



ACCT 585

Professional Responsibilities in Accounting: Concepts, Research & Policy

Syllabus

Spring 2018

January 8 - May 9, 2018

Professor Lori Smith

ACC 121A

(213) 740-0572

lori.smith@marshall.usc.edu

Office Hours: M&W 3:00 p.m. - 4:00 p.m., and by appointment

ACCT 585

PROFESSIONAL RESPONSIBILITIES IN ACCOUNTING: CONCEPTS, RESEARCH & POLICY

In order to succeed in the accountancy profession - - whether in a professional accounting firm, in industry or in government - - an accountant needs to be able to:

- identify accounting issues and problems relative to transactions or events,
- research the accounting literature,
- analyze possible accounting and financial reporting alternatives,
- arrive at logical and supportable solutions to the issues and problems, and
- present the solutions in written form and in oral presentations.

This course provides an accountant with an in-depth understanding of accounting theory, research and policy issues in order to satisfy these needs.

This course is primarily a case-based course using extensive research, analysis, writing, discussion, presentation and instructional concepts. It is designed to focus on advanced accounting issues and concepts, utilizing team and individual effort to increase the knowledge and skills of the students.

Course Prerequisite Knowledge

Students should have a basic knowledge of accounting acquired from an undergraduate degree in accounting or through the USC Masters of Accounting summer intensive accounting program.

Specific Course Goals

The course is designed to enhance the understanding of accounting theory and principles through the use of "real life" case studies and the application of technical knowledge and professional judgment in resolving case study problems and issues. This should result in developing superior analytical, research, communication and interpersonal skills through extensive writing and oral requirements.

Accounting theory is reviewed through the study of the accounting conceptual framework. The framework is used, together with applicable generally accepted accounting principles, in developing solutions to the case problems. The cases are selected to provide a broad range of current topics and issues. The cases can include, for example, situations involving revenue recognition, lease accounting, the use of financial instruments, fair value, impairment accounting, environmental liabilities, deferred income taxes and valuation allowances, consolidations involving variable interest entities, going concern, and push down accounting.

The course also includes the use of case problems described on video, the analysis of current issues facing the accounting profession, and the discussion of current issues taken from news sources.

The case issues and problems are discussed from the perspective of the preparer, the auditor, the user and the regulator, depending on the case and issues involved.

Learning Objectives

The specific learning objectives are to allow students to:

- Study complex accounting problem situations in a typical accounting group setting
- Identify the problems and issues of the various cases
- Learn how to research these problems and issues
- Focus on the analysis of alternative accounting treatments
- Make decisions on the most suitable accounting treatment for the problem or issue
- Support the decisions
- Obtain extensive practice in writing reports
- Confidently discuss "accounting"
- Practice presentation and debating skills
- Focus on current issues facing the profession
- Define analysis objectives and determine appropriate tools and functions in Microsoft Excel to effectively and efficiently provide data for the analysis

Expected Learning Outcomes

This course is designed to enhance the understanding of accounting concepts, ethical principles, accounting policy, and current issues through the use of "real life" case studies and the application of technical knowledge and professional judgment in resolving case study problems and issues. This should result in developing superior analytical, research, communication and interpersonal skills through extensive writing and oral requirements.

Upon completion of the course, students should be able to:

- Demonstrate understanding of "overall fair presentation" (the US and International Accounting Standards requirement that financial statements should not be misleading) by identifying issues, considering accounting and financial reporting alternatives, and concluding on the appropriate alternative.
- Analyze complex accounting and financial reporting matters to identify (a) the related business and economic issues and (b) the related accounting issues, by individually studying "real life" cases and by discussing the issues in group settings.
- Research these complex situations and determine if there is more than one possible accounting concept alternative for solving the issues by using the electronic version of the FASB Accounting Standards Codification (ASC) and analyzing fact patterns specific to the circumstances.
- Determine, support and conclude on the most suitable accounting treatment by analyzing each alternative using case facts and specific GAAP that provide support for each alternative, and using the appropriate GAAP to conclude on which alternative provides the most reasoned basis for an "overall fair presentation" of the financial statements.

