DE PAUL UNIVERSITY, SCHOOL OF ACCOUNTANCY AND MIS
ACCOUNTING 640, ACCOUNTING THEORY AND POLICY FORMULATION
SECTION 301, 14 E JACKSON, Room 1326
SPRING QUARTER 2015

Instructor: R. Mark Alford, Ph.D., C.P.A.
Office: 6015 DePaul Center in the School of Accountancy suite
Office Phone: 312-362-5633
Email: ralford@depaul.edu
Office Hours: Mondays from noon to 1:30 p.m., 4:45 to 6:00 p.m. and after class; I will be happy to make arrangements to meet with you at other times if the above is not convenient. Correspondence via email or telephone is also encouraged.

COURSE PREREQUISITES: ACC 545 and ACC 550 or in the MACC Program

REQUIRED TEXT:
• More Than a Numbers Game: A Brief History of Accounting by Thomas A King, Wiley, 2006
• Additional course materials will be provided for you or will be available online

COURSE OVERVIEW:
Accountancy 640 is identified as the “capstone” course in the Master of Science in Accountancy (MSA) Program. As such it is important for the course to provide an overview of financial accounting policy issues and to help you to become familiar with the “current state of affairs” in financial accounting. Toward this end, this course has a significant research and writing component. As a result, one of the principle objectives of the course is for you to become proficient in effectively performing research related to accounting issues, including those that are somewhat obscure. In addition, you will have several assignments during the course aimed at improving your written communication skills. Finally, the course offers multiple opportunities for you to enhance your oral presentation talents with a variety of required presentations. Keep in mind that recruiters emphasize the importance of the development of research and writing as well as oral communications skills to achieve success in an accounting career.

At the end of the course you should be able to exhibit enhanced competency in the following areas.
• An understanding of the standard setting process used by the FASB
• The role of the SEC in standard setting
• The nature and content of selected SEC filings
• Use of the FASB Accounting Standards Codification (Codification or ASC) to perform accounting research
• Documentation of accounting research results
• Revenue recognition issues and the future of revenue recognition accounting
• What contributes to the quality of earnings and how and why businesses manage or smooth earnings
• The current state of affairs insofar as fair value measurement as disclosures are concerned
• Accessing the IASB’s website and using it to research topics in IFRS
CLASS STRUCTURE:

The format of a particular class meeting will vary from week to week. I will spend a number of class meetings (including the first three weeks) presenting lecture material. Other class meetings will be used for group presentations, either formal or informal. Certainly, in every class I will attempt to initiate classroom discussions where any and all input will be encouraged and given full attention.

Given the flexible class format structure described above; I have identified the following list of responsibilities or expectations for you as graduate students in accountancy at a major university.

- **Commit to learning rather than grades.** It is incumbent on each of you to recognize the benefits of learning. You should have discovered by now that if you are genuinely committed to learning, your objective of making good grades will almost certainly be realized. This commitment requires that you make a committed effort on every assignment and exam.

- **Commit to your group.** A significant portion of your grade (40%) will be based on work you submit and/or present as a group. It is your responsibility to make a conscientious commitment to your group on all assignments. Making deals within a group where one or more members are excused from work on a particular project in return for doing more work on another is not what I expect. In your careers when you are asked to participate in group projects, I can assure you that this arrangement will not be acceptable. Your commitment to learning (see above) requires commitment to each and every group activity.

- **Preparation.** Be familiar with the class material to the extent possible before coming to class. I will provide an outline on D2L for note-taking purposes prior to each class when I will be lecturing. Your familiarity with the lecture outline prior to class will make learning much easier and will enable you to participate more fully in classroom discussions. You should have ample time to review the outline prior to class.

- **Participate in class.** I want to know your opinions and viewpoints regarding the various accounting issues we cover. Oftentimes, students have perspectives that their peers (and I) may have not considered. Your input is essential to the overall learning process.

