

DEPARTMENT OF ACCOUNTING AND FINANCE
AG424 Accounting Theories

2023/24 SEMESTER 1

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CLASS DESCRIPTION

Accounting is the language of business, and as such, it constitutes the basis of the decision making process for both investors and firm managers. Nonetheless, over the past decades new theories have emerged in an attempt to cope with the increasing complexity of financial transactions. These theories have aligned accounting with economics and finance more closely than ever before. However, the underpinnings and assumptions of these developments have the potential to radically alter many accounting conventions and basic techniques. Taking an interdisciplinary approach to critical accounting theories as well as capital market research in accounting this class will explore both accounting theoretical foundations and critiques.

CLASS AIMS

The purpose of the course is to help students to understand the role of accounting theories and theoretical models in shaping policies, how accounting is perceived as a social practice that creates visibilities, and what are the contributions of accounting in standardisation and assessment criteria. The class will enable students to gain the skills required to critique accounting theories and review the prior empirical research. In this respect, this class also enable students to review the contribution of capital market-based theories to developments in both financial and social accounting theories.

LEARNING OUTCOMES

The following learning outcomes will contribute to your self-analysis and reflection in your Student's Personal Development Planning (SPDP). These learning outcomes will be assessed using the methods explained in the "Assessment" section in this Outline.

Subject-specific knowledge and skills

On completing this class, the student will have:

A1 - The ability to critique the contribution of accounting theories to financial, social and critical accounting literature, along with its implications on the policies and practices.

A2 - The ability to use accounting information to communicate confidently and accurately on organisational performance.

A3 - The ability to critique and evaluate the role of accounting in a broader socio-political and economic settings.

A4 - The ability to synthesize information from academic and professional literature for use in problem-solving and management decision making.

A5 - Developed the skills needed to do more in-depth study on a current financial accounting topic.

Cognitive abilities and non-subject specific skills

During the class you will:

B1 - Develop intellectual and professional competencies by analysing and evaluating evidence, logical reasoning and practical applications.

B2 - Develop communication skills – explaining, listening, discussing, questioning, presenting and defending a position, giving feedback, and writing.

B3 - Develop intellectual understandings, clarifying concepts and theories by thinking, discussion, doing, observing, and constructing connections.

B4 - Develop a mature learning stance by accepting personally responsibility for progress and direction of learning, questioning institutional authority and practices.

B5 - Grow as a person, clarifying your values, changing your attitude towards prior received wisdom, developing self-esteem, self-confidence.

ASSESSMENT

The models of assessment are listed below. All material presented is examinable (except where stated otherwise) by assignments. All important assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on MyPlace. Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.

Assessment Element	% Weighting	Date Due
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Essay	40%	03-11-2023 - Friday Week 7 noon
Exam	60%	Exam Diet
Total	100%	

The pass mark is 40%.

You are required to attempt all pieces of assessed work. Failure to do so may result not just in a mark of 0 for the assessment, but failure of the overall class, could have a serious impact on your progress or degree classification. It is your responsibility to make sure that you understand the non-submission penalties for each class.

Critical Assessment of Accounting Conceptual Frameworks (Essay)

Each student is required to prepare a critical review (in essay format) on the role of accounting in shaping societies, organisational structures and creating new visibilities. Students will be required to critique the dual* role of accounting as discussed in the academic articles and theories discussed during the class. Research will be required by students to further familiarise themselves with the essay question. This may involve drawing upon personal experiences, prior learning and classes, books, academic and professional journal articles, newspaper articles, the internet, government/professional body reports, gathering a limited set of empirical data or any other sources as appropriate. The students are encouraged to be creative in their writing style. However, the review should be between 2,000 – 3,500 words, with 3,500 maximum word limit (including any references with +/-10% allowance). The submission date is 03-11-2023.

*Broadly, your essay should include a). oppressive role of accounting, b). emancipatory potentials of accounting, along with examples and self-reflection. Please be creative and feel free to write in a way that can best demonstrate YOUR understanding of the lectures.

