FACULTY OF COMMERCE

SCHOOL OF ACCOUNTING AND FINANCE

ACCY403/903  THEORETICAL FOUNDATIONS OF ACCOUNTING

6 credit points

SEMESTER 1, 2007  WOLLONGONG CAMPUS

Subject Coordinator

DR JANE ANDREW  School of Accounting and Finance
Room: 40.315
Phone: 4221 4009
Email: jandrew@uow.edu.au

CONSULTATION TIMES  To be advised
SECTION A: GENERAL INFORMATION

SUBJECT DESCRIPTION

This subject is concerned with the nature of theory, research and theory construction in accounting. It examines existing theories and the methodological bases for these theories. It provides a critique of the traditional forms of theory construction and proposes alternative methods. It compares quantitative and qualitative approaches to research and theory construction. It proposes the inclusion of traditionally overlooked dimensions to theories in accounting and finance such as the ethical, socially responsible and environmental.

STUDENT LEARNING OUTCOMES

By the end of the course you should be able to critically evaluate:

a. the traditional means by which theories have been constructed;

b. the extent to which research shapes theory;

c. the distinction between quantitative and qualitative research and the implications for theory, and

d. the success of proposed solutions to some contemporary problems.

ATTENDANCE REQUIREMENTS

Seminar: 2 hour interactive lecture

Main ideas will be presented, discussed and critiqued. Students will be expected to contribute to the discussion that evolves in class.

Workshop: 1 hour interactive and activity oriented

See WebCT site for each weekly activity. Students must come prepared and will be expected to present ideas, arguments and interpretations to their peers.

This hour is designed to ensure students are comfortable with the material they are reading and have an opportunity to ask questions of the lecturer. These tasks will assist your critical reading skills.

PERFORMANCE LEVEL

To be eligible to pass this subject, students must achieve an overall mark of at least 50%, and at least 45% on the final examination.

PARTICIPATION IN AND CONTRIBUTION TO SEMINARS AND WORKSHOPS

Seminars are intended to provide an interactive learning environment, by supporting students sharing ideas and questions, and supporting each other’s learning. The ideas, descriptions, explanations, examples and predictions of the set readings are critically explored and evaluated to derive understanding of each topic. All set questions must be prepared before class and students will be expected to present clear and concise responses during the seminar. You will be called on to present your answers, ideas, thoughts to the rest of the students, so it is essential that you prepare. ACCY903 is a 6 credit point subject. According to University of Wollongong Course Rule 003 (2(t)), each credit point has an implied workload of 28 hours over the duration of the subject. Thus the workload over the session equates to approximately 13 hours per week over a 13 week semester, inclusive of class time. You should spend an average of 11 hours per week outside of class on ACCY903 preparation, in addition to attending all classes. Study practices that do not meet these guidelines decrease your chances of successful completion of ACCY903.
SEMINAR PROGRAM

THE MAIN REFERENCES

Textbook:

Secondary Texts:

Other:
Ball, R & Smith C W (1992), *The Economics of Accounting Policy Choice*, McGraw-Hill. [BS]

CLASS TIMES

Seminar: Thursday 8.30-10.30  Room: 67.104
Workshop: Thursday 10.30-11.30  Room: 67.104
OR
Thursday 11.30-12.30  Room: 67.104

SEMINAR READINGS

PLEASE NOTE THE FOLLOWING ARE INITIAL READINGS AND THAT YOU SHOULD READ AS WIDELY AS POSSIBLE ON THE TOPICS. THE LETTER CODES (ABBREVIATIONS) REFER TO THE LIST OF BOOKS ABOVE. MANY REFERENCES ARE JOURNAL ARTICLES WHICH HAVE BEEN REPRINTED IN SOME OF THE ABOVE BOOKS OR ELSEWHERE
Week 1: 1\textsuperscript{st} March, 2007 - Introduction: What is Theory?

