



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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

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

**Start Date:** January 2002

**End Date:** April 2002

**Hours/Week:** 3  
**Lecture:**  
**Lab:**

**Total Hours:** 45  
**Total Weeks:** 15

**Term/Level:** Degree  
**Credits:** 3

**Prerequisites**

**FMGT is a Prerequisite for:**

Course No.	Course Name	Course No	Course Names
FMGT 7121	Advanced Accounting	FMGT 8910	Integrative Business
or			Management Practices
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.
- Develop team building, leadership, and communication skills.

**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**

Term Project	9%
Group Research & Presentations	16%
Mid-term examination # 1	35%
Mid-term examination # 2	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. 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.
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### Course Record

Developed by:	<u>Tim Edwards, Dipl.T, MBA, CMA</u> Instructor Name and Department (signature)	Date: <u>January 02, 2000</u>
Revised by:	<u>Tim Edwards, Dipl.T, MBA, CMA</u> Instructor Name and Department (signature)	Date: <u>August, 2001</u>
Approved by:	<u>Associate Dean / Program Head</u> (signature)	Date: _____



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Course Outline **Part B**

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**Instructor(s)**

Tim Edwards	Office No.:	SE 6 377	Phone:	432-8898 (Office)
	Office Hrs.:	As posted.		944-1887 (Home)
			E-mail:	Tim_Edwards@bcit.ca

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**Text (s) and Equipment**

**Required:**

Van Breda and Hendricksen. *Accounting Theory*. Fifth Edition. Richard D. Irwin.  
*Canadian National* 2000 Annual Report – Provided.

**Recommended:**

*CICA Handbook*. (Accounting Recommendations)  
Internet Access

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**Course Notes (Policies and Procedures)**

**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.

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**Lecture Schedule**

**FMGT 8120  
Accounting Theory**

Week #	Topic	Text	Reference
		<b>H*</b>	<b>CICA * Sec</b>
1	Introduction to FMGT 8120		
2	Introduction to Accounting Theory, History of Accounting	1-3	
3	Decision Making, Setting Accounting Policy	7, 8	1500-1508
4	The Conceptual Framework	4, 5	1000
5	Economic Environment	6	
6	Capital and Income	9, 10	1510-1520, 3475-3610
7	Revenues, Expenses, Price Level Changes	11, 12	3400
8	<b>Mid-term examination # 1 - 2 ½ hours</b>	1-12	
9	The Balance Sheet, Asset Valuation	13, 14	1540, 3060
10	Current Assets, Intangibles, Non-current Investments	16, 18	3000-3050, 3450
11	Capital Assets, Plant and Equipment	15, 17	3060-3065
12	Liabilities and Deferred Taxes	19, 20	3210-3290, 3465, 3470
13	Pensions Ownership Equities	21, 22	3240-3260, 3460-3461, 4100
14	Equity Changes, Financial Statement Disclosure	23, 24	3840, 3850-3860
15	<b>Mid-term examination # 2 - 2 ½ hours</b>	13-24	

\* H = Hendricksen Text  
CICA = CICA Handbook



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**Assignment Schedule**

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

Assignment #	Due Week #	Group Research & Presentations, Individual Term Project	Text Ref.
1	3	History of Accounting and Accounting Standards	Chapter 2, 8
2	7	Price Level Changes	Chapter 12
	8	<b>Mid-term examination # 1</b>	Chapters 1-12
3	11	Capital Assets	Chapters 15, 17
4	12	Individual Term Project	
5	14	Financial Statement Disclosure	Chapter 24
	15	<b>Mid-term examination # 2</b>	Chapters 13-24

Note:

1. Individual Term Projects are due week 12.
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 that evening.
3. For those students participating in the preparation of the group research and presentations, but are unable to attend the presentation itself, will forfeit one half of the marks of that presentation.
4. All individual term projects and presentations handed in, shall be done on a personal computer. No hand written work will be accepted.
5. No late work will be accepted.