



KOMAR UNIVERSITY OF SCIENCE AND TECHNOLOGY (KUST)

COURSE SYLLABUS FOR ACCOUNTING THEORY			
Course Title	<u>ACCOUNTING THEORY</u>		
Course Code	<u>ACC 4335</u>	No. of Credits	<u>Three Credit Hours (3 CHs)</u>
Department	<u>Accounting</u>	College	College of Business
Pre-requisites Course Code	<u>ACC 3325</u>	Co-requisite Course Code	Not Applicable (NA)
Course Lecturer	Professor Dr. Kamal Al-Nakib,		
Email	Kamal.nakib@komar.edu.iq	Ext. & Office No.	Ext. <u>159</u> & Office <u>213</u>
Course Other Teacher(s) /Tutor(s)	None		
Teaching Hours	Sunday & Tuesday: 14:00 pm - 15:30 pm <u>Lecture Hall No. G.06</u>		
Office & Students Consultation Hours	Sunday & Tuesday: 10:00 am - 12:00 pm Monday & Wednesday: 11:30 am - 12:00 pm <u>(Office No. 213)</u> Thursday: 13:00 pm - 14:00 pm Or by appointment, also you can send an email at any time to book for a consultation hour.		
Course Type	Departmental Core Course		
Offer in Semester & Academic Year	Spring 2016		
COURSE DESCRIPTION:			
<p>This course emphasizes on accounting concepts such as: assets, liabilities, owners' equity, revenue and expenses. Income measurement & valuation of assets, liabilities, and equities. Application of accounting theory to contemporary accounting problems is analyzed by cases and research papers on selected areas. This course deals with how to strengthen students' understanding and knowledge of financial accounting theory, discuss the historical development of accounting thought, and focusing on the role of Islamic Civilization on developing of accounting thought, explain the conceptual framework of financial accounting theory, be familiar with the accounting professional bodies, discuss the usage of the Generally Accepted Accounting Principles (GAAP), International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) (when it's necessary). Discuss the accounting research methodology and explain the normative and positive of financial accounting theories, explain the accounting information quality characteristics, trying to apply and analysis the usefulness of accounting principles and assumptions, including full disclosure principle. Discuss some modern accounting problems according to the recent international economic and financial crises.</p>			
COURSE OBJECTIVES:			
<p>By teaching this course will looking to achieve the following aims and objectives:</p> <ol style="list-style-type: none"> 1) Understand the main aspects of accounting theory, which is important for building a strong knowledge background in accounting theory; 2) Analyze the historical development of accounting thought and particularly to explain the significant role of Islamic Civilization for developing of accounting thought; 3) Discuss the impact of the globalization issue of the business & finance world on the required accountant skills to be a successful accountant and caused accounting educators to develop new 			



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methods of communicating accounting education;

- 4) To explain the two types of accounting theories, which are: Positive and Normative theories;
- 5) To discuss the accounting research methodology as a special tool for developing accounting knowledge;
- 6) To provide accounting students with well-defined structure of accounting knowledge theory that has been systematically accumulated, organized and verified well enough to formulate a frame of reference that is useful in predicting future actions;
- 7) To create a clear linkage between theoretical approach and applicable methodology of financial accounting via using GAAP, IFRS, & IAS;

COURSE INTENDIN LEARNING OUTCOMES (CILOs):

After completing this course, students are expected and be able to:

- 1) **Analyze** the historical development of Accounting Thought, and **Explain** the role of Islamic Civilization on developing of Accounting Thought;
- 2) **Understand** and properly **explain** the conceptual framework of Financial Accounting Theory;
- 3) **Discuss** and **Understand** the accounting concepts in according to the frame of accounting theory;
- 4) **Define, illustrate** and **distinguish** between three levels of financial accounting theory structure;
- 5) **Discuss** and **apply** the different accounting research methodology;
- 6) **Assess, evaluate, & measure** the financial statements elements in order to prepare the financial statements and measure the comprehensive & net income and present the financial position;
- 7) **Explain** types of financial accounting theories;
- 8) **Understand** and **apply** the (GAAP), (IAS), & (IFRS) for **evaluation, analysis** and **application** in accounting treatment for different economic events and financial transactions in order to prepare financial statements;
- 9) **Discuss & Analyze** the modern accounting problems according to international economic & financial crises based on the basic accounting principles and assumptions;

COURSE CONTENT:

Topic 1: The Historical Development of Financial Accounting Theory & Accounting Thought.

