



APPLIES TO ACADEMIC YEAR 2015/2016

## 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

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have specific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

### Compulsory reading

#### Books:

Scott, William R. 2012. Financial accounting theory. 7th 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:

Additional material distributed by the course responsible

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

### 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

Not applicable

### 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

Form of assessment	Weight	Group size
Written examination 3 hours	100%	Individual

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment.

### Examination code(s)

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

### Examination support materials

BI approved exam calculator

Bilingual dictionary

Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

### 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. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

### 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.