



APPLIES TO ACADEMIC YEAR 2007/2008

GRA 6211 Financial accounting theory

Program

Master of Science in Business and Economics, Master of Science in Business and Economics (Business Law, Tax and Accounting), Specialization Course

Responsible for the course

Erlend Kvaal

Department

Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

6

Language of instruction

English

What is the relationship between accounting information and economic realities? This course provides insight into the fundamental functions of financial reporting and its theoretical basis.

Objective

The course aims to provide insights into the connections between the accounting information of enterprises and their surroundings. We will discuss how the accounts reflect the financial conditions of the enterprises that prepare them, and also study how accounting information from these enterprises affects the companies' environment. The course provides a background for understanding the contents of concrete accounting standards, to enable the students to apply and analyse accounting data correctly, and gain an insight into how accounting information is used by financial statement users (in particular investors) and what conclusions may be drawn as regards appropriate accounting regulations.

Prerequisites

A bachelor degree in business or eq.

Compulsory literature

Books:

Beaver, William H. 1998. Financial reporting : an accounting revolution. 3rd ed. Upper Saddle River, N.J. : Prentice Hall. Utvalgte kapitler

Scott, William R.. 2006. Financial accounting theory. 4th ed. Toronto: Prentice Hall.. Kap 1-6, 8, 11-13

Articles:

Healy, P. og J. Wahlen. 1999. A review of the earnings management literature and its implications for standard setting.. Accounting Horizons. December

Recommended literature

Course outline

- History of the accounting discipline
- Relationship with economic factors
- The financial statement as a source of information for the stock market
- Earnings management and other externalities in the accounting function

Computer-based tools

Blackboard

Course structure

36 hours of lectures, discussions and exercises.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book.

Evaluation

A 3-hour written examination.

Evaluation code(s)

GRA 62111 accounts for 100 % of the final grade in the course GRA 6211

Aids at the examination

Simple calculator.

Support materials at written examinations are explained under exam information in our web-based student handbook. Please note use of calculator. <http://www.bi.no/studenthandbook>

Makeup exam

A re-take is held in connection with the regular scheduled exam in the course. If the course evaluation consists of class participation or process elements, the whole course must be evaluated if a student wants to retake an exam.

Honor code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.