ACCOUNTING 554
Advanced Accounting Theory – Fall 2010

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Materials:

1. Readings as assigned on class schedule (available on blackboard)

Students with Disabilities:

Disabilities: If you have a disability that interferes with your performance as a student in this class, you are encouraged for academic reasons to discuss this on a confidential basis with your instructor, in order to provide reasonable accommodations. In addition, you may wish to contact the Services for Students with Disabilities (SSD) office located at Garcia Annex to register. If you have already registered, please make sure your instructor receives a copy of the accommodation memorandum from SSD within the first two weeks of class. It will be your responsibility to inform the instructor and the SSD representative (in a timely manner) if the services/accommodations provided are not meeting your needs.

Prerequisite: ACCT 302 or consent of instructor

Course Objectives:

1. Demonstrate expanded perspective on the conceptual nature of accounting information and how it relates to the business environment.
2. Be able to discuss current events in accounting in a professional manner, enlightened by study of relevant accounting research.
3. Practice oral and written communication skills in the context of inquiry and debate regarding accounting issues.

Grading:

Exam I ................................................................. 100 points
Daily article summaries .............................................. 26
Article summary, oral presentation, and case study , 20 points each ...... 60
Exam II (comprehensive) ........................................... 100
Total possible ........................................................... 286

A: 90% - 100%; B: 80% - 89%; C: 70% - 79%; D: 60% - 69%; F: 0% -59%

If you are taking the course S/U, you will need a grade of "B" or better to receive an "S." A grade of incomplete (I) will be given only as provided in the NMSU Graduate Catalog.

Daily article summaries: For each article in the class schedule listed with a “*”, students are to prepare a one-quarter page summary that describes the research question and the conclusions of the article. Students are not required to prepare this summary for the article which they present.
Article Summary: Choose an article about financial reporting to shareholders from the list of journals announced in class. The article must be published after 1999. To encourage discussion and "cooperative learning," you will be part of a group of two or three students for this assignment. Before starting the work below, obtain instructor approval of your article.

As a group, prepare one written summary (five double-spaced pages) of the main points of the article. Be sure to include the following: (1) the question the article is trying to answer, (2) why this question is important and/or interesting, (3) the answer the article gives to the question, and (4) why further research on this question is needed.

To do a good job, you will probably need to review some earlier publications cited in your article. This will be a good opportunity to improve your knowledge of the accounting literature. Any such references you use should appear in a reference list at the end of your written summary and should be cited in the text of your summary. For these references and in-text citations, use the exact format used by the journal in which your article appears. Also, don't forget to state the title and author(s) of your article.

In your summary, avoid lengthy quotations from the article. The idea is to show that you understand the key points, so use your own words as much as possible. Do not make statements in your written summary that you do not understand. Repetition of equations and formulas used in the article is usually unnecessary to convey the main ideas. (If you have taken mathematical economics and/or econometrics, you will have a better grasp of the math.)

Oral Presentation: Each Group will present one of the articles listed in the syllabus. The articles will be assigned to the groups in class. Each person must present. Although everyone in your group will receive the same grade for the written report (as well as for the Deloitte case write-up), each person will be graded individually on the oral report. In addition to its content, a good oral report is characterized by (1) clarity of presentation, (2) eye contact with the audience, (3) ability to hold audience attention, (4) ability to convey and discuss the main ideas without reading from a script, and (5) evidence you have enabled the audience to understand the presentation. Each group's report should take about 45 minutes. Tip: You may use notes, but glance at them and look up at the audience before speaking--try not to let any words come out of your mouth when your head is down. You're doing this for only a total of a few minutes for the whole semester, so take time to practice. Imagine yourself in the place of the audience and think what would make it interesting to you.

Case Study: Your article summary group will also be completing a case from the Deloitte Trueblood Case Series posted in Blackboard.
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<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Reading Assignments</th>
</tr>
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<tbody>
<tr>
<td>08/25/10</td>
<td>Introduction; Accounting history; Organize groups</td>
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| 08/25/10   | FASB and IASB conceptual frameworks for accounting theory and practice | 1. SFAC 1 and 2  
2. IASB/FASB Conceptual Framework Project  
3. Hatfield                                                                         |
| 09/01/10   | Conceptual frameworks (cont'd)                                          | 1. SFAC 5 and 6  
2. Beaver and Demski                                                                  |
| 09/08/10   | Revenue Recognition                                                     | 1. IAS 18  
2. Revenue Recognition Exposure Draft                                                 |
| 09/22/10   | Normative accounting models                                             | 1. AAA Financial Accounting Standards Committee, "Evaluating Concepts-Based vs. Rules-Based Approaches to Standard Setting  
2. Demski                                                                            |
| 09/29/10   | Decision usefulness; Efficient Market Hypothesis                        | 1. Handouts  
2. Lee                                                                               |
| 10/06/10   | **Exam I**                                                             |                                                                                     |
| 10/13/10   | Information Approach to Decision Usefulness                            | 1. Ball and Brown*  
2. Melendrez, Schwartz, and Trombley*                                                 |
| 10/20/10   | Information Approach to Decision Usefulness;                            | 1. Landsman and Maydew*  
2. Lev and Zarowin*                                                                    |
| 10/27/10   | Measurement Approach to Decision Usefulness; EMH                        | 1. Bernard and Thomas*  
2. Sloan*                                                                             |
| 11/03/10   | Accrual anomaly                                                        | 1. Ali, Hwang, and Trombley*  
2. Xie*                                                                               |
| 11/10/10   | Economic consequences; Positive accounting theory                      | 1. Zeff  
2. Dichev and Skinner*  
3. Jones*                                                                            |
| 11/17/10   | Economic Consequences; Earnings Management                             | 1. Burgstahler and Eames*  
2. Dechow, Sloan, and Sweeney*                                                        |
| 12/01/10   | Economic Consequences; Earnings Management                             | 1. McNichols and Wilson*  
2. Tucker and Zarowin*                                                                 |
| 12/08/10   | **Exam II**                                                            |                                                                                     |