The objective of this course is to provide the student with the opportunity to obtain a sound knowledge of normative, positive and critical theories of accounting. The course begins by examining the nature of theories and alternative forms of logic. The conceptual framework and key contemporary and historical accounting issues are examined, highlighting the role of theory in understanding current accounting standards, accounting practice and the use of accounting information by the myriad stakeholders in reporting entities. Throughout the course examples of the relationship between theories of accounting and decisions facing real people (accountants and financial statement users) are highlighted.

**Course URL**

**Mode of Delivery**
On campus

**Prerequisites**
BUSN2015

**Incompatible Courses**
N/A

**Course Convenor**
Dr Louise Lu (weeks 1-6) & Dr Tracy Wang (weeks 7-12)

**Phone**
+61 2 6125 4859 (Louise) & +61 2 6125 9835 (Tracy)

**Email**
louise.lu@anu.edu.au and kun.wang@anu.edu.au

**Office**
CBE Building, Room 2.44 (Louise) & Room 3.24 (Tracy)

**Office hours for student consultation**
To be announced on the course Wattle site
| **Research Interests** | Tracy Wang [https://www.cbe.anu.edu.au/about/staff-directory/?profile=Tracy(Kun)-Wang](https://www.cbe.anu.edu.au/about/staff-directory/?profile=Tracy(Kun)-Wang)  
Louise Lu [https://www.cbe.anu.edu.au/about/staff-directory/?profile=Louise-Lu](https://www.cbe.anu.edu.au/about/staff-directory/?profile=Louise-Lu) |
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Tutor(s) (optional)</strong></td>
<td>To be announced on the course Wattle site</td>
</tr>
</tbody>
</table>
| **Student Administration** | Room 2037 Hanna Neumann Building 21 enquiries.rsa@anu.edu.au  
6125 0025 or 6125 7968  
Office Hours: Monday-Friday 9-5 pm |

**SEMESTER 2**

2018
COURSE OVERVIEW

Learning Outcomes

At the conclusion of the course students will:

1. Have read more widely in accounting;
2. Have acquired a deeper and more critical appreciation of what defines contemporary accounting practice, and more importantly, what it is that should define the nature, scope and future of accounting;
3. Be familiar with concepts of theory development and theories of accounting policy choice, measurement of economic income and the societal use of accounting information;
4. Have achieved a deeper understanding of selected contemporary issues in accounting;
5. Have developed an ability to critically analyse these issues within the theoretical framework developed earlier in the course;

The specific learning objectives identified at the commencement of the lecture material for each of the topics are an integral part of the course/broad learning outcomes above.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Date for Return of Assessment</th>
<th>Linked Learning Outcomes (optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tutorial preparation, participation, and presentation</td>
<td>10%</td>
<td>See Course Schedule</td>
<td>See Course Schedule</td>
<td>Refer to Learning Outcomes (1) to (5)</td>
</tr>
<tr>
<td>2. Research Assignment Part A – Referencing Exercise/Essay Plan</td>
<td>10%</td>
<td>Week 6</td>
<td>Within 3 weeks</td>
<td>Refer to Learning Outcomes (1) and (3)</td>
</tr>
<tr>
<td>3. Research Assignment Part B – Research Essay</td>
<td>20%</td>
<td>Week 8</td>
<td>Within 3 weeks</td>
<td>Refer to Learning Outcomes (1) to (5)</td>
</tr>
<tr>
<td>4. Final Exam</td>
<td>60%</td>
<td>University Examination Period</td>
<td>TBA</td>
<td>Refer to Learning Outcomes (1) to (5)</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
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</tbody>
</table>

In order to pass this course you must satisfactorily complete all of the foregoing items of assessment, including a mark of not less than 50% in the final examination; and an overall result of not less than 50% for the semester.

The details of Parts A and B of your research assignment will be placed on course Wattle website.

Research-Led Teaching

This course builds on current research to examine contemporary issues in accounting, which includes research in other disciplines such as finance and economics. The course adopts an interactive approach to learning and teaching and draws from active learning pedagogies. Students are strongly encouraged to be an active participant in the learning process.
Feedback

Staff Feedback

Students will be given feedback in various ways in this course, including verbal or written feedback on the return of assessment tasks, during class discussion, or during consultation with lecturers and tutors.

Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

Policies

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at: http://policies.anu.edu.au/

Students are expected to have read the Academic Misconduct Rule before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework) Policy
- Student Assessment (Coursework) Procedure
- Student Surveys and Evaluations
- Copyright (http://copyright.anu.edu.au/)

Examination material or equipment

Materials permitted in the exam venue:

- (No electronic aids are permitted e.g. laptops, phones)
- Calculator (non-programmable)
- Dictionary – for candidates with written approval from School
Details regarding materials and equipment that is permitted in an examination room can be found on the ANU website:
http://www.anu.edu.au/students/program-administration/assessments-exams/examination-conduct

Information regarding permitted examination materials for the course will be available on the examination timetable website when the examination timetable is released:
http://timetable.anu.edu.au/

READING LISTS

Prescribed Text


The required text is available for purchase from the Co-op bookshop on campus. A small number of copies of the textbook is also available for 2 hour loan in the reserve loan section of the Chifley Library.

