



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

**FMGT 8120**  
**Accounting Theory****Start Date:** September 2003**End Date:** December 2003**Total Hours:** 45 **Total Weeks:** 15**Term/Level:** Deg **Course Credits:** 3**Hours/Week:** 3 **Lecture:** 3 **Lab:** 0**Shop:** **Seminar:** **Other:****Prerequisites****Course No.** **Course Name**

FMGT 4110 Financial Accounting 2

FMGT 4190 Financial Accounting 1/2

**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 the theories underlying current accounting practice. Alternative theories and methods are critically assessed and possible future directions evaluated.

**■ Detailed Course Description**

- 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**

Term Project	10%
Group Research & Presentations	20%
Mid-term examination #1 – 2 ¼ hrs.	30%
Mid-term examination #2 – 2 ½ hrs.	40%

<b>TOTAL</b>	<b>100%</b>
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**■ 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 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.

■ **Verification**

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

Bryan K. Parker, B. Comm.(Hons.), MBA, CA, CPA (WA)

June 11, 2003

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Authoring Instructor

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Date

I verify that this course outline has been reviewed.

Allan Cobbett, Dipl.T, LL.B., MBA, CMA

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Program Head/Chief Instructor

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Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, Dipl.T., MBA, CMA

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Dean/Associate Dean

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Date

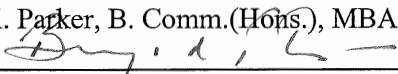
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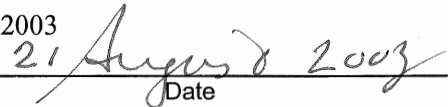
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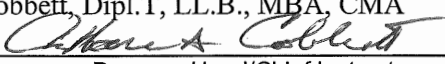
  
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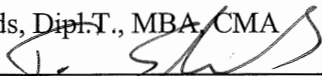
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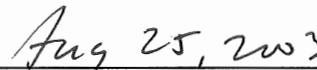
  
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## ■ Instructor(s)

Tim Edwards	Office Location: SE 6 370E	Office Phone: 604-432-8898 (Office) 604-944-1887 (Home)
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Bryan Parker	Office Location: SE 6 337	Office Phone: 604-451-6752 (Office) 604-689-0801 (Home)
	Office Hrs.: By Appointment	E-mail Address: Bryan_Parker@bcit.ca

## ■ Learning Resources

### *Required:*

Van Breda and Hendricksen. Accounting Theory. Fifth Edition. Richard D. Irwin.  
Canadian National 2002 Annual Report.

### *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 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.

**Assignments:** Late assignments, lab reports or projects 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. 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.

## **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. 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 required.

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 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?)
- Deductions for presentations over 20 minutes

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.

## **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

Week of/ Number	Outcome/Material Covered	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	1501
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</b> - 2 ¼ hours	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</b> - 2 ½ hours	13-24	

\* H = Hendricksen Text  
CICA = CICA Handbook

Assignment Schedule  
FMGT 8120  
Accounting Theory

**Schedule**

Assignment #	Due Week #	Group Research & Presentations, Individual Term Project	Text Reference
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	13	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 13.
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.