

**SAM HOUSTON STATE UNIVERSITY**  
**COLLEGE OF BUSINESS ADMINISTRATION**  
**Department of Accounting**  
**Course Syllabus – Fall, 2017**

**COURSE NUMBER:** Accounting 5315

**COURSE TITLE:** Seminar in Accounting Theory

**PREREQUISITES:** Admission to the MS in Accounting Program

**INSTRUCTOR:** Bill Brewer, PhD, CPA

**OFFICE:**  
SHB 305-D

**OFFICE HOURS:**

W 08:00 am - 09:30 am [Huntsville]  
12:30 pm - 01:00 pm [Huntsville]

W 04:30 pm - 06:00 pm [The Woodlands Center; Room 209]  
08:50 pm - 09:20 pm [The Woodlands Center; Room 209]

TR 10:00 am - 12:30 pm [Huntsville]  
02:00 pm - 03:00 pm [Huntsville]

and by appointment with instructor

**OFFICE TELEPHONE:**

Office phone: (936) 294-1830  
E-mail: [aac\\_cwb@shsu.edu](mailto:aac_cwb@shsu.edu) **[Preferred]**  
Facsimile: (936) 294-1982

**REQUIRED TEXT:**

None.

**SUPPLEMENTAL MATERIALS:**

None.

**COURSE DESCRIPTION:**

This course is a study of accounting theory, as well as a critical analysis of the history of the development of Generally Accepted Accounting Principles. Students will research the accounting literature, with the objective of critically evaluating the present status and future course of accounting thought. The course examines theoretical approaches to the solution of current problems in financial reporting.

## **COURSE OBJECTIVE:**

The primary objective of this course is to familiarize the student with financial accounting and reporting theory. Upon completion of this course, students will have learned to:

1. Distinguish accounting theory and accounting policy.
2. Understand the historical development of accounting and Generally Accepted Accounting Principles.
3. Understand the historical relationship of public accounting and GAAP.
4. Analyze the theoretical underpinnings of current financial reporting problems.
5. Understand, analyze, and evaluate the theoretical aspects of the Financial Accounting Standards Board's Conceptual Framework for Financial Reporting.

## **CLASS MEETINGS:**

Come to class prepared to discuss the topic assigned. The class will operate as a seminar with no lecture--only class discussion. Use of cell phones is prohibited during class time; in other words, do not look things up during class.

## **READINGS:**

Complete as much of the reading assignment listed for each class meeting as you have time for. Most of the readings are available online as "Handouts."

## **PAPERS:**

Two short papers are required and are due on the dates indicated. The first paper must not exceed 7 one-sided double-spaced pages in length (plus a list of references of works cited). The second paper can be a bit longer but should not exceed 12 one-sided double-spaced pages (plus a list of references of works cited). Block quotations should be single-spaced. Use in-text citations. Textual footnotes may be listed at the end rather than on each page.

Use 1" margins and Times New Roman 12-point type. Indent the first line of a new paragraph. Do use headings and subheadings (in bold type). Do not place paper in a binder or folder. Staple the paper in the upper left corner. Do not right justify. Do use a cover sheet.

## **WRITING REQUIREMENTS:**

1. First paper - Due September 27 (7 one-sided double-spaced page limit)  
Prepare a research report evaluating the article by John Willingham "The Accounting Entity - A Conceptual Model."
2. Second paper - Due November 15 (12 one-sided double-spaced page limit)  
The topic for this paper is accounting concepts and/or accounting theory. You may construct your own theory of accounting or partial theory of accounting, argue logically that no theory of accounting exists, criticize the FASB Conceptual Framework or parts of the Framework, or criticize some aspect of codified GAAP. The paper must include a measurement dimension.

### **General Requirements**

Select a topic and research it, think about the topic, and write a paper showing that you have.

Note: the topic for the first paper is given.