Topic 2: The Main Three Levels of the Conceptual Framework.

Topic 3: Research Methodology and Types of Financial Accounting Theories.

Topic 4: Income & Financial Position Concepts.

Topic 5: Financial Statement I: The Income Statement, based on IFRS.

Topic 6: Financial Statements II: The Balance Sheet and the Statement of Cash Flows, based on IFRS.

Topic 7: Long-Term Assets I: Property, Plant, and Equipment.

Topic 8: The modern accounting problems

GRADING POLICY:

<u>Grades</u>	<u>Letter</u>	<u>GPA</u>	<u>Grades</u>	<u>Letter</u>	<u>GPA</u>
95-100%	A	4.0	70-74%	C	2.0
94-90%	A-	3.7	65-69%	C-	1.7
87-89%	B+	3.3	60-64%	D+	1.3
83-86%	B	3.0	55-59%	D	1.0
80-82%	B-	2.7	50-54%	D-	0.7
75-79%	C+	2.3	0-49%	F	0.0
Withdrawal	W	-	Incomplete	I	-

Note: Passing Grade is 65% and above



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COURSE TEACHING AND LEARNING ACTIVITIES

1. **Lectures:** The lecture provides a broad introduction to each topic and emphasis key concepts.
2. **Tutorials:** The lecturer will provide students set of tutorials materials to help students participate in solving some exercises inside and outside the class, individually and as a team work groups;
3. **Case Studies:** the numerous Case Studies are an important learning tool, integrated closely with the theoretical materials presented in each chapter.
4. **Questions Bank:** The lecturer will provide students a questions bank that will help them to work as accounting groups on base of team work to develop their problem solving skills, and preparing themselves for all types of exams and quizzes.
5. **Topics Refreshment & Summaries:** At the beginning of each class the lecturer will provide students a quick refreshment and summary of previous lectures to give students a chance to develop their participation activity. Students can use the summaries to place the material in perspective and to review for exams.
6. **Quick Quizzes:** There are some announced quizzes (almost four).
7. **Feedback:** Feedback on student progress will be given throughout the course.
8. **Class participation:** Class participation is encouraged and will enhance your knowledge and influence positively on your grade, board demonstrations and inquiry oriented discussions and in-class calculations;
9. **Examinations:** Exams are all comprehensive in nature, (there are two exams, which are Mid-Term & Final Exam).

COURSE ASSESSMENT TOOLS:

<u>Assessment Tools</u>	<u>Description</u>	<u>Weight</u>
<u>Participation Activities</u>	This includes class participation, email interaction with the lecturer, discussion forum and problems solving on the white board by students, and visiting the lecturer during the office hour for discussing some issues.	<u>10%</u>
<u>Homework & Assignments</u>	Homework and Assignments must be submitted on specified time prior to the beginning of class. No late homework & assignments will be accepted.	<u>25%</u>
<u>Quizzes</u>	There are four quizzes, (one after completing each two chapters). The lecturer will select the best three quizzes, (The weight is 5 marks for each selected quiz).	<u>15%</u>
<u>Mid-Term</u>	Mid-Term exam will be conducted (Problems solving).	<u>20%.</u>
<u>Final Exam</u>	The final examination will be comprehensive of all the course materials.	<u>30%.</u>

COURSE POLICY (including plagiarism, academic honesty, attendance etc)

