



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 8120
Accounting Theory

Start Date:	January 2003	End Date:	April 2003
Total Hours:	45	Total Weeks:	15
Hours/Week:	3	Lecture:	3
		Lab:	0
		Shop:	
		Course Credits:	3
		Seminar:	
		Other:	

Prerequisites

Course No.	Course Name
FMGT 7121	Advanced Accounting
FMGT 7120	Advanced Accounting

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 theories underlying current accounting practice. Alternatives theories and methods are critically assessed and possible future directions evaluated.

■ Course Goals

- 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.
- 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.

■ Evaluation

Class participation	5%
Term project	10%
Group research & presentations	20%
Mid-term examination #1 – 2 hrs.	25%
Mid-term examination #2 – 2 ½ hrs.	40%
TOTAL	<u>100%</u>

■ 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 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**

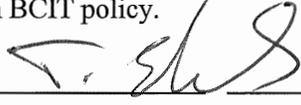
I verify that the content of this course outline is current.

Victor Waese, MBA, CGA  December 15, 2002
Authoring Instructor Date

I verify that this course outline has been reviewed.

Allan Cobbett, Dipl.T, LL.B., MBA, CMA  6/1/03
Program Head/Chief Instructor Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, Dipl.T, MBA, CMA  Jan 6/03
Dean/Associate Dean Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

■ **Instructor(s)**

Victor Waese, M.B.A., C.G.A Office Location: SE6 377 Office Phone: 604-451-6793
Office Hrs.: To be Advised E-mail Address: vwaese@bcit.ca

■ **Learning Resources**

Required:

Van Breda and Hendricksen. Accounting Theory. Fifth Edition. Richard D. Irwin. (available at BCIT bookstore)
Canadian National 2001 Annual Report (available from instructor)

Recommended:

CICA Handbook (Accounting Recommendations)
Internet access

■ 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 driver's 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 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. If you miss a test, exam or quiz, or project deadline due to illness, you will receive zero marks. 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.

■ Conduct of the Course

Class Participation

The course will be conducted primarily as a seminar, with the instructor acting mainly as a facilitator, and with the responsibility for learning falling squarely on the student's shoulders. This means the student must come to class having read and thought about the material from the text and articles which have been assigned, and ready to discuss and question, in depth, the topics under consideration.

Accordingly, class participation plays an important role in the student's performance evaluation in this course, and constitutes 5% of the final grade. To give some guidance on how this will operate, the instructor will begin each class by asking one or two students to start the discussion by presenting their views, or questions, or solutions that arose from the assigned materials, and following these presentations, other students in the class will be expected to comment or ask questions, or otherwise contribute to the discussion. Note that the evaluation of a student's participation will not be on the "accuracy" or "brilliance" of their contribution, but more on an assessment of how much the quality of the discussion would diminish without their participation. The keys to success therefore are thorough preparation, making the effort to come up with thought provoking questions and comments, a willingness to express a point of view, right or wrong (often an incorrect view sparks more discussion than a correct view), a willingness to raise questions when the student doesn't understand something, and a willingness to argue a point if the student has a perspective at variance with others. The student who participates only when called upon by the instructor will not earn more than 1 of the 5 marks available for class participation.

To assist the instructor in keeping track of student participation, students should sit in the same seats during every session, and should have a name card readily visible in front of them.

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 4 Group Projects, which the members of the group will research and then prepare for presentation in class as a team. Topics for these projects will be assigned by the instructor. These presentations will last no more than 20 minutes, followed by 10 minutes of questions and answers. 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. A formal written presentation is not required, however, a copy of the presentation notes will be submitted to the instructor after the presentation has been made (copies of overheads used, or PowerPoint slides, for example).

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 presentation notes submitted to the instructor should be packaged together in the form a "leave behind" of a quality that might reasonably be left with a client following such a presentation.

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?)

All members of the group will receive the same grade on each project.

Term Project

The term project will be a written paper done by the student individually, on a topic 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.

Students should select their project title by February 26 at the latest, and submit it to the instructor in the form of a 50 to 100 word memo. The term project will be due April 2.

Assignments

The text material assigned for reading for each week are as set out in the schedule. Additional readings and assignment questions will assigned by the instructor as the course progresses.

Schedule

Date	Outcome/Material Covered	Text Hendricksen Chapters	Reference CICA Sections	Group Research & Presentations <i>Individual Term Project</i>
Jan 8	Introduction to FMGT 8120			
Jan 15	Introduction to Accounting Theory, History of Accounting	1,2,3		
Jan 22	Setting Accounting Policy	8	CICA: 1500-1501	History of Accounting and Accounting Standards
Jan 29	The Conceptual Framework	4,5	CICA: 1000	
Feb 5	Economic Environment, Decision Making	6,7		
Feb 12	Capital and Income	9, 10	CICA: 1510-1520, 3475-3610	
Feb 19	Revenues, Expenses, Price Level Changes	11,12	CICA: 3400	Price Level Changes
Feb 26	Mid-term exam #1 – 2 hours	1-12		<i>Due date for Term Project Topic</i>
Mar 5	The Balance Sheet, Asset Valuation	13,14	CICA: 1540, 3060	
Mar 12	Current Assets, Intangibles, Non-current Investments	16,18	CICA: 3000-3050, 3450	Capital Assets
Mar 19	Capital Assets, Plant and Equipment	15,17	CICA: 3060-3065	
Mar 26	Liabilities and deferred taxes	19,20	CICA: 3210-3290, 3465, 3470	<i>Term Project is Due</i>
Apr 2	Pensions, and Ownership Equities	21,22	CICA: 3240-3260, 3460-3461, 4100	
Apr 9	Equity Changes, Financial Statement Disclosure	23,24	CICA: 3840,3850-3860	Financial Statement Disclosure
Apr 16	Mid-term exam #2 – 2 ½ hours	13-24		