

ACCOUNTING 5310
CONTEMPORARY ACCOUNTING ISSUES
COLLEGE OF BUSINESS ADMINISTRATION
UNIVERSITY OF TEXAS AT EL PASO
SPRING 2018

Instructor Contact Information

Instructor: Dr. David Folsom, Ph.D., Assistant Professor of Accounting
Office: 213 Business Administration Building (Main Campus)
Telephone: (915) 747-7759
Email (best): dmfolsom@utep.edu (Please note I do not check my email on Sundays.)
Office Hours: Wednesdays from 3:00 to 5:00 and Saturdays from 11:00 to 12:00 in room 520I at the UTEP Graduate Business Center. Also by appointment as needed.

Required Course Materials

Textbook: Scott, *Financial Accounting Theory* 7e, Pearson, 2015. ISBN 978-0-13-298466-9.

Website: Blackboard, course webpage.
Please check before every class for additional readings and assignments.

Calculator: Non-programmable financial calculator for final exam.

Course Description

We will study:

- Development of accounting theory.
- Controversial issues involved in the measurement and reporting of enterprise periodic income.
- Authoritative pronouncements.

Course Learning Objectives

After completing this course, you will:

- Understand the basic theoretical foundations of corporate financial reporting in a market economy.
- Be able to discuss theories on how accounting information is reflected in security pricing.
- Understand how information asymmetry affects financial reporting.
- Be able to explain basic theories underlying earnings management behavior.
- Gain increased understanding of how academic research informs accounting theory and standard setting.

Accommodations for Students with Disabilities

If you have or suspect a disability and need accommodations, you should contact Center for Accommodations and Support Services (CASS) at 747-5148 as soon as possible. You may also email the office at cass@utep.edu or visit the office in the Union Building East, Room 106. For additional information, please visit the CASS website at <http://sa.utep.edu/cass/>

Grades

Your final letter grade will be based on the following items (weighted as follows):

Final Exam:

Final Comprehensive Exam: Saturday, April 14th (in class) 250 points

Assignments:

Information Picture Sheet: Due on Friday, March 2nd 5 points
 Class Preparation Questions: 50 points
 Homework Assignments: 100 points
 Group Presentation: Wednesday, March 21st (in class) 20 points

In-Class Participation:

75 points

Total Possible Points

500 points

Grades are assigned using the following scale:

Grade Level	Achievement	Percentage of Points
A	Excellent	90.0 to 100.0%
B	Good	80.0 to 89.9%
C	Average	70.0 to 79.9%
D	Below Average but Passing	60.0 to 60.9%
F	Failure	< 60%

Please note that I reserve the right to relax these cut-off points depending upon class performance.

Final Exam (250 points)

If you have a legitimate excuse for missing the final exam, you must reschedule the exam with me **at least two weeks before** the exam. If you have an unforeseeable legitimate emergency (e.g. serious illness or death in your family), please notify me as soon as possible and be ready to provide documentation detailing your emergency (e.g. a doctor's note). Otherwise, a "0" and failing grade will be designated for the missed exam. For the exam, please bring a non-programable calculator (a financial calculator may be helpful) and your student ID card. The exam is closed book and closed note. You will be asked to leave all coats, backpacks, non-approved electronic devices (e.g. cell phones, tablets, smartwatches), etc. at the side or front of the examination room. Be prepared to change seats once all students have entered the examination room. Please note the final exam will be comprehensive.

Re-grading Exams: All questions regarding exam grading must be submitted **in writing** to me **within three days after the exam is graded.** Graded exams will be retained by me. You will have opportunity to examine your tests during office hours after the exam. Re-grading requests submitted after the deadline will not be honored **for any reason.**

Information Sheet (5 Points)

To help me get to know my students, you are required to submit a one-page pdf with a headshot picture and some basic information, along with your current resume. This assignment is to be turned in electronically on Blackboard. Additional information can be found on Blackboard.

Class Preparation Questions (50 points)

Before all class meetings (except the first class meeting), you will be asked to briefly answer some questions about the assigned readings for that class. We will be discussing these questions in class. You can also use this assignment to prepare questions regarding materials you don't understand (or want to investigate further) for me to cover in our class discussions. For Wednesday evening classes, these written answers are to be submitted by noon (12:00 pm) on the day of class (i.e., Wednesday at noon) on Blackboard. For Saturday afternoon classes, these write-ups are to be submitted by 6:30 am on Saturday morning. **Preparation questions answers should be completed individually.** You are encouraged to discuss the material with other students, but **you are not to work in a group when preparing your responses.** Each class preparation assignment will be worth five points. You will be graded as follows: five points – evidence of legitimate effort made to complete all assigned questions with reasonable answers and good writing; three points – not all questions are addressed or responses suggest inadequate effort and/or poor writing; or 0 points – not submitted on time or responses suggest little or no effort or response are obviously copied or similar to another student's responses. Your lowest preparation question score will be substituted with a perfect score (effectively dropping your lowest class preparation score). I recommend you bring your question answers to class as a reference during our discussions.