Seminar


Week 2: 8\textsuperscript{th} March, 2007 - History and Development of Accounting

Seminar


Workshop


Supplementary Readings

1. FW Chapters 3-5, 9, 10, 14, 16, 17
2. HPH Chapters 1-3
3. MP Chapters 2 and 3

Week 3: 15\textsuperscript{th} March, 2007 - Nature and Uses of Accounting

Seminar


Workshop

Week 4: 22nd March, 2007 - Approaches to Accounting Theory Construction

"WE WILL ASSIGN GROUPS AND CENTRAL READINGS IN THIS WEEKS WORKSHOP"

Seminar


Workshop


Supplementary Readings

1. CD Chapter 1
2. HPH Chapters 1- 6
3. MP Chapters 4 and 5

Week 5: 29th March, 2007 - Positive Theorising

"YOUR 'IN CLASS ESSAY' WILL BE DISTRIBUTED IN THIS WEEKS WORKSHOP"

Seminar


Workshop


Supplementary Reading

1. HPH Chapters 15 and 16
2. JRT Chapter 4 (especially introduction and articles by Ball & Brown, Watts & Zimmerman, Watts)
3. CD Chapter 7
4. BS Chapter 1 (especially articles by Watts, Watts & Zimmerman [both], Jensen)
5. GHH Chapters 9 and 10
6. FW Chapter 13
Week 6: 5th April, 2007 - Regulation as Theory

*YOUR 'IN CLASS ESSAY' WILL TAKE PLACE IN THIS WEEKS WORKSHOP*

Seminar

Workshop
1. Assessment 1: In Class Essay

Supplementary Readings
1. HPH Chapters 7-9
2. WTD Chapters 4 and 7

RECESS BREAK

Week 7: 19th April, 2007 - The Nature of Theory

Seminar

Workshop
GROUP TIME: This time is allocated to your group report. It is essential that you attend this class and that all group members are present. Should any issues arise, this is the time to discuss them.

Supplementary Readings
1. HPH Chapters 1 and 2 (again), 5 and 6
Week 8: 26th April, 2007 - The Critiques of Mainstream Theory

Seminar
3. JRT Chapter 5 introduction.

Workshop

Supplementary Readings

Week 9: 3rd May, 2007 - Alternatives to Mainstream Theory

Seminar

Workshop

Supplementary Readings
1. CD Chapter 12

Week 10: 10th May, 2007 - Research and Theory - Research & Theory

*YOUR GROUP REPORT IS DUE*

Seminar

Workshop

Supplementary Readings
5. FW – Chapters 8, 9 and 14.
Week 11: 17th May, 2007 - Accounting & Social Responsibility

Seminar
4. MP Chapters 18 and 19

Workshop

Supplementary Readings
1. GHH Chapter 19
2. CD Chapter 9
4. FW – Chapters 10, 17 and 19

Week 12: 24th May, 2007 - The Ethical Dimension

Seminar

Workshop

Supplementary Readings
1. HPH Chapter 14
2. MP Chapter 16

Week 13: 31st May, 2007 - Review

NO SET READINGS AND THERE WILL BE NO WORKSHOP THIS WEEK
SECTION B: ASSESSMENT

Summary

<table>
<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
<th>Return date</th>
</tr>
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<tr>
<td>Task 1 In Class Essay</td>
<td>20%</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; April, 2007 (Week 6)</td>
<td>26&lt;sup&gt;th&lt;/sup&gt; April, 2007 (Week8)</td>
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<tr>
<td>Task 2 Group Project</td>
<td>20%</td>
<td>10&lt;sup&gt;th&lt;/sup&gt; May, (week 10)</td>
<td>24&lt;sup&gt;th&lt;/sup&gt; May, 2007 (Week 12)</td>
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<td>Task 3 Final Examination</td>
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<td>Per exam schedule</td>
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ASSESSMENT

Assessment 1: In Class Essay

Topic
You will be allocated a topic in the workshop one week prior to the ‘In Class Essay’ – week 5. You will then be able to research and plan an essay answer in preparation for the assessment. You are free to read widely and develop your argument.

During the workshop of week 6, you will be required to write an essay in 45 minutes that answers the question you have been allocated. This workshop will be conducted in exam conditions and no additional materials will be allowed in the room. [You cannot take any notes, books, materials into the workshop].

