



## BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business  
Program: Financial Management  
Option: Accounting Degree

**FMGT 8120**  
**Accounting Theory**

---

**Start Date:** January, 2000**End Date:** May 2000

---

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

---

**Prerequisites****FMGT is a Prerequisite for:**

Course No.	Course Name	Course No	Course Names
FMGT 7121	Advanced Accounting	FMGT 8910	Integrative Business Management Practices
or			
FMGT 7120	Advanced Accounting		

---

**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.
- 

**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	10%
Research & Presentations	20%
Mid-term examination	30%
Final examination	40%
<b>TOTAL</b>	<b>100%</b>

---

### 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:	Peter Woolley Instructor Name and Department (signature)	Date: October, 1998
Revised by:	Tim Edwards Instructor Name and Department (signature)	Date: January, 2000
Approved by:	 Associate Dean / Program Head (signature)	Date: Jan. 11, 2000



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY  
 Operating Unit: Business  
 Program: Financial Management  
 Option: Accounting Degree

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	Exam		
8	Revenues, Expenses, Price Level Changes	11-12	3400
9	The Balance Sheet Asset Valuation	13-14	1540 3060
10	Capital Assets and Current Assets	15-16	3000-3040
11	Plant and Equipment, Intangibles	17-18	3050-3070
12	Liabilities and Deferred Taxes	19-20	3210-3290 3470-3471
13	Pensions Ownership Equities	21-22	3240-3260 3460
14	Equity Changes Financial Statement Disclosure	23-24	3840 3850-3860

\* H = Hendricksen Text  
 CICA = CICA Handbook



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY  
Operating Unit: Business  
Program: Financial Management  
Option: Accounting Degree

Assignment Schedule

FMGT 8120  
Accounting Theory

Assignment #	Due Week #	Research & Presentation	Assignment Details	Text Ref
1	2	History of Accounting		Chapter 2
2	3		Questions 2-7, 2-8, 3-5, 3-6	Chapters 2-3
3	4		Questions 4-10 The NVF Company Case	Chapters 4-5
4	5	Accounting Standards		Chapter 8
5	6		Question 7-7, Question 8-2, Union Carbide Case	Chapters 7-8
	7	MID TERM EXAMINATION		Chapters 1-10
6	8	Price Level Changes		Chapter 12
7	9		Bonanza Trading Stamps Case Questions 12-5, 12-6	Chapters 11-12
8	10		Questions 13-6, 14-1, 14-2, 14-3	Chapters 13-14
9	11	Capital Assets		Chapters 15-16
10	12		Questions 17-4, 17-7 Grenentech Case	Chapters 17-18
11	13		Maki Enterprises Case, Question 20-4	Chapters 19-20
12	14	Financial Statement Disclosure		Chapters 21-24
	15	FINAL EXAMINATION		Chapters 11-24

Note:

1. 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
2. Presentations will be carried out the week of the related lecture. Text version of the presentations are to be handed in to the instructor.
3. All assignments and presentations handed in shall be done on a personal computer. No hand written homework will be accepted.
4. No late homework will be accepted.