- **View our class as a learning community rather than as a group of disparate individuals without common interests.** In a learning community, all members have the responsibility to not only learn but to contribute to the learning of others in the community.

- **Have a positive attitude.** A good attitude about learning will make a world of difference.

- **Provide constructive feedback to me and to your classmates.** Our classroom discussions will often involve reacting to the views or presentations of others. Your comments are welcome and encouraged and should always be made professionally and respectfully.

- **Ask questions.** Try not to be concerned that your questions are “stupid” or that everyone else already knows the answers. Part of any learning process involves thinking about issues in ways that you are not accustomed. To get the most from this aspect of the learning process, it is critical to have an environment where questions are openly asked and welcomed by all.
ATTENDANCE AND IN-CLASS EXPECTATIONS

As the discussion above indicates, group work, including presentations, will comprise a significant component of your course grade. In addition, your participation in discussions in all class sessions is critical to the success of the course. As a result, regular attendance is expected. More specifically, you must be present for all of your group’s scheduled presentations in order to receive credit. In other words, if you miss class when your group is scheduled for a presentation, you will not receive credit for that presentation regardless of how much you contributed to the preparation of the presentation materials. If you discover that you must miss ANY class, let me know before that class. If the class you must miss is a presentation date for your group AND you have informed of your absence beforehand, you may ask me to prepare a make-up assignment to ensure that you have learned and understand the material missed and to allow you to receive credit for the assignment. Any make-up assignments will include an oral presentation. Absent extraordinary circumstances, I will not allow anyone to make up work for more than one missed presentation.

Finally, arriving for class on time and not leaving early or during class except for scheduled breaks is a matter of personal and professional responsibility and respect for your classmates and me. As a result, I expect all of you to be on time and I strongly request that you not leave class at any time other than during the scheduled class break. If you anticipate having to leave class early or at any time other than at the break, please let me know before class. Should you fail to exhibit responsibility and respect in this regard, you and I will meet to discuss the issue.

GRADING AND EVALUATION OF YOUR WORK

Group Assignments: A review of the Assignment Table indicates the variety and frequency of group assignments. These assignments include both writing exercises and oral presentations and focus on assigned readings, research, and materials covered in class. Assignment of students to groups will be made at my discretion.

I expect all group members to contribute in a meaningful way to all assignments and I anticipate giving the same grade to all members of a group for all group assignments (with the possible exception of formal presentations). Arrangements where one or more group members get a “free pass” on an assignment in return for extra work on another is not acceptable and I expect to be informed immediately if this is happening. These arrangements serve no purpose except to insure that not everyone learns the relevant material.

Should a group have a non-contributing member, let me know immediately! I will address the issue and if the non-contributor does not respond as he or she should then all future group assignments will be prepared individually by the non-contributor. If you do let me know of non-contributors, there is nothing I can do. If I am not made aware of situations where a group member is getting a “free ride”, the result is that participating members are doing more work than is expected and non-contributors are receiving grades for work they do not complete. This is not what I intend and it is not fair for anyone involved.

Finally, I expect all members of a group to be completely familiar with all aspects of an assignment. For example, when I ask questions following an oral presentation, be prepared for me to address questions to anyone in the group rather than only the individual who presented the information that is the focus of my questions.

Group presentations will be of two types: formal and informal. Each group will prepare and deliver one formal presentation. This presentation will be based on a selected topic introduced in More Than a Numbers Game. Your group’s presentation should mimic a professional presentation or a job interview in terms of your attire, your presentation materials, the presentation itself, etc. Each group should: (a) prepare discussion materials (e.g., PowerPoint slides) to accompany its presentation; make sure that there is consistency in terms of font,
margins, headings, bulleting, etc. particularly if slides are prepared independently by group members; (b) upload your slides to D2L prior to your presentation so that your classmates have ample time to download them and bring them to class; if we are in a computer classroom your classmates will not need a hardcopy of the slides. A Forum will be available under the” Discussions” tab on D2L for this purpose; (c) assign specific speaking parts to all group members; (d) present (do not read) your remarks in a coherent and cohesive manner; (e) dress in a manner fitting of the “formal” scenario; if your attire is not representative of a “formal” setting, you will not be allowed to make your presentation and will have to schedule an alternate time for your presentation. If you are not sure what constitutes attire appropriate for these presentations, ask me. On the date of your group’s formal presentation arrive in class early enough to insure that you are ready to begin immediately at the start of class.

