Description

A study of the nature of theories, the methods used in theory formation, and of attempts to formulate theories of accounting and finance.

Coordinator

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Consultation times to be advised.

Objectives

Students who successfully complete this subject will be able to demonstrate their:

• sensitivity to ethical considerations in accounting
• understanding of the process of theory development
• understanding of how research methodologies affect theoretical outcomes
• a critique of the shortcomings of traditional approaches to accounting theory development
• awareness of the need to consider social, political and economic environmental factors in developing theories
• awareness of some of the problems for future accounting development.

Subject process

Up to the first five topics will be presented in an interactive lecture style with the remaining topics taking the form of seminars, with the first hour of the period being allocated to students' presentations. At the first meeting topics for the seminars will be allocated in as democratic a way as possible. At this meeting students will form into pairs or small groups in order to make initial preparations for the seminars. The numbers in each group will depend on the number of students in the subject. Depending on the numbers in the subject, the assessment criterion below, with respect to seminars may be re-negotiated.

Timetable

Monday 3.30 to 5.30 pm in room 40.126. Seminars commence on 28 February.

Please go to the ORIENTATION PROGRAM in 40.130 at 9.30 am 28 February 2000.
Assessment

The composite mark will be calculated as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two essays</td>
<td>40%</td>
</tr>
<tr>
<td>Presenting 1 seminar</td>
<td>10%</td>
</tr>
<tr>
<td>Self-reflective journal:</td>
<td></td>
</tr>
<tr>
<td>completion</td>
<td>5%</td>
</tr>
<tr>
<td>critique</td>
<td>5%</td>
</tr>
<tr>
<td>Final examination</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Essays

Objectives

To provide a medium for students to develop and demonstrate:

- their capabilities for researching a set topic
- their capabilities to critically understand and evaluate elements of accounting research and practice
- their capabilities for written expression.

To provide a medium for coordinator’s feedback.

Requirements

- Long essays are discouraged; 1 500 words and 2 500 words are a reasonable length for the first and second essay respectively.
- A 5cm margin on the left should be provided for comments.
- Essays should include a synopsis, a bibliography, and be properly referenced, using the method specified for Critical Perspectives on Accounting.
- Essays are to be submitted in class, and they will be returned in class.
- Late essays will be penalised at the rate of 1 mark per day, or part thereof, late.
- Non-compliance with the requirements above will result in the application of late penalties to a maximum of 5 marks.
- **Plagiarism**, that is, the unacknowledged use of the work of others, will not be tolerated. Offending students may be awarded a mark of zero for the essay, barred from the subject, the department or the University. Please read, take notice of, and comply with the various policies and practices on the University’s web site.
- Students must sign a statement, on the front of the essay, that they have read and complied with the various policies and practices.
- PLEASE do not submit essays in plastic folders, out of consideration for the environment.

Assessment criteria

Content:

- how relevant was the content to the topic?
• how logical and coherent were the arguments you used to establish and support your point of view?
Structure & Presentation:
• did you use headings appropriately?
• did the structure enhance the flow of your arguments?
Style:
• how did your writing style, for example, your grammar, language, sentence construction and length enhance and/or detract from the flow of the essay?
• did you comply with all the above requirements?
Referencing:
• did your references support your arguments?
• did you follow the prescribed method?

Essay topic number 1.  15%  DUE 10 April
Critically evaluate the contribution of the so-called “mainstream” accounting research to accounting practice.

Essay topic number 2.  25%  DUE 15 May
Critically evaluate the role/s of “interpretive” accounting research.

Seminars

Objectives

To provide a medium for students to develop and demonstrate:
• their capabilities for researching a set topic
• their capabilities for critically understanding and evaluating elements of accounting research and practice
• their capabilities for oral and written expression
• their capabilities for encouraging participation from student colleagues.

To provide a medium for coordinator’s feedback.

Requirements

The selected readings set down in the following pages will guide students to follow-up particular areas of interest. The starred (*) papers are, for the purposes of this subject, the most important, and should be studied in depth. It is essential to the success of the classes that students have careful and concise notes to which they can refer during the process of the meetings. All students should have, at least, written answers to the key questions for each topic.
At the beginning of the seminar, presenters are required to distribute at least a one-page summary of their presentation. **Informal arrangements for sharing notes are encouraged.** Although not a formal part of the assessment, students are encouraged to participate to their best ability in the seminars. Students should refer to, and comply with, the University’s web site for details of various codes of practice and policies.