Attendance Policy	<p>KUST Academic Policy http://sar.komar.edu.iq/files/Student%20hand%20Book%202013.pdf</p> <p>Attendance:</p> <ul style="list-style-type: none"> ❖ Students are expected to attend all lectures and must attend all examinations, quizzes, and practical exercises. ❖ Faculty need not give substitute assignments or examination to students who miss classes without official permission. ❖ Student must arrange with the faculty to make-up the missed class. ❖ Students are subject to the regulation and policies mentioned in the KUST Student Handbook. ❖ KUST guidelines for lateness are as follows: Three occasions of lateness count as one absence. (You can be considered in lateness from the 10th minute).
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GUIDELINES FOR SUCCESS:

The following points may help the students to success and develop their accounting knowledge:

- i. Attend all lectures on time, pay attention, participate during the classes, and keep asking questions



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- as well as answering the asked questions.
- ii. Be preparing for the classes, quizzes, and examinations ahead of time schedule.
 - iii. Need not to memorize everything, instead of that try to understand and enhance your accounting knowledge.
 - iv. Ask for help from your lecturer during the class and during the announced office hours and don't feel shy for acquire of knowledge and understanding of subject matter.
 - v. Take note during the lecture, and especially anything is written by the lecturer on the white board.
 - vi. Be ready for the refreshment of previous lecture during the first 10 minutes of next lecture.
 - vii. Create accounting students groups (should be not more than 4 students to avoid any waste of time) to work together and exchange knowledge outside the class.
 - viii. You have to submit your homework and assignments on the right time, any late will affect negatively on your marks.
 - ix. Accounting consider such as mathematics and statistics a quantitative course, so you do not need to read the solutions but you have to solve different solved questions by yourself three times in different periods.
 - x. And finally you have to develop critical thinking, analysis, team work, communications, and problems solving skills.

NOTE: students are required to bring their notebooks, pens and calculator but not to engage themselves with cell-phones.

REVISION TO THE SYLLABUS:

This syllabus is subject to develop based on the development of accounting knowledge and moderate the practical aspects in different area of accounting fields. It is the responsibility of the lecturer to let the students be informed and aware of such developments and changes, if happened in a timely fashion after the approval by the acting chair of accounting department and confirm by the Quality Assurance & Accreditation Office (QAAO).



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Delivering Teaching Plan for Accounting Theory for Spring Semester AY 2015/2016

Week	Beg/End Dates & Lect.	Topics (Chapters)	Course Assessment	CILOs
1	Feb. 28 th Lecture -1 March 1 st Lecture -2	<ul style="list-style-type: none"> • <u>CHAPTER ONE THE DEVELOPMENT OF ACCOUNTING THEORY:</u> <ul style="list-style-type: none"> ➤ The historical development of accounting thought; ➤ The role of Islamic Civilization on developing of accounting thought; ➤ Accounting in the United States since 1930; ➤ Committee on Accounting Procedure (CAP); ➤ The Accounting Principles Board (APB); ➤ The Financial Accounting Standards Board (FASB) Codification; ➤ Structure of the FASB; ➤ GAAP; ➤ The types of accounting theory are: <ul style="list-style-type: none"> ▪ Normative theory ▪ Positive theory ➤ The role of professional ethics in accounting; ➤ Accounting in crisis:- Enron and Arthur Andersen under the accounting scandals-Case Study; 		1, 7, & 8
2	March 6 th Lecture -3 March 8 th Lecture -4	<p><u>CHAPTER TWO- THE PURSUIT of the CONCEPTUAL FRAMEWORK:</u></p> <ul style="list-style-type: none"> ➤ What is the conceptual framework? ➤ The components of three levels of conceptual framework of Financial Accounting Theory; ➤ The relationship between CAP and the APB with the Conceptual Framework; ➤ The True-Blood Committee; ➤ Statement of Accounting Theory and Theory Acceptance; ➤ The FASB's Conceptual Framework Project; ➤ The Conceptual Framework for Financial Accounting and Reporting; ➤ The <i>qualitative characteristics</i> of accounting information; ➤ SFAC No. 5 "Recognition & Measurement in Financial Statements of Business Enterprises"; ➤ SFAC No. 6 "The Elements of Financial Statements"; ➤ SFAC No. 7 "Using Cash Flow Information and Present Value in Accounting Measurements"; ➤ SFAC No. 8 of "Statement of Financial Accounting Standards"; ➤ ASB & IFRS Statements; 	Homework 1	2, 3, & 4
3	March 13 th Lecture -5 March 15 th Lecture -6	<p><u>CHAPTER THREE- RESEARCH METHODOLOGY AND THEORIES ON THE USES OF ACCOUNTING INFORMATION:</u></p> <ul style="list-style-type: none"> ➤ Research Methodology; 	Homework 2	5