- Support conclusions by preparing concise written reports regarding (a) the determination of the complex problems and issues, (b) the research performed, (c) the alternative accounting concepts considered, (d) the analysis of the alternatives, and (e) the selection of the most appropriate accounting concept treatment for a fair presentation in financial statements prepared in the “public interest.”
- Support conclusions by persuasive oral presentations of considerations and positions and by debating with others to professionally challenge alternative solutions presented.

Graduate Programs Student Learning Outcomes

Five Student Learning Outcomes for the Master of Accounting and Master of Business Taxation programs were developed by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools. This course will deal primarily with outcomes 1 through 4; outcome 5 will be covered in less depth.

1. Technical, Conceptual, Problem-Solving

Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting or taxation. This learning outcome includes the development of critical thinking and problem solving skills, as well as an understanding of the strategic role of accounting and taxation in business organizations and society.

2. Professional Development

Students will be able to communicate clearly, and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will develop the ability to work productively with others to accomplish established goals.

3. Research/Life-Long Learning

Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations.

4. Ethical Principles and Professional Standards

Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.

5. Globalization and Diversity

Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business.

Required Texts or On-Line References

Required Text	<i>Skills for Accounting Research, FASB Codification & eIFRS, Text and Cases</i> , 3 rd Edition, Shelby Collins, Cambridge Business Publishers
On-Line Research Tools	FASB Accounting Standards Codification (ASC) SEC Staff Accounting Bulletins AICPA Professional Standards PCAOB and AICPA Auditing Standards
Optional Text	ASC paper copy books can be purchased directly from the FASB

Students are recommended to read current articles on business accounting issues and situations in the Wall Street Journal, the AICPA Journal of Accountancy, the AICPA web site (www.AICPA.org), and similar publications and web sites.

Case Studies

Eleven (11) written case studies will be completed during the course. Each case analysis requires

- identifying the relevant accounting and financial reporting issue(s) relevant to the case facts;
- considering alternatives solutions for the issue(s);
- performing computer-based research of the accounting and/or auditing literature;
- concluding with a solution supported by generally accepted accounting principles; and
- preparing a written report to present your research, analysis and conclusions.

Each case will have a defined audience for the report; for example, company accounting personnel presenting to the auditors, auditors presenting to company accounting personnel, or accountants presenting to non-accounting management.

For each case, two teams will orally present their research, analysis and conclusions to the class and lead further discussion and analysis of the case. For some cases, a role-play will replace the oral presentation. The presentations, as well as the class discussions, will be counted as class participation.

The analysis collected for grading will be evaluated from a perspective of:

- organization of the analysis,
- specific accounting standards studied for the case,
- issue identification,
- correlation of the issue(s) to stated case facts,
- alternatives considered,
- analysis of the alternatives,
- selection of an alternative as the solution,
- support for the selection,
- adequacy of conclusions,
- conceptual and technical adequacy, and
- clarity and professionalism of the report

W Cases - For cases identified with a W, **prepare a detailed written analysis** of the case issues, outline the alternatives considered, and arrive at a solution supported by a description of how specific generally accepted accounting principles provide a basis for the solution. Where journal entries for the case are appropriate, they can be added as an appendix to the written report.

S Cases - For cases identified with a S, **prepare an executive summary** of the case issues, alternatives considered and solution supported by a description of how specific generally accepted accounting principles provide a basis for the solution. Where journal entries for the case are appropriate, they can be added as an appendix to the executive summary.

Indiv Cases - For cases identified with "Indiv", each student (as an individual effort) will **prepare a W or S analysis** of the case as described for the W or S cases above.

At the beginning of the class session, please submit a single printed copy your case analysis. All cases need to include the standard case cover sheet and a completed time summary. Templates for the cover sheet and the time summary can be found on Blackboard.

Late submissions will not be accepted.

By 7:00 a.m. on the day a case is due, one person from each team will upload an electronic copy of the report to Blackboard.

The course work will also include video and in-other case studies, which will require research for presentation and discussion in class.