The second hour of the seminar will be devoted to a discussion of the relevant topic.

**Assessment criteria**

**Content:**
- how relevant was the content to the topic?
- how logical and coherent were the arguments you used to establish and support your point of view?

**Structure & Presentation:**
- did the structure enhance the flow of your arguments?
- how did your presentation style, for example, your language and your use of presentation aids enhance and/or detract from the flow of the seminar?
- did you comply with all the above requirements?

**Referencing:**
- did your references support your arguments?
- did you identify all your sources?

**Self-reflective Journal**

**Objectives**

To provide a medium for the students to:
- record their perceptions of the subject
- record their responses and reactions to the subject
- facilitate their awareness of making assumptions, what the assumptions are, how they enhance/limit understandings and learning
- identify the connections among all the topics
- take responsibility for their learning.

**Requirements**

The journal to be kept by students from week one of the session, and is to be brought to each class. **It is to be a personal and private record generated by YOU through studying this subject.** On occasion the journal may be checked to ensure completion, however it will not be read. You may use any language, including cartoons or poetry, to reflect your responses to the various topics and the subject as a whole. If English is not your first language, please feel free to use your first language in the journal. Two colleagues, Dr Mary Kaidonis, Ron Perrin and I have prepared an article on our reflections of self-reflective journals in teaching accounting.
theory to undergraduate students and, if you are interested in reading this, it is in the Accy 403/903 collection in the Commerce Resource and Student Information Centre in 40.G13.

The critique of the self-reflective journal is a two-page critical analysis of the extent to which the above objectives were achieved by you. Your analysis may take the form of poetry and/or you may use cartoons. You are expected to use short extracts from your journal to provide support for your arguments in the analysis. The analysis is to be submitted on 29 May.

**Final examination**

The final examination will be two hours. Students will be required to write four small essays.

**Students with Disabilities**

I encourage any and all students with any disability to make themselves known to me as soon as possible in order to facilitate the most appropriate learning environments.

**Learning & Language Resource Centre**

This centre is in 19.G102, and the phone number is 4221 3977. Students whose first language is other than English are actively encouraged to make use of this service for individual consultations and/or participation in helpful workshops.

**Other Students’ Support Services**

Please refer to the University’s web site.
SEMINAR SCHEDULE

Week 1  28 Feb  Introduction & Ethics
Week 2  6 Mar  Definitional issues
Week 3  13 Mar  Development of theories
Week 4  20 Mar  Theory/research interface
Week 5  27 Mar  Review
Week 6  3 Apr  Critique of accounting theorising
Week 7  10 Apr  Critique of accounting theorising
Week 8  17 Apr  Regulation as theory
RECESS
Week 9  1 May  Chambers’ theorising
Week 10  8 May  Accounting & Social Responsibility
Week 11  15 May  Return to Ethical dimensions
Week 12  22 May  Overview
Week 13  29 May  Review
Reference texts

All of these texts will be placed in the Reserve Collection of the library.

General:
Benhabib S & Cornell D, *Feminism as Critique: On the Politics of Gender*, University of Minnesota Press, 1987
Thouless R H, *Straight and Crooked Thinking*, Pan, 1953
Woolgar S, (ed) *Knowledge and Reflexivity* Sage 1988

Accounting theory:

The above list is only a selection of texts: students are encouraged to use their library skills to discover others. **Sometimes just reading how another author has worded an issue can make all the difference to your understanding.**

**THE FOLLOWING LIST OF READINGS IS INTENDED TO BE USED AS A CORE.** Most of these are in the Accy 403/903 folders in the Commerce Resource & Student
Information Centre (40.G13). Please note that all folders have a Table of Contents at the front. The list is not exhaustive.

**HINT:** Accounting, Organizations and Society, Accounting Auditing and Accountability, and Critical Perspectives on Accounting are useful journals.