### **Suggested Format:**

- A. State purpose
- B. State assumptions, definitions, etc. (i.e., delimit the paper)
- C. State method (e.g., logic and library research)
- D. Present case
- E. State conclusions

**COURSE EVALUATION PROCESS:**

Approximately 33% for each paper and 33% for class participation.

Note that classroom behavior that disrupts or distracts (for example; talking to other students while someone else is discussing, or using cell phones during class) can negatively affect course grade, e.g., an "A" can become an "F."

Note that violation of academic honesty (e.g., plagiarism) can affect the course grade and will result in a course grade of "F." See "Academic Dishonesty" below.

**RELIGIOUS HOLY DAYS:**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed.

**STUDENTS WITH DISABILITIES POLICY:**

It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the university. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance should register with the Office of Services for Students with Disabilities located in the Lee Drain Annex (telephone 936-294-3512, TDD 936-294-3786, and e-mail [disability@shsu.edu](mailto:disability@shsu.edu)). They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired.

SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Services for Students with Disabilities and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Services for Students with Disabilities. For a complete listing of the university policy, see:

<http://www.shsu.edu/dept/academic-affairs/documents/aps/students/811006.pdf>

**ATTENDANCE POLICY:**

Regular and punctual attendance is expected of each student at Sam Houston State University. A record of class attendance will be maintained for each student. Attendance will be taken at the start of each class. Regular attendance will indicate the amount of interest and effort a student is willing to exert in learning.

**DROP DATE:**

September 8 [by 5pm?] is the last day to drop without a "Q" grade and receive a 100% refund.  
November 10 [by 5pm?] is the last day to drop a class with a "Q" grade.  
December 1 [by 5pm] is the last day to resign.

**UNIVERSITY POLICIES:**

You will find on-line a more detailed description of the University Student Syllabus Guidelines for at:  
<http://www.shsu.edu/syllabus/>

**ACADEMIC DISHONESTY:**

Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. In other words: No Cheating, which in this course equates to "no plagiarism." Business and Accounting Ethics are an extension of personal ethics. To develop strong business ethics, be personally responsible and ethical right now. Note that violation of academic honesty can affect the course grade and will result in a course grade of "F." See Student Syllabus Guidelines in University Policies above.

**CELL PHONES:**

There is a University Academic Policy in effect, APS 100728, which indicates that the visible presence of a cell phone or other such device during a test will (at the least) result in a zero for that test. Cell phones should not be in use during class for any reason. Phones should be off or silenced and stowed away. If there is an extenuating circumstance that requires you to be "on call" and in need of your phone during class (but not during an exam), please let the instructor know before class begins.

**TOPICS:**

Definition of Accounting  
Accounting Theory vs. Accounting Policy  
History of Profession and Education  
Evolution of GAAP  
Concept of Accounting Entity  
Basic Assumptions in Accounting  
Basic Classes of Accounts  
Bases of Income "Recognition" / Periodic "Income" Measurement / Criteria for Matching  
The Accounting Revolution  
Evaluation of the FASB Conceptual Framework  
Internal Control  
Current Issues in Accounting

**MAKEUP EXAMINATIONS:**

There are no exams, so there are no make-up exams.

**CALCULATORS:** Calculators are not required for this course.

**COURSE OUTLINE**  
**ACC 5315.01, 09:30 am - 12:20 pm, W, SHB R303**  
**Fall, 2017**

[Note: a "\*" indicates a reading you should read. Try and read at least one additional item on the list.]

**Aug 23**

**INTRODUCTION:**

Did someone with only a high school equivalency certificate really manage one of the largest public accounting firms in the world?

What major accounting event occurred between October 4, 1582 and October 15, 1582?

What was accounting's role in the market crash of 2008?

Just what was "the Accounting Revolution?" But was it instead a guerrilla insurgency?

Did accounting cause the Great Depression of the 1930s?

Why does the AICPA Journal of Accountancy never include articles on controversial accounting topics?

