



## Course Outline Part A

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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

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

**Start Date:** May, 2000

**End Date:** July 2000

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<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				

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### Prerequisites

### FMGT is a Prerequisite for:

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

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### 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.

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### 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:	Tim Edwards, Dipl.T, MBA, CMA Instructor Name and Department (signature)	Date: January 02, 2000
Revised by:	Tim Edwards, Dipl.T, MBA, CMA Instructor Name and Department (signature)	Date: April 30, 2000
Approved by:	<i>C.M. Biscall</i> Associate Dean / Program Head (signature)	Date: May 1, 2000



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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Course Outline **Part B**

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

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**Instructor(s)**

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	Office Hrs.:	As posted.		944-1887 (Home)
			E-mail:	tedwards@bcit.ca

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**Text (s) and Equipment**

**Required:**

Van Breda and Hendricksen. *Accounting Theory*. Fifth Edition. Richard D. Irwin.  
*Canadian National* 1999 Annual Report

**Recommended:**

*CICA Handbook*. (Accounting Recommendations)  
Internet Access

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**Course Notes (Policies and Procedures)**

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**Assignment Details**



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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**Lecture Schedule**

**FMGT 8120**

**Accounting Theory**

Week #	Topic	Text	Reference
		<b>H*</b>	<b>CICA * Sec</b>
1	Introduction to Accounting Theory, History of Accounting	1-3	
2	Decision Making, Setting Accounting Policy	7, 8	1500-1508, PS 2100
3	The Conceptual Framework, Economic Environment	4-6	1000
4	Capital and Income	9, 10	1510-1520 3475-3610
5	Revenues, Expenses, Price Level Changes	11, 12	3400
6	Midterm Exam	1-10	
7	The Balance Sheet, Asset Valuation	13, 14	1540, 3060
8	Current Assets, Intangibles, Non-current Investments	16, 18	3000-3050, 3450
9	Capital Assets, Plant and Equipment	15, 17	3060-3065
10	Liabilities and Deferred Taxes	19, 20	3210-3290 3465-3470
11	Pensions, Ownership Equities	21, 22	3240-3260, 3460-3461
12	Equity Changes, Financial Statement Disclosure	23, 24	3840 3850-3860
13	Final Exam	11-24	

\* H = Hendricksen Text  
CICA = CICA Handbook



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business

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Assignment Schedule

FMGT 8120

Accounting Theory

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