

Argosy University
COURSE SYLLABUS
B7660

The Evolution of Accounting Theory & Practice

Faculty Information

Faculty Name:

Campus:

Contact Information:

Office Hours:

Short Faculty Bio:

Course description:

This course chronicles the development of accounting theory as a response to changes in culture. The goal of this course is to analyze the relations of accounting and the social world, in a historical context, to better understand why accounting and auditing standards have achieved their present state of evolution.

Course Pre-requisites: None

Required Textbook:

IMPORTANT: You are required to purchase the textbook for this course. Please go to MBS to purchase a print version.

Stickney, C., Brown, P. & Wahlen, J. (2007). *Financial reporting, financial statement analysis and valuation: A strategic perspective* (6th ed.). Thomson Southwestern.

Thibodeau, Jay & Freier, Deborah. (2008). *Auditing after sarbanes-oxley: Illustrative cases* (2nd ed.). McGraw-Hill Irwin.

Course length: 7.5 Weeks

Contact Hours: 45 Hours

Credit Value: 3.0

Program Outcomes:

1. Research

- 1.1. **Performing** – Design, conduct, and justify applied research in a business context using appropriate methodology
- 1.2. **Understanding** – Evaluate and apply existing theory and research to current business practice

2. **Communication**

- 2.1. **Oral** – Present orally, complex business information that is concise, clear, organized, and well supported in a professional manner appropriate to the business context
- 2.2. **Written** – Present in writing, complex business information that is concise, clear, organized, and well supported in a professional manner appropriate to the business context using required format

3. **Critical Thinking/Problem Solving**

- 3.1. **Critical thinking** – Evaluate relevance of established theory to current business practice and identify gaps in current literature
- 3.2. **Problem Solving/Decision Making** – Given a business situation, diagnose the underlying causes of the situation, evaluate possible solutions, in relation to underlying business theory and determine and defend appropriate course of action
- 3.3. **Information Literacy** - Conduct an exhaustive literature search from a variety of sources, evaluate the credibility of the sources, and apply that information to create new knowledge

4. **Team**

- 4.1. **Leadership** - Conduct an exhaustive literature search from a variety of sources, evaluate the credibility of the sources, and apply that information to create new knowledge
- 4.2. **Collaboration** - Given a case study or business situation collect, assimilate, and disseminate the views of stakeholders

5. **Ethics**

- 5.1. **Ethics** - Given a case study or business situations, evaluate the ethical dimensions of decision situations and personal, social, and corporate responsibility not absolved by market forces

6. **Diversity**

- 6.1. **Diversity** - Given a case study or business situation evaluate the multicultural dimensions of decision situations and multicultural solutions to business situations

Accounting Concentration

7. **Analysis**

- 7.1. **Financial Analysis** - Evaluate results of accounting analyses including audit, financial, and risk analyses to determine appropriate business strategies
- 7.2. **Systems** - Evaluate effectiveness of comprehensive accounting systems in meeting the goals of an organization

Course Objectives:

1. Identify the changing roles of today's accountant and the evolving role of accounting practices on the global financial market. (Program Outcomes: 1.1, 1.2, 3.1, 3.3, 5.1, 6.1)
2. Comprehend and apply current regulations that have been promulgated to ensure consistency and uniformity in application for financial reporting and auditing. (Program Outcomes: 1.2, 3.2, 3.3, 4.1, 4.2, 7.1)
3. Compare and Contrast the varying types of audits, reports and types of auditors. (Program Outcomes: 1.1, 1.2, 3.1, 3.2, 3.3, 4.2, 7.2)
4. Examine and evaluate auditor and management responsibilities for detecting errors, fraud, illegal acts and assess the risks for material misstatements. (Program Outcomes: 1.1, 3.1, 3.2, 3.3, 4.2, 7.2)
5. Describe and apply decision-making processes using various accounting practices and standards. (Program Outcomes: 2.2, 3.2, 3.3, 4.1)
6. Apply current accounting theory and selected accounting concepts, principles and standards to evaluate business situations. (Program Outcomes: 1.1, 1.2, 2.1, 3.1, 4.1, 4.2)
7. Critically analyze and Identify internal control weaknesses and strengths through the use of operational audits. (Program Outcomes: 1.2, 2.2, 3.2, 4.2, 7.1, 7.2)

