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**Course Syllabus, Fall 2021/2022**

**<Dr. Aly M Hewaidy>**

**<1020-573 - Contemporary Issues in Accounting>**

**Lecture Time and Location:**

Accounting Department - 05:00pm – 08:00pm, Day 2***, -- Floor 01, C1, Room 1005***

**Contact Information:**

**Location** : Accounting Dept., 4th floor-Office No. 1036

**Email** : ali.hewaidy@ku.edu.kw

**Office** : 24988518

**Office Hours** : Monday: 04:00pm-05:00pm, and any other time by appointment

**Social Media** : Microsoft teams

**COURSE DESCERIPTION**

The course of contemporary issues in accounting develops the students' critical and analytical perspectives on important and new developments on accounting. These developments could be financial or managerial or auditing or systems or a mix of these areas. The determinants of accounting choices, the need for accounting regulation and agency theory are examples of these issues. The course will cover some classical financial reporting issues such as changing prices and new and controversy issue such as derivatives and hedge accounting. During this course, students will read more widely in the chosen accounting area and will acquire a deeper and more critical appreciation of what defines contemporary accounting practice, and more importantly, what is it that should define the nature, scope and future of accounting. By the end of the course students will achieve a deeper understanding of the selected issues and will develop an ability to critically analyze these issues within the theoretical framework developed earlier in the course.

**Course Learning Objectives (CLOs):**

**Upon successful completion of the course, students will be able to:**

**CLO1.** Read widely in accounting and acquire a deeper and more critical appreciation of what defines contemporary accounting practice, and, what will shape the nature, scope and future of accounting.

**CLO2.** Be familiar with concepts of theory development, theories of accounting policy choice, and the measurement of income and the societal use of accounting information.

**CLO3.** Have achieved a deep understanding of selected contemporary issues in accounting, and have developed an ability to critically analyse these issues within the theoretical framework developed in the course.

**CLO4.**  Write a course report on a contemporary issue and present it.

***CLO Mapping to CBA Skill Based Competency Goals[[1]](#footnote-1)***

|  |  |
| --- | --- |
| ***CLO*** | ***Competency Goal*** |
| ***Decision-Making*** | ***Ethical Reasoning*** | ***Communication*** |  |
| **1** |  | **I** |  |  |
| **2** |  | **I** |  |  |
| **3** | **R** |  |  |  |
| **4** |  |  | **A** |  |

***Type of Emphases:***

* ***(I)ntroduce: Students will be introduced to the skill and their grasp of it assessed in the course.***
* ***(A)pply: The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.***
* ***(R)einforce: Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.***

**Required Material**

1. Picker, Ruth et al., Applying International Financial Reporting Standards, 3rd ed. John Wiley, 2013.
2. Hoyle, Schaefer and Doupink, Advanced Accounting, 12th ed. McGraw Hill.

**Additional materials**

1. Kieso, Weygandt and Warfield, Intermediate Accounting, IFRS edition, John Wiley.
2. Schorder, Clark and Cathey, Financial Accounting Theory and Analysis, John Wiley.
3. International Financial Reporting Standards, 2017.
4. Articles: Relevant articles will be assigned and distributed during classes

**Course Requirements and Policies:**

**Individual Assignments:** There are total 3 individual assignments. These individual assignments need to be submitted through **Microsoft teams** on the due days. Late submission is accepted within 2 days after the due time with a **20% loss of points**.

**In-Class Tests:** There are total 3 in-class tests (Midterm & 2 Quizzes). These tests are scheduled on the due dates of the respective assignments.

**Attendance and Participation:**

Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

<http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf>

This course has a significant seminar component and class participation is critical to the learning experience. Participation will be assessed in each class period. Your class participation and attendance will both contribute to your score of in-class performance.

**Cheating and Plagiarism:**

Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku\_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

**Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help.

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**Grading:**

The scores in this course will be the weighted average of the following items:

|  |  |
| --- | --- |
| **Weight** | **Description** |
| 35% | midterm exam, Monday, 10th of January, 2022 |
| 30% | Quizzes, assignments, Class participations and Research report/paper |
| 35% | Final exam , 24th of January, 2022 |
| 100% | TOTAL |

**Grade Distribution:**

|  |  |
| --- | --- |
| **Grade** | **Range** |
| A | ≥ 95 |
| A- | ≥ 90 and < 95 |
| B+ | ≥ 87 and < 90 |
| B | ≥ 83 and < 87 |
| B- | ≥ 80 and < 83 |
| C+ | ≥ 77 and < 80 |
| C | ≥ 73 and < 77 |
| C- | ≥ 70 and < 73 |
| D+ | ≥ 65 and < 70 |
| D | ≥ 60 and < 65 |
| F | < 60 |

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###### The Course Outline

|  |  |  |
| --- | --- | --- |
| **Title**  | Topic | Weeks |
| **Conceptual Framework for Financial Reporting** | Organisational structure of IASB. The purpose of a conceptual framework. Qualitative characteristics that make information useful. Define the basic elements in financial statements, and explain the recognition criteria of these elements. Distinguish between alternative measurement bases. | **Week 1-2** |
| **Worldwide accounting diversity and International Harmonization** | Evidence of Accounting Diversity. Reasons for Accounting Diversity. Problem Caused by Accounting Diversity. International Convergence of Financial Reporting. Major harmonization efforts. Obstacles to worldwide comparability of Financial Statements. | **Week 3-4** |
| **Accounting for leases** | Understand the environment related to leasing transactions. Explain the accounting for leases by lessees. Explain the accounting for leases by lessors. Discuss the accounting and reporting for special features of lease arrangements. Describe the lessee’s accounting for sale-leaseback transactions. | **Week 5-6** |
| **Accounting for foreign currency transactions and hedging foreign exchange risk.** | The concepts Related to Foreign Currency, Exchange Rate, Foreign Exchange Risks. Accounting for Foreign Currency Transactions. How Foreign Currency Forward Contract and Foreign Currency Option be used to Hedge Foreign Exchange Risk. Hedging Combinations. | **Week 7-8** |
|  | **Midterm Exam** | **Week 9** |
| **Accounting for Financial Instruments and Hedging Activities.**  | Temporary and long-term investments. Debt Investments (amortized cost and fair value) Equity Investments (Fair Value method and Equity method). Derivative financial instruments (Financial forwards or financial futures, Options, and Swaps) | **Week 10** |
| **Financial Reporting for Income Taxes** | Identify differences between pretax financial income and taxable income. Describe temporary and permanent difference Presentation of income tax expense in the income statement. Effect of various tax rates and tax rate changes on deferred income taxes. Accounting procedures for a loss carryback and a loss carryforward. | **Week 11-12** |
| **Measurement Issues and Fair Value Accounting** | IFRS 13 Fair Value Measurement. Why is FV. Market Participation. Principle Vs. the Most Advantageous Market. Application to Financial and Non-Financial assets and Liabilities. Financial Assets and Financial Liabilities with offsetting Positions. Valuation Techniques, and Fair Value Hierarchy. | **Week 13** |
| **Translation of Foreign currency Financial statements.** | Explain consolidation of foreign subsidiaries and foreign currency translation. Current rate method and Temporary method | **Week 14** |

**Important Dates**

|  |  |
| --- | --- |
| Date | Event |
| 10/01/2022 | Midterm exam |
| 27/01/2022 | Last day of classes |
| 24/01/2022 | Final Exam (5:00pm) |

**Master of Accounting Program Competency Goals:**

 **Accounting Knowledge:**Our students will be proficient in both conceptual and technical accounting knowledge.
**Student Learning Objectives:**

1.1. Apply advanced principles of financial accounting theory.

1.2. Analyze corporate financial statements.

1. **Decision-Making Skills:**Our students will demonstrate advanced data-driven decision-making skills and supported by advanced analytical skills.

**Student Learning Objectives:**

2.1. Apply advanced quantitative and qualitative methods to solve business problems.

2.2. Recognize the implications of business decisions, evaluate different proposals based on available facts, and make well-supported business decisions.

1. **Ethical Reasoning Skills:** Our students will be ethically conscious business leaders.

**Student Learning Objectives:**

3.1. Evaluate business decisions within an ethical framework.

1. **Communication Skills:**Our students will demonstrate advanced communication skills in a variety of business settings.

**Student Learning Objectives:**

5.1. Deliver clear, concise, and persuasive presentations.

5.2 Write clear, concise, and persuasive business documents.

1. CBA Competency Goals can be found at the end of this document [↑](#footnote-ref-1)