Length: 45 minutes of writing time
Weighting: 20%
Due date: 6<sup>th</sup> April, 2007 (Week 6)
Return Date: 26<sup>th</sup> April, 2007 (Week8)
Assessment 2: Group Project

You are required to produce a 2000 word report. You must keep a record of all group meetings and discussions [date, time, who was present] and this must be submitted with your report.

Requirements

Each group will be allocated a central reading in week 4’s workshop. I will also discuss the assignment at that time.

Part 1: 200 words

You must provide an introductory overview of the general area and the importance of the research area to the development of accounting knowledge.

Part 2: 800 words

The group must present an insightful overview of this paper. This will explore the central theme of the paper, the key strengths and weaknesses of the work and how it contributes to accounting knowledge. In your answer identify what you think to be the epistemological, ontological and methodological position of the authors.

Part 2: 1200 words

The group must select two articles from the reference list of the central reading. These readings must be carefully selected, and must relate to the key arguments of the author. The report must explore how these papers have contributed to the central reading. In doing this, you must offer an overview of their paper and how it relates to a specific feature of the central reading in detail. Again, you need to identify what you think to be the epistemological, ontological and methodological position of the authors.

Rules

All group members must work together on this task. Every member must read the central reading in order to build a comprehensive understanding of the topic for your group report.

If a member is not participating, the group must contact the subject co-ordinator prior to the due date. A decision will be made as to how to proceed on a case-by-case basis.

The work must be referenced appropriately.

YOU MUST KEEP A COPY OF YOUR REPORT

Students will be assessed as a group.

Group Size: 5 People
Length: 2000 words
Weighting: 20%
Due Date: 10th May, (week 10)
Return Date: 24th May, 2007 (Week 12) in the seminar.

Details relating to this assessment will be discussed in more detail in the workshop of WEEK 7.
## EXAMINATIONS

<table>
<thead>
<tr>
<th><strong>ASSESSMENT 3: FINAL EXAMINATION</strong></th>
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<tbody>
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</tr>
<tr>
<td><strong>Date</strong></td>
</tr>
<tr>
<td><strong>Time allowed</strong></td>
</tr>
<tr>
<td><strong>Structure of paper</strong></td>
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<tr>
<td><strong>General instruction</strong></td>
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</table>

**NOTE:** The examination format cannot be changed from that stated above without the written consent of all students enrolled in this subject.
### 'IN CLASS ESSAY' MARKING SCHEDULE

<table>
<thead>
<tr>
<th>Key to rating:</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Notes</th>
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<tr>
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<td>accurate/very appropriate</td>
<td>good/minor problems</td>
<td>mainly accurate/largely appropriate</td>
<td>poor/major problems</td>
<td>inaccurate/inappropriate</td>
</tr>
</tbody>
</table>

#### (A) CONTENT
- Synthesis of material
- Accuracy and substance of argument.
- Argument flows logically.
- Strength of argument and thoroughness of exploration

#### (B) PRESENTATION
- Clear expression, structure and readability
- Grammar and punctuation

#### (C) REFERENCING
- Evidence of extensive reading
- Citations used effectively to explain argument

| TOTAL | /20 |
### (A) CONTENT

- Logical interpretation of **central reading**
- Clearly linked the two articles chosen for exploration.
- Accuracy and substance of argument.
- Argument flows logically.
- Strength of argument and thoroughness of exploration
- Successfully identified the stance of the authors

### (B) PRESENTATION

- Clear expression
- Members could be understood easily
- The work was ‘engaging’ and ‘interesting’

### (C) REFERENCING

- Evidence of extensive reading
- Additional material was chosen logically
- Material was used effectively to explain argument

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#### Key to rating:

<table>
<thead>
<tr>
<th></th>
<th>Excellent/no problems</th>
<th>Good/minor problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>accurate/very appropriate</td>
<td>mainly accurate/largely appropriate</td>
</tr>
<tr>
<td>B</td>
<td>fair/some problems</td>
<td>fairly accurate/reasonably appropriate</td>
</tr>
<tr>
<td>C</td>
<td>fair major problems</td>
<td>inaccurate/inappropriate</td>
</tr>
</tbody>
</table>

#### Total

/20
SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT

All assessment work is to be handed in at the start of the class seminar in the relevant week. Assignments not handed in during this time will be deemed late and attract late penalties. No posted, faxed or emailed assignments will be accepted. Late assignments must be handed directly to the subject coordinator. No assignments will be accepted that are found placed under an office door. Receipts will be issued for all assignments handed in and collected by students. These must be retained.

