ACCT*4340 Accounting Theory  
Winter 2019  
Credit weight 0.5

General Course Information

Instructor: Ron Baker  
Email: ron@uoguelph.ca  
Office Location: MAC HALL 203  
Office Hours: Appointment only  
Department/School: Management

Class Schedule: Tues/Thurs 8:30-9:50  
Class Location: MACS, Room 121

Final Exam: none

Pre-requisites: ACCT 4220

Co-requisites: N/A

Restrictions: ACCT 4240

Course Description

This course will draw on accounting research, primarily empirical research. Rather than covering specific GAAP rules, the course will focus on how investors react to GAAP rules, why financial information is important, and how its use/misuse affects investor decision making and management behaviour. The course is thus about accounting, instead of about how to apply accounting standards.

The course will introduce students to accounting research and the theories that inform the development of accounting practices and our understanding of the role of accounting in society. Students will critically examine contemporary issues in accounting including accounting education, earnings management, accounting for sustainability, governance and accounting information as a public good.

Course Learning Outcomes

The learning outcomes of this course are:

1. Explain the role of theory in accounting research

2. Identify and explain the more common theories used in accounting research and use the following theories to facilitate our understanding of contemporary accounting issues:
   a. Agency theory
   b. Institutional Theory
   c. Legitimacy Theory
   d. Stakeholder Theory
   e. Contingency Theory
3. Identify and explain current issues in accounting, such as:
   a. Sustainability
   b. Earnings management
   c. Governance
   d. Corporate failure
   e. Measurement
   f. The development and use of the conceptual framework

4. Critically examine current issues in accounting by drawing upon existing research found in the academic literature

### Indicative Content

<table>
<thead>
<tr>
<th>Date</th>
<th>Class #</th>
<th>Text</th>
<th>Article</th>
<th>Description</th>
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<tr>
<td>Jan 8</td>
<td>1</td>
<td>1</td>
<td>Demski, 2007; Parker et al., 2011 (pp. 5-9)</td>
<td>Introduction/Contemporary issues in accounting</td>
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<td>Sterling, 1967</td>
<td>Conceptual Framework</td>
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<td>Hines, 1989</td>
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<td>Sunder, 2015</td>
<td>Measurement</td>
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<td>5</td>
<td>Inanga and Schneider, 2005</td>
<td>Theories in accounting</td>
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<td>Exam 1</td>
<td>Watts and Zimmerman, 1978 (112-118)</td>
<td>Products of financial reporting</td>
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<td>Watts and Zimmerman, 1978 (112-118)</td>
<td>Products of financial reporting</td>
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<td>Baker et al., 2012</td>
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<td>Dechow and Skinner, 2000</td>
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<td>Apr 2</td>
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<td>Exam 3</td>
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<td>Corporate failure</td>
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<td>April 4</td>
<td>24</td>
<td>13</td>
<td>Course Wrap-Up</td>
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**Articles (Required):**


### Course Assessment

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Weight</th>
<th>Description</th>
<th>Associated Learning Outcomes</th>
<th>Due Date/ Location</th>
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<tr>
<td>Abstract 1:</td>
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<td>Baker 2011</td>
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<td>Abstract 2:</td>
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<td>Hines, 1989</td>
<td>4</td>
<td>Jan 29/in class</td>
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<tr>
<td>Abstract 3:</td>
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<td>Baker et al., 2012</td>
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<td>Abstract 4:</td>
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<td>4</td>
<td>Apr 5/in class</td>
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<tr>
<td>Term Exam 1:</td>
<td>20%</td>
<td>Ch. 1,2, 4, 5 + articles from classes 1 to 8</td>
<td>1,2,3,4</td>
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<tr>
<td>Term Exam 2:</td>
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<td>Ch. 6,7,8,9 + articles from classes 10 to 16</td>
<td>1,2,3,4</td>
<td>Mar 12/in class</td>
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Course Resources

Required Texts:
Contemporary issues in accounting by Rankin, Stanton, McGowan, Ferlauto and Tilling. Wiley Publishing
The text is available as an e-book at the University Bookstore.

Other Resources:
Articles can be accessed through the University of Guelph library website or the publisher's website. All articles are available electronically.

Course Policies

Grading Policies
Three term exams are scheduled for this class. They are 1 hour and 15 minutes in length and held in your regular classroom during class time. Each term exam focuses on specific material covered as outlined in the course assessment.
Requests regarding re-weighting of marks allocated due to a poor performance on an exam will not be considered. There is no re-weighting of exams.

IF YOU ARE SICK AT THE TIME OF THE A TERM EXAM YOU ARE REQUIRED TO COMMUNICATE (VIA EMAIL) ANY ILLNESS TO YOUR INSTRUCTOR BEFORE THE EXAM. The email communication should be sent to your professor before the exam time and should include the following information: full name, student number, course code, section enrolled and your explanation for missing the exam. All necessary documentation (medical note) supporting your absence must be delivered to your instructor within 5 business days of the exam.
Also note: issues with marking will only be addressed at the time the exams handed back (in class).
http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml

Please note that these policies are binding unless academic consideration is given to an individual student.

Course Policy regarding use of electronic devices and recording of lectures:
Electronic recording of classes is expressly forbidden without consent of the instructor. When recordings are permitted they are solely for the use of the authorized student and may not be reproduced, or transmitted to others, without the express written consent of the instructor.

University Policies

Academic Consideration
When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for Academic Consideration:
http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml

Academic Misconduct
The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:
https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-amisconduct.shtml

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact Student Accessibility Services (SAS) as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email accessibility@uoguelph.ca or see the SAS website at http://www.uoguelph.ca/csd/

Course Evaluation Information

Please refer to the Course and Instructor Evaluation Website: https://courseeval.uoguelph.ca/

Drop date

The last date to drop one-semester courses, without academic penalty, is March 9, 2018. For regulations and procedures for Dropping Courses, see the Academic Calendar:
https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-drop.shtml

Additional Course Information

The course consists of readings (textbook and journal articles) and in-class discussions. Students must complete the required readings prior to class and be prepared to contribute their ideas and opinions in class. Class time will also be used to review the material, but it is assumed that the readings have been completed so the reviews can be kept to a minimum, leaving more available for discussions.

Abstracts

These are extended abstracts of assigned readings. 2 to 3 pages in length (single-spaced) they will summarize an article and must include the following sections:

1- Issue identification and research question (if application)
2- Background
3- Methodology
4- Overview of results
5- Strengths and weaknesses of the article
6- Your overall (informed and thoughtful) opinion on the issue addressed in the article.

NOTE: Abstract # 5 is worth 10% of your final grade and should be 5 to 7 pages in length, single-spaced, and include multiple references.
For ALL EXAMS you are permitted a pen/pencil and a non-programmable calculator. No notes, cell phones, etc.

Some policies of note:

No deferred term exams will be held. Should you require to be excused from a term exam for legitimate reasons (i.e. medical condition), the marks of the term exam will be allocated to the final exam.

If you are registered with the Centre for Students with Disabilities and will require some form of accommodation in the completion of the required learning activities for this course, please inform your seminar instructor during the first week of classes.

Keep a copy of all of your graded work until final marks have been recorded. You may be asked to resubmit your work at any time.