As you prepare for your formal presentation, imagine that it is being delivered to a client or to superiors at your workplace. My evaluation of these presentations will take into consideration (a) the content of the presentation materials including its quality, accuracy, and completeness, (b) the quality of the presentation itself in terms of the presentation skills that each group member exhibits including the overall flow of the presentation from speaker to speaker which is enhanced when all presenters are familiar with the entire presentation, (c) the overall professionalism of the presentation including attire, (d) the length of the presentation with respect to my directives, and (e) whether your group was completely prepared to begin its presentation on time. I will post an example of the evaluation rubric that I will use to assess your presentations on D2L.

Finally, each group must email its presentation slides (with any revisions I suggest) to me within 48 hours after the presentation (5:59 p.m. on the Wednesday following your presentation on Monday evening). DO NOT post the revised slides to D2L; I will do so after I have reviewed them. The purpose of this requirement is to allow me to make the corrected slides available on the course website in a timely fashion to allow your classmates the opportunity to review the presentation content for exam purposes. Failure to meet the 48-hour deadline will result in a one letter grade reduction of your presentation grade if I receive the slides within 24 hours of when they are due; a two letter grade reduction will occur if the slides are more than 24 hours overdue.

For informal presentations, each group should be prepared to lead a class discussion related to the assignment and share its answers with the class. Evaluation of these presentations will primarily take into consideration the content, completeness, and accuracy of the information communicated as well as the effectiveness with which it is presented. Like formal presentations, all group members should have a speaking role and all group members should be completely prepared to answer questions related to any part of the assignment. With these presentations, you may dress in any way you choose and although I will provide general guidelines as to the duration of your presentations, no points will be deducted for longer or shorter presentations relative to the guidelines as long as the all relevant issues are adequately addressed.

Several group written assignments are also required. These assignments are due at the beginning of the class period that they are due. If a particular assignment is due on D2L it must be posted by 5:59 p.m. The assignment of responsibilities and the completion of these assignments are up to the discretion of group members within the guidelines mentioned above related to participation by all group members. Specific instructions will be made prior to each assignment. Keep in mind that for exam purposes, all group members are responsible for the content of all group oral and written assignments unless I specifically exclude a portion or all of the content of an assignment.
**Other: In-Class Discussions:** As you begin (or continue in) your careers you will learn how important it is for you to have effective verbal communication skills. A significant portion of your communication with others in your firm and with clients will be verbal. As a result, the development of verbal communication skills is given a high priority in this course. No doubt improving these skills within our learning community is an important step toward mastering them in preparation for your professional careers. Don’t feel as if you have to offer insight related to every topic discussed in class. Effective verbal communication requires that one knows when to speak as well as what to say and how to say it. Speak up when you have something to contribute. Should you not do so voluntarily, I will provide a little prodding.

**Course Grade:** Your course grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Formal Presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Written Group Assignments (likely 4 or 5)</td>
<td>20%</td>
</tr>
<tr>
<td>Informal Group Presentations (likely 2 or 3)</td>
<td>10%</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

As a rule, **I do not give make-up exams.** However, I do not object to anyone taking an exam early if he or she has a legitimate reason for not taking it when scheduled. If you have what you feel is a legitimate reason for missing the midterm exam and cannot schedule it early, you must let me know of your situation **before the exam is given.** Should I allow you to miss the midterm exam, your final exam will count for 60% of your total course grade and will be fully comprehensive. Only in the most extraordinary of circumstances will you be allowed to postpone your final exam.