Prescribed Readings

The list of required readings is provided below. Some of these readings will be the subject of prescribed tutorial questions. You will find the ANU's extensive list of electronic and traditionally delivered academic journals extremely useful. For some sessions you may be required to use the ANU's electronic databases to locate and obtain relevant journal articles for study in class.

The reading list provided below is NOT exhaustive. You are expected to conduct follow-up readings and background research into topics and issues addressed in this course as part of your private study. ALL topics and issues addressed in the lectures are examinable.

The ANU's ProQuest database is an excellent starting point when searching for relevant articles, and in many cases the full-text of desired articles can be accessed directly.

**Prescribed Reading (specific questions for consideration may be provided on Wattle) – additional readings may be prescribed during the semester**

<table>
<thead>
<tr>
<th>Topics</th>
<th>References and Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gibson (1971) Ch. 7</td>
</tr>
<tr>
<td>Introduction to Theories and Their Application to Accounting</td>
<td>Chalmers (1980) Ch 2 &amp; 3</td>
</tr>
<tr>
<td></td>
<td>Hines (1988a)</td>
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<tr>
<td></td>
<td>Hines (1988b)</td>
</tr>
<tr>
<td>The Conceptual Framework</td>
<td>AASB Framework</td>
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<td></td>
<td>AASB SAC 1</td>
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<tr>
<td></td>
<td>AASB SAC 2</td>
</tr>
<tr>
<td>Introduction to Positive Accounting Theory – Agency Theory</td>
<td>Fama &amp; Jensen (1983)</td>
</tr>
<tr>
<td></td>
<td>Jensen &amp; Meckling (1976)</td>
</tr>
<tr>
<td></td>
<td>Watts &amp; Zimmerman (1978)</td>
</tr>
<tr>
<td></td>
<td>Watts &amp; Zimmerman (1979)</td>
</tr>
<tr>
<td>Earnings Management and Accounting Policy Choice</td>
<td>Healy (1985)</td>
</tr>
<tr>
<td></td>
<td>Bartov (1993)</td>
</tr>
<tr>
<td></td>
<td>Roychowdhury (2006)</td>
</tr>
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</tbody>
</table>
| Fan, Barua, Cready & Thomas (2010)  
| Ball & Brown (1968)  
| Kothari (2001)  
| Bradshaw and Sloan (2002)  
| Lougee and Marquardt (2004)  
| Cohen, Hann and Ogneva (2007)  
| Corporate social responsibility | To be advised  
| Corporate social responsibility | To be advised  
| Regulation of financial accounting | Watts & Zimmerman (1986) Ch. 7  
| Reiter (1926)  
| Edwards (1980)  
| Current Purchasing Power Accounting | Full-Text Notes on WATTLE  
| Chambers (1980) Ch. 6  
| Current Cost Accounting, CoCoA and Value to The Entity Accounting | Full-Text Notes on WATTLE  
| Broadley (2007)  
| Solomons (1995)  
| FASB (2008b)  
| Penman (2007)  
| Examination period |  

**Bibliographic References to Prescribed Reading and Other Papers**


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**COURSE SCHEDULE**

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Activities/Topic</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to course, contemporary issues—analysing the role of accounting in corporate failure</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Introduction to theories and their application to accounting</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The conceptual framework for financial reporting</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Positive accounting theory i – introduction and agency theory</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Positive accounting theory ii – earnings management and accounting policy choice</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Positive accounting theory iii – capital market response to accounting reports</td>
<td>Essay Part A – Due 4pm, Thursday</td>
</tr>
<tr>
<td></td>
<td>Mid-semester break</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Corporate social responsibility i</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Corporate social responsibility ii</td>
<td>Essay Part B – Due 4pm, Thursday</td>
</tr>
<tr>
<td>9</td>
<td>Regulation of financial accounting</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Current purchasing power accounting</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Current purchasing power accounting and current cost accounting</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Cocoa, value to the entity accounting and review</td>
<td></td>
</tr>
</tbody>
</table>
Tutorial questions will be placed on course Wattle website. See Section READING LISTS on page 7 of this course outline for information about the prescribed readings for each topic.

Exam to be administered by university exam section. Time and place of the exam to be announced by the Examinations office.

The greatest benefit from lectures is obtained by reading the relevant material in advance of attending the lectures and participating in discussion during tutorials. Students are required to prepare the relevant set of questions in advance of attending tutorials and come to tutorials prepared to discuss the issues involved, and any difficulties encountered in responding to the set questions and areas in which they are in need of clarification.

ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University's approach to managing Academic Integrity. For additional information regarding Turnitin please visit the ANU Online website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

As a further academic integrity control, students may be selected for a 15 minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University's Academic Misconduct Rule.

Assessment Tasks

Assessment Task 1: Research Assignment Part A – Referencing Exercise/Essay Plan

Details of task:

Purpose: To ensure that students are in no doubt as to the level of referencing required in a scholarly paper and to identify and organise sources relevant to the completion of the major essay.

Outline: Part A of the Research Assignment examines your ability to appropriately reference scholarly research, to identify and organise sources and materials relevant to the completion of the major research essay (Part B Research Essay), and to ensure that you have an initial project plan for the research essay and to meet its requirements.

Assessment Criteria: Referencing Exercise - Correct referencing, expression and presentation.

Essay Plan - components of essay plan as per requirements, quality of essay plan, expression and presentation.
Assessment Task 2: Research Assignment Part B – Research Essay

Details of task:

Purpose: To critically analyse a selected contemporary issue in financial accounting.

Outline: Part B of the Research Assignment examines your ability to critical analyse a selected contemporary issue in financial accounting.


Note: The criteria listed above are not mutually exclusive but are complementary in the overall assessment of the assignment. A well-written and organised essay will receive a low assessment if it is not relevant to the given topic.

Grade Related Descriptors:

<table>
<thead>
<tr>
<th>Grades</th>
<th>Depth and Breadth of Coverage</th>
<th>Critical and Analytical Elements</th>
<th>Structure, Language and Conventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Distinction</td>
<td>All aspects of the given topic are researched and covered in a thorough way.</td>
<td>The essay shows great depth of thought, excellent development of discussion, logical analysis and insight into the topic.</td>
<td>All aspects of the essay conform to a high academic standard.</td>
</tr>
<tr>
<td>80% - 100%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Distinction</td>
<td>Most aspects of the given topic are researched and addressed in great depth.</td>
<td>The essay shows strong evidence of analysis, supported by logical discussion and insight into the topic.</td>
<td>Most aspects of the essay conform to a high academic standard.</td>
</tr>
<tr>
<td>70% - 79%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Credit Pass</td>
<td>Most aspects of the given topic are researched and addressed adequately.</td>
<td>The essay shows evidence of elementary analysis and the development of discussion.</td>
<td>Most aspects of the essay conform to an acceptable academic standard.</td>
</tr>
<tr>
<td>60% - 69%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass</td>
<td>Key aspects of the given topic are researched and addressed adequately.</td>
<td>The essay is mainly descriptive, showing basic understanding of the topic.</td>
<td>The essay displays basic academic standard.</td>
</tr>
<tr>
<td>50% - 59%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Fail</td>
<td>Essay is superficial and/or inadequately researched and addressed the issue.</td>
<td>The essay demonstrates limited understanding of the topic.</td>
<td>The essay is not of an acceptable academic standard.</td>
</tr>
<tr>
<td>&lt;50%</td>
<td></td>
<td></td>
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</tbody>
</table>

Assignment submission

Online Submission: Assignments are submitted using Turnitin in the course Wattle site. You will be required to electronically sign a declaration as part of the submission of your assignment. Please keep a copy of the assignment for your records.
Extensions and penalties

Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

Late submission of assessment tasks without an extension are penalised at the rate of 5% of the possible marks available per working day or part thereof. Late submission of assessment tasks is not accepted after 10 working days after the due date, or on or after the date specified in the course outline for the return of the assessment item.

Returning assignments

Assignments will be returned using the course Wattle site. You will be assessed not only on the content of your argument, but also on your ability to express that argument clearly, reference appropriately and present your paper professionally.

RESUBMISSION OF ASSIGNMENTS

Students may not resubmit the assignments.

REFERENCING REQUIREMENTS

This course adopts the Harvard referencing system

EXAMINATIONS

The Final Exam will be held during the University’s Examination Period. Information on the form and content of the final examination will be provided closer to the date.

Scaling

Your final mark for the course will be based on the raw marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Privacy Notice

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor’s terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.
In cases where student end users are asked to submit ‘content’ to a database, such as an assignment or short answers, the database licensor may only use the student’s ‘content’ in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor’s terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

**TUTORIAL / SEMINAR REGISTRATION**

Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle and during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to [Wattle](http://students.anu.edu.au/studentlife/), and go to the course site.
2. Click on the link “Tutorial signup here”
3. On the right of the screen, click on the tab “Become Member of ……” for the tutorial class you wish to enter.
4. Confirm your choice

If you need to change your enrolment, you will be able to do so by clicking on the tab “Leave group…” and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

**SUPPORT FOR STUDENTS**

The University offers a number of support services for students. Information on these is available online from [http://students.anu.edu.au/studentlife/](http://students.anu.edu.au/studentlife/)