



## Course Syllabus

<b>Course Code</b>	<b>Course Title</b>	<b>ECTS Credits</b>
ACCT-413	Advance Accounting Theory	6
<b>Prerequisites</b>	<b>Department</b>	<b>Semester</b>
ACCT-310	Accounting, Economics and Finance	Fall / Spring
<b>Type of Course</b>	<b>Field</b>	<b>Language of Instruction</b>
Required	Accounting	English
<b>Level of Course</b>	<b>Lecturer(s)</b>	<b>Year of Study</b>
1 <sup>st</sup> Cycle	Dr Katerina Morphi	4 <sup>th</sup>
<b>Mode of Delivery</b>	<b>Work Placement</b>	<b>Corequisites</b>
Face to face	N/A	None

### Course Objectives:

The main objectives of the course are to:

- Present the historical theory formulation and standard setting. Theory development and accounting standard setting are integrated in a chronological order to show how the two are related.
- Show how the definitions in the conceptual framework apply to controversial accounting areas such accounting for income determination, cash flows, assets, liabilities, fair market values, pensions and other postretirement benefits and stock options.

### Learning Outcomes:

After completion of the course students are expected to be able to:

1. Appreciate the link between standard setting and theory formulation. Describe the purpose of accounting theory, the approaches to theory formulation and explain the needs of a standard setting body (the Accounting Principles Board and the contents of its ARS1 and ARS3).

2. Describe and evaluate the content of ASOBAT and compare it to ARS1 and ARS 3. Explain the new tripartite structure of standard setting and the mission of each part. Comprehend the new view of accounting.
3. Describe the FASB's due process the forms of politics that affect it. Describe the SATTA conclusions and contrast them to previous accounting theory formulations. Explain the positive approach to accounting theory.
4. Describe the contents of the conceptual framework. Explain the current situation of the FASB and its competition, domestic and international.
5. Understand the nature of income, including comprehensive income and distinguish between the matching and the asset-liability approaches to calculating income.
6. Define an asset and contrast the different values at which assets can be measured.
7. Appreciate the importance of cash flows, prepare a cash flow statement and analyze and interpret cash flow ratios.
8. Appreciate the importance of liabilities and the difficulty in properly defining them. Apply the definition to various accounting situations.
9. Appreciate the difficulty in setting accounting standards for allocating income taxes and distinguish between the cash and allocation approaches to income tax.
10. Understand the nature of pensions, the parties involved and the accounting issues associated with pensions. Appreciate the conflict between the present and future liability for pensions and describe the similarities and differences between pensions and OPEB.
11. Describe the advantages and disadvantages of historical cost, how current market values came into use and how the FASB applied the mark to market accounting to marketable securities, stock options and derivatives. Explain the criticisms for current values.
12. Explain what is accounting disclosure, its role in accounting and describe the FASB's Business Reporting Research Project.

**Course Content:**

1. The Development of Accounting Theory
2. The Accounting Principles Board
3. ASOBAT
4. The New Tripartite Structure

5. The Standard Setting Process: FASB
6. Statement on Accounting Theory and Theory Acceptance. Positive Accounting Theory
7. The Conceptual Framework.
8. International Accounting
9. Accounting for Income
10. Accounting for Assets
11. Cash and Cash Flows
12. Accounting for Liabilities
13. Accounting for Equity

**Learning Activities and Teaching Methods:**

Lectures, In-Class Discussions and In Class Exercises.

**Assessment Methods:**

Midterm Exam, Final Exam, Project

**Required Textbooks / Readings:**

Title	Author(s)	Publisher	Year	ISBN
Financial Accounting Theory and Analysis, Texts and Cases, 14 <sup>th</sup> edition	Schroeder, Clark, Cathey	Wiley	2022	9781119577713

**Recommended Textbooks / Readings:**

Title	Author(s)	Publisher	Year	ISBN
Contemporary Issues in Accounting	Rankin, Ferlauto, McGowan & McGowan	Wiley	2018	9780730343530