Assignment Table

Module	Module Topics	Readings	Assignments
1	<ul style="list-style-type: none"> • Overview of Financial Reporting • Evolution of GAAP • Assessing the value of Financial Analysis • Internal and External Users and Reliance for Accurate Data 	<p>Thibodeau, J. & Freier, D. (2007).</p> <p>Case 1.1: Enron: A Focus on Independence and Ethics (p.3)</p> <p>Case 1.4: WorldCom: A Focus on Professional Responsibility (p. 15)</p> <p>Case 1.6: The Fund of Funds: A Focus on Independence (p. 23)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 1: Overview of Financial Reporting, Financial Statement Analysis and Valuation.</p>	
2	<ul style="list-style-type: none"> • Evolution the Accounting Practices • Asset and Liability Valuation and Balance Sheet Presentation • Income Measurements • Ethical Standards. 	<p>Thibodeau, J. & Freier, D. (2007).</p> <p>Case 2.3: WorldCom: A Focus on Fraud and Inherent Risk Assessment (p. 39)</p> <p>Case 2.7: The Fund of Funds: A Focus on Fraud and Inherent Risk (p. 51)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 2: Asset and Liability Valuation and Income Measurement.</p>	
3	<ul style="list-style-type: none"> • Financial Statement 	<p>Thibodeau, J. & Freier, D. (2007).</p>	

	<p>Analysis</p> <ul style="list-style-type: none"> • Market Implications of Financial Analysis • Income and Cashflow Understanding the Differences. 	<p>Case 3.1: Enron: A Focus on Company Level Controls (p. 63)</p> <p>Case 3.6: WorldCom: A Focus on Internal Controls (p. 91)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 3: Income Flows versus Cash Flows: Key Relationships in the Dynamics of a Business.</p>	
4	<ul style="list-style-type: none"> • Audit Opinions • Profitability Analysis 	<p>Thibodeau, J. & Freier, D. (2007).</p> <p>Case 3.7: WorldCom: A Focus on Internal Audit (p. 95)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 4: Profitability Analysis.</p>	
5	<ul style="list-style-type: none"> • Internal Controls • Financial Statement Presentation and Accuracy from Transactions to User Data 	<p>Thibodeau, J. & Freier, D. (2007).</p> <p>Case 4.3: Enron: A Focus on Revenue Recognition (p. 121)</p> <p>Case 4.4: Waste Management: A Focus on Capitalization of Expenses (p. 125)</p> <p>Case 4.6: WorldCom: A Focus on Line Cost Accruals (p. 133)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p>	

		Chapter 6: Quality of Accounting Information and Adjustments to Reported Financial Statement Data.	
6	<ul style="list-style-type: none"> • Disclosure • Related Party Transactions • Income Recognition. 	<p>Thibodeau, J. & Freier, D. (2007).</p> <p>Case 4.11: Qwest: A Focus on Presentation and Disclosure (p. 153)</p> <p>Case 4.12: The Fund of Funds: A Focus on Evidence – Asset Valuation (p. 157)</p> <p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 7: Revenue Recognition and Related Expenses.</p>	
7	<ul style="list-style-type: none"> • Professional Certifications • Evolving Accounting Practices • Identifying and Recording Liabilities and Expenses 	<p>Stickney, C., Brown, P. & Wahlen, J. (2007).</p> <p>Chapter 8: Liability Recognition and Related Expenses.</p>	
7.5	Operational Auditing – Application	No additional readings from the textbooks; however, students will read and reference additional articles supporting Operational audit recommendations.	