A final comment with regard to grading: keep in mind that the grade of “Incomplete” is not designed for students who have fallen hopelessly behind in a course and who have little chance of catching up. This grade is reserved for students who have made satisfactory progress in a course and, due to unforeseen circumstances that are beyond their control, are not able to complete the course. Please do not ask me to give you an “incomplete” unless the above situation applies to you. In addition, do not ask me to assign you extra-credit work so that you can improve your grade. There is absolutely NO chance that I will do so. You have numerous opportunities to accumulate points toward earning a passing grade. Again, there will be no additional opportunity of any kind for you to do work above and beyond the requirements of the course. Lastly, I realize that most of you are very close to graduation. Your nearness to graduation will have nothing to do with how I grade your performance in this course.

**Academic Integrity and Personal Ethics:** Academic integrity requires a commitment to complete and absolute honesty in your intellectual endeavors. The University has a website dedicated to Academic Integrity. There is a link to this website on the D2L course home page where you can find details concerning academic integrity violations and the ramifications for these violations. Pay particular attention to the policies on cheating and plagiarism.

In the latter part of the course we will discuss ethical issues as they apply to businessmen and women. How you behave as a professional will have a lot to do with your personal code of ethics. This personal code of ethics influences your behavior as a student as well. Any time that you are tempted to cheat on an exam or copy another group’s work your personal code of ethics is tested. Any time that you do not contribute to a group assignment in a conscientious manner, you have exhibited a personal code of ethics that is lacking. People generally are not ethical in
business if they do not have a strong personal code of ethics. My bet is that if you look for opportunities to cheat and not participate fully in your academic responsibilities, you will likely not respond as you should to ethical challenges in your career.

Let me assure you that I take ethics in the classroom and in higher education very seriously and you should have no doubt that academic integrity violations will be dealt with severely.

**Code of Conduct:** In order to address specific issues that the School of Accountancy and Management Information Systems (SOAMIS) desires to emphasize regarding student behavior, a Student Code of Conduct has been prepared. Students enrolled in any ACC or MIS course are expected to abide by the SOAMIS Student Code of Conduct. The Code of Contact is posted to D2L.

**Important Dates** (For other significant dates, see the University’s Academic Calendar)
- Friday, April 3rd: last day to add classes for the Spring Quarter ’15
- Friday, April 10th: last day to drop Spring Quarter ’15 classes with no penalty
- Monday, April 27th: tentative date for the Midterm Exam
- Friday, May 15th: last day to withdraw from Spring Quarter ’15 classes
- Monday, June 8th: Final Exam at the regularly scheduled class time.

The table below applies to specific Modules from *More Than a Numbers Game*:

<table>
<thead>
<tr>
<th>Module</th>
<th>Chapter(s) from <em>More Than a Numbers Game</em></th>
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<tbody>
<tr>
<td>1</td>
<td>Chapter 6, Standards</td>
</tr>
<tr>
<td>2</td>
<td>Chapter 1, Double Entry and Chapter 3, Taxes</td>
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<tr>
<td>3</td>
<td>Chapter 9, Volatility</td>
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<td>4</td>
<td>Chapter 13, Earnings</td>
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<td>5</td>
<td>Chapter 5, Disclosure</td>
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<td>6</td>
<td>Chapter 11, Debt</td>
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## ACC 640 - ASSIGNMENT TABLE – SPRING 2015

