



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting Degree

Course Outline Part A

FMGT 8120

Accounting Theory

Hours/Week:	3	Total Hours:	45	Term/Level:	Degree
Lecture:	2	Total Weeks:	15	Credits:	3
Lab:	1				
Other:					

Prerequisites

Course No.	Course Name
FMGT 7121	Advanced Accounting

FMGT 8120 is a Prerequisite for:

Course No.	Course Name
FMGT 8910	Integrative Business Management Practices

Course Goals

- Understand the historical and theoretical 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.
 - Criticize current methods of income determination.
 - To review the state of the accounting profession in Canada and consider future directions that might be adopted.
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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.

Evaluation

Assignments	20%
Participation	10%
Mid-term examination	30%
Final examination	40%
TOTAL	100%

Course Outcomes and Sub-Outcomes

Upon successful completion of this course, 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. Decide upon appropriate accounting policies for the profit and non-profit entity.
6. Describe the cash flow theory and contrast and compare income concepts and related issues.
7. Prepare price level adjusted financial statements.
8. Evaluate current reporting of items in the Statement of Changes in Financial Position.
9. Evaluate the theoretical issue underlying deferred taxes and pension accounting.
10. Develop a consistent theory of ownership equity and an appropriate policy for financial statement disclosure.
11. Relate the nature of international business activity to the accounting process with emphasis on the Pacific Rim region.

Course Record

Developed by:

Pete Woolley
Instructor Name and Department (signature)

Date:

September 24, 1997

Revised by:

Instructor Name and Department (signature)

Date:

Approved by:

[Signature]
Associate Dean / Program Head (signature)

Start Date:



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

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Course Outline Part B

FMGT 8120

Accounting Theory

Effective Date

September, 1997

Instructor(s)

Peter Woolley

Office No.: SE6-379
Office Hrs.: As posted.

Phone: 451-6751 (Office)
922-6915 (Home)

Text(s) and Equipment

Required:

Van Breda and Hendricksen. *Accounting Theory*. Sixth Edition. Richard D. Irwin.

CICA Handbook. (Accounting Recommendations)

Recommended:

Beechy, Thomas H. *Canadian Advanced Financial Accounting*. Revised Third Edition, Dryden-Harcourt Brace and Company.

Skinner, Ross. *Accounting Standards in Evolution*. Holt, Rinehart and Winston.

Wolk, Francis, Tearney. *Accounting Theory*. South-Western Publishing Co.

Gray. *Accounting for the Environment*. Markus Wiener Publishers.

Lutz. *Towards Improved Accounting for the Environment*. The World Bank.

Choi-Mueller. *International Accounting*. Prentice-Hall

Course Notes (Policies and Procedures)

Assignment Details



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Lecture Schedule

FMGT 8120

Accounting Theory

Week #	Topic	Text	Reference
		H*	CICA* Sec
1	Introduction to Accounting Theory	1	
2	History of Accounting	2-3	
3	The Conceptual Framework	4-5	1000
4	Economic Environment	6	
5	Decision Making Setting Accounting Policy	7-8	1500-1508 PS 2100
6	Capital and Income	9-10	1510-1520 3475-3610
7	Revenues Expenses Price Level Changes	11-12	3400
8	The Balance Sheet Asset Valuation	13-14	1540 3060
9	Capital Assets and Current Assets	15-16	3000-3040
10	Plant and Equipment Intangibles	17-18	3050-3070
11	Liabilities and Deferred Taxes	19-20	3210-3290 3470-3471
12	Pensions Ownership Equities	21-22	3240-3260 3460
13	Equity Changes Financial Statement Disclosure	23-24	3840 3850-3860

* H = Hendricksen Text
CICA = CICA Handbook



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Assignment Schedule

FMGT 8120

Accounting Theory

Assignment #	Week #	Assignment Details	Text Ref
1	2	Alleghany Beverages Corporation Case Elms Company Case	Chapter 1
2	3	Questions 2-7, 2-8, 3-5, 3-6	Chapter 2-3
3	4	Questions 4-10, The NVP Company	Chapter 4-5
4	5	Anglo-American	Chapter 6
5	6	Question 7-7, Question 8-2 Union Carbide	Chapter 7-8
6	7	Babcock College / Lynn Company	Chapter 9-10
	8	MID TERM EXAMINATION	
7	9	Bonanza Trading Stamps Alpha Company	Chapter 11-12
8	10	Question 13-6, 14-1, 14-2, 14-3	Chapter 13-14
9	11	Questions 16-3, 16-6, 16-7	Chapter 15-16
10	12	Kresge versus Hay, General Tech.	Chapter 17-18
11	13	Maki Enterprises, Question 20-4	Chapter 19-20
12	14	Questions 21-2, 22-4, 23-7, 24-6	Chapter 21-24
	15	FINAL EXAMINATION	

NOTE: Assignments are due the week following the related lecture and will be graded and returned a week later. There are no assignments due on the night of the mid term examination, the assignments due that night are to be handed in the following week.