

Accounting Theory
ACG 6136, fall 2022
Fisher School of Accounting
Warrington College of Business
University of Florida

Class Schedule: August 22 – October 7, Gerson 228.

Section 10060: M/W 11:45 – 1:40 am (Periods 5 & 6)

Section 24355: M/W 1:55 – 3:50 pm (Periods 7 & 8)

Website: <https://elearning.ufl.edu/>

Instructor: Jennifer Wu Tucker, Ph.D., CPA

Office: 310 Gerson Hall

Office Hours: 5 - 6 pm virtual on Mondays and Wednesdays.

In-person office hours are available by appointment.

E-mail: jenny.tucker@warrington.ufl.edu (preferred)

Office Phone: (352) 273-0214

Delivery format:

This class will be held face-to-face only. All students are expected to attend class in person.

Covid-related policy and practices:

- Masks are recommended.
- Practice physical distancing to the extent possible.
- If you are not “Cleared for Campus,” you are not allowed to come to class.
- There will be little or no dissemination of printed materials.

Codification log-in: <http://aaahq.org/ascLogin.cfm> Username – AAA52616

Before 9/7/2022: Password – X7p5GNu. After 9/6/2022: Password –TBA

Required Readings: Downloadable on the course website.

Teaching Philosophy:

“Show me and I forget. Teach me and I remember. Involve me and I learn.” – Benjamin Franklin.

Prerequisites:

Students must have satisfactorily completed ACG 4111, ACG4341, and ACG4632.

Description:

A theoretical inquiry of the roles of accounting and what constitutes useful accounting information.

Objectives:

This course discusses accounting theories and explains the foundations of financial accounting, reporting, and disclosure. The course differs from other accounting courses in (i) its subject matter: about accounting as a discipline, not a training manual and (ii) its approach: focusing on “why” instead of “what” and “how.” The course adds a theoretical perspective to the technical training that students have received in previous accounting courses.

Many issues discussed in the course do not have a single, correct answer. The emphasis is on understanding why financial information is valuable and how it is used rather than on the procedures surrounding the application of accounting rules. This course moves away from memorization and application of rules toward critical thinking and synthesis. The course helps you understand and question the underlying concepts of accounting and become a thoughtful preparer and user of accounting information.

Structure:

The class is interactive and requires your active participation. Some of the course assignments are essays. The course is a good opportunity for you to improve your writing skills and become comfortable with public speaking.

Course Requirements:

Class Participation: Participation is evaluated after each class except for Sessions 1, 11, and 12. * The points are awarded as follows:

- 0 – An unexcused absence
- 1 – Being totally quiet
- 1.5 – Being involved in class discussion
- 2 – Being involved in class discussion and providing good input

Examples of excellent input are:

- Asking good questions
- Reading and bringing related articles that are not assigned by the instructor for class discussion
- Integrating real-life experience (e.g., your internship, working, or debate experiences) into class discussion
- Actively participating in class discussion

* Within a week after you return from an excused absence, you must make an appointment for me to question you on the missed assigned readings or class notes. Your participation grade for the missed session will be assigned after this appointment.

I expect professionalism from each of you. Students with unprofessional and distractive behavior will be asked to leave the class for the remainder of the session.

The instructor adheres to all UF attendance policies documented at:
<https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>

Readings: The course requires a lot of reading. You are required to read the material assigned for each session **before class** and be prepared for class discussion. Some readings are quite long; you should start them early.

Assignments: There are three individual assignments—one essay and two problems. You may discuss the assignments with classmates but must write up the responses yourself. An essay is expected to be one to two pages long (without counting the reference page and figures), single-spaced, typed, and numbered. Please submit your assignments in Canvas.

Group Project:

What is the purpose of the group project?

The group project will serve three purposes.

