



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree: Downtown Campus Sessions

**FMGT 8120****Accounting Theory****Start Date:** September, 2004**End Date:** December, 2004**Total Hours:** 45 **Total Weeks:** 15**Term/Level:** Deg **Course Credits:** 3**Hours/Week:** 3 **Lecture:** 3 **Lab:** 0**Shop:** **Seminar:** **Other:****Prerequisites****Course No. Course Name**

FMGT 4110 Financial Accounting 2

FMGT 4190 Financial Accounting 1/2

**FMGT 8120 is a Prerequisite for:****Course No. Course Name**

FMGT 8910 Integrative Business Management Practices

**Preamble**

This course assumes a strong grasp of the intermediate body of Canadian accounting knowledge. The course emphasizes the foundations underlying current technical applications. If students have not taken the prerequisite intermediate accounting courses, under Canadian GAAP, within the last five years, they are strongly urged to consult the Instructor at the beginning of the course.

This course requires a professional level of communicating in good, written English as part of enhancing overall presentation and communication skills. Students lacking a good command of written English in expressing themselves *at a conceptual level* will have difficulty handling this course.

**v Course Description**

This course reviews the history of accounting and the theories underlying current accounting practice. Alternative theories and methods are critically assessed and possible future directions evaluated.

**v Detailed Course Description**

- Understand the historical underpinning of accounting practice.
- Develop a general framework for understanding the discipline of accounting.
- Assess the responsiveness of current accounting practice to the economic environment.
- Assess the current process for setting accounting policy.
- Critique current methods of income determination and balance sheet valuations.
- To review the state of the accounting profession in Canada and consider future directions that might be adopted.
- Develop team building, leadership, and communication skills through group work and individual participation.

**v Evaluation**

Term Project	10%
Group Research & Presentations	20%
Mid-term examination.	30%
Final	40%

**All four evaluation components of the course must be fulfilled in order for the course to be considered complete.**

TOTAL	100%
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v **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

1. Explain the historical evolution of contemporary financial reporting in Canada; the professions self-regulatory status and relationship with provincial Securities Commissions.
2. Explain the framework within which Canadian Generally Accepted Accounting Principles (GAAP) are developed. Explain the sources which form the hierarchy of GAAP authority in Canada.
3. Become conversant with the structure of the CICA Handbook.
4. Explain the GAAP standard setting process in Canada and the notable influences of US GAAP and International Accounting Standards.
5. Examine the relationships between financial statements, the shift in emphasis of such statements, the valuations embodied therein and the utility of such valuations and measurements to financial statement readers.
6. Articulate the future evolution of financial reporting both as to the financial statements and the nature, quality and extent of note disclosures thereto in conveying economic events.
7. Relate theory discussions to actual contemporary Canadian financial reporting.
8. Review and demonstrate the application of a theoretical foundation with practical, real-world applications on a topic specific basis.

v **Verification**

I verify that the content of this course outline is current.

Bryan K. Parker, *B.Comm.(Hons.), MBA, CA, CPA (WA)*

June, 2004

\_\_\_\_\_  
Authoring Instructor

\_\_\_\_\_  
Date

I verify that this course outline has been reviewed.

Allan Cobbett, *Dipl.T., LL.B., MBA, CMA*

June, 2004

\_\_\_\_\_  
Degree Program Head - Degree

\_\_\_\_\_  
Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, *Dipl.T., MBA, CMA*

June, 2004

\_\_\_\_\_  
Dean/Associate Dean

\_\_\_\_\_  
Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

▼ **Instructor(s)**

Tim Edwards Burnaby Campus Session	Office Location: SE 6 370E Office Hrs.: By Appointment	Office Phone: 604-432-8898 (Office) 604-944-1887 (Home) E-mail Address: Tim_Edwards@bcit.ca
Bryan Parker Downtown Campus Session	Office Location: SE 6 337 Office Hrs.: By Appointment	Office Phone: 604-451-6752 (Office) E-mail Address: Bryan_Parker@bcit.ca Web site: www.finman.pageout.net

▼ **Learning Resources**

*Accounting Standards in Evolution*, 2<sup>nd</sup> Edition, Skinner, Milburn, 2001

*Canadian National Railway, 2003 Annual Report*. (Paper copy provided to students and accessible on the internet)

CICA Handbook, (Access provided to students)

▼ **Information for Students**

**I.D. Required In Exam Halls:** Effective December 2000, students will be required to produce photo-identification for admittance to examination halls. Photo I.D. must be placed on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

**Attendance:** If a student is absent for any cause, other than illness (Dr's note may be required); for more than 10% of the time prescribed for the course, the student may be prohibited from completing the course. Please see BCIT Policy #5201, Attendance.