**Week 1**  
Introduction & Ethics:


**Week 2**  
Definitional Issues:

*Knoops C D, Paradigms in Accounting Theory* Centre for Research in Business Economics Erasmus University Rotterdam 1990  
HP & B chapters 1 & 2  
M & P chapters 4 & 5  
*Chua W F, "Radical Developments in Accounting Thought", The Accounting Review, October, 1986, pp 601-632, *(only the exposition of the so-called mainstream: pp 601-613).*  
GHH & K chapters 2, 3 & 4  
HP & B chapter 3  

**Some Key Questions:**

- What is a theory?
- What are the objectives of theorising?
- How can we classify different theories?
- What is reflexivity?

**Week 3**  
Development of theories:

Some Key Questions:

- Why is it useful to classify theories/research?
- What is the difference between ‘realism’ and ‘constructivism’?
- What are the advantages of constructivism/interpretive over ‘mainstream’?

Week 4  Theory/research interface:

See (RS & T) especially chapter 1
(RS & T)
(M & P) (specifically chapters 2 & 3)

Some Key Questions:

- What is the relationship between accounting theory and accounting practice?  Hint: it depends on the type of theory
- What is critical theory?
- What are the advantages of critical theory over constructivism/interpretive?

Week 5  Review

Some Key Questions:

- What are the most difficult parts of this subject so far?
• What areas would you like me to revise?
• What are the three things you like and dislike about this subject so far?

Week 6  Critique of accounting theorising - 1:


Some Key Questions:

• What do you think of Solomons’ claim to ‘neutrality’?
• Is accounting conservative?
• What or whose interests does accounting serve?
• What or whose interests does accounting fail to serve? Should it?

Week 7  Critique of accounting theorising - 2:

*Smith C, Whipp R, & Willmott, H "Case-study Research in Accounting: Methodological Breakthrough or Ideological Weapon", Advances in Public Interest Accounting, V2, 1988 pp 95 – 120

Some Key Questions:

• Are all case studies the same, methodologically?
• How can critical accounting research overcome some of the limitations of “mainstream” accounting research?
• How can critical accounting research be characterised?

Week 8  Regulation as theory:


Some Key Questions:

• What is agency theory?
• What type of theory is it?
• Does agency theory adequately describe accounting regulation?
• Does agency theory adequately describe accounting policy choice?

Week 9  Chambers’ theorising

Some Key Questions:

- Why was Professor Chambers an important theorist?
- What were Chambers’ key points?
- Explain what Chambers sought by being ‘scientific’?
- What were his arguments against Agency Theory?
Week 10  Accounting & Social Responsibility:

*Arrington C E, “ Intellectual Tyranny and the Public Interest: the Quest for the Grail and the Quality of Life”, Advances in Public Interest Accounting, V3, 1990, pp 1 - 16
*Mathews M R, Socially Responsible Accounting, Chapman & Hall, 1993 (M)
*See Special Issue of Accounting Auditing and Accountability on Green Accounting 1991 V4 N3

Some Key Questions:

- Do accountants have a responsibility to society, and if so, responsibility to whom and for what?
- What is the ‘public interest’?
- What are the objectives of ‘green accounting’?

Week 11  Return to Ethical dimensions

*Francis J R, "After Virtue? Accounting as a Moral & Discursive Practice" Accounting Auditing and Accountability, vol 3 no 3 pp 5 - 17 1990
*See Special Edition on Ethics and Politics in Accounting Education in Accounting Auditing and Accountability, vol 8 no 3 1995, especially Neimark’s and Day’s articles

Some Key Questions:

- What is ethics?
- What would be the characteristics of ethical accounting education?
- What would be the characteristics of ethical accounting research?
- What would be the characteristics of ethical accounting practice?
Week 12   Overview

Some Key Questions:

- What has been the most challenging aspect of this subject?
- What aspect of the content have you had the most difficulty with?
- What areas would you like me to revise?

Week 13   Review

Some Key Questions:

- What are the 3 things you have liked best and least in this subject?

    Goodbye and good luck!!
Question 1

Reflexivity is a key feature of critical social science. Briefly outline reflexivity, discuss its role in critical practice drawing on your experiences in completing a self-reflective journal.

Question 2

Briefly discuss an interpretive approach to the problems of ethics in accounting practice.

Question 3

Compare and contrast the objectives of a ‘mainstream’ and a ‘critical’ approach to social responsibility accounting.

Question 4

Critically evaluate the role of agency theory research in explaining the regulation of accounting practice.