The assignment will be assessed according to the following criteria:

- Originality
- Structure (introduction, theoretical framework, main body, conclusion, correct academic referencing and citations)
- Incorporation and reflection of class discussions
- Argument and logical analysis
- Content
- Creativity & style
- Presentation (of the text)

Examination

The Department of Accounting and Finance is returning to on campus, in person examinations in all modules. To support you for the preparation of the final exam a mock exam will be held in Week 11 and detailed feedback will be provided. The exam will take the form of 4 questions, all equally weighted. Students must answer 2 questions. Questions will take the form of essay style questions and may include problem solving.

PENALTIES FOR LATE SUBMISSION

The Business School follows the University's policy for the late submission of assessed work:

[POLICY and procedure for LATE SUBMISSION OF COURSEWORK \(strath.ac.uk\)](https://www.strath.ac.uk/policy-and-procedure-for-late-submission-of-coursework/)

FEEDBACK

The standard turnaround time for all feedback and marking within SBS is 15 working days from assessment submission.

The University policy on Assessment and Feedback is available here:

[Assessment and Feedback Policy \(strath.ac.uk\)](https://www.strath.ac.uk/assessment-and-feedback-policy/)

COMPENSATION SCHEME

[POLICY ON Compensation Scheme \(strath.ac.uk\)](https://www.strath.ac.uk/policy-on-compensation-scheme/)

The Faculty Compensation scheme is as follows:

- Where a student has a weighted average of at least 45% (pass) across all classes, and class(es) for which the mark is 30-39% (fail), the failed class(es) will be deemed to have been passed by compensation.
- Where a first year class is passed by compensation, the student will not be permitted to proceed with that subject in second year, unless mitigating circumstances acceptable to the Board are met, and are submitted in advance of the meeting of the Board.
- Where a first, second or third year class is passed by compensation, the student will not normally be permitted to proceed to Honours in that subject, this is at the discretion of the department. The student does have the right to reject this pass and resit the class.

RESIT POLICY

This is an Honours class. Students who have failed a class will *NOT* be given the opportunity to resit the class during the August resit diet.

TEACHING AND LEARNING

This class is designed to expose students to the dominant theories of financial accounting and to empirical research topics broadly related with the role of the accountant and the usefulness of financial statement information.

The class will be delivered every week in a workshop style. Key theoretical concepts will be presented by the lecturer and critiqued through discussion and interaction with the students. Each workshop will be based on classical accounting theories and a set of seminal papers accompanied by subsequent background readings. Nonetheless, they should not be accepted without questions – rather they should be critically evaluated on the basis of their strength and weaknesses. The background readings inform about recent developments and address some related questions that were not explicitly considered covered in the seminal papers.

Each week, students are expected to read and review the assigned readings prior to the lecture. Discussion will encourage you to develop analytical/evaluation skills and to identify relationships between theory and practice as well as between the readings and prior learnings. Where necessary accounting problems will be accounting problems will be assigned that need to be completed before coming to lectures. Class participation is crucial to the completion of learning objectives.

ACHIEVEMENT OF LEARNING OUTCOMES

The achievement of learnings outcomes is necessary to successfully complete the class, both in terms of your learnings development and in your class assessment. It is important, therefore, that you are confident about achieving these outcomes as the class progresses. Opportunities will be given for you to reflect upon what have achieved during the class.

PRE-REQUISITES

There are no pre-requisites for this class.

POTENTIAL MODIFICATIONS

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their email and course websites weekly during the term and to note any changes.

REQUIRED READING

A textbook is not required for this course. The course readings will consist of book chapters, published papers, and working papers – list is provided on myplace page. The main topics which will be discussed in class are provided below.

LECTURE PROGRAMME

Week	Topic
1	Introduction and overview of theories within accounting
2	On the oppressive role of accounting and broad overview of critical accounting literature
3	On theory of change and dialogic accounting
4	On emancipatory potential of accounting and ways to develop new accounting techniques
5	Reading Week
6	Introduction to Financial Accounting Theory and the Role of Standard Setters
7	The IASB Conceptual Framework for Financial Reporting
8	Economic Income, Wealth Concepts and their Relation to Accounting
9	Capital Market Research in Accounting and Earnings Management
10	Positive Accounting Theory
11	Review and Revision

CLASS WEBSITE

Copies of lecture handouts and other useful material will be made available on MyPlace.

Powerpoint slides will be available for download prior to the lecture.