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Topics</th>
<th>Assignments</th>
</tr>
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| 3/30 | • Introduction to Standard Setting  
      • Overview of SEC Filings including Form 10Ks and Proxy Statements | • **Group Written** (GW): SEC Filings (10-K, proxy statement, 8-K) Assignment for Home Depot, Inc. (HD); hardcopy due in class on April 6<sup>th</sup> at the **beginning of class** |
| 4/6  | • Introduction to Accounting Research Using the FASB’s *Accounting Standards Codification*  
      • Documenting Accounting Research | • **GW**: Accounting Research Assignment memos are due by 5:59 p.m. on April 13<sup>th</sup> on D2L  
      • **Individual** (IND): Read Module 1 from King  
      • **Group Formal** (GF): Group 1’s formal presentation of Module 1 is April 13<sup>th</sup>. |
| 4/13 | • Group 1 Formal Presentation  
      • Revenue Recognition | • **Group Informal** (GI): Revenue Recognition cases will be presented informally in class on April 20<sup>th</sup>  
      • **GW**: Submit Revenue Recognition case memos on D2L by 5:59 p.m. on April 22<sup>nd</sup>.  
      • **IND**: Read Module 2 from King  
      • **GF**: Group 2’s formal presentations of Module 2 is April 20<sup>th</sup>. |
| 4/20 | • Group 2 Formal Presentation  
      • Revenue Recognition Case Presentations | • **GW**: Submit Revenue Recognition case memos on D2L by 5:59 p.m. on April 22<sup>nd</sup>. |
| 4/27 | • **Midterm Exam** | • **IND**: Read assigned portions of Chapter 7 from Mintz and Morris (M&M) custom text  
      • **IND**: Read Module 3 from King  
      • **GF**: Group 3’s formal presentation of Module 3 is May 4<sup>th</sup>. |
| 5/4  | • Group 3 Formal Presentation  
      • Assessing the Quality of Earnings | • **GW**: Determine the proper accounting treatment for a series of financial reporting issues. Decisions will impact the “quality of earnings” and could have “earnings management” implications. Assignment is due on D2L by 5:59 p.m. on May 11<sup>th</sup>.  
      • **GI**: Present results of Group Written assignment above to class on May 11<sup>th</sup>.  
      • **Individual**: Read Module 4 from King  
      • **Group Formal**: Groups 4’s formal presentation of Module 4 is May 11<sup>th</sup>. |
| 5/11 | • Group 4 Formal Presentation  
      • Earnings Quality Assignment Presentations  
      • Overview of Authoritative Literature Related to Fair Value Measurement and Disclosures  
      • Accessing the IASB website and Comparing US GAAP to IFRS | • **GI**: IFRS/GAAP Assignment: compare and contrast IFRS and US GAAP in selected reporting areas; informal presentations will be made in class on June 1<sup>st</sup>.  
      • **GW**: Fair Value Measurements and Disclosures Assignment; hardcopy due May 18<sup>th</sup> at the **beginning of class**  
      • **IND**: Read assigned portions of Chapter 4 from M&M custom text  
      • **IND**: Read Module 5 from King;  
      • **GF**: Group 5’s formal presentation of Module 5 is May 18<sup>th</sup>. |
| 5/18 | • Group 5 Formal Presentation  
      • AICPA Code of Professional Conduct | • **GI**: IFRS/GAAP Assignment: compare and contrast IFRS and US GAAP in selected reporting areas; informal presentations will be made in class on June 1<sup>st</sup>.  
      • **IND**: Read Module 6 from King;  
      • **GF**: Group 6’s formal presentation of Module 6 is June 1<sup>st</sup>. |
| 5/25 | • No Class: Memorial Day Holiday | • **GI**: IFRS/GAAP Assignment: compare and contrast IFRS and US GAAP in selected reporting areas; informal presentations will be made in class on June 1<sup>st</sup>.  
      • **IND**: Read Module 6 from King;  
      • **GF**: Group 6’s formal presentation of Module 6 is June 1<sup>st</sup>. |
| 6/1  | • Group 6 Formal Presentation  
      • US GAAP vs. IFRS presentations | • Prepare for final exam. |
| 6/8  | • **Final Exam: 6:00 p.m.** | |