Suggested Additional Readings and Reference Articles:

Aranoff, G., Barlas, S., Oshernoff, M. & Williams, K. (2006). Tools for SOX Compliance.

Strategic Finance, 88(3), 23.

- Barlas, S., Miller, D., Smith, D., Verschoor, C. & Williams, K. (2003). Sarbanes-Oxley changes some corporate practices. *Strategic Finance*, May, 84(11), 19-21.
- Barto, J. & Beveridge, D. (2002, November). How Sarbanes-Oxley changes due diligence for banks. *International Financial Law Review*, 21(11), 43-48.
- Cook, R. (2006). United States: The legal obligation to maintain accurate books and records in U.S. and Non-U.S. Operations. March 17, 2006.
- Cook, R. (2006). United States: The elements of an effective foreign corrupt practices act compliance program. March 20, 2006.
- Conservatives assemble crack panel to scrutinize off-balance sheet rules, (2005). *Public Private Finance*, July/August, 6.
- Drahuschak, G. (2006). Sarbanes-Oxley has a dark side. *Pittsburg Tribune Review*, August, 27, 2006.
- Factor, M. (2006). Cost of Compliance with Sarbanes –Oxley Financial Regulation Act. *Congressional Quarterly, Inc*, June 19, 2006.
- Fustolo, S. (2004). Auditing Developments, Lesson from Enron. *Accountants Education Group*, 186-223.
- Gagnier, M. (2005). In Biz this Week, SARBOX REDUX. *Business Week*, June 27, 3939, 46.
- Germack, V. (2005). How good are those earnings....really? *Directorship*, July/August, 14-22.
- Ketz, J. & Largay, J. III, (2001). Teaching the “Funds” statement under alternative valuation methods. *Accounting Education*, 87-96.
- Leibs, S. (2003). Internal Controls: In a world gone Sarbanes-Oxley, have finance and IT found common ground? CFO Publications, retrieved December 1, 2006
<http://www.cfo.com/article.cfm/3010903?f=search>

Lafferty, Ltd. (2006). Internal controls: Section 404 set for inspection.

The Accountant, May, 2006, 12.

Pollock, A. (2006). Resident Fellow At the American Enterprise Institute and Former President and CEO of the Federal Home Loan Bank of Chicago. Open Forum, April 24, 2006, 30(29), 4.

Pollock, A. L. (2005). From Making Judgments to Following Rules, The Evolution of U.S. Accounting. Financial Services Outlook, AEI Online
http://www.aei.org/publications/pubID.22867/pub_detail.asp

Rosen, A. (2006). Time bombs, buried in company financial statements, under-funded pensions can blow up in the investors' faces. *Canadian Business*, Summer, 79, 10, 23.

Sale, T. & Scapens, R. (1980). Accounting for the effects of changing prices. *Journal of Accountancy*. July, 82-87.

Sarrell, M. D. (2006). Playing by the rules. *PC Magazine*, 25(15), 106.

Scott, R. (2006). Taking apart the data. *Accounting Technology*. May 2006, 18-24.

Scott, S. (2005). A systematic approach to contextual financial analysis in small business asset-based lending. *The Secured Lender*. December 2005, 106-113.

SEC on off-balance-sheet arrangements, (2005, July). *Practical Accountant*, 23-24.

Shein, E. (2006). Thinking inside the Sarbox. *CFO Magazine*, April, 2006. Retrieved September 15, 2006, from Lexis-Nexis databases.

SOxRFP, (2006). The 2006 Sarbanes-Oxley Compliance System RFP Template. Retrieved September 15, 2006, from www.soxfcrfp.com.

Stickney, C. P., Brown, P. R., & Wahlen, J. M. (2004). *Financial Reporting and Statement Analysis* (5th ed.). Thomson South-Western.