**Assignments:** Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

**Makeup Tests, Exams or Quizzes:** There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

**Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

**Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

**Attempts:** Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

**Course Outline Changes:** The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

## Group Research and Presentation

Students will be assigned to a group of from 4 to 5, and will stay with that group throughout the term. There will be a minimum of three *scheduled* Group Projects, which the members of the group will research and then prepare for presentation in class as a team. A forth group presentation may be required at the discretion of the Instructor. The topics for these projects will be assigned by the instructor. These presentations will last **no more than 20 minutes**. The presentation will be a team presentation, and each member of the group will be required to play a role in the presentation. Failure of any member to present at least part of the presentation, except for reasons due to illness, will result in lost marks for the group.

In approaching this project, the team might consider itself as a group of professionals, all working for the same accounting firm, presenting a topic to a prospective client who is considering possibly hiring the firm to do work in the topic area under consideration. Naturally the team's firm wants to make as good an impression on the client as possible, not only that it works well as a team, but that the members on the team are also individually strong.

The evaluation criteria for these presentations will be based on:

- Delivery and flow (Quality of verbal presentation of each student)
- Structure (Clarity of ideas)
- Content (Depth of research, accuracy, relevance and interest)
- Overall impression (Will the client buy-in?)
- Deductions for presentations over 20 minutes

All members of the group will receive the same grade on each project.

## Term Paper

A term paper is required by each student on a topic to be chosen by the student. The length of the paper will be between 1500 to 2500 words, plus Exhibits. The topic for the Term Project may relate to any practical, conceptual, or regulatory issue pertaining to Accounting Theory. One example might be to do a paper commenting on an exposure draft or a position paper issued by one of the accounting standards authorities of any country. Regardless of the topic chosen, *the student is expected to take a position on some topic*, to research the topic in the literature, and to support the position adopted on the basis of that research. *In view of this, in choosing their topic, students should ensure that they are choosing a topic on which they can take a position.*

Students must submit their chosen topic on the prescribed form for approval by the **SECOND** week of the course.

## Assignments

The text material assigned for reading for each week is set out in the schedule. Additional readings and case analysis will be assigned by the instructor as the course progresses.

Session: Number Date DD/MM	Outcome/Material Covered	Text Chapters	CICA Reference  Section
<b>1</b> 8/9 and 11/09	Course Introduction; CICA Handbook Structure; Historical Development	2,3,4	
<b>2</b> 15/9 and 18/9	Conceptual Framework & Standard Setting <i>Submit Term Paper Topics</i>	25,26	1000,1100 1400, 1505
<b>3</b> 22/9 and 25/9	Group Presentations: Round #1 <i>First draw for term papers to be submitted in week #7.</i>		
<b>4</b> 29/09 and 4/10	Accrual Accounting, Initial Recognition & Measurement, Revenue Recognition	5,6,7	1520, 3400 EIC-141
<b>5</b> 6/10 and 9/10	Expense Recognition, Inventory and Cost of Sales, Employee Compensation	8,10, 14	3030, 3290, 3450, 3461, 3870
<b>6</b> 13/10 and 6/10	Government Assistance, Corporate Income taxes	15, 16	3800, 3465
<b>7</b> 20/10 and 23/10	Group Presentations: Round #2 <i>Second draw of students to submit their term papers on week #11</i>		
<b>8</b> 27/10 and 30/10	<b>Mid-term Examination</b>	<b>2-8, 10, 14-16, 25,26</b>	
<b>9</b> 3/11 and 6/11	Financial Position and Capital, Intangibles	9, 11, 12, 18	3061,3062, 3063
<b>10</b> 10/11 and 13/11	Leases and Financial Instruments	13, 17	3065, 3010, 3050, 3860
<b>11</b> 17/11 and 20/11	Business Combinations, Inter-corporate Investments	19,20	1581,1590, 1600, 1625
<b>12</b> 24/11 and 27/11	Group Presentations: Round #3		
<b>13</b> 1/12 and 4/12	Cash Flow Statements, Disclosure Issues	22,23	1540
<b>14</b> 8/12 and 11/12	Not-for-Profit Organizations, Foreign Currency Translation	27,21	4400-4460, 1650
<b>15</b> 15/12 and 18/12	<b>Final Examination</b>	<b>9,11-13, 17-20, 21-23, 27</b>	