



The University of Southern Queensland

## Course specification

This version produced 20 Dec 2007.

The current and official versions of the course specifications are available on the web at  
<<http://www.usq.edu.au/coursespecification/current>>.

Please consult the web for updates that may occur during the year.

### Description: Financial Accounting Theory

| Subject | Cat-nbr | Class | Term    | Mode | Units | Campus       |
|---------|---------|-------|---------|------|-------|--------------|
| ACC     | 3116    | 66090 | 2, 2007 | ONC  | 1.00  | Fraser Coast |

|                                   |        |
|-----------------------------------|--------|
| <b>Academic group:</b>            | FOBUS  |
| <b>Academic org:</b>              | FOB008 |
| <b>Student contribution band:</b> | 2      |
| <b>ASCED code:</b>                | 080101 |

### STAFFING

Examiner: Kieran James

Moderator: Julie Cotter

### REQUISITES

Co-requisite: ACC3115

### OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/business/aboutfob.htm>

### SYNOPSIS

This course introduces students to the theory that is integral to financial accounting practice. Using established accounting theories, the factors or incentives that exist for preparers of financial reports are investigated. These factors require consideration when making financial reporting decisions or evaluating the decisions of others. The primary objective of this course is to enhance students' awareness of the issues surrounding decision making in relation to financial reporting practice. This includes an investigation of the popular theories and evidence in regard to financial reporting. The financial reporting issues addressed include the choice of accounting methods, voluntary disclosures, environmental performance reporting and the regulation of financial reporting.

### OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

1. demonstrate effective written communication skills to a tertiary academic standard (as specified in Communication skills handbook for accounting) (assignment 1, assignment 2)

2. demonstrate the ability to undertake independent research outside the prescribed course materials and communicate those research findings in assessment tasks (assignment 1, assignment 2)
3. explain how the development and application of accounting theories enhances decision making in accounting and identify the factors to consider when making or evaluating those decisions (assignment 1, assignment 2, examination)
4. critically evaluate conceptual framework projects and different accounting models with respect to the fundamental problem of financial reporting (assignment 1, assignment 2, examination)
5. evaluate the influence of accounting information on investor behaviour and share prices using the empirical evidence from capital markets research (assignment 2, examination)
6. outline, apply and evaluate the accounting theories that are used to explain and predict accounting practices (assignment 2, examination)
7. outline the contribution that behavioural research has made towards understanding the role of accounting information and the influence of accounting information on behaviour and decision processes (assignment 2, examination)
8. assess the construction and application of accounting theories from an ethical perspective (assignment 2, examination)
9. critically evaluate each of the accounting theories and research methods covered in this course and make a determination as to their usefulness to accounting practice (examination)
10. apply the insights gained from the theories and evidence presented in this course to the issue of whether the reporting of accounting information should be regulated (examination).

## TOPICS

|    | Description  | Weighting (%) |
|----|--|---------------|
| 1. | Introduction to accounting theory                              | 10.00         |
| 2. | Normative accounting theories                                  | 20.00         |
| 3. | Positive accounting theory and capital markets research        | 20.00         |
| 4. | Ethics and accounting theory                                   | 10.00         |
| 5. | The social incentives for making financial reporting decisions | 10.00         |
| 6. | Behavioural research in accounting theory                      | 10.00         |
| 7. | Application to financial reporting issues                      | 10.00         |
| 8. | Regulation of financial reporting                              | 10.00         |

## TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Summers, J & Smith, B 2006, Communication skills handbook: how to succeed in written and oral communication, 2nd edn, John Wiley & Sons, Milton, Queensland  
 OR Fleet, W, Summers, J & Smith, B 2006, Communication skills handbook for accounting, 2nd edn, John Wiley & Sons, Milton, Queensland.

ACC3116 study package available from the USQ Bookshop.

Godfrey, J, Hodgson, A, Holmes, S & Tarca, A 2006, *Accounting theory*, 6th edn, John Wiley & Sons, Milton, Queensland.

## REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

These materials are an invaluable source of information for use in assignment preparation.

Deegan, C 2006, *Financial accounting theory*, 2nd edn, McGraw-Hill, Sydney, New South Wales.

Henderson, S, Peirson, G & Harris, K 2004, *Financial accounting theory*, Prentice Hall, Frenchs Forest, New South Wales.

International Accounting Standards Committee Foundation 2003, *International financial reporting standards (IFRS)*, London.

