

Module Code	ACC3615
Module Title	Accounting Theory
Semester	Semester 2, AY2016-2017
Modular Credits	4
Faculty	School of Business
Department	Accounting
Timetable	Wed. 11:00-13:30/Biz2-0413.
Module Facilitators	Guan Xinjiao (Lecturer)

### **LEARNING OUTCOMES**

#### AIMS:

- 1 Develop a perspective on the role of accounting in corporate finance and in capital markets
- 2 Evaluate accounting standards in terms of their potential effects on market participants and others

#### OBJECTIVES:

After finishing this module, you will be able to ...

- 1 Deliver expert professional opinions on accounting related issues.
- 2 Display **professional competence** by:

- 1 anticipating important changes in accounting regulations and predicting their likely impact on investors, companies and accountants
- 2 displaying up-to-date knowledge and professional judgment in talking about current issues in accounting (for example in a job interview or in networking conversations with senior accountants)

### **TEACHING MODES**

I teach the module in a seminar format each week. In most weeks, the lecturer will lead a discussion of the week's study materials in the first session, while the second session will be devoted to practice problems and student presentations.

### **SYLLABUS**

#### **1. Relevance**

- Implications of efficient markets for accounting
- The information perspective
- The Measurement perspective—fair value accounting

#### **2. Reliability**

- The positive theory of accounting

Accounting and agency theory  
Accounting and executive compensation  
Earnings Management

### **3. Standard Setting**

The economics of standard-setting  
The politics of standard-setting  
The Conceptual Framework  
History, current status and international differences  
Selected current issues

## **ASSESSMENT**

This is a 100% continuous assessment (CA) module. The weight for different components is as follows:

<b>Component</b>	<b>Weight</b>
Pop quizzes	20
Project	30
Final test (open-book)	50

**Explanation of assessment components:**

Pop quizzes: These will be conducted most weeks at the beginning of each class. The purpose of the tests is to enhance the understanding and retention of the textbook reading for the week, and/or the material covered by the lecturer in the lecture, and/or exercises previously done in class during the same session and/or issues raised by the project topic for the same session. Pop quizzes will typically run from 15 minutes and will usually be closed-book.

Project: Groups will be formed on the 1st class and will be randomly assigned to each project topic by the lecturer. The project requirements involve:

(a) a presentation in class (around 20 minutes)

Final test: The final test will be open-book open-notes, and will consist of a mix of essay questions and short questions.

