

Research in Accounting  
ACCT 7110 / ACCT 7116  
Summer 2016

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### Course Objectives

The accounting profession has changed from an emphasis on financial record keeping, tax preparation and compliance, and auditing to an emphasis on the accountant having the ability to critically analyze information to solve organizational problems. The reasons for this change in emphasis are twofold. First, there has been a "knowledge explosion" with regard to the number and complexity of accounting standards. Professional accountants are no longer capable of knowing all that they need to know, even within a relatively limited area of accounting. Expertise in accounting now requires a general understanding of an area combined with the capability to conduct applied professional research. Second, information can now be disseminated faster and more easily than ever before. While this provides great benefits, there is also a major drawback. As stated by a colleague, "the amount of unreliable and useless information is growing at the cube of the amount of relevant and reliable information". Therefore, it is critical that the professional accountant has the skills and tools to organize, edit and critically evaluate information. Applied professional research is an essential skill for the practicing accounting professional.

The objectives of ACCT 7110 (7116), Research in Accounting, are to:

- promote your ability to analyze and solve complex accounting issues,
- enhance your ability to communicate your findings, and
- develop an understanding of current issues of interest to the profession.

In addition to meeting your professional needs, the course should develop a wide range of skills, including:

- technical competence (increased knowledge of both accounting theory and the specific area(s) investigated, increased familiarity with varied uses of technology)
- critical thinking and analysis skills (problem identification, development and evaluation of alternative solutions, analysis/evaluation of the information obtained),
- written and oral communication skills, and
- teamwork.

Upon completion of this course, you should have made a major step in "learning how to learn". Armed with these skills and the realization that being able to find and evaluate information is often more important than possessing factual knowledge, you will be better prepared to enter and excel in the professional world.

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## Course Materials

- Access to the Accounting Standards Codification at <http://aaahq.org/ascLogin.cfm> (access is free and login information will be provided on Canvas)

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## Class Organization and Assignments

Class time will be divided between lecture/discussion and case presentations. Early in the semester, we will lay the foundations upon which your research will be based. These class sessions will be lecture/discussion format and present the research skills and tools that you will need later in the class. During this time, you will be expected to read and complete all assigned materials so that you will be prepared to discuss issues during the class period.

Following these initial classes, we will begin the research portion of the course with numerous case assignments due. These case assignments are described in more detail later in the syllabus. On the due date of the case assignments, there will be extensive class discussion of the issues in the case. You are expected to come to class prepared to participate in the class discussion.

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## Academic Honesty

You are expected to be familiar with both the University's policy on academic dishonesty ([Academic Honesty Code](#)) as well as the School of Accountancy Academic Honesty Policy (on Canvas). Because of the nature of the accounting profession, I take academic honesty very seriously. Any student who engages in any form of academic dishonesty is subject to the maximum allowed disciplinary action.

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## General Points

- Drop policies dictated by the [Auburn University Bulletin](#) and the [Student Policy eHandbook](#) will be strictly followed.
- Any student, who, because of a disabling condition, may require some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

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## Course Requirements and Grades

- Your class grade will be based on a 10-percentage point scale (e.g., 90% and above = "A"; 80 % to 89 % = "B"; etc.). The weights given to the various assignments are as follows:

	<u>Points</u>
Individual Research Case Assignments (3 Cases @ 100 points each)	300
Class Participation	45
Final Exam	<u>30</u>
Total	375

- Assignments are due on the date specified in the Schedule of Assignments - no extensions will be granted. If you are unable to be in class on the date the assignment is due, you need to make arrangements to have the assignment delivered to me **prior** to the class meeting.

### • Description of Assignments:

- 1) *Individual Research Case Assignments*: Topical areas address various aspects of financial accounting and reporting. Often, these cases have multiple alternative solutions. You will be required to
  - consult appropriate reference material,
  - analyze existing standards/authority,
  - draw inferences from this analysis,
  - logically reason a solution, and
  - effectively communicate the results of your research efforts.

The major objective is obtaining a defensible solution; therefore, grading emphasis will be placed on the research process - seeking appropriate and adequate authoritative literature and clearly articulating the link between this literature and your solution. The deliverable for each assignment is a **typed** solution that is a **maximum of 4 pages**. Please note that the page limit is a maximum – less than 4 pages is certainly acceptable and often desired. These assignments (listed under Case Assignments in the Schedule of Assignments) are **individual assignments** and discussion of or assistance with any aspect of your research method/solution with individuals (students or nonstudents) will be considered a violation of academic honesty.

- 2) *Class Participation*: Your input is crucial to the success of this course. This class works best when you have read the assigned materials, completed any assignments and are prepared to actively participate in class discussions. We will spend a considerable amount of class time in such discussions; therefore, doing well in this class will require that you express and defend your thoughts, opinions, and/or positions as well as respectfully challenge the positions of others. One component of your participation grade will be my evaluation of your classroom comments, which will be based on two criteria:

- The quantity of your participation; and
- The quality of your in-class contributions (relevance of your questions and insight offered into the questions of others).

Note that, included in your participation grade, is discussion of selected cases (listed under Class Assignments on the Schedule of Assignments). These are similar to the Individual Research Case Assignments in content; however, no deliverable is required. You should **be prepared to discuss these cases** in class.

- 2) *Exam*: The exam will consist of both a research case and discussion questions designed to integrate the various topics discussed during the course.

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### **Disclaimer**

The instructor reserves the right to change deadlines, the course schedule, and classroom procedures and policies if circumstances dictate. Any changes will be announced in class.

Day	Date	Topic	Class Assignments	Case Assignments
H	May 19	Introduction to Financial	Panopto Video on Canvas	
F	May 20	Accounting Research		
M	May 23	Critical Thinking and the Research Process	Reading #1 and #2	
T	May 24	Research Tools – Part 1	Case 04-4: Three Little Pigs	
W	May 25	Research Tools – Part 2		
H	May 26	In-Class Demo Case	Case 12-3: Provisions & Contingencies	
F	May 27	Demo Case Presentation		
M	May 30	Memorial Day Holiday – No Class		
T	May 31	Environment of Accounting Research – US GAAP	Readings #3 and #4	
W	June 1	Environment of Accounting Research - IFRS		
H	June 2	Case Presentation		Case 11-6 Lessee, LTD
F	June 3	Case Discussion	Case 15-11: Deal for a Dozer	
M	June 6	Case Discussion	HBS: Microsoft's Financial Reporting Strategy	
T	June 7	Case Discussion	Case 13-1: Refer-a-Friend	
W	June 8	Case Discussion	HBS: Accounting for the iPhone at Apple	
H	June 9	Case Presentation		Case 14-3: Coconut Telegraph
F	June 10	Case Discussion	Case 14-6: Making Connections	
M	June 13	Usefulness of Accounting Information	Reading #5	
T	June 14	Case Work Day		
W	June 15	Case Presentation		Case 15-5: Trouble at the Resort
H	June 16	Case Discussion	Case 14-7: eVade Pays Up	
F	June 17	Case Discussion	Case 15-9: Settled or Not Settled	
M	June 20	Case Discussion	Case 11-2a: Fair Value Hierarchy	
T	June 21	Final Exam – case work		Case 10-4 Lack of Information
W	June 22	Final Exam – Discussion		

- Readings 1 – 5 refer to the reading list (next page).
- All cases will be made available on Canvas except for the Microsoft and iPhone cases marked as “HBS” which can be obtained at <http://cb.hbsp.harvard.edu/cbmp/access/49768255>

## Reading List

1. Hines, Ruth D. "Financial Accounting: In Communicating Reality, We Construct Reality" *Accounting, Organizations and Society* (1988): 251-261.
2. "Making Good Accounting and Reporting Judgments - A Process." Standards Reporting Group of the Big 6 Global Networks. Available on Financial Executives International Website.
3. Zeff, Stephen A. "How the U.S. Accounting Profession Got Where It is Today: Part I" *Accounting Horizons* (September 2003): 189-205.
4. Zeff, Stephen A. "How the U.S. Accounting Profession Got Where It Is Today: Part II" *Accounting Horizons* (December 2003): 267-286.
5. Dechow, Patricia M., Richard Sloan, and Jenny Zha. "Stock Prices and Earnings: A History of Research" *Annual Review of Financial Economics* (December 2014): 343-363.

Articles are available to you on Canvas. They may also be retrieved from the AU Library (please print out the .pdf version when available) or from the internet.