Homework Assignments (100 points)

Four homework assignments will be due at various times during the class and will be submitted via Blackboard. **Homework will be due before the associated class period without exception (including absence or Internet connection difficulties).** The assignments are used to assess your understanding of what we have covered in class. Homework must be done individually. You will be graded on the accuracy, reasonableness, correctness, and clarity of your answers. Each homework assignment will be worth twenty-five points. No make-up assignments will be offered for any reason.

Group Presentation (20 points)

One group presentation will be completed in class on Wednesday, March 21st. **Your group must submit pdf printouts of your slide deck (with notes) and the required written responses before class that day.** You will be graded on the quality of your analysis and the professionalism of your presentation. You must work in groups of three or four students of your own choosing. All members must also fill out and submit via Blackboard a group evaluation sheet. The group will complete a short in-class presentation to discuss their findings. All group members must participate in the presentation for full credit.

Class Participation (75 points)

You are expected to attend class and actively participate. Participation credit will be given based on the ***quality and quantity*** of your participation. Generally, the more you volunteer answers or ask questions, the higher your participation credit will be. For full credit, students should average ***three insightful*** comments or questions per class meeting. All students will begin the semester with 9 participation points. We will have 11 class meetings and students should average (at minimum) 33 noticeable comments or questions during the semester (worth about 2 points per comment). Participation should also be somewhat evenly spaced throughout the semester (rather than during just a few class meetings) for full credit. Two or three students who have exceptional in-class participation may also receive participation bonus points and receive a participation score greater than 75 points (up to 100 points).

Unexplained absences/tardiness will result in negative participation credit. If you cannot attend class for **any** reason, please communicate with me (e.g., email) the reason for your absence **before** class. If you are absent without proper communication, you will lose 12 participation points per absence. If you have three or more unexcused absences, you will receive an "F-grade" in the course. Even if you have a justifiable absence and have communicated with me these reasons, you cannot earn additional participation points for that class meeting as you are not in attendance. Unprofessional behavior (such as unapproved cell phone use, texting, inappropriate discussions, and/or tardiness) will also result in negative participation points. Please turn off cell phones during class to minimize disruptions.

Extra Credit

No extra credit (except for outstanding class participation described above) will be offered to any student, for any reason.

Plagiarism and Cheating

You are encouraged to discuss homework assignments with other classmates. However, copying work from any source, including classmates, homework files, the Internet, etc. is NOT acceptable. **Submitting material that has been copied constitutes plagiarism and will be treated as cheating.** All students are expected to complete their own work and to abide by the Handbook of Operating Procedures available in the Office of the Dean of Students. The final exam will be closed book and closed note and should reflect your individual efforts. **Any suspected cheating during exams or assignments will be reported to the Office of Student Conduct and Conflict Resolution.**

Course Calendar

A **tentative** course calendar with a class-by-class description of course activities can be found below. It includes the topics to be covered each class meeting, assignments, and all due dates. Be aware that I cannot predict the precise flow of the course and these dates may have to be adjusted slightly from time to time. Modifications to the schedule and changes in course requirements will be announced in class AND/OR through Blackboard. Please check Blackboard often to be abreast of these changes.

Date	What's Due?	Before-Class Readings	Topic(s)
Wed, 2/28		Textbook Chapter 1; Waymire & Basu (2008)	Course Overview; Objectives of Financial Reporting; History of Accounting
Sat., 3/3	<i>Reading Questions #1</i> <i>Information Sheet</i> **Due 3/2 by 10 pm**	Textbook Chapter 2; Gordon & Porter (2009) Folsom et al (2017)	Present Value Models
Wed., 3/7	<i>Reading Questions #2</i>	Textbook Chapter 3; FASB Conceptual Framework, Chapters 1 & 3 (2010)	Decision Usefulness
Sat., 3/10	Homework #1 <i>Reading Questions #3</i>	Textbook Chapter 4; Li (2010)	Decision Usefulness; Efficient Markets
Wed., 3/21	Group Presentation <i>Reading Questions #4</i>	Beaver (1973)	Efficient Markets
Sat., 3/24	<i>Reading Questions #5</i>	Textbook Chapter 5; Nichols & Wahlen (2004); Lev & Sougiannis (1996)	Value Relevance of Accounting Information
Wed., 3/28	Homework #2 <i>Reading Questions #6</i>	Textbook Chapter 6; Watts (2001 A); Watts (2001 B)	Measurement Approaches
Sat., 3/31	<i>Reading Questions #7</i>	Textbook Chapter 7; Kothari & Lester (2012)	Measurement Applications
Wed., 4/2	Homework #3 <i>Reading Questions #8</i>	Textbook Chapter 8; Dichev & Skinner (2002)	Efficient Contracting
Sat., 4/7	<i>Reading Questions #9</i>	Textbook Chapter 9; Warfield et al (1995)	Agency Theory
Wed., 4/11	Homework #4 <i>Reading Questions #10</i>	Textbook Chapter 11; Graham et al (2005)	Earnings Management
Sat., 4/14	FINAL EXAM	Zimmerman (2015)	