

**ADVANCED ACCOUNTING THEORY – FALL 2005**  
**COLLEGE OF MANAGEMENT**  
**TAMKANG UNIVERSITY**

**INSTRUCTOR** 曹嘉玲 博士

**OFFICE:** Ba 829

**PHONE:** (02) 2621-5656 ext. 2079

**EMAIL:** chao2002@mail.tku.edu.tw

**COURSE AIM**

This course is designed to familiarize master-level students with significant problems currently facing the accounting profession, to examine in depth various solutions proposed by accounting scholars and others, and to strengthen student understanding of today's critical issues in accounting theory. Specifically, the major objective of this course is to acquaint students with analytical approach to understanding the financial reporting environment in terms of an accounting perspective for preparers and users of financial statements.

**COURSE MATERIALS**

*Required:*

Accounting Theory: Conceptual Issues in a Political and Economic Environment (6<sup>th</sup> edition)  
by Harry Wolk, James Dodd, & Michael Tearney, South-Western, 2004.

*Recommended:*

A Statement of Basic Accounting Theory (ASOBAT) by American Accounting Association  
(AAA), 1966.

Positive Accounting Theory (PAT) by Ross L. Watts and Jerold L. Zimmerman, Prentice Hall,  
1986.

Statement of Financial Accounting Concepts (SFAC) by Financial Accounting Standards  
Board, Wiley, 2003.

**FORMAT OF CLASSES**

Accounting issues based on relevancy and current nature will be selected for recitation, demonstration, and discussion in the course, and a number of papers will be listed for reading on each topic. Given the intensive nature of the course, thorough advance preparation is critical for a successful learning experience. Students are expected to read the assigned

chapters and/or papers **before** coming to class, and they are encouraged to do their own research of the literature to identify additional research papers on each topic.

Students are required to write a group project (with three members each group) and to make an oral presentation during the midterm of the semester. The group project will be to examine a Statement of Financial Accounting Standard (SFAS) within the context of the Statement of Financial Accounting Concepts (SFAC). In addition, the project will be to compare and contrast the accounting standards within the context of the chosen pronouncement issued by the Financial Accounting Standards Board (FASB) in Taiwan, by the FASB in the US, and by the International Accounting Standards Board (IASB). Students will be given the opportunity to select financial accounting topics for their reports few weeks before their presentations based on their interests.

A research term paper will be required by the end of the semester. The paper will be to discuss the impact of a user (e.g., investors and creditors) orientation on financial accounting theory and research including:

- 1) The evolution of this approach from ASOBAT (AAA, 1966) to SFAC No. 2 (FASB, 1980). See Chapter 6 (specifically p. 162) and Chapter 7 (specifically p. 196) in the Wolk text.
- 2) The alternative research approaches that are consistent with a user perspective. See p. 39 – 48, p. 96-98, p. 179 –189, p. 294-295, and Chapter 8 in the Wolk text.
- 3) Future directions that user-oriented research may take.

Each paper should be no more than 30 double-spaced, single-sided, and typed pages preceded by a one-page “executive summary” and followed by an alphabetized reference list. The highest degree of professionalism is expected. Please use APA style for each paper and obtain approval from the instructor for each topic before commencing work.

## **PERFORMANCE EVALUATION**

Your grade at the end of the course will depend on your ability to demonstrate your understanding of the ongoing financial accounting issues and research techniques used in empirical financial accounting research. The course grade will be determined as follows:

Class Participation	20%
Group Project and Presentation	50%
Term Paper	30%

Total

100%

Class participation will be based on students' contribution to class discussions during the lectures. Each time you make a positive contribution, you will be awarded one participation point. The student who has the highest number of participation points will be awarded full marks for class participation (20%). The other students will then be marked in relation to this student. Attendance to class does not constitute class participation. However, this is a highly interactive class where learning depends on attendance. Therefore, attendance is required at all sessions, except in the case of personal illness or emergencies.

The group project (oral and written) and the research term paper are each worth 50% and 30% of the total course mark, respectively. Group presentations will be for a maximum of 30 minutes with the group deciding on presentation style. It is expected that most student groups use PowerPoint for their presentations. Each group presentation will be followed by open class discussions and questions. The Group will be graded collectively on the quality of the group's overall presentation. The depth of content of students' presentation will be an important part of this assessment.

The final grade for each student will be based on his/her cumulative score in each of the above areas of assessment. Students must satisfactorily complete all major tasks in order to pass the course.

## TENTATIVE OUTLINE

Week	Date	Topic
1	Sep. 14	Introduction to Course/Syllabus Overview Chapter 1 – An Introduction to Accounting Theory Chapter 18 – Issues in International Accounting
2	Sep. 21	Chapter 3 – Development of the Institutional Structure of Financial Accounting Chapter 4 – The Economics of Financial Reporting Regulation
3	Sep. 28	Chapter 5 – Postulates, Principles, and Concepts
4	Oct. 5	ASOBAT Chapter 6 – The Search for Objectives
5	Oct. 12	Chapter 6 – The Search for Objectives
6	Oct. 19	Chapter 7 – The FASB’s Conceptual Framework SFAC <i>Topics for the group projects due</i>
7	Oct. 26	Supplementary materials from the instructor
8	Nov. 2	Chapter 2 – Accounting Theory and Accounting Research
9	Nov. 9	PAT (Chapter 8 to 11) Supplementary materials from the instructor
10	Nov. 16	<i>Class presentation and group project due</i>
11	Nov. 23	<i>Class presentation and group project due</i>
12	Nov. 30	Chapter 8 – Usefulness of Accounting Information to Investors and Creditors
13	Dec. 7	Supplementary materials from the instructor
14	Dec. 14	Chapter 9 – Uniformity and Disclosure
15	Dec. 21	Supplementary materials from the instructor
16	Dec. 28	Chapter 17 – Intercorporate Equity Investments
17	Jan. 4	<i>Research term paper due</i>

*I wish you a productive semester and success in your studies.*