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		<ul style="list-style-type: none"> ➤ The Outcomes of Providing Accounting Information; ➤ The Relationship between Risk and Return; ➤ Normative vs. Positive theory; ➤ Human Information Processing; ➤ Critical Perspectives Research; ➤ Accounting Research, Education and Practice; 		
20-24 March		Holiday for Eid- Nowruz		
4	March 27 th Lecture -7 March 29 Lecture -8	<u>CHAPTER FOUR- INCOME CONCEPTS:</u> <ul style="list-style-type: none"> ➤ The Purpose & Importance of Income Reporting; ➤ Capital Maintenance Concepts; ➤ Current Value Accounting & Exit Value or Selling Price; ➤ Entry Price or Replacement Cost & Discounted Present Value; ➤ Revenue & Expenses Recognition & Accounting Measurement; ➤ Matching Principle; ➤ Earnings Quality, Earnings Management and Fraudulent Financial Reporting; ➤ Distinction Between Conservative, Neutral, Aggressive and Fraudulent Earnings Management; ➤ Red flags of possible fraudulent reporting; 	Quiz # 01	3 & 6
5	April 3 rd Lecture -9 April 5 th Lecture 10	<u>CHAPTER FIVE- Financial Statements I - The Income Statement:</u> <ul style="list-style-type: none"> ➤ The Economic Consequences of Financial Reporting; ➤ Income Statement Elements & Statement Format; ➤ Proposed Format of Statement of Comprehensive Income; ➤ Each Term Is Defined As Changes in Assets and Liabilities; ➤ SFAS No. 144 FASB ASC 360; ➤ Discontinued Operations FAS 2013-46; ➤ Extraordinary Items; 	Homework 3	4 & 6
6	April 10 Lecture 11 April 12 Lecture 12	<u>CHAPTER FIVE- Financial Statements I - The Income Statement:</u> <ul style="list-style-type: none"> ➤ Types of Accounting Changes; ➤ IAS No. 8: Accounting Policies, Changes in Accounting Estimates and Errors; ➤ Earnings Per Share; ➤ SFAS No 130 - Reporting Comprehensive Income; ➤ The Value of Corporate Earnings; ➤ Sources of Revenue; ➤ IAS No. 18 – Revenue; ➤ IASB Definitions of Performance and Income; ➤ IFRS No. 5: Non-Current Assets Held for Sale and Discontinued Operations; 	Quiz # 02	4, 6, & 8
April		Midterm Examinations		