Palepu, K, Bernard, V & Healy, P 2004, *Business analysis and valuation: using financial statements*, 3rd edn, Thomson/South Western, Mason, Ohio.

Riahi-Belkaoui, A & Jones, S 2002, *Accounting theory*, 2nd edn, Nelson Thomson Learning, South Melbourne, Victoria.

Scott, WR 2006, *Financial accounting theory*, 4th edn, Pearson/Prentice-Hall, Toronto, Canada.

Sunder, S 1997, *Theory of accounting and control*, South-Western College, Cincinnati, Ohio.

Watts, R & Zimmerman, J 1986, *Positive accounting theory*, Prentice Hall International, Englewood Cliffs, New Jersey.

White, G, Sondhi, A & Fried, D 2002, *The analysis and use of financial statements*, 3rd edn, Wiley, New York.

Whittred, G, Zimmer, I, Taylor, S & Wells, P 2004, *Financial accounting: incentive effects and economic consequences*, 6th edn, Thomson, South Melbourne, Victoria.

## STUDENT WORKLOAD REQUIREMENTS

| ACTIVITY      | HOURS |
|---------------|-------|
| Assessment    | 20.00 |
| Lectures      | 26.00 |
| Private Study | 93.00 |
| Tutorials     | 26.00 |

## ASSESSMENT DETAILS

| Description        | Marks out of | Wtg(%) | Due date               |
|--------------------|--------------|--------|------------------------|
| ASSIGNMENT 1       | 25.00        | 5.00   | 17 Aug 2007            |
| ASSIGNMENT 2       | 25.00        | 25.00  | 12 Oct 2007            |
| 2 HOUR EXAMINATION | 100.00       | 70.00  | END S2<br>(see note 1) |

### NOTES

1. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date after the timetable has been finalised.

## IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:  
It is the students' responsibility to attend and participate appropriately in all activities (such as lectures, tutorials, laboratories and practical work) scheduled for them, and to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:  
To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:  
If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- 4 Requirements for student to be awarded a passing grade in the course:  
To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:  
The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- 6 Examination information:  
This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); translation dictionary (with the Examiner's approval, candidates may, take an appropriate non- electronic translation dictionary into the examination. This will be subject to perusal and, if it is found to contain annotations or markings that could give the candidate an unfair advantage, it may be removed from the candidate's possession until the appropriate disciplinary action is completed). Students are not permitted to take mobile telephones, pagers or other electronic means of communication into the examination room.
- 7 Examination period when Deferred/Supplementary examinations will be held:

Any Deferred or Supplementary examinations for this course will be held during the next examination period.

8 University Regulations:

Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Policies and Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

## ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must electronically submit the assignment via the assignment drop box located on the USQ Study Desk for this course. It is the responsibility of the student to confirm successful submission of assignments. The onus is on the student to provide proof of submission, if requested by the examiner. (ii) Students must retain a copy of each assignment submitted for assessment. This must be produced within 24 hours if required by the examiner. (iii) The examiner may grant an extension of the due date of an assignment in extenuating circumstances. If students wish to claim extenuating circumstances, the student must apply via email to the examiner stating the extenuating circumstances PRIOR to relevant due date. The examiner shall consider the statement and decide on the outcome. If granted an extension, the student shall provide, via post or facsimile, validated documentary evidence confirming the extenuating circumstances outlined in their email and a copy of the extension approval emailed by the examiner. No extension will be granted if an extension is applied for after the due date of the assignment, for example, a request for an extension included with the late assignment will not be granted. (iv) Students must use their name as the file name for the assignment and ensure that the document is adequately named for identification purposes. (v) The examiner will not accept submission of assignments by facsimile or email. (vi) Students who do not have regular access to Internet services or who are otherwise disadvantaged by these regulations may be given special consideration. They should contact the examiner to negotiate such special arrangements PRIOR to the submission date. (vii) In the event that a due date for an assignment falls on a local public holiday in their area, such as a show holiday, the due date for the assignment will be the next day. Students are to note on the first page of the assignment document the date of the public holiday for the examiner's convenience.
- 2 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
- 3 Dishonest actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the academic regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, that is, taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately referenced in the student's work;

direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.

- 4 Deferred work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded: IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).

## **OTHER REQUIREMENTS**

- 1 Learning resources: Prescribed texts and materials (see above); recommended reference materials (see above); printed Introductory Book\*, Book/s of Selected Readings\* and Study Book/s\*; CD (compact disc)\*; and course Website accessible via USQConnect.  
\*part of the study package available from the USQ Bookshop.
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