Attendance and Preparation Requirements

Students are required to attend classes regularly in accordance with the Marshall and Leventhal policies. Students are allowed two (2) class absences and two (2) late attendances before having an effect on grade performance. For example, a student missing a total of six (6) class sessions will have a half grade point reduction, and a student missing ten (10) class sessions will have a full grade point reduction. Students who come prepared for class and who participate in the discussions will receive participation credit for that day's assignment.

Participation in Team Work

Each student needs to participate fairly in the team work. If a student is not doing so, the group must discuss the situation with the student and, after discussing the situation with me, can divorce the student from the team. A student can be divorced from the team for the remainder of the term, or divorced from a particular assignment. If a student is divorced from a group assignment, the group must also discuss the divorce with the student and with me at least three full days before the assignment is due.

Any student so divorced from the team must perform all work individually and will automatically lose one full grade from the grade assigned to the assignment(s).

Any divorced student will not be able to participate in the presentations for the cases.

Peer Evaluations

Peer evaluations will be distributed so that each member of a team will evaluate the participation of the other members in the work of the team.

Leventhal School of Accounting Honor Code

The Leventhal School of Accounting Honor Code applies to ACCT 585. The Honor Code is applicable to all individual work and to the written examination. The application of the Honor Code to group work will be discussed in class. A copy of "Honor Code Guidelines for ACCT 585 - Group Assignments" is included in this Syllabus.

Examinations

There is no regularly scheduled make up exam. Any student who anticipates missing an exam should contact me by email before January 24. Documented evidence of emergency is the only valid excuse for unauthorized absence from the exam.

The material for the examination will be taken from course material studied and discussed in class, and from the case concepts and discussions.

Grading and Retention of Papers

- Case grade assigned to evaluation of team **W** cases 25%
- Examinations – **February 14** and **April 18** 35%
- Participation in class, including role playing, presentations, discussion, and team **S** cases 20%
- Case grade assigned to evaluation of individual cases and assignments 20%

Grading for participation will be determined based on class attendance, periodic short quizzes, leadership in the discussion of the course material, readings, and case discussions. The grading will be based on the information content (theory and understanding) in the presentation of the case team solutions, on the analysis of the cases, on the discussion of the alternatives, and on the support of the alternative selected as the solution. The grading will also include how the presenters respond to student questions and discussions, and on their individual presentations.

According to the Guidelines on Documents Retention, University policy requires that "final exams and all other grade work which affected the course grade" be kept for one year. Other papers or work that instructors hand back but that students fail to pick up will be held for one month.

Grading Policy

We adhere to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. In general, final course grades at the graduate level in a core course average approximately B+ (3.3), but may vary based on class performance. For elective courses, the class average is usually higher -- approximating 3.5, which is between a B+ and an A-. You must

receive a C or better to pass a required class, and you must have an overall B average (3.0 minimum) in order to graduate from USC.

Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.– 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

<https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class.

<https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Emergency Information

USC Emergencies	213-740-4321
USC Public Safety—Non Emergencies	213-740-6000
USC Emergency Information Line	213-740-9233
USC Information Line	213-740-2311
KUSC Radio	91.5

If an officially declared emergency makes travel to campus infeasible, USC Emergency Information <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

Important Dates

Jan 8	First day of classes
Jan 15	USC Holiday
Jan 26	Last day to add/drop (with refund)
Feb 19	USC Holiday
Feb 23	Last day to drop (without a refund)
Mar 12-18	Spring Break
Apr 6	Last day to drop with a “W”
Apr 27	Last day of classes
May 2-9	Final exams
May 11	Commencement

The course schedule and list of important dates for ACCT 585 is attached.

Academic Conduct and Integrity

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Honor Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11 Behavior Violating University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in

SCampus and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

It is a violation of USC's Academic Integrity Policies to share course materials with others without permission from the instructor. No student may record any lecture, class discussion or meeting with the professor without the professor's prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. The professor reserves all rights, including copyright, to lectures, course syllabi and related materials, including summaries, Power Points, prior exams, answer keys, and all supplementary course materials available to the students enrolled in this class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and the professor.

Honor Code Guidelines for ACCT 585

These guidelines for ACCT 585 are in addition to and supplement the Leventhal School of Accounting Honor Code. These guidelines for ACC 585 are not applicable in any other course in the Leventhal School of Accounting unless the professor for a particular course adapts them.

All students in ACCT 585 should follow the Leventhal School of Accounting Honor Code. However, because of the nature of the subject matter in this course and because of the desire for each student to get the most out of this course, additional guidelines are being established for the ACCT 585 teams to follow when working on case solutions.

Research Sources

In researching sources for ACCT 585 case situations, students should only consider the following sources, unless specifically identified by the professor:

- FASB Accounting Standards Codification
- FASB Concept Statements
- SEC Staff Accounting Bulletins
- PCAOB and AICPA Auditing Standards

Case Solution Guidelines

1. The basic accounting and auditing research should be performed by the team members assigned to do the research.
2. The research, development of issues, and accounting alternatives are only to be discussed within the team. Nothing about the case should be discussed with any of the other teams.
3. Each team member should argue his/her positions within the team in order to arrive, to the extent possible, at a team solution. The Partner/CFO has the responsibility for the team's

position. However, if a team member does not agree with the final decision, i.e., that the solution proposed by the team does not agree with GAAP/GAAS and will not result in a fair presentation, then that team member should prepare a separate paper, together with a documentation of the dissent to the team paper.

4. The paper should be written by the team member assigned (i.e., the Manager/Controller), but it should be reviewed, critiqued and approved by the Partner/CFO, and proofread and concurred by all other team members.
5. Research sources should be indicated.
6. An Honor Code Statement (posted to Blackboard) should be signed by each member of the team, and attached all case submissions.

Class Discussion Guidelines

1. In preparing for the class discussions, each student in a team may consider the comments and views of any other member of the team that supports the team solution.
2. When discussing the cases in class, the team members should present and discuss the merits of the team solution, unless the team member has dissented from the team position.

Class Schedule

	Day	Date	Topic	Assignment Due
1	Mon	1/8	Issues facing the profession; Research tools	
2	Wed	1/10	Research tools	
	Mon	1/15	<i>Holiday</i>	
3	Wed	1/17	Accounting Discussion - Professional Standards; GAAP & GAAS; Concept of "Presents Fairly"	
4	Mon	1/22	Accounting Discussion - Concept Stmt 8	
5	Wed	1/24	Case 1	Case 1 (S)
6	Mon	1/29	Accounting Discussion - Concept Stmts 5 & 6	
7	Wed	1/31	Case 2	Case 2 (W)
8	Mon	2/5	Accounting Discussion - Subsequent Events	
9	Wed	2/7	Case 3	Case 3 (S)
10	Mon	2/12	Video Cases 1 & 2	
11	Wed	2/14	Exam 1	
	Mon	2/19	<i>Holiday</i>	
12	Wed	2/21	Case 4	Case 4 (S)
13	Mon	2/26	Accounting Discussion - Cash Flows	
14	Wed	2/28	Case 5	Case 5 (W)
15	Mon	3/5	Accounting Discussion - Non-GAAP Measures	
16	Wed	3/7	Video Cases 3 & 4	
	Mon	3/12	<i>Spring Break</i>	
	Wed	3/14	<i>Spring Break</i>	
17	Mon	3/19	Accounting Discussion - Accounting for Income Taxes	

	Day	Date	Topic	Assignment Due
18	Wed	3/21	Case 6	Case 6 (W)
19	Mon	3/26	Case 7	Case 7 (S)
20	Wed	3/28	Accounting Discussion - Classifying Financial Information	
21	Mon	4/2	Accounting Discussion - Reporting Segment Information	
22	Wed	4/4	Case 8	Case 8 (W)
23	Mon	4/9	Accounting Discussion - Financial Instruments	
24	Wed	4/11	Case 9	Case 9 (Indiv)
25	Mon	4/16	Mini Cases	
26	Wed	4/18	Exam 2	
27	Mon	4/23	Case 10	Case 10 (S)
28	Wed	4/25	Accounting Discussion	
	Fri	5/4	Case 11	Case 11 (Indiv)