

7101AFE

Financial Accounting Theory

Semester 2 2009

Academic Organisation:	Department of Accounting, Finance and Economics
Faculty:	Griffith Business School
Credit point value:	10
Student Contribution Band:	Band 3A
Course level:	Postgraduate
Campus/Location/Learning Mode:	Nathan / On Campus / In Person
Convenor/s:	APro Majella Percy (Nathan)
Enrolment Restrictions:	Nil
This document was last updated:	22 June 2009

BRIEF COURSE DESCRIPTION

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:

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

This course, 7101AFE, aims to develop critical analysis, communication skills and thinking about accounting issues and challenges facing the accounting profession. To achieve this, the students are exposed to a range of theories about accounting and accountants, and contemporary reporting issues to help them acquire a deeper understanding of the complexity of accounting practice.

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

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) implement accounting standards and apply relevant theories of accounting to enhance understanding of policy choices, and
- c) work with colleagues to develop personal and interpersonal skills to explore issues collaboratively.

CONTENT, ORGANISATION AND TEACHING STRATEGIES

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.

Lecture notes will be placed on the web to provide an outline of material relevant to the topic for each week. These are NOT comprehensive lecture notes. Each 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, **prepare** for and **participate** in the discussions and be eager to engage in the learning experience.

CONTENT SUMMARY

This course is structured to integrate theory and practice. To this end, the course text is used to demonstrate 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. Week beginning 27 July	<u>Lecture 1</u> : Role of information, theory and research in accounting	No tutorial in Week 1	Deegan Module 1: Introduction to financial accounting theory
2. Week beginning 3 August	<u>Lecture 2</u> : Financial reporting environment and regulation of financial reporting in Australia	<u>Tutorial 1</u> : Deegan Module 1, p.26, Questions 1.1, 1.2, 1.4, 1.5, 1.6, 1.8	Deegan Module 2: The financial reporting environment <i>and</i> Deegan Module 3: Regulation of financial accounting
3. Week beginning 10 August	No lectures or tutorials due to Public Holiday		
4. Week beginning 17 August	<u>Lecture 3</u> : Society, culture and international accounting	<u>Tutorial 2</u> : Deegan Module 2, p. 51, Questions 2.3, 2.7, 2.14 <i>and</i> Deegan Module 3, p. 87, Questions 3.14, 3.16, 3.20	Deegan Module 4: International accounting
5. Week beginning 24 August	<u>Lecture 4</u> : Capital market research in accounting	<u>Tutorial 3</u> : Deegan Module 4, p.131, Questions 4.2, 4.4, 4.9, 4.15, 4.16, 4.18	Deegan Module 5: Reactions of capital markets to financial reporting
6. Week beginning 31 August	<u>Lecture 5</u> : Positive accounting theory and research	<u>Tutorial 4</u> : Deegan, Module 5, p.165, Questions 10.1,10.2, 10.3, 10.10, 10.11, 10.15	Deegan Module 6: Positive accounting theory
7. Week beginning 7 September	<u>Lecture 6</u> : Systems-oriented theories <i>and</i> Social and environmental reporting and research	<u>Tutorial 5</u> : Deegan, Module 6, p. 219, Questions, 7.2, 7.3, 7.6, 7.11, 7.12, 7.14	Deegan Module 7: Unregulated corporate reporting decisions: consideration of systems-oriented theories (OMIT pp.267-271) <i>and</i> Deegan Module 8: Extended systems of accounting — the incorporation of social and environmental factors within external reporting (OMIT 327-332; 340-347)
8. Week beginning 14 September	<u>Lecture 7</u> : Behavioural theory and research	<u>Tutorial 6</u> : Deegan, Module 7, p. 273, Questions 8.1, 8.6, 8.15 <i>and</i> Deegan Module 8, p. 349, Questions 9.4,	Deegan Module 9: Reactions of individuals to financial reporting: an examination of behavioural research

Topic	Lecture Content	Tutorial/Laboratory Content	Readings
		9.10, 9.29	
9. Week beginning 21 September	<u>Lecture 8:</u> Accounting for foreign currency transactions	<u>Tutorial 7:</u> Deegan Module 9, p. 379, Questions 11.1, 11.2, 11.4, 11.5, 11.8, 11.10	Deegan Module 11: Accounting for foreign currency transactions
10. Week beginning 5 October	<u>Lecture 9:</u> Accounting for financial instruments	<u>Tutorial 8:</u> <i>Draft of research assignment due</i> plus Deegan, Module 11, p.469, Questions 1, 2, 4, 5, 11, 14	Deegan Module 10: Accounting for Financial Instruments
11. Week beginning 12 October	<u>Lecture 10:</u> Accounting for employee benefits	<u>Tutorial 9:</u> Deegan, Module 10, p. 430, Questions 1, 2, 3, 4, 7, 11, 16, 19, 21 and 28	Deegan Module 13: Accounting for employee benefits
12. Week beginning 19 October	<u>Lecture 11:</u> Accounting for share-based payments	<u>Tutorial 10:</u> Deegan, Module 13, p.532, Questions 1, 7, 9, 10, 12, 15, 17	Deegan Module 12: Accounting for share-based payments
13. Week beginning 26 October	<u>Lecture 12:</u> Review	<u>Tutorial 11:</u> Deegan, Module 12, p.504, Questions 3, 5, 6, 7, 13, 14, 15	