Assignment cover:

A Faculty of Commerce assignment cover sheet should be attached to each piece of written assessment. This cover sheet can be obtained from the website: http://www.uow.edu.au/commerce/pdf/assignmentcoversheet.pdf

Collection: Assignments will be returned during your seminar class in the relevant week as indicated for each assessment task.

PENALTIES FOR LATE SUBMISSION OF ASSESSMENT

Assessed work must be handed in by the date and time given. Assessed work handed in late can be penalised by the deduction (from the mark given to the assessed work) of 5 percentage points per 24 hours of the weekday or part thereof. The operation of this rule will not result in a negative mark being carried forward.

PLAGIARISM

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people’s material, take care to include appropriate references and attribution. **Plagiarism will not be tolerated and has led to expulsion from the University.**

Students should visit the following University website and become familiar with the University’s policy on Plagiarism. http://www.uow.edu.au/handbook/courserules/plagiarism.html
### C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>Website</th>
</tr>
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<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products in coursework subjects</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

#### C1.1 Non-discriminatory Language

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html

#### C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.

The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:

C1.3 Student Academic Grievance Policy

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at http://www.uow.edu.au/handbook/courserules/studacgrievpol.html

C2 Faculty and School Policies

REFERENCING

WHY DO YOU NEED TO REFERENCE?

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else’s work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people’s work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

THE HARVARD SYSTEM OF REFERENCING

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


CITATION OF ELECTRONIC SOURCES

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.
Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material:


SCHOOL CALCULATOR AND SPREADSHEET POLICY

All accounting and finance subjects involve problems requiring calculation. Many of these can be solved using a scientific calculator (addition, subtraction, division, multiplication, powers, square roots, logarithms and exponentials, statistical functions) and students should make sure they have access to such a calculator at the beginning of each subject. Students will also find a range of statistical, scientific and financial functions in electronic spreadsheets like Microsoft Excel, and these are useful for the preparation of submitted work where manual calculation is not strictly required or recommended.

However, students should also consider purchasing a financial calculator. These offer nearly all of the functions found in scientific calculators, as well as compound interest and discounting, amortization, bond yields and investment appraisal functions (including net present value and the internal rate of return). Students will find these are of great benefit in their studies and their future careers. Examples of suitable calculators include the Casio FC-100V and 200V, Sharp EL733A and EL735, Hewlett-Packard HP 10bii, 12c, 12c Platinum and 17bii+ and Texas Instruments BA II Plus.

C3 SUPPORT SERVICES AND FACILITIES

LEARNING RESOURCE CENTRE

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


FACULTY LIBRARIANS

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:

email: lib_commerce@uow.edu.au
telephone: 42 21 3078

DISABILITY LIAISON OFFICER

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study. For further information on services offered, consult the Disability Services website or contact the office.

web address: http://www.uow.edu.au/student/services/ds/
FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty’s academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

<table>
<thead>
<tr>
<th>Office location:</th>
<th>Building 40, room 224</th>
</tr>
</thead>
<tbody>
<tr>
<td>email address:</td>
<td><a href="mailto:ron_perrin@uow.edu.au">ron_perrin@uow.edu.au</a></td>
</tr>
<tr>
<td>telephone:</td>
<td>42 21 4118</td>
</tr>
</tbody>
</table>

WOOLYUNGAH INDIGENOUS CENTRE

The Woolyungah Indigenous Centre provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Aboriginal Education Centre website or contact the office.

<table>
<thead>
<tr>
<th>Centre location:</th>
<th>Building 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>web address:</td>
<td><a href="http://www.uow.edu.au/aec/">http://www.uow.edu.au/aec/</a></td>
</tr>
<tr>
<td>telephone:</td>
<td>42 21 3563</td>
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<tr>
<td>fax:</td>
<td>42 21 4244</td>
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<tr>
<td>email:</td>
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