ACCTG 660 Seminar in Accounting Theory
Spring 2017

CONTACT INFORMATION
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Professor and William E. Cole Director
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Email: dfleming@mail.sdsu.edu

PREREQUISITE
ACCTG 620 Financial Measurement and Reporting

COURSE GOAL AND DESCRIPTION
This course (1) explores the institutional contexts in which accounting reporting takes place; (2) examines valuation practices for financial reporting, with an emphasis on building dynamic fair value models in Excel; and (3) reviews current FASB research projects in terms of their theoretical validity and practice implications, with a focus on evaluating the accounting treatments for complex financial reporting issues.

COURSE LEARNING OUTCOMES
The Master of Science in Accountancy degree learning outcomes (DLOs) indicate graduates will be able to:

DLO 1  Compare, contrast, interpret, or criticize accounting and business decisions and information using professional business communication.

DLO 2  Actively participate in team decision making.

DLO 3  Apply ethical judgment and professional standards in analyzing situations and formulating accounting and business decisions.

DLO 4  Use relevant research tools and academic/professional literature to analyze or take a position in accounting and business situations.

DLO 5  Address unstructured problems in the areas of accounting information systems, financial reporting, or taxation.

DLO 6  Identify and discuss the significance of diversity and cultural differences in the global business environment.

ACCTG 660 contributes to the MSA DLOs through the following learning outcome statements (LOS):

LOS 1  Explain characteristics of the institutional environments in which financial reporting exists [DLO 5]

LOS 2  Describe definitions of value and estimate a company’s value using the appropriate valuation model(s) [DLO 5]

LOS 3  Build dynamic valuation models in Excel for financial reporting and analysis [DLO 5]

LOS 4  Use relevant research tools to evaluate professional accounting standards to determine the appropriate accounting treatment for complex financial reporting issues [DLOs 4 and 5]

LOS 5  Evaluate the significance of emerging financial accounting standards and issues [DLOs 1, 4 and 5]

LOS 6  Communicate the results of professional accounting research and valuation analyses [DLO 1]
COURSE MATERIALS

Required materials
- FASB Accounting Standards Codification (see Blackboard for access; no cost)
- Harvard Business School Citation Guide (no cost)
- Laptop (with MS Excel) and a financial calculator (recommend HP 12c)

Optional Resources
The following is a set of high quality publications that address topics in this course:
- MS Excel video tutorial for accountants.

HOW TO MAKE THIS COURSE A SUCCESS

The following are recommendations for making this class a success (for all of us):
- **Preparation.** Read the assigned articles and cases; but equally important, spend time *thinking* about what you read, formulating questions, challenging assumptions, considering alternative viewpoints, and developing recommendations.
- **Participation.** You must be present to share your unique insights about the topic and help develop the intellectual content of the course. Ask questions about things that don’t make sense to you. Share your related experiences. Do not be overly concerned with whether you have the “correct” answers or “great” questions. You and your classmates will often learn more from thoughtful questions and responses that are related to the discussions as we work together to sharpen your understanding.
- **Enthusiasm.** Analysis and decision making are essential to professional accounting practice. The more you invest in this course, the more you will get out of this course and position yourself for success in business.

You are encouraged to seek help from a friend or visit me during my scheduled office hours if you have any questions about the course material. Meetings during my office hours will be much more productive if you come well prepared. Whenever possible, try to write out your questions and, preferably, map them into the learning outcomes for the course. Most importantly, ask questions until you understand the material.

CONDUCT

Professional conduct in this course is built upon the following elements of professional decorum:
- **Attending the class.** Each class benefits from the attendance and participation of all students. You are responsible for all material covered and announcements made during classes missed. Late arrivals are disruptive and show disrespect to those who are on time.
- **Minimizing disruptions.** Cell phones should be turned off during class. You should not leave and re-enter the class and avoid engaging in side conversations during class. NO eating in class.
- **Focusing on the class.** While you may take notes on laptops, do not use laptop computers or hand-held devices for other tasks while in class. Activities such as Internet surfing, updating Facebook, and answering email are very impolite and disruptive.
- **Respect.** Act respectfully toward all class participants. This means giving people time to explain their thoughts and arguments, encouraging others to participate in class, and being professional when hearing or responding to a comment you do not agree with.
GRADING AND ASSESSMENT OF LEARNING OUTCOMES
You earn points toward your grade in this class based on your performance. Keep track of your ongoing performance and please come and see me if you have any questions or concerns. Although letter grades maybe important to some of you in the short-run, the true measure of success in this course is what you learn that you can apply to your future as accounting professionals. Thus, I encourage you to invest in yourself, work hard, and do the best you can on all components of the course. Table 1 presents the course grade components and associated weights:

<table>
<thead>
<tr>
<th>Grade component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Contributions</td>
<td>15%</td>
</tr>
<tr>
<td>Cases and Assignments</td>
<td>30%</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>25%</td>
</tr>
<tr>
<td>Final Paper and Presentation</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Standard letter grades (including pluses/minuses) will be assigned. I do not intend to curve grades in this course. There will be NO make-up assignments. You must attend class to turn in assignments, unless you have a legitimate reason (discussed in advance) supported by valid documentation.

**Class Contributions.** Your contribution to class discussions is an invaluable part of your learning experience, and the experiences of the other students in the class. Contributions are evaluated based on willingness, courage, ability to learn and respond to others, and letting others build off what you have said. Contributions are evaluated using the Class Contribution Rubric.

**Cases and Assignments.** Assignments and cases are opportunities for you to analyze readings and cases as well as develop Excel models. These assignments also prepare you for class discussion. The assignments are provided in the class session maps in this syllabus, with additional information provided in class. The guidelines for the assignments are provided in Appendix A (Reading Summaries) and B (Technical Memos).

**Mid-term Exam.** The exam is given in class and is closed-note and closed-book. The format of the exam will include short answer/essay questions and problem sets. See the Class Schedule for the specific exam date (make sure you do not schedule other events at this time).

**Final Paper and Presentation.** You will write a comment letter to a standards setter (e.g., FASB, PCAOB, SEC) or a white paper on an accounting issue of your choice. The purpose of this assignment is to theoretically examine an accounting standards setting issue and persuasively argue your opinion on the issue. The assignment will give you the opportunity to conduct research and communicate the findings for an accounting issue you are passionate about. You will also make a professional quality presentation of your paper for the class. The details for this assignment are provided in Appendix C.

**Grade Disputes.** Any grade disputes must be brought to my attention (via e-mail) within one week of the grade being posted on Blackboard. If the dispute is a clerical error, points will be summarily awarded. If the dispute is based on what you feel is unfair point deductions, I reserve the right to re-score the entire assignment (including the disputed problem).

**Writing help.** The [SDSU Writing Center](#) is an on-campus, free resource to help improve your writing skills.
ACADEMIC HONESTY
The SDSU Standards for Student Conduct states that unacceptable student behavior includes cheating, plagiarism, or other forms of academic dishonesty that are intended to gain unfair academic advantage. Unprofessional conduct adversely affects your fellow students, the accounting faculty, the Charles W. Lamden School of Accountancy, SDSU, and the accounting profession. The Charles W. Lamden School of Accountancy takes academic honesty very seriously and vigorously enforces university policy related to any such infractions. Any student suspected of academic dishonesty will be reported to the SDSU Center for Student Rights and Responsibilities; if found responsible, the student will receive an F in ACCTG 660.

The following examples illustrate how the SDSU Standards for Student Conduct applies to this course:

- Exams are individual work only. No collaboration of any kind is allowed.
- Collaboration is permissible and encouraged on any group assignments. However, the final write-up of cases or other assignments should be exclusively your own (as required). For example, after discussing a case with your in-class group, you should form your own opinion and submit your own analysis.
- All course materials are for your use only. It is a violation of the student conduct policy to share these materials with other class members or others outside the class, especially future ACCTG 660 students.
- If at any time you are unclear about the any aspect of your responsibilities pertaining to the student conduct policy, please contact me rather than make assumptions.

If you have questions on what is plagiarism, please consult the policy and this helpful guide from the Library.

MEDIA AND TECHNOLOGY
Class materials will be posted on the Blackboard course site. Work for this class requires the use of MS Excel, MS Word, Adobe Acrobat, and Internet (e.g., Google) software applications. Also, you must have your own email account and check it on a regular basis. Make sure that you have the correct email address listed in Blackboard. All emails will be sent to the address listed in Blackboard.