Why did GAAP evolve the way that it did?

And did double-entry accounting really give rise to Western civilization?

**ORIENTATION:**

**Journals and Abbreviations:**

Accounting Horizons [**AH**]

Journal of Accountancy [**JoA**]

Accounting Review [**AR**]

Journal of Accounting Research [**JAR**]

The Accounting Historians Journal

**PAPER #1:**

Willingham, "The Accounting Entity" Accounting Review [**AR**], July 1964, pp. 543-552.

Consumer Price Index 1913-2014

**Aug 30**

Open

**Sep 6**

**DEFINITION OF ACCOUNTING:**

What is the official definition of accounting?

Find your own references for this topic.

**ACCOUNTING THEORY vs. ACCOUNTING POLICY:**

\*Sterling, Journal of Accountancy [**J of A**], August 1976, pp 82-87.

\*Sterling, AR, July 1970, pp. 444-457.

\*Gerboth, J of A, May 1972, pp. 42-49.

Spiller, AR, Oct. 1964, pp. 850-859.

Krall, 2009, pp. 1-12.

\*Buckley, 1976.

Kuhn, 1970.

Voelker (only from "Thomas Kuhn: Revolution Against ..." to the end).

**Sep 13**

**HISTORY OF PROFESSION AND EDUCATION:**

\*Ohio State University, Accounting Hall of Fame, Leonard Spacek

\*Zeff, Accounting Horizons [**AH**], Sep. 2003.

\*Zeff, AH, Dec. 2003.

Edwards, AR, Jan, 1954, pp. 52-63.

Edwards, AR, Apr. 1955, pp. 240-261.

"Historical Dates in Accounting," AR, July 1954, pp. 486-493.

\*Black, IIAE, Aug. 2012, pp.601-625.

**Sep 20**

**EVOLUTION OF GAAP:**

\*Paton and Littleton, pp. v-ix

\*Zeff, The CPA Journal, Jan. 2005.

\*Zeff, The CPA Journal, Feb. 2005.

Horngren, J of A, May, 1972, pp. 37-41.  
 Byrne, J of A, Nov. 1937, pp. 364-379.  
 Grippio, The CPA Journal, Mar. 2004.  
 Beresford, AH, Congress and Business Combinations, 2001

Sep 27

**CONCEPT OF ACCOUNTING ENTITY: [Paper #1 Due]**

\*ARB #43, Ch. 7, Sections A and C  
 \*ARB #46  
 FASB Conceptual Framework: The Reporting Entity - Preliminary Views, 2008  
 FASB Conceptual Framework: The Reporting Entity - Exposure Draft, 2010  
 Burleson, AR, Jan. 1953, pp. 12-16.  
 Dein, AR, Jan. 1949, pp. 68-80.  
 Husband, AR, Oct. 1954, pp. 552-563.  
 Lorig, AR July 1964, pp.563-573.  
 \*May, J of A, Apr. 1957, pp. 33-36.  
 Powell, J of A, Mar. 1957, pp. 54-57.  
 \*Schrader, AR, Jan. 1958, pp. 72-73.  
 \*Willingham, AR, Jul. 1964, pp. 543-552.  
 AICPA, ARB #48, 1957.  
 AICPA, APB Opinion #16, 1970.  
 AICPA, APB Opinion #17

Oct 4

**BASIC ASSUMPTIONS IN ACCOUNTING:**

Fremgen, AR, Oct. 1968, pp. 649-656.  
 Husband, AR, Sep. 1938, pp. 241-253.  
 Littleton, AR, Jan. 1955, pp. 45-47.  
 \*Sterling, AR, Jul. 1968, pp. 481-502  
 Basic concepts/assumptions in any intermediate text (yours, if you haven't burned it or ripped out the pages or sold it back yet, and you shouldn't).  
 \*Littleton, Structure of Accounting Theory, Ch. 2.  
 \*Paton and Littleton, Ch. 2.  
 \*American Accounting Association [A.A.A.], Accounting and Reporting Standards-1957 Revision  
AR, Oct. 1957, pp. 536-46  
 A.A.A., A Statement of Basic Accounting Theory [ASOBAT]

