MISSION AND VISION OF THE SCHOOL OF BUSINESS:

I. School Vision, Mission, and Core Values

**Vision:** The School of Business sees itself becoming globally recognized as the leading business school connecting the region and the world.

**Mission:** The School of Business strives to create an environment that fosters the development of principled and innovative business leaders and entrepreneurs who can make a difference.

**Core Values:** Excellence in student learning, teaching, intellectual contributions and services are all fundamental to the achievement of the school mission and the development of graduates ready to pursue successful careers in Egypt and beyond.

- **Lifelong Learning:** Individual development of students and fostering of a culture of lifelong learning are important to striving for excellence.
- **Collaboration and Teamwork:** Shared goals and actions of all those representing and associated with the school will be demonstrated by the collective benefit of all and in regular collaboration with different constituencies.
- **Integrity:** Personal integrity and ethical professional behavior represent drivers and consistent with the school’s actions and objectives.
- **Cultural Diversity and Exposure:** Pursuing diversity in its multidimensional definition as a platform and guiding principle for all school policies and programs.
- **Regional Impact:** Focusing on sharing knowledge and intellectual contributions that would help realize an impact on the markets the school serves.
- **Continuous Improvement:** Curricula offerings should be relevant, dynamic and with operational and strategic significance leading to a culture of continuous improvement.
- **Rationality in Using Resources:** Rationalize and maximize the use of available human, financial and technological resources and infrastructure.
Adaptation, Relevance and Currency: The regular updating of curricula and services offered to adapt to a dynamic, changing and competitive global environment.
Community Engagement and Service: The importance of addressing social and community service issues and priorities

II. Mission of the Department of Accounting
Our mission is to provide a world class accounting education to serve the needs of the business community and the accounting profession.

COURSE DESCRIPTION
The purpose of the course is to develop accounting thought that can be applied to the practical understanding of the financial reporting process, the accounting profession, and the controversial role of accounting in today's dynamic business environment. Students are expected to develop an appreciation of the strengths and weaknesses of Generally Accepted Accounting Principles and the complex and often difficult economic events that financial accounting should identify, measure, and report in a dynamic economic, political, and social environment. Case studies will be used frequently to supplement the required course materials. Major course topics include the nature of accounting theory; the historical development of accounting, the FASB's Conceptual Framework project; and the influence of standard setting agencies on the economic consequences of financial reporting. Specific topics like concepts of income and valuation, earnings management, and the role of the auditing professional give an indication of the state of the accounting profession and the impact of issues facing the future of accounting.

COURSE OBJECTIVES
The objective of this course is to promote understanding of contemporary accounting issues related to financial reporting, with an emphasis on recent accounting trends and controversial topics. Upon completion of this course, students should:

- Understand the history of accounting development, and apply your understanding in explaining the current standard-setting environment.
- Examine the role of the joint IASB/FASB Conceptual Framework in standard-setting.
- Discuss IFRS in relation to a variety of controversial accounting issues.
- Understand and demonstrate how financial reporting choices affect economic decisions of investors, creditors, and others.
- Use principles of revenue recognition to analyze, measure, and interpret accounting events.
- Demonstrate how and why companies try to "manage" earnings, and the consequences of such earnings manipulation practices.
- Explain the impact of recent legislation, accounting and auditing standards on the future of the accounting profession.
- Consider the role of audit-related issues on the quality of financial reporting.
- Develop excellent oral and written communications skills.
- Successfully perform accounting research on a variety of topics.
**COURSE CONTENTS**

- Accounting environment and role in economy
- Rule-based versus principles-based accounting standards
- Earnings quality and earnings management
- Income statement related-issues
- Balance sheet-related issues
- Fair value reporting
- Corporate governance
- IFRS: Intro, convergence efforts, economic consequences to adoption
- Egyptian accounting standards and profession
- Future of the accounting profession

**REQUIRED TEXT AND OTHER SOURCES**

**Required Materials:**

**Related websites:**
- [http://www.accountingeducation.com](http://www.accountingeducation.com)

**COURSE REQUIREMENTS AND ASSESSMENT SCHEME**

<table>
<thead>
<tr>
<th>Assessment Scheme</th>
<th>Grade %</th>
<th>Grade Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grade</td>
</tr>
<tr>
<td>Exams:</td>
<td></td>
<td>A</td>
</tr>
<tr>
<td>First exam</td>
<td>20</td>
<td>A-</td>
</tr>
<tr>
<td>Final exam</td>
<td>25</td>
<td>B+</td>
</tr>
<tr>
<td>Case write-ups</td>
<td>10</td>
<td>B</td>
</tr>
<tr>
<td>Research project:</td>
<td></td>
<td>B-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>C+</td>
</tr>
<tr>
<td></td>
<td></td>
<td>C</td>
</tr>
<tr>
<td></td>
<td></td>
<td>C-</td>
</tr>
<tr>
<td>Integrative Essays</td>
<td>30</td>
<td>D+</td>
</tr>
<tr>
<td>Participation</td>
<td>5</td>
<td>D</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>F</td>
</tr>
</tbody>
</table>