Students agree that by taking this course all required assignments may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. You may submit your papers in such a way that no identifying information about you is included. Another option is that you may request, in writing, that your papers not be submitted to Turnitin.com. However, if you choose this option you will be required to provide documentation to substantiate that the papers are your original work and do not include any plagiarized material.

SPECIAL CIRCUMSTANCES
If you are a student with a disability and believe you will need accommodations for this class, it is your responsibility to contact Student Disability Services. To avoid any delay in the receipt of your accommodations, you should contact Student Disability Services as soon as possible. Please note that accommodations are not retroactive, and that I cannot provide accommodations based upon disability until I have received an accommodation letter from Student Disability Services. Your cooperation is appreciated. In addition, please feel free to meet with me during office hours or by appointment to discuss any issues or concerns you may have regarding the class.
## CLASS SCHEDULE

The Session Maps provide the complete set of information and requirements for each class session. Table 2 presents a summary of the course schedule and session topics listed by date:

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Session</th>
<th>Reading</th>
<th>Deliverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-Jan</td>
<td>Session 1: Regulation and standards setting</td>
<td>None</td>
<td>Resume</td>
</tr>
<tr>
<td>30-Jan</td>
<td>Session 2: Market efficiency and fair value accounting</td>
<td>Pozen 2009; Ramanna 2013</td>
<td>Reading Summary</td>
</tr>
<tr>
<td>6-Feb</td>
<td>Session 3: Valuation framework and return concepts</td>
<td>Chs. 1 – 2 (Pinto et al.)</td>
<td>Reading Summary</td>
</tr>
<tr>
<td>13-Feb</td>
<td>Session 4: Industry and company analysis</td>
<td>Chs. 3 – 4 (Pinto et al.)</td>
<td>Excel case</td>
</tr>
<tr>
<td>20-Feb</td>
<td>Session 5: Free cash flow valuation</td>
<td>Ch. 6 (Pinto et al.)</td>
<td>Excel case</td>
</tr>
<tr>
<td>27-Feb</td>
<td>Session 6: Residual income valuation</td>
<td>Ch. 8 (Pinto et al.)</td>
<td>Excel case</td>
</tr>
<tr>
<td>6-Mar</td>
<td>Session 7: Private company valuation</td>
<td>Ch. 9 (Pinto et al.)</td>
<td>Reading Summary</td>
</tr>
<tr>
<td>13-Mar</td>
<td>Session 8: FVA disclosure and auditing</td>
<td>AU 328; PwC 2015</td>
<td>Memo DTC 13-04</td>
</tr>
<tr>
<td>20-Mar</td>
<td>Session 9: Valuation Exam</td>
<td>Review all materials</td>
<td>Exam</td>
</tr>
<tr>
<td>27-Mar</td>
<td><em><strong>SPRING BREAK</strong></em></td>
<td></td>
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<tr>
<td>3-Apr</td>
<td>Session 10: ACS 842 Lease accounting</td>
<td>PwC 2016</td>
<td>Memo DTC 15-11</td>
</tr>
<tr>
<td>10-Apr</td>
<td>Session 11: ASC 606 Revenue Recognition</td>
<td>EY FRD 2016</td>
<td>Project Proposal</td>
</tr>
<tr>
<td>17-Apr</td>
<td>Session 12: ASC 718 Share-based payment</td>
<td>EY 2016</td>
<td>Memo DTC 13-05</td>
</tr>
<tr>
<td>24-Apr</td>
<td>Session 13: Comment letter research</td>
<td>Individual research</td>
<td>None</td>
</tr>
<tr>
<td>1-May</td>
<td>Session 14: Comment paper presentations</td>
<td>None</td>
<td>Presentations</td>
</tr>
<tr>
<td>8-May</td>
<td>Session 15: Comment paper presentations</td>
<td>None</td>
<td>Presentations</td>
</tr>
</tbody>
</table>

All deliverables are due by the start of class on the date listed in the schedule.

Changes to the course schedule or content may be made any time. If you are not in class when changes to the course or schedule are announced, you are still responsible for complying with the changes. You are expected to check your email and/or the Blackboard site for any changes.