ACCY 412 CURRENT ISSUES IN FINANCIAL ACCOUNTING

Trimester One 2009

COURSE OUTLINE

Contact Details
Course Coordinator and Lecturer:
Assoc. Professor Rachel Baskerville RH 625 463-6951 Rachel.Baskerville@vuw.ac.nz

Class Times and Room Numbers
Tuesday 2.40pm – 5.30pm
Railway Building RWW 125

Lectures
Lectures are held from: 2 March 2009 – April 9 2009
Mid-trimester break: 10 April 2009 – 24 April 2009
Lectures resume: Mon 27 April 2009
Study/examination period: 15 June – 1 July 2009

Lecture Programme
As described in this outline

Course Objectives
By the end of the course students should be able to
1. Read a typical research article on a current issue in financial reporting and understand its approach;
2. Understand the strengths and weaknesses of different methods for gaining evidence about financial accounting issues;
3. Use analytical skills in reviewing published research in a range of top accounting journals;
4. Understand the impact of accounting transgressions on the profession and CA firm behaviour;
5. Demonstrate an improvement in communication skills, both written and spoken, in their class involvement.

Course Content
This course aims to provide a critical insight into, and develop an understanding of, a selection of current issues relevant to the role of financial accounting. This is not a simple
examination of the issues in the standard-setters’ current work plans, but a review of the economic and political situation within which the standard setters go about their business, and the impact of these factors on the standards that emerge.

There are three major themes in the course: (1) the incentives of the parties (managers, directors, auditors, accounting firms, regulators and users); (2) the environment (governance problems, harmonisation, and the growing importance of IFRS); and (3) the legacy of unresolved conceptual problems.

The course will be grounded firmly in the knowledge derived from research.

Readings

**Week 1: Introduction**


**Week 2: Transgression viewpoints**


**Week 3: Environmental reporting**


Milne, Markus, and Ralph A. Adler, 1999, Exploring the reliability of social and environmental disclosures content analysis, *Accounting, Auditing and Accountability Journal* 12, 2: 237 - 256
Week 4: Stock Option valuation issues


Week 5: Managerial discretion and SO valuation


Bartov, Eli., Partha Mohanram and Doron Nissim, 2007, Managerial discretion and the economic determinants of the disclosed volatility parameter for valuing ESOs, Review of Accounting Studies 12: 155–179


Crossland, A. Craig and Donald C. Hambrick 2007 How national systems differ in their constraints on corporate executives: a study of CEO effects in three countries Strategic Management Journal, Volume 28, 8 : 767 – 789


Marquardt, Carol, and Christine Wiedman. 2007, Economic consequences of financial reporting changes: diluted EPS and contingent convertible securities. Review of Accounting Studies, Volume 12, Number 4: 487-523,

Week 6: Pensions accounting and superannuation issues


Week 7: Public Sector


Klumpes, P. 2001, Generational accountability of public sector management - A case study of the State Authorities Superannuation Board of New South Wales, Accounting, Auditing & Accountability Journal, Volume 14, Number 2 2001: 166 – 189


Week 8: Not for Profits


Cordery, Carolyn J., Rachel F. Baskerville, and Brenda Porter, 2009, ‘They are a nonprofit because they make no profit’: constructing organisational orientation” paper submitted to the Academy of Management Conference, Chicago, August 2009


An asterisk * on the reading lists indicate this is a secondary rather than primary reading

*Sutton, David, C. J. Cordery, and R. Baskerville, 2008, “Paying the Price of Failure to Retain Legitimacy in a National Charity: The CORSO Story” draft journal paper submitted to Accounting, Business, and Financial History*

**Week 9: Convergence and translation issues**


**Week 10: Harmonisation and capital markets**


**Week 11: Comprehensive Income**


An asterisk * on the reading lists indicate this is a secondary rather than primary reading


*Financial Statement Presentation Joint Project of the IASB and FASB, Web site http://www.iasb.org


**Week 12: Fair Value Measurement**


An asterisk * on the reading lists indicate this is a secondary rather than primary reading


Materials and Equipment
A fee may be charged for course materials. Students will be advised accordingly.

Assessment Requirements
Assessment will be based on the following:

(a) Two presentations of assigned articles, with notations 15%
(b) One essay worth 25% - Synopsis due May 4th 8%
   Final version submitted electronically May 29th 17%
(c) Final exam 60%

Assignments
Each student is required to make presentations on two assigned topics during the course. Students making presentations are to prepare a notation of the article(s) and deliver that hard copy to the lecturer by noon on the Monday, the day before the class. All students are expected to contribute to all class discussions.

The essay is due at midday on May 29th, 2009. Suggested length: 2,000 words. Choose your own topic relevant to the themes of the course. You are welcome to discuss your choice of topic with the lecturer at an early opportunity. A synopsis of your essay topic with a list of at least eight readings pertaining to this topic must be emailed to the lecturer by May 4th, 2009.

Mandatory Course Requirements
Students must complete all items of assessment.

General University Policies and Statutes
Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct
The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at: www.vuw.ac.nz/policy/StudentConduct.
The policy on Staff Conduct can be found on the VUW website at: www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

An asterisk * on the reading lists indicate this is a secondary rather than primary reading
If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website: www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means no cheating. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one’s own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University’s website at www.vuw.ac.nz/home/studying/plagiarism.html.

Notice of Turnitin Use

Student work provided for assessment in this course maybe checked for academic integrity by the electronic search engine http://www.turnitin.com. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which maybe forms of cheating or plagiarism.

At the discretion of the Head of School, handwritten work maybe copy typed by the School and subject to checking by Turnitin. You are strongly advised to check with your tutor or the
course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

**Students with Disabilities**
The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School’s Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

**Student Support**
Staff at Victoria want students’ learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, email education@vuwsa.org.nz.