Faculty of Economics and Administrative Sciences
Department of Accountancy

Course Title:	**Accounting Theory 1802021442**
Instructor:	**Dr. Fadi Shiyyab**
E-mail:	**Fadi_shiyyab@hu.edu.jo**
Term:	**2nd Term 2018/2019**

Course Description:

The course provides students with the theoretical background they need to keep up with convergence issues and succeed in today's increasingly global economy. This course explores some of the theoretical issues that underlie the discipline of financial accounting and some of the practical consequences of these issues. Specifically, Historical development of accounting theory and Criteria for choices among income-determination and asset-valuation rules in context of public reporting.

Main Objectives:

The course draws on related fields of study, particularly economics and finance, to examine the efficient markets hypothesis and its implications for financial reporting. Applications of the present value model in accounting, agency theory and its implications for financial reporting, the accounting standard-setting process, and the economic consequences of accounting decisions are also discussed. The major objective of this course is to present a review and analysis of the theoretical foundations of corporate financial reporting.

On successful completion of this course students will be able to:

- Understand the place of accounting as an academic discipline within the social sciences.
- Understand the development of accounting thought from its origins to current practice, including contemporary financial accounting research.
- Use authoritative literature of accounting as a tool in making accounting policy decisions.
- Evaluate accounting policy alternatives with respect to the Conceptual Framework of the FASB, other accounting paradigms, and the point of view of the various accounting constituencies.
- Apply knowledge of accounting techniques, concepts, principles and theories to solve financial reporting problems.
- Apply a structured decision model to exercise judgement in the application of accounting standards.
- Work in teams to design and undertake a research project.

Required Text Book:

Schroeder, R., Clark, M. and Cathey, J. (2014), Financial Accounting Theory and Analysis: Text and Cases, 11th Edition. It is available at the book companion website: www.wiley.com/college/schroeder.

Grading information:

Student's grade in this course is based on the following:

Instrument Criteria	Assessment
First Exam	**25%**
Second Exam	**25%**
Class participation and attendance	**10% ***
Final Exam:	**40%**
TOTAL	**100%**

Course Outline:

CHAPTER 1: The Development of Accounting Theory

- The Early History of Accounting
- Accounting in the United States since 1930
- The Role of Ethics in Accounting
- International Accounting Standards

CHAPTER 3: International Accounting

- International Business Accounting Issues
- The Development of Accounting Systems
- The Effects of International versus U.S. GAAP Accounting Standards
- Standards Overload
- Framework for the Preparation and Presentation of Financial Statements

CHAPTER 4: Research Methodology and Theories on the Uses of Accounting Information

- Research Methodology
- The Outcomes of Providing Accounting Information
- The Relationship among Research, Education, and Practice

CHAPTER 5: Income Concepts

- The Nature of Income
- Income Recognition
- Earnings Quality, Earnings Management, and Fraudulent Financial Reporting

CHAPTER 8: Working Capital

- Development of the Working Capital Concept
- Current Usage
- Components of Working Capital
- Financial Analysis of a Company's Working Capital Position
- International Accounting Standards

CHAPTER 17: Financial Reporting Disclosure Requirement and Ethical Responsibilities

- Recognition and Measurement Criteria
- Other Means of Financial Reporting
- Other Useful Information for Investment, Credit, and Similar Decisions
- Ethical Responsibilities
- International Accounting Standards