



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree: Downtown Campus Session

FMGT 8120**Accounting Theory****Start Date:** April 29, 2004**End Date:** July, 29, 2004**Total Hours:** 45 **Total Weeks:** 13**Term/Level:** Deg **Course Credits:** 3**Hours/Week:** 3.5 **Lecture:** 3.5 **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

■ 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.

■ 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.

■ Evaluation

Term Project	10%
Group Research & Presentations	20%
Mid-term examination.	30%
Final	40%
TOTAL	100%

■ Course Learning Outcomes/Competencies

Upon successful completion, the student will be able to:

1. Explain the structure and methodology of accounting.
2. Interpret the history of accounting.
3. Analyze the nature of accounting principles.
4. Research the standard setting process in Canada and the USA.
5. Describe the cash flow theory and contrast and compare income concepts and related issues.
6. Prepare price level adjusted financial statements.
7. Evaluate current reporting of items in the Statement of Cash Flows.
8. Evaluate the theoretical issue underlying deferred taxes and pension accounting.
9. Develop a consistent theory of ownership equity and an appropriate policy for financial statement disclosure.
10. Relate the nature of international business activity to the accounting process with emphasis on the Pacific Rim region.

■ Verification

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

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

March, 2004

Authoring Instructor

Date

I verify that this course outline has been reviewed.

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

March, 2004

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

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

March, 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) 604-689-0801 (Home) Course website: www.finman.pageout.net E-mail Address: Bryan_Parker@bcit.ca

■ Learning Resources

Required:

Van Breda and Hendricksen. Accounting Theory. Fifth Edition. Richard D. Irwin.
Canadian National 2002 Annual Report.

Recommended:

CICA Handbook relevant Sections

■ 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.* Failure to submit a Term Paper by the required time will result in an **incomplete in the course**.

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 are as set out in the schedule. Additional readings and cases will be assigned, by the instructor.

Number Session Date	Outcome/Material Covered	Text Chapters	CICA Reference
1 29/04	Course Introduction Introduction and methodology of accounting theory, The search for principles and the Conceptual Framework	1 – 2 (Skip Chapter 3) 4,5	Online Handbook access will be provided.
2 06/05	The economic environment of accounting, decision making by financial statement users and setting accounting policies (firm specific), <i>First draw of students to submit their term papers on week 6</i>	6,7,8	
3 13/05	Group Presentations #1		
4 20/05	Cash, Capital, Income and Income Concepts for Financial Reporting Revenue, Expenses, Gains & Losses and Price Change Reporting	9,10 11, 12	
5 27/05	Mid-term examination	1-12 + Presentation Topics	
6 03/06	Group Presentations #2 <i>Second draw of students to submit their term papers on week 10</i>		
7 10/6	The Balance Sheet and Valuations	13, 14	
8 17/06	Depreciation and Maintenance, Current Assets	15,16	
9 24/06	Capital Assets; owned or leased, Intangibles and Investments: Debt & Equity <i>No class on Thursday, July 1.</i>	17, 18	
10 08/07	Liabilities, Future Taxes	19,20	
11 15/07	Group Presentations # 3		
12 22/07	Pensions and Ownership Equities <i>Remaining students submit their term papers.</i>		
13 29/07	Final examination	All chapters + presentations	

Remarks: Aspects of Chapter 23, Changes in Shareholders Equity, are covered in other chapters discussing complex debt and equity instruments and Chapter 22. Issues from chapter 24, Disclosure of Financial Information is covered throughout the course on a topic specific basis through the study of the Canadian National Railway Annual Report and through group presentations.