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7	<p>April 24 Lecture13</p> <p>April 26 Lecture14</p>	<p><u>CHAPTER SIX- BALANCE SHEET:</u></p> <ul style="list-style-type: none"> ➤ Past Emphasis; ➤ The Balance Sheet; ➤ Balance Sheet Elements; ➤ Components of the Balance Sheet; ➤ Asset Valuation Basis; ➤ Liabilities and Their Associated Measurement Techniques; ➤ Stockholders' Equity Accounts and Their Associated Measurement Techniques; ➤ Fair Value Measurements under SFAS No. 157, (Now FASB ASC 820); ➤ FASB Staff Position <i>FAS No. 157-4</i>; ➤ Evaluating A Company's Financial Position; 	Homework 4	4, 6, & 8
8	<p>May 1st Lecture15</p> <p>May 3rd Lecture16</p>	<p><u>CHAPTER SIX- STATEMENTS of CASH FLOWS:</u></p> <ul style="list-style-type: none"> ➤ Evolution of the Statement of Cash Flows; ➤ APB Opinions 3 and 19; ➤ Cash Flow Information; ➤ Historical Perspective; ➤ Purpose of the Statement of Cash Flows; ➤ Statement Format; ➤ Cash Flows From Operating Activities; ➤ Cash Flows From Investing Activities; ➤ Cash Flows From Financing Activities; ➤ Proposed Format of Statement of Cash Flows; ➤ Financial Analysis of Cash Flow Information; ➤ Uses of Cash Flow Information; 	Quiz # 03	4, 6, & 8
9	<p>May 8th Lecture17</p> <p>May 10th Lecture18</p>	<p><u>CHAPTER EIGHT- LONG TERM ASSETS I: PROPERTY, PLANT AND EQUIPMENT:</u></p> <ul style="list-style-type: none"> ➤ Property, Plant, and Equipment; ➤ Accounting Objectives; ➤ Accounting for Cost; ➤ Group Purchases; ➤ Self-Constructed Assets; ➤ Removal of Existing Assets; ➤ Assets Acquired in Noncash Transactions; ➤ Donated and Discovery Values; 	Homework 5	6 & 8
10	<p>May 15th Lecture19</p> <p>May 17th Lecture20</p>	<p><u>CHAPTER EIGHT- LONG TERM ASSETS I: PROPERTY, PLANT AND EQUIPMENT:</u></p> <ul style="list-style-type: none"> ➤ Financial Analysis of Property Plant and Equipment; ➤ Cost Allocation; ➤ The Depreciation Process; ➤ Capital Vs. Revenue Expenditures; ➤ Recognition and Measurement Issues; ➤ Impairment of Value; 	Quiz # 04	6 & 8



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		<ul style="list-style-type: none"> ➤ SFAS No. 144: Accounting for the Impairment or Disposal of Long- Lived Assets; ➤ SFAS No. 143 (FASB ASC 410-20): Accounting for Asset Retirement Obligations; 		
11	May 22 Lecture21 May 24th Lecture22	<u>SPECIAL CASES FOR LONG TERM ASSETS I: PROPERTY, PLANT AND EQUIPMENT:</u> <ul style="list-style-type: none"> ➤ How to apply the accounting treatment of depreciated long-term tangible assets but they still in use? ➤ How to apply the accounting treatment of under construction long-term tangible assets? ➤ Re-evaluation long-term tangible assets. 		6, & 8
12	May 29 Lecture23 May 31 st , Lecture24	THE MODERN ACCOUNTING PROBLEMS: <ul style="list-style-type: none"> ➤ Human Resources Assets Accounting; 	Mini-Project Presentation	9
13	June 5th Lecture25 June 7th Lecture26	THE MODERN ACCOUNTING PROBLEMS: <ul style="list-style-type: none"> ➤ Social Responsibility Accounting; ➤ Environmental Accounting; 	Mini-Project Presentation	9
14	June 12th Lecture27 June 14th Lecture28	THE MODERN ACCOUNTING PROBLEMS: <ul style="list-style-type: none"> ➤ Inflation Accounting; 	Mini-Project Presentation	9
15	June 19th Lecture29 June 21 st , Lecture30	<ul style="list-style-type: none"> ➤ Review 		1- 9
June 2016		Final Examinations (To be scheduled later on)		

Data	Name	Designation	Signature	Date
Prepared by	Professor Dr. Kamal Al-Nakib	Lecturer,		06/03/2016
Approved by	Dr. Mustafa Hussan	Acting Chairman of Accounting Department		06/03/2016
Confirmed by	Dr. Alan Noori	QAAO Cordinator		06/03/2016