Perspective:

It never has been more exciting to be in accounting! We are emerging from a series of accounting scandals that brought to light the key role of accounting in our economy, prompted preventive legislation, and as a sidebar, created a huge demand for accountants. We now are in the midst of an economic crisis that many blame on accountants and many others expect accountants to help solve. And consider what’s on the horizon.

A new financial statement presentation format promises a complete redefinition of financial statements as we know them. U.S. GAAP is scheduled to be abandoned in favor of International Financial Reporting Standards. Fair values replacing historical costs? No more LIFO? These are some of the evolving and emerging issues that form the backdrop for our course this semester. It should be fun.

Objective and Core Competencies:

The objective of this course is to promote understanding of contemporary accounting issues as related to financial reporting with emphasis on recent accounting trends and current controversial topics in accounting. This goal is based on the belief that success in business as an investor, a creditor, a manager, or a CPA requires an appreciation for the interaction between a company's corporate strategy and its financial reporting policies and practices. To develop that appreciation, we will seek an understanding of current financial reporting practices, explore ways to strategically analyze financial reports to identify the economic realities of the reporting company, and consider the consequences of corporate accounting information for those who depend on its credibility. We'll often discuss financial reporting issues in terms of their effects on assessments of a firm's profitability and risk.
Because accounting revolves around information access and dissemination, we will utilize a major force in information access and dissemination - the Internet - as a key component of the structure for the course.

You should strive to achieve these core competencies:

- Understand the conceptual issues regarding financial reporting issues.
- Be able to discuss financial reporting as it relates to a variety of controversial accounting issues.
- Compare and contrast GAAP and IFRS with theoretically appropriate alternatives.
- Understand and demonstrate how financial reporting choices affect the transparency of financial statements and user perspectives of profitability and risk.
- Demonstrate how and why companies try to "manage" earnings.
- Appreciate the consequences of unethical business practice or misleading financial reporting.
- Be adept at researching a company's financial statements, press releases and news reports.
- Understand how managers use accounting information internally to make decisions.
- Communicate your convictions and persuade others regarding the reporting issues we discuss.

Specific learning objectives are identified within each of the course modules.

**Prerequisite:** ACCT 3120