APPLIES TO ACADEMIC YEAR 2016/2017

GRA 6211 Financial Accounting Theory

Programme
Master in Accounting and Auditing, 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 Business Analytics

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 spesific 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. 2015. 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. 2016. Comparative international accounting. 13th 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
Term paper	30%	Group of max 3 students
Written examination 3 hours	70%	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. All parts of the assessment must be passed in order to get a grade in the course. Candidates may be called in for an oral hearing as a verification/control of written assignments.

Examination code(s)
GRA 62112 term paper accounts for 30 % of the final grade in the course GRA 6211
GRA 62113 3-hour written examination accounts for 70 % of the final grade in the course GRA 6211.
Both evaluations must be passed in order to get a grade in the course.

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
Honour code. Academic honesty and trust are important to all of us as individuals, and are values that are integral to BI's honour code system. Students are responsible for familiarising themselves with the honour code system, to which the faculty is deeply committed. Any violation of the honour code will be dealt with in accordance with BI's procedures for academic misconduct. Issues of academic integrity are taken seriously by everyone associated with the programmes at BI and are at the heart of the honour code. If you have any questions about your responsibilities under the honour code, please ask. The learning platform itslearning is used in the teaching of all courses at BI. All students are expected to make use of itslearning.