- Knowledge discovery and communication: The group in charge will explore, investigate, learn, and form opinions on an important current topic relevant to the accounting profession. The group will then educate the class about the topic by oral presentation, Q&A immediately followed the presentation, and subsequent written report.
- Critical thinking: The group project is an opportunity for students to apply critical thinking and the economic theories that they have learned from this class or elsewhere.
- Teamwork: The group project is an opportunity for students to work in teams, learn from one another, and communicate to resolve any disagreements. I expect “1+1 > 2”.

What is the group project?

- Each class will have two topics: (1) cryptocurrency and (2) ESG.
- Each class will be split to four groups. Two groups will independently study the topic of cryptocurrency. The other two groups will independently study the topic of ESG (or CSR reporting).
- The cryptocurrency groups will evaluate the presentation of the ESG groups and vice versa.
- The groups on the same topic in each class are in direct competition and one will be evaluated against the other.
- As the instructor, I observe four groups from both classes on the same topic and will apply an adjustment factor. For example, even if the two groups in one class are equally good, I may adjust both their scores upward (downward) if these groups are much stronger (weaker) than those in the other class.
- There will be an opportunity for each class to submit questions about each topic in the early stages of the group projects. These questions might reflect what a student wants to know or be any comments relevant to the topic.
- I will post some readings in Canvas. Students are expected to go way beyond these readings and find additional sources.

The timeline of the group project:

- I will randomly assign you to a group by **August 31** (Wednesday).
- Each group will claim a topic on a first-come, first-served basis (based on the time stamp in my email system) as soon as noon on September 7 (Wednesday) by sending me one email, stating the preference. I will announce team assignments by September 8 (Thursday).
- I will collect students’ questions and comments about the topics and pass them on to the relevant groups by September 18 (Sunday).
- The presentations of the cryptocurrency project will be in class on October 3. The presentations of the ESG project will be in class on October 5. The order of two presentations on each day will be randomly decided in class.
- The written group project report (2 to 3 pages not counting references, tables, and figures; single-spaced) is due by email by **October 7** (Friday).

How will be group project be graded?

- Your group project grade includes 10 points for the presentation (including the Q&A) and 10 points for the written report.
- The presentation grade will be based on the evaluations by the students who are assigned the other topic (see their evaluation form in Canvas). This grade is subject to my cross-class adjustments.

- The written report will be graded by me.
- To discourage freeriding, at the end of the course each group member will turn in evaluations (scale: 0-10) of the other group members on their effort and input quality. The mean value of your peer evaluations divided by 10 will be the grading weight used for your group project. For example, if your group’s written report has a grade of 10, but your mean value of peer evaluations is 0.8, then your written report grade is 8.

Final Exam: The final exam will include two in-class problems and one take-home essay. The problem portion will be in the classroom during class time on **October 10** (Monday). For the take-home essay, you may use all resources except for asking others in person, by phone, or online. The take-home essay is due by noon on **October 13** (Thursday). Please submit the essay in Canvas with student ID as your only identification.

Grading:

Class Participation (4x9) *	36
Assignments (3x5)	15
Group Project	
Presentation and Q&A	10
Written Report	10
Final Exam	
In-class problems section	20
Take-home essay section	10
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Total	101 points

* Class participation grade is assigned for 9 sessions. HW1 is an essay; HW2 and HW3 are problems. The written report and essay must be typed, single-spaced, and numbered. The problems may be hand-written.

Your letter grade is determined according to the following cutoffs:

A: 94.0, A-: 90.0, B+: 87.0, B: 84.0, B-: 80.0, C+:77.0, C: 74.0, C-: 70, D+: 67.0, D: 64.0, and D-: 60.0.

The grade-point value per credit hour associated with each letter grade is assigned by the Office of the University Registrar:

A = 4.0, A- = 3.67, B+ = 3.33, B = 3.0, B- = 2.67, C+ = 2.33, C = 2.0, C- = 1.67, D+ 1.33, D = 1.0, D- = .67, E = 0.0.

