

**WILMINGTON UNIVERSITY**  
**COLLEGE OF BUSINESS**  
**BASIC COURSE INFORMATION**

**COURSE TITLE:** Financial Accounting Theory, Policy, and Research

**COURSE NUMBER:** MAC 7100

**PREREQUISITE(S):** BAC 201 and BAC 202 or MAC 5100 and MAC 5110

**COURSE DESCRIPTION:**

This course examines the conceptual, theoretical, and practical aspects of financial accounting. Students will focus on the theoretical foundations of financial reporting and the factors that affect accounting standard setting and decision-making. Recent and current literature is studied to enhance analytic skills in accounting. The student will learn how to recognize important issues, ask critical questions, and research answers in the authoritative accounting literature. A

into accounting standards.

A-4 Evaluate how objectivity and bias are affected by accounting standards.

**GOAL B:**

Research and prepare a written evaluation of current accounting topics.

**Learning Objectives:** The student will:

B-1 Contrast deductive and inductive reasoning when using the scientific method to conduct research.

B-2 Review the main directions in current accounting research.

B-3 Research and prepare a written evaluation of current accounting topics.

**GOAL C:**

Understand the historical background and development of accounting standard setting in the US.

**Learning Objectives:** The student will:

- C-1 Discuss the historical background of accounting standard setting.
- C-2 Compare and contrast the Financial Accounting Standards Board with its two predecessors.
- C-3 Discuss the significance of the Sarbanes-Oxley Act on financial accounting, reporting, and auditing standards.

**GOAL D:**

Discuss the concepts of uniformity and disclosure and how they are integrated into accounting standards.

**Learning Objectives:** The student will:

- D-1 Define the concepts of uniformity and disclosure in relation to accounting principles and standards.
- D-2 Analyze whether accounting standards are utilizing finite uniformity, rigid uniformity, or flexibility.
- D-3 Evaluate a company's annual report to determine how management earnings forecasts, management's discussion and analysis, segmental disclosures, and quarterly reporting provide important information to users.

**GOAL E:**

Integrate valuation and classification principles and techniques into an analysis of the balance sheet.

**Learning Objectives:** The student will:

- E-1 Identify current trends in valuation techniques.
- E-2 Illustrate how hybrid securities and derivatives are recorded on the balance sheet.
- E-3 Research and identify balance sheet classification issues.

**GOAL F:**

Research and discuss the current and potential issues regarding the organization and presentation of the income statement.

**Learning Objectives:** The student will:

- E-1 Identify and discuss the concepts of revenue and expense recognition.
- E-2 Research and summarize the new proposals in income measurement and the effect on the income statement.

**GOAL G:**

Prepare and analyze a cash flow statement.

**Learning Objectives:** The student will:

G-1 Prepare and analyze a cash flow statement.

G-2 Calculate and interpret a company's free cash flow.

**GOAL H:**

Integrate accounting theory and standards in solving income tax allocation problems.

**Learning Objectives:** The student will:

H-1 Identify and discuss the different interpretations of income tax allocation.

H-2 Compare and contrast SFAS No.96 and SFAS No. 109.

H-3 Solve income tax allocation problems involving the discounting of deferred tax assets and liabilities.

H-4 Prepare a tax allocation schedule for recording tax loss carryforwards.

**GOAL I:**

Understand the accounting for pensions and other postretirement benefits.

**Learning Objectives:** The student will:

I-1 Compare and contrast defined benefit and defined contribution pension plans.

I-2 Discuss the nature of economic consequences pertaining to pensions and other postretirement benefits.