's knowledge or consent.

A student who willingly assists another student to plagiarise (for example by willingly giving them their own work to copy from) is also breaching academic integrity, and may be subject to disciplinary action.

Visit the University's Institutional Framework for Promoting Academic Integrity Among Students for further details.

### PLAGIARISM DETECTION SOFTWARE

From semester 2, 2007 the University has been piloting the use of plagiarism detection software. Students should be aware that your Course Convenor may use this software to check submitted assignments. If this course is included in the pilot your Course Convenor will provide more detailed information about how the detection software will be used.

## **HEALTH AND SAFETY**

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Griffith University is committed to providing a safe work and study environment, however all students, staff and visitors have an obligation to ensure the safety of themselves and those whose safety may be affected by their actions. Staff in control of learning activities will ensure as far as reasonably practical, that those activities are safe and that all safety obligations are being met. Students are required to comply with all safety instructions and are requested to report safety concerns to the University.

General health and safety information can be obtained from [http://www.griffith.edu.au/hrm/health\\_and\\_safety/](http://www.griffith.edu.au/hrm/health_and_safety/)

Information about Laboratory safety can be obtained from [http://www.griffith.edu.au/ots/secure/health/content\\_labsafety.html](http://www.griffith.edu.au/ots/secure/health/content_labsafety.html)

## **KEY STUDENT-RELATED POLICIES**

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All University policy documents are accessible to students via the University's Policy Library website at: [www.griffith.edu.au/policylibrary](http://www.griffith.edu.au/policylibrary). Links to key policy documents are included below for easy reference:

[Student Charter](#)

[Academic Standing, Progression and Exclusion Policy](#)

[Student Administration Policy](#)

[Policy on Student Grievances and Appeals](#)

[Assessment Policy](#)

[Examinations Timetabling Policy and Procedures](#)

[Academic Calendar](#)

[Guideline on Student E-Mail](#)

[Health and Safety Policy](#)

## **UNIVERSITY SUPPORT RESOURCES**

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The University provides many facilities and support services to assist students in their studies. Links to information about University support resources available to students are included below for easy reference:

[Learning Centres](#) - the University provides access to common use computing facilities for educational purposes. For details visit [www.griffith.edu.au/cuse](http://www.griffith.edu.au/cuse)

[Learning@Griffith](#) - there is a dedicated website for this course via the Learning@Griffith student portal.

[Student Services](#) facilitate student access to and success at their academic studies. Student Services includes: Careers and Employment Service; Chaplaincy; Counselling Service; Health Service; Student Equity Services (incorporating the Disabilities Service); and the Welfare Office.

[Learning Services](#) within the Division of Information Services provides learning support in three skill areas: computing skills; library skills; and academic skills. The study skills resources on the website include self-help tasks focusing on critical thinking, exam skills, note taking, preparing presentations, referencing, writing, proof reading, and time management.

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