

**ACCOUNTING 5310**  
**CONTEMPORARY ACCOUNTING ISSUES**  
**COLLEGE OF BUSINESS ADMINISTRATION**  
**UNIVERSITY OF TEXAS AT EL PASO**  
**SPRING 2020**

**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](mailto:dmfolsom@utep.edu) (Please note I do not check my email on Sundays.)  
Office Hours: Tuesdays from 3:00 to 5:00 and Saturdays either before or after class. I will announce if Saturday office hours are before or after class during the preceding Tuesday class. Office hours will be held in room 520I at the UTEP Graduate Business Center. Office hours are also offered by appointment as needed on the main UTEP campus (email me for an alternate appointment).

**Required Course Materials**

Textbook: Scott & O'Brien, *Financial Accounting Theory* 8e, Pearson, 2020. ISBN 978-0-13-416668-1.

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 thought and financial reporting standard setting.
- Show increased proficiency in critical thinking skills.

**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](mailto: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 4<sup>th</sup> (in class) 400 points

**Assignments:**

Information Picture Sheet: Due on Friday, February 28<sup>th</sup> by 5:00 pm 10 points

Class Preparation Questions: 200 points

Homework Assignments: 300 points

**In-Class Participation:**

90 points

**Total Possible Points**

**1,000 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.

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**Final Exam (400 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 (10 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 (200 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 Tuesday evening classes, these written answers are to be submitted by noon (12:00 pm) on the day of class (i.e., Tuesday at noon) on Blackboard. For Saturday afternoon classes, these write-ups are to be submitted by 6:00 pm on the Friday before class. **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 twenty-five points. You will be graded on the following scale: twenty-five points – evidence of legitimate effort made to complete all assigned questions with reasonable answers and good writing; ten points – not all questions are addressed or responses suggest inadequate effort and/or poor writing; or zero 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 (300 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 seventy-five points. No make-up assignments will be offered for any reason.

**Class Participation (90 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. We will have ten class meetings and students should average (at minimum) 30 noticeable comments or questions during the semester (worth about three points per comment). Participation should also be somewhat evenly spaced throughout the semester (rather than during just a few class meetings) for full credit. The top ten percent of students who have exceptional in-class participation may also receive participation bonus points and receive a participation score greater than 90 points (up to 120 points for the best participating student).

Unexplained absences/tardiness will result in negative participation credit. If you cannot attend class for **any** reason, please communicate with me the reason for your absence **before** class. If you are absent without proper communication, you will lose 15 participation points per absence. Even if you have a justifiable absence and have communicated with me, you cannot earn additional participation points for that class period as you are not in attendance. Due to the accelerated schedule of this course, if you are absent for more than three class periods **for any reason (except university-approved absences)**, you will receive a failing grade (F).

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 before class begins to minimize disruptions. Electronic devices are allowed in class if used for class purposes (e.g., accessing course materials, taking notes, using Excel to solve in-class problems, etc.).

**Extra Credit**

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

**Course Timing**

To receive a grade in this course, students must complete all course requirements within the term of the course according to the outline and schedule given in the syllabus.

**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.**

**Campus Carry**

Because the Graduate Business Center is leased and not owned by UTEP, the Graduate Business Center is an exclusion zone for UTEP's campus carry policies. Therefore, no weapons are allowed at the Graduate Business Center facility at any time as per the lease agreement.

**Academic Standing Rules (from UTEP Graduate Catalog)**

Students admitted into graduate programs must remove all admissions conditions within one semester. Failure to meet conditions within one semester can result in dismissal from the Graduate School. Students admitted into a graduate program must maintain a 3.0 or better cumulative grade point average in all coursework including undergraduate courses approved for graduate credit.

A student admitted into a graduate program and whose cumulative grade point average drops below 3.0 will be placed on academic probation. The student must return the cumulative grade point average to a 3.0 by the next nine (9) hours of study. Failure to meet the 3.0 grade point average requirement during the probationary period will result in dismissal from the Graduate School.

**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.

<b>Date</b>	<b>What's Due?</b>	<b>Before-Class Readings</b>	<b>Topic(s)</b>
Tue, 2/25		Textbook Chapter 1  Waymire & Basu (2008) through Ch. 3 (pp. 1-18) & Table 1 (pp. 113-119)  Paton & Littleton (1940) through Ch. 2 (pp. 1-23)  FASB Conceptual Framework, Chapters 1 & 3 (2018)	Course Overview  History of Accounting  Concepts Underlying Accounting  Objectives of Financial Reporting
Sat., 2/29	<i>Reading Questions #1</i> <b>**Due 2/28 by 6 pm**</b>  <b>Information Sheet</b> <b>**Due 2/28 by 6 pm**</b>	Textbook Chapter 2  Paton & Littleton (1940) Ch. 3 – Ch. 6 (pp. 24-117)	Present Value Models
Tue., 3/3	<i>Reading Questions #2</i> <b>**Due by 12 pm**</b>	Textbook Chapter 3  FASB Exposure Draft Conceptual Framework, Chapter 7 (2016)  Gordon & Porter (2009)	Decision Usefulness
Sat., 3/7	<b>Homework #1</b>  <i>Reading Questions #3</i> <b>**Due 3/6 by 6 pm**</b>	Textbook Chapter 4  FASB Conceptual Framework, Chapter 8 (2018)  Li (2010), pp. 221-230	Efficient Markets
Tue., 3/10	<i>Reading Questions #4</i> <b>**Due by 12 pm**</b>	Textbook Chapter 5  Nichols & Wahlen (2004)  Beaver (1973)	Value Relevance of Accounting Information

<b>Date</b>	<b>What's Due?</b>	<b>Before-Class Readings</b>	<b>Topic(s)</b>
Sat., 3/14	<b>Homework #2</b>  <i>Reading Questions #5</i> <b>**Due 3/13 by 6 pm**</b>	Textbook Chapter 6  Watts (2003)	Measurement Approaches
Tue., 3/24	<i>Reading Questions #6</i> <b>**Due by 12 pm**</b>	Textbook Chapter 7  Kothari & Lester (2012)  Dichev & Skinner (2002)	Measurement Applications
Sat., 3/28	<b>Homework #3</b>  <i>Reading Questions #7</i> <b>**Due 3/27 by 6 pm**</b>	Textbook Chapter 8  Textbook Chapter 9  Eisenhart (1989)	Efficient Contracting & Agency Theory
Tue., 3/31	<b>Homework #4</b>  <i>Reading Questions #8</i> <b>**Due by 12 pm**</b>	Textbook Chapter 11  Graham et al (2005)	Earnings Management
Sat., 4/4	<b>FINAL EXAM</b>	Zimmerman (2015) (Will be assessed on final exam.)	