



APPLIES TO ACADEMIC YEAR 2013/2014

## GRA 6211 Financial Accounting Theory

### Programme

Master in Professional Accountancy, Master of Science in Business, Master of Science in Business (Business Law - Tax and Accounting), Specialization Course

### Responsible for the course

Erlend Kvaal

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

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.

### Learning outcome

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 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. The course also covers the history of accounting, the reasons for public regulation of financial reporting and international comparisons.

### Prerequisites

A bachelor degree qualifying for admission to the MSc in Business and Economics or Master of Professional Accountancy

### Compulsory reading

#### Books:

Scott, William R. 2012. Financial accounting theory. 6th ed. Pearson

#### Articles:

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

#### Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

+ Additional material distributed by the course responsible

### Recommended reading

#### Books:

Nobes, Christopher and Robert Parker. 2012. Comparative international accounting. 12th ed. Pearson. Ch. 2

#### Articles:

Christensen, John. 2010. Conceptual frameworks of accounting from an informational perspective. Accounting and Business Research. Vol 40 (3)

### Course outline

- History of the accounting discipline
- Relationship with economic factors
- Accounting models

- The financial statement as a source of information for the capital market
- Earnings management and other economic consequences
- Standard setting

### **Computer-based tools**

It's learning

### **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

A combination of lectures, discussions and exercises.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

### **Examination**

A 3-hour written examination.

### **Examination code(s)**

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

### **Examination support materials**

A bilingual dictionary and BI-approved exam calculator.

Exam aids at written examinations are explained under exam information in the student portal @bi. Please note use of calculator and dictionary in the section on examaids

### **Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

### **Additional information**

#### **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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.