ASSESSMENT

Summary of Assessment

Item	Assessment Task	Length	Weighting	Total Marks	Relevant Learning Outcomes	Due Day and Time
1.	Amber Risk Assessment Strategy* Weekly Homework (two of the four collections will be conducted and returned by week 6)	N/A	5%	15	a,b	At each tutorial
2.	Mid-semester examination (covers Lectures 1 – 5: Weeks 1-6)	1½ hours	20%	40	a,b	Week 8, Saturday 19 September, 2009, 8.30am
3.	Research assignment (covers Lectures 1 – 6: Weeks 1-7)	2000 words	20%	30	a,b,c	Week 11, Friday 16 October, 2009 4pm (<i>Draft due at tutorial in Week 10</i>)
4.	End-of-semester examination	2 hours	55%	55	a,b	Weeks 15-16

*The Amber Risk Assessment Strategy identifies students who do not submit the assessment item or who perform poorly. These *students will be contacted by the Griffith Business School and referred to relevant support services.*

Assessment Details

Homework consists of submission of tutorial answers. Students will be required to prepare their own answers for each tutorial week and be ready to submit the answers to their tutor at the beginning of each tutorial. Tutorial answers will be collected randomly, at the discretion of the tutor, in *four of the tutorials* with the *best three* counting towards the 5%. Detailed procedure on how to prepare answers and how to submit will be posted on Learning@Griffith by Week 1.

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

The research assignment will be used to assess students' research and written communication skills. Detailed information on the research assignment will be posted on Learning@Griffith by Week 2.

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 research assignment have been completed, student results will be displayed (by student number) on the course website under "Assessment".

GRADUATE SKILLS

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

Course Convenor

Convenor Details	Nathan
Campus Convenor	Associate Professor Majella Percy
Email	m.percy@griffith.edu.au
Office Location	To be advised
Phone	373 54270
Fax	373 53719
Consultation times	To be advised

COURSE COMMUNICATIONS

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

Prescribed materials:

Craig Deegan, *Contemporary Accounting Theory and Practice* (McGraw-Hill: customised book for Griffith University compiled by Reza Monem)

Australian Accounting Standards Board: AASB 2, AASB 7, AASB 119, AASB 121, AASB 132, AASB 139,

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*, *The Courier Mail*, *Sydney Morning Herald*, *The Australian* and *Business Review Weekly*.

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

SECTION B – ADDITIONAL COURSE INFORMATION

Students are required to check the Learning@Griffith website frequently (at least weekly before the lecture and tutorial) for Announcements about this course and for further information about this course.

SafeAssign

SafeAssign is an online text-matching service available through the course Learning@Griffith site. SafeAssign enables students to submit electronic versions of their assignments via the internet, and generate a text-matching report. This service is designed to aid in educating students about plagiarism and the importance of proper attribution of any borrowed content. It is recommended that all students utilise this service prior to submitting assignments. A student user guide is available at the following site https://intranet.secure.griffith.edu.au/_data/assets/pdf_file/0007/53746/submitting-safeassignment.pdf

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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 following web sites for further details:

[Institutional Framework for Promoting Academic Integrity among Students](#)
[Academic integrity for students](#)

PLAGIARISM DETECTION SOFTWARE

The University uses plagiarism detection software. Students should be aware that your Course Convenor may use this software to check submitted assignments. If this is the case your Course Convenor will provide more detailed information about how the detection software will be used for individual assessment items.

HEALTH AND SAFETY

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/

Information about Laboratory safety can be obtained from

http://www.griffith.edu.au/ots/secure/health/content_labsafety.html

KEY STUDENT-RELATED POLICIES

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

[*Academic Calendar*](#)

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

[*Assessment Policy*](#)

[*Examinations Timetabling Policy and Procedures*](#)

[*Guideline on Student E-Mail*](#)

[*Health and Safety Policy*](#)

[*Institutional Framework for Promoting Academic Integrity Among Students*](#)

[*Policy on Student Grievances and Appeals*](#)

[*Student Administration Policy*](#)

[*Student Charter*](#)

UNIVERSITY SUPPORT RESOURCES

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

[*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.