Oct 11

**BASIC CLASSES OF ACCOUNTS:**

Bedford, AR, Jan. 1957, pp. 8-14.  
 \*Paton and Littleton, Ch. 3, 4.  
 Littleton, Structure, Ch. 3.  
 \*A.A.A., Accounting and Reporting Standards for Corporate Financial Statements - 1957 Revision,  
 reprinted in AR; October, 1957, pp. 536-46

Oct 18

**BASES OF INCOME "RECOGNITION":**

AICPA, ARB No. 45.  
 \*Horngren, AR, Apr. 1965, pp. 323-333.  
 \*Mobley, AR, Apr. 1966, pp. 292-296.  
 Gilman, Ch. 8  
 \*Paton and Littleton, Ch. 4 (REVIEW)  
 Other materials on installment and percent-of-completion methods.

**PERIODIC "INCOME" MEASUREMENT:**

Periodic "Income" Measurement:  
 \*Goldberg, AR, Jul. 1955, pp. 468-484  
 \*Storey, AR, Apr. 1959, pp. 232-238.  
 Storey, AR, Jul. 1960, pp. 449-454.  
 AICPA, ARB #43, Ch. 4. [I will post this]  
 AICPA, ARB #44. [I will post this]  
 AICPA, ARB #44 revised. [I will post this]

**CRITERIA FOR MATCHING:**

Gilman, Ch. 14

Littleton, Structure, Ch. 4.

\*Paton and Littleton, Ch. 5.

Beckett, AR, Jul. 1951, pp. 327-33

Blocker, AR, Jan. 1949, pp. 33-43.

Chow, AR, Dec. 1939, pp. 340-349.

Vatter, AR, Apr. 1945, pp. 163-76.

\*Winakor, AR, Dec. 1934, pp. 312-18.

Oct 25

**THE ACCOUNTING REVOLUTION:**

\*FASB, SFAC #1, 1978 [especially, pp. 16-22].

\*Beaver, J of A, Aug. 1973, pp. 49-56.

\*Beaver, Financial Reporting, Chap. 1.

Beaver, AR, Apr. 2002, pp. 453-474 [scan].

Ball and Brown, Journal of Accounting Research, Autumn 1968, pp. 159-178 [scan].

\*Staubus, The Accounting Historians Journal, June 2003, pp. 155-196

[but only read pp. 155-171].

Nov 1

**EVALUATION OF THE FASB CONCEPTUAL FRAMEWORK**

\*Johnson, "Understanding the Conceptual Framework," 2004.

\*Dichev, AH, Dec. 2008, pp. 453-470. [but only read pp. 453-458]

\*Sprouse, "Accounting for What-You-May-Call-Its," J of A, Oct. 1966, pp. 45-53.

Bullen and Crook, A New Conceptual Framework, 2005.

Bromwich, Macve, Sunder, Comments on FASB/IASB New Conceptual Framework, 2005.

[Note: Hicks was cited in Bullen & Crook above; this is a rejoinder]

O'Brien, Accounting Perspectives, 2009, pp. 263-275

Kothari and Lester, AH, 2012, pp. 335-351

\*FASB, SFAC 8 and 6

Nov 8

**INTERNAL CONTROL / MANAGEMENT CONTROL**

Maslow

McGregor

Carmichael

COSO

Anthony

Nov 15

**CURRENT ISSUES IN ACCOUNTING**

[Paper #2 Due]

\*Going Concern

\*Fair Value

\*Revenue Recognition (Realization?) [New FASB Rule]

\*What is a business? [Definition of a Business]

\*Liability vs. Equity

Nov 22

Thanksgiving Holiday

Nov 29

**COURSE WRAP-UP:**

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