1. **Participation and contribution to class discussion (5 percent)**

2. **Integrative Essays (30 percent):**

Each student is required to select FIVE of the class topics and to prepare an integrative summary for the articles corresponding to each topic from the “Additional Readings” (see class outline below). Summaries will carry a weight of 5 percent each, for a total of 25 percent of the course evaluation. I expect your summary write-up to integrate issues, ideas and arguments in the papers along a single
or few multiple theme(s). **LATE SUBMISSIONS WILL NOT BE ACCEPTED**. I will grade your summaries on a 5-point scale (5=Excellent, 4=Above average, 3=Average, 2=Below Average, 0=unacceptable or absent). Each write-up should be composed of 2 single-spaced pages of well-thought through commentary, synthesis, critique, evaluation and/or comparisons of the arguments made in the articles. You may also use papers and articles other than the ones suggested in the outline, but I have to approve them first. Your write-ups will be graded on their scope (number of articles consulted), depth of analysis, strength of your arguments, and quality of presentation. By agreement, two of you will be called upon to present their essays in class. In addition, each student is required to present two of the five topics in class using Powerpoint slides (in 10 minutes). Total presentation points will be 5 percent.

(3) **Exams (45 percent)**

A mid-term (20 percent) and a final exam (30 percent) will be given on scheduled dates. Exam emphasis is on understanding and application rather than memorization. If you miss an exam for a reason such as serious illness or family emergency, please discuss the circumstances with me preferably before the exam or as soon as possible afterward. For such an excused absence from an exam, the course weight assigned to this exam will be shifted to the final exam. **If you miss an exam without a legitimate reason, you will receive a zero for the exam, which may imply failing the course. All exams must be completed in order to receive a passing grade in the course.**

(4) **Group Case Studies (10 percent):**

On dates indicated on the attached course schedule, you will work in groups to critically evaluate financial accounting issues in the context of two real-life cases to be discussed in class. You must read and answer questions on the cases before you come to class on the case due date. **LATE SUBMISSIONS WILL NOT BE ACCEPTED**. I will assign questions to answer for each case. Each group will submit a single write-up for each case.

(5) **Group Research Project (10 percent):**

As part of the course requirements, you are required to form groups of 3 and to prepare a research project on an accounting topic of your choice. The objective of this project is to strengthen your communication, writing, and presentation skills much needed in the modern business environment. The project topic should be a financial accounting of your choice. Additional suggested research topics will be given in class. The topic you choose must be approved by the instructor. The project consists of three parts: **LATE SUBMISSIONS WILL NOT BE ACCEPTED**

The Research Proposal and Presentations (See assigned dates on last page of syllabus)

The research proposal is basically the introduction section in your final report (see the general structure below). It identifies the topic and some of the articles/references that will be used in your research. The proposal will explain what the group intends to do with respect to the research project.

The Research Report (See assigned dates on last page of syllabus)

Each group will submit a 10-page typewritten report. The report is basically a literature review on the topic selected. The format and structure of your report and references should comply with the Chicago Manual of Style. The report will be graded on scope of the topic, depth of analysis, and
credibility of your sources/references. All members of the group will receive the same group report score. Material for the group research report should come from one or more of the following sources:

- **Websites:** maaw.info, aaahq.org, aicpa.org, accountingeducation.com,journalofaccountancy.com

**Final Presentation (Presentations week: See assigned dates on last page of syllabus)**

The research presentation will be conducted by all members of the group. You must use visual aids, including Microsoft PowerPoint slides. Each group presentation will last for a maximum of 15 minutes, during which group members will highlight the main points of the research paper in the final presentation and be ready to answer questions on it.

**COURSE POLICY**

**Attendance:**

As stated in the university catalog, “students are expected to attend class; there is no system of permitted absences. The instructor in each class determines the effect of absences on a student’s grade in that class.” Students may not normally receive credit for a course if more than three weeks of classes (or their equivalent in summer school) is missed. Please refer to AUC attendance policy in the catalog.

**AACSB Accreditation:**

**What is accreditation?** Accreditation refers to a voluntary, non-governmental action taken by an institution to undergo periodic external evaluation in order to maintain high quality standards and programs. Accreditation reviews generally involve steps taken by the university to self-evaluate and clarify its goals and missions. Reviews are also often comprehensive; they assess all components of a healthy program: (a) people – administration, faculty, staff, and students; (b) research and intellectual contributions; (c) courses and curricula; and (d) strategic planning.

**What is AACSB Accreditation?** The Association to Advance Collegiate Schools of Business (AACSB) is the largest and most recognized specialized accreditation worldwide for business degree programs. In a recent study, 93% of a sample of 305 deans from AACSB-accredited and in-process institutions from Asia, Europe, North America, South America, and the Oceania reported that AACSB Accreditation has a continuous positive effect on their ongoing curricula development, program design, and delivery methods. Having AACSB accreditation facilitates the recruitment of high-caliber faculty. Graduating from an AACSB accredited university opens doors to the most exclusive and competitive career opportunities worldwide. To read more about the benefits of attending an AACSB accredited university online, go to: [http://www.aacsb.edu/aacsb-accredited/students.asp#null](http://www.aacsb.edu/aacsb-accredited/students.asp#null).

**Academic Integrity**

**Preamble:** Valuing the concepts of academic integrity and independent effort, the American University in Cairo expects from its students the highest standards of scholarly conduct. The University community asserts that the reputation of the institution depends on the integrity of both faculty and students in their academic pursuits, and that it is their joint responsibility to promote an atmosphere conducive to such standards. