



BFA420

Advanced Accounting Theory

Semester Two 2007

School of Accounting and Corporate Governance

Faculty of Business

Unit Outline

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Contact details

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Unit description

This unit is a course in accounting theory. The intention is to develop an appreciation of research and theory in accounting and the environment in which they are undertaken. It first considers the importance of theory and the elements of the processes of theory construction. It examines the development of theories in accounting and presents a critical appreciation of them. The relationship of research to theory is fully discussed as is the need in the discipline for regulation as a substitute for theory. The unit will aim to instil an awareness of the broader social, political and ethical as well as the economic contexts in which accounting exists. It will be argued that an effective theory of accounting needs to incorporate these broader considerations if it is to contribute to the betterment of accounting and business practice and society (and the economy) generally.

Learning outcomes

After studying this subject you should be able to critically evaluate:

1. the elements and process of the traditional means by which theories have been constructed;
2. the extent to which external factors impinge on what is conceived as best accounting practice,
3. the arguments for and against regulation, with specific emphasis on how and why regulation is employed in shaping accounting practices,
4. the arguments for and against globalisation with specific emphasis on how it affects accounting practice,
5. the distinction between quantitative and qualitative research and the implications for theory,
6. the success of proposed solutions to some contemporary problems, and
7. the need for ethical accounting practices.

Generic graduate attributes

By undertaking this unit you will progress in the development of the University of Tasmania's Generic Graduate Attributes in the ways described below:

1. *Knowledge*: you should acquire knowledge about the importance of theory in accounting and develop the confidence to critique the theoretical significance of texts purporting to represent a theoretical stance.
2. *Communication skills*: your development of communication skills is an important aim in this subject. Through the completion of a research essay and discussion of the prescribed and other material, as well as the class discussions you should demonstrate competent written and oral communication skills demonstrated by the ability to present lucid arguments on the philosophical, social and critical elements in theoretical texts.
3. *Problem-solving skills*: will be developed by effective critique of extant research and theory texts.

4. *Social responsibility*: you will acquire the ability to identify the ethical and socially significant elements needed in research and theory in order to promote the aims of an effective professional practice.

Prior knowledge &/or skills

You must have completed the Bachelor of Business Degree or equivalent, and received approval for entry into the School's Accounting Honours Program.

Learning resources required

Requisite texts

There is no required text. This unit draws on the contemporary literature. A CD of essential resources will be provided. Other material will be accessed by student from the University's library and other resources.

Details of teaching arrangements

Seminars

Classes will be timetabled in two blocks of one week each, the first to be held in early September and the second in October – both to be held in non (undergraduate) teaching times. Each class will be scheduled for three hours.

Students will be expected to have read the recommended reading and other relevant material for class discussion and debate.

In the first week the lecturer will lead the discussions, in the second week students will be allocated class time in which they will "lead" the discussion. However, all students should be prepared for every class having, as mentioned above, read the recommended and other readings. The "other readings" will include the material the students have personally researched and believe to be relevant to the topic under discussion.

Specific attendance/performance requirements

Unless prevented by illness or another acceptable reason, you are expected to attend all of the scheduled seminars and meetings for this unit. You are also required to complete the prescribed readings before each seminar and submit the assignment (essay) by the due date - topic and time to be advised later.

Assessment

Assessment schedule

Assessment task	Date due	Percent weighting
1 – Contribution to class discussion	Throughout semester	10%
2 – Research Essay	To be negotiated in class	30%
3 - End of semester exam – 3 hours closed book		60%

Assessment details

Assessment task 1 – 10%

Task description

Contribution to class discussion

- To participate in and contribute relevant arguments to class discussions based on prescribed and recommended readings; to lead one class discussion.

Links to unit's learning outcomes

Learning outcomes 1 to 7 inclusive

Assessment criteria / guidelines

- Clarity and relevance of arguments and discussion points made
- Articulation of evidence to support points made
- Involving the rest of the group
- Ability to respond to questions

Date due

Throughout semester

Assessment task 2 – 30%

Task description	Assignment – Research Essay
Task length	Not exceeding 2000 words.
Links to unit's learning outcomes	The ability to present a well developed argument based on independent research of the topic – linked to learning outcomes 1, 2 and 6.
Assessment criteria / guidelines	Demonstration of an understanding of the relevant issues and awareness of the relevant literature (35%) Capacity to effectively critique the main extant arguments (40%) Capacity to present a suitably structured formal essay (20%) Clear and effective presentation of essay including citations and referencing (5%)
Date due	To be negotiated in class

Assessment task 3 – 60%

Description / conditions	EXAM: A 3 hour closed book final examination. Information about the content of the examination will be provided in class
Date	During the university's formal examination period – 27 Oct. to 13 Nov. Date, time and place to be advised.

How your final result is determined

Your final result is determined by aggregating the assessment as detailed in the assessment schedule on page 4. You must attempt every piece of assessment and gain an overall mark of 50% in order to pass the unit.

Submission of assignments

Your assignment is to be presented and submitted in accordance with the *Guide for Students - Presentation and Submission of Assignments* issued by the Faculty of Business. You must attach an **assignment cover sheet** when you submit your assignment. Cover sheets are available on the unit's Vista web site under "Unit information". Your attention is also particularly drawn to the University's rules on **plagiarism**. Assignments containing any plagiarised information will be subject to the disciplinary processes of the University. Assignments will be marked as quickly as possible after all have been submitted, and returned with comments and grades awarded.

Requests for extensions

Consistent with the Faculty's policy on late submission, extensions of time will only be granted on medical or compassionate grounds. They will **not** be granted because of work or other commitments. Requests for extension must be made to the unit coordinator in writing on the School's Application of Extension Form (available on WebCT Vista) **before** the due date of the assignment. Medical certificates or other evidence, which supports the application, must be attached and must contain information, which justifies the extension sought.

Penalties

Late Submission of Continuous Coursework

The penalty for late submission of assignments in this Unit is 10% of the available mark for each day the assignment is late.

Review of results and appeals

You may request a formal remark of your original submission in accordance with Rule 2 - Academic Assessment, Clause 22.1. Under Rule 2, clause 23, you may also request a review of your final result in a unit. For further information see: <http://www.utas.edu.au/tl/supporting/assessment/policies.html>

Academic referencing

In your written work you will need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others and maintain academic integrity.

Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence.

The appropriate referencing style for this unit is the Harvard referencing method. Refer to the Faculty of business Guide for Students at <http://www.utas.edu.au/accfm/studentres.htm>

A recommended text for this unit, Fleet, W., Summers, J. and Smith, B. (2006). *Communication Skills Handbook for Accounting* (2nd edition) also provides detailed information about using the Harvard referencing system.

For information on presentation of assignments, including referencing styles:

<http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own; for example, using an author's words without putting them in quotation marks and citing the source, using an author's ideas without proper acknowledgment and citation, copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>. The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/>

The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

For further information on this statement and general referencing guidelines, see <http://www.utas.edu.au/plagiarism/> or follow the link under 'Policy, Procedures and Feedback' on the **Current Students** homepage.

Further information and assistance

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you are advised to raise these with your lecturer in the first instance.

There is a range of University-wide support services available to you including Teaching & Learning, Student Services, and International Services. Please refer to the **Current Students** homepage at: <http://www.utas.edu.au/students/>

Should you require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>

School ombudspersons

If you have any concerns about this unit then in the first instance you should discuss the matter with your lecturer. However, if you do not feel comfortable approaching your lecturer, or if you do have a discussion with the lecturer and are dissatisfied with the outcome, then you may contact one of the schools ombudspersons. Contact details for the ombudspersons for 2007 are as follows:

Simone Bingham
Room: 421, Commerce Building, Hobart
Ph: (+61 3) 6226 2314
E-mail: Simone.Bingham@utas.edu.au

Belinda Williams
Room: A257, Launceston
Ph: (+61 3) 6324 3661
E-mail: bwilliam@postoffice.utas.edu.au

Discussions with the ombudsperson will be kept in the strictest confidence. If you wish to pursue the matter further, they will provide advice as to how this can be done.

The University also has formal policies, which can be accessed at:
http://www.admin.utas.edu.au/ac_serv/complaints_info.html

Students with disabilities

University and Faculty equity plans

Goal 1 of the University of Tasmania Equity Plan provides for: “An inclusive teaching and learning environment that values diversity, supports the pursuit of academic excellence and produces high quality education and employment results for all students and staff”. The Faculty of Business Equity Plan facilitates the University Plan at an operational level and has developed an ‘Action Plan’. The Action Plan for Goal 1 lays down procedures to ensure that all students, including those with disabilities, have equal access to lecture and course materials. The School of Accounting & Corporate Governance complies with these procedures.

Occupational health and safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University’s policy at: http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf

Unit schedule: Topics & Readings

References – (a) essential, (b) additional

WEEK 1: 3 – 7 September 2007

1. Introduction: Theories and Theorising

Reference:

- (a) Gaffikin, M J R, "Understanding Theory", see CD, chpt 1.

2. The Development of Accounting Theories

The search for principles

The modernization of accounting (theory

References:

- (a) Gaffikin, M J R, "Towards a Science of Accounting", see CD, chpt 2.
- (b) Evans, Thomas G (2003), *Accounting Theory*, Thompson, pp 6-19; 46-61; 66-79
- Chambers, R J (1963), "Why Bother with Postulates", *Journal of Accounting Research*, v 1, 1963, pp 3-15

3. Neo-Empirical Research & Theorising in Accounting

References:

- (a) Gaffikin, M J R, "Accounting Research and Theory", see CD, chpt 3.
- (b) Watts, Ross L (1995), "Nature and Origins of Positive Research in Accounting", in Jones, Stewart, Claudio Romano and Janek Ratnatunga, *Accounting Theory*, Harcourt Brace, pp 295- 353
- Mouck, Tom (1995), "The Rhetoric of Science and the Rhetoric of Revolt in the 'Story' of Positive Accounting Theory", *Accounting, Auditing and Accountability Journal*, v 5, pp 35-56
- Tinker, T, B Merino and M Neimark (1982), "The Normative Origins of Positive Theories: Ideology and Accounting Thought", *Accounting, Organizations and Society*, v 7, pp 167-200

4. Regulation as Theory

References:

- (a) Gaffikin, M J R, "Regulation as Theory", see CD, chpt 4.
- (b) Riahi Belkaoui, A & S Jones (2000), *Accounting Theory*, 2 ed, Nelson, Chapter 4: "The Regulatory Approach to the Formulation of an Accounting Theory".

Deegan, Craig (2000), *Financial Accounting Theory*, McGraw Hill, Chapter 3, "The Regulation of Financial Accounting".

5. Regulating Accounting Practice

References:

- (a) Gaffikin, M J R, "Regulation: Standardising Accounting Practice", see CD, chpt 5.
- (b) Willmott, Hugh et al (1992), "Regulation of Accountancy and Accountants: A Comparative Analysis of Accounting for Research & Development in Four Advanced Capitalist Countries", *Accounting, Auditing and Accountability Journal*, v 5, pp 32- 56.

Deegan, Craig (2000), *Financial Accounting Theory*, McGraw Hill, Chapter 5, "Normative Theories of Accounting – the case of conceptual framework projects".

WEEK 2: 22 – 26 October 2007

6. Accounting in an International Context

References:

- (a) Gaffikin, M J R, "Accounting in an International Context", see CD, chpt 6.
- (b) Deegan, Craig (2000), *Financial Accounting Theory*, Chapter 6, "International Accounting and the Effects of Cultural Differences and Harmonisation Efforts", McGraw Hill

7. Alternative Approaches to Accounting Theorising

References:

- (a) Gaffikin, M J R, "The Critique of Accounting Theory", see CD, chpt
 - (b) Dillard, Jesse, "Accounting as a Critical Social Science", *Accounting, Auditing and Accountability Journal*, v 4/1, 1991, pp 8-29
- Chua, Wai Fong, "Interpretive Sociology and Management Accounting Research – a Critical Review", *Accounting, Auditing and Accountability Journal*, v 1/2. 1988. pp 59-79

8. The Ethical Dimension in Accounting Theory

References:

- (a) Gaffikin, M J R, "The Ethical Dimension", see CD, chpt 8.
 - (b) Neimark, M K (1995), "The Selling of Ethics: the ethics of business meets the business of ethics", *Accounting, Auditing and Accountability Journal*, v 8, pp 81-96
- Puxty, A, P Sikka & H Willmott, (1994), "(Re)Forming the Circle: Education, Ethics and Accountancy Practices", *Accounting Education*, v 3, pp 77-92.

9. Environmental and Social Responsibility Dimensions in Accounting Theory

References:

- (a) Gaffikin, M J R. "Environmental and CSR Accounting", see CD, chpt 9.
- (b) Deegan, C & S Soltys (2007), "Social accounting research: An Australasian perspective", *Accounting Forum*, v 31 pp 73-90.

Everett, Jeff, (2007), Fear, desire and lack in Deegan and Soltys's "Social accounting research: An Australasian perspective", *Accounting Forum*, v 31 pp 91-97.

Bebbington, Jan & Jesse Dillard (2007), "What really counts", *Accounting Forum*, v 31, pp 99-105.

Lehman, G (2002), "Reclaiming the Public Sphere" Problems and Prospects for Corporate Social and Environmental Accounting", *Critical Perspective in Accounting*, v 12/6 2001, pp 713-34.

Dellaportas, Steven et al (2005), *Ethics, governance and accountability*, Wiley, chapters 8 & 9 (Gibson).

10. The Making of Accounting Knowledge

References:

- (a) Gaffikin, M J R, "A Theory of/for Accounting", see CD, chpt 10.
- (b) Morgan, Glenn and Hugh Wilmott, "The 'New' Accounting Research: On Making Accounting More Visible", *Accounting, Auditing and Accountability Journal*, v 4, 1993, pp 3-36

Arrington, C E and A L Watkins, "Maintaining 'critical intent' within a postmodern theoretical perspective on accounting research", *Critical Perspectives on Accounting*, v 13/2, 2002, pp 139-57.

Morgan, G, "Accounting as Reality Construction: Towards a New Epistemology for Accounting Practice", *Accounting, Organizations and Society*, vol 13, 1988, pp 477-485