Swanson, E. (1984). Accounting for changing prices: Some midcourse corrections. *Journal of Accountancy*. April, 78-93.

Wikipedia (2006). *Sarbanes-Oxley Act*. Retrieved 09/06/2006,

http://en.wikipedia.org/wiki/Sarbanes-Oxley_Act#History

What is Sarbanes-Oxley and Why Should an IT Manager Care. (2003). Think Sync, retrieved November 25, 2006,

http://www.imakenews.com/eletra/mod_print_view.cfm?this_id=164223&u=symmntp&kissue_id=000034771

Grading Criteria

Grading Scale

Grading requirements

A	100 – 93
A-	92 – 90
B+	89 – 88
B	87 – 83
B-	82 – 80
C+	79 – 78
C	77 – 73
C-	72 – 70
F	69 and below

<i>Attendance/participation</i>	<i>25%</i>
<i>Weekly Assignments</i>	<i>20%</i>
<i>Final paper</i>	<i>35%</i>
<i>PowerPoint Presentation</i>	<i>20%</i>
	<i>100%</i>

Library

All resources in Argosy University's online collection are available through the Internet. The campus librarian will provide students with links, user IDs, and passwords.

All resources in Argosy University's online collection are available through the Internet. Students can access the online collection by logging into the student portal and clicking on the library link. Library Resources: Argosy University's core online collection features over 48, 889 full-text journals and 23,000 electronic books and other content covering all academic subject areas including Business & Economics, Career & General Education, Computers, Engineering & Applied Science, Humanities, Science, Medicine & Allied Health, and Social & Behavior Sciences. Many titles are directly accessible through the Online Public Access Catalog at <http://library.argosy.edu>.

In addition to online resources, Argosy University's onsite collections contain a wealth of subject-specific research materials searchable in the Online Public Access Catalog. Catalog searching is easily limited to individual campus collections. Alternatively, students can search combined collections of all Argosy University Libraries. Students are encouraged to seek research and reference assistance from campus librarian.

Academic Policies

Academic Dishonesty/Plagiarism: In an effort to foster a spirit of honesty and integrity during the learning process, Argosy University requires that the submission of all course assignments represent the original work produced by that student. All sources must be documented through normal scholarly references/citations and all work must be submitted using the current edition of the *Publication Manual of the American Psychological Association*. Students are encouraged to purchase this manual and become familiar with its content as well as consult the Argosy University catalog for further information regarding academic dishonesty and plagiarism.

Scholarly writing: The faculty at Argosy University is dedicated to providing a learning environment that supports scholarly and ethical writing, free from academic dishonesty and plagiarism. This includes the proper and appropriate referencing of all sources. You may be asked to submit your course assignments through "Turnitin," (www.turnitin.com), an online resource established to help educators develop writing/research skills and detect potential cases of academic dishonesty. Turnitin compares submitted papers to billions of pages of content and provides a comparison report to your instructor. This comparison detects papers that share common information and duplicative language.

Americans with Disabilities Act Policy

It is the policy of Argosy University to make reasonable accommodations for qualified students with disabilities, in accordance with the Americans with Disabilities Act (ADA). If a student with disabilities needs accommodations, the student must notify the Director of Student Services. Procedures for documenting student disability and the development of reasonable accommodations will be provided to the student upon request.

Students will be notified by the Director of Student Services when each request for accommodation is approved or denied in writing via a designated form. To receive accommodation in class, it is the student's responsibility to present the form (at his or her discretion) to the instructor. In an effort to protect student privacy, the Department of Student Services will not discuss the accommodation needs of any student with instructors. Faculty may not make accommodations for individuals who have not been approved in this manner.

The Argosy University Statement Regarding Diversity

Argosy University prepares students to serve populations with diverse social, ethnic, economic, and educational experiences. Both the academic and training curricula are designed to provide an environment in which students can develop the skills and attitudes essential to working with people from a wide range of backgrounds.