For more information, please visit:

<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Course Policy:

1. E-mail is the best way to reach me. In the “subject” section of your e-mail, please write the course number “ACG6136.” For questions that require long answers, please talk with me during office hours.
2. Grading issues must be raised within a week after a grade is given.
3. Absences because of your sickness or an emergency related to you or your immediate family members are excused if you inform me of the situation by email or phone before class or immediately after the emergency. Within a week after your return, you must submit documentation that supports your excuse. Job interviews, office visits, job fairs, weddings, weather, and transportation problems are NOT valid excuses. Religious holidays are valid excuses if you follow the procedures stated in the University’s attendance policies. If you miss the final exam due to an excused absence, you will have a make-up exam within two weeks after you return from the absence as long as you return within 60 days after the final exam date.

4. Please come to class on time. If you must arrive late or leave early, please let me know before class, or in case of emergency email me immediately after the emergency is over.
5. You are allowed to use laptop or iPad for notetaking and readings. If you use an electronic device for other purposes, you will be asked to hand it in for the remainder of the session and pick it up after the class is over. Cellphones and other electronic devices are only permitted during class break.

Class Outline

Session	Date		Topic	Readings	HW
1	8/22	M	Preliminaries		
2	8/24	W	History of Accounting 1	Waymire (2009)	
3	8/29	M	History of Accounting 2	Dickhaut et al. (2010) Ciesielski (2022)	
4	8/31	W	History of Accounting 3	Deason et al. (2021) Zeff (2021)	HW1 assigned
	9/5	M	Holiday		
5	9/7	W	Information Economics 1	Akerlof (1970) #	HW 1 due
6	9/12	M	Information Economics 2	Jensen and Meckling (1976) #	
7	9/14	W	Accounting for Valuation 1	Take notes	
8	9/19	M	Accounting for Valuation 2	Take notes	HW2 assigned
9	9/21	W	Accounting for Evaluation 1	Take notes	
10	9/26	M	Accounting for Evaluation 2	Take notes	HW2 due HW3 assigned
	9/28	W	No class. Prepare for group project presentation		
11	10/3	M	Current Issues 1: Accounting and regulation for cryptocurrency		HW3 due
12	10/5	W	Current Issues 2: ESG disclosure and CSR reporting		
	10/10	M	Final exam problem portion. In class, closed-book, cheat-sheet allowed		
	10/13	Th	Final exam take-home essay due at noon in Canvas		

Skip the math. For Jensen and Meckling (1976), please read Sections 1 (introduction), 2.1, 2.2, 3, 6, and 7 (conclusion).

Required Readings (in the order of assignment dates)

1. Waymire, G. B. 2009. Exchange guidance is the fundamental demand for accounting. *The Accounting Review* 84 (1): 53-62.
2. Dickhaut, J., S. Basu, K. McCabe, and G. Waymire. 2010. Neuroaccounting: Consilience between the biologically evolved brain and culturally evolved accounting principles. *Accounting Horizons* 24 (2): 221-255.
3. Ciesielski, J. T. 2022. Commentary: Can the FASB regain its mojo? *Accounting Horizons* 36 (2): 1-6.
4. Deason, S., S. Rajgopal, G. R. Waymire, and R. M. White. 2021. The role of accounting in Ponzi schemes. *Accounting Horizons* 35 (1): 29-46.

5. Zeff, S. A. 2021. The FASB's approach toward reviewing, conducting, and sponsoring academic research and engaging academics. *Accounting Horizons* 35 (3): 245-254.
6. Akerlof, G. A. 1970. The market for "lemons": Quality uncertainty and the market mechanism. *The Quarterly Journal of Economics* 84 (3): 488-500. 12 pages. Please skip the math.
7. Jensen, M.C. and W. H. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3: 305-360. 54 pages. Please read Sections 1 (introduction), 2.1, 2.2, 3, 6, and 7 (conclusion).

Background Readings

1. Watts, R. L. and J. L. Zimmerman. 1979. The demand for and supply of accounting theory: The market for excuses. *The Accounting Review* 54 (2): 273-305.
2. *Wall Street Journal* articles posted on the course website.

Need help with writing?

Writing Studio, 302 Tigert Hall, 846-1138. Help brainstorming, formatting, and writing papers. The service is free to UF graduate and undergraduate students. <http://writing.ufl.edu/writing-studio/>

Other Policies:

Religious Holidays

Religious holidays are valid excuses if you follow the procedures stated in the University's attendance policies. See <https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/#religiouholidaystext>.

Accommodated Test Requests

Students with disabilities who experience learning barriers and would like to request academic accommodations should connect with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/). [Click here to get started with the Disability Resource Center](#). It is important for students to share their accommodation letters with me and discuss their access needs, as early as possible.

Academic Integrity

One can never overemphasize the importance of ethics and honesty. As a University of Florida student, you are expected to be a high achiever in the right way. As an accounting student, academic honesty and business ethics are essential because your work and career will depend on the public's trust that you have these qualities. The University Honor Code will be strictly enforced and the penalties for academic dishonesty are severe.

Cheating undermines the efforts of all honest students. Tolerance of cheating would damage the School's reputation for producing qualified and competent graduates. The faculty and students of the Fisher School of Accounting expect that accounting students will display academic integrity throughout the program.

The Honor Code: We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

On all work submitted for credit by students at the university, the following pledge is either required or implied: **"On my honor, I have neither given nor received unauthorized aid in doing this assignment."**

Teaching Evaluations

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

Policy regarding recording:

Students are allowed to record video or audio of class lectures. However, the purposes for which these recordings may be used are strictly controlled. The only allowable purposes are (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor.

A “class lecture” is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture **does not** include lab sessions, student presentations, clinical presentations such as patient history, academic exercises involving solely student participation, assessments (quizzes, tests, exams), field trips, private conversations between students in the class or between a student and the faculty or lecturer during a class session.

Publication without permission of the instructor is prohibited. To “publish” means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third-party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.

U Matter, We Care

Your well-being is important to the University of Florida. The U Matter, We Care initiative is committed to creating a culture of care on our campus by encouraging members of our community to look out for one another and to reach out for help if a member of our community is in need. If you or a friend is in distress, please contact umatter@ufl.edu so that the U Matter, We Care Team can reach out to the student in distress. A nighttime and weekend crisis counselor is available by phone at 352-392-1575. The U Matter, We Care Team can help connect students to the many other helping resources available including, but not limited to, Victim Advocates, Housing staff, and the Counseling and Wellness Center. Please remember that asking for help is a sign of strength. In case of emergency, call 9-1-1.

Campus Resources

Health and Wellness

U Matter, We Care: If you or someone you know is in distress, please contact umatter@ufl.edu, 352-392-1575, or visit [U Matter, We Care website](#) to refer or report a concern and a team member will reach out to the student in distress.

Counseling and Wellness Center: [Visit the Counseling and Wellness Center website](#) or call 352-392-1575 for information on crisis services as well as non-crisis services.

Student Health Care Center: Call 352-392-1161 for 24/7 information to help you find the care you need, or [visit the Student Health Care Center website](#).

University Police Department: [Visit UF Police Department website](#) or call 352-392-1111 (or 9-1-1 for emergencies).

UF Health Shands Emergency Room / Trauma Center: For immediate medical care call 352-733-0111 or go to the emergency room at 1515 SW Archer Road, Gainesville, FL 32608; [Visit the UF Health Emergency Room and Trauma Center website](#).

Academic Resources

E-learning technical support: Contact the [UF Computing Help Desk](#) at 352-392-4357 or via e-mail at helpdesk@ufl.edu.

Career Connections Center: Reitz Union Suite 1300, 352-392-1601. Career assistance and counseling services.

Library Support: Various ways to receive assistance with respect to using the libraries or finding resources.

Teaching Center: Broward Hall, 352-392-2010 or to make an appointment 352- 392-6420. General study skills and tutoring.

Writing Studio: 2215 Turlington Hall, 352-846-1138. Help brainstorming, formatting, and writing papers.

Student Complaints On-Campus: [Visit the Student Honor Code and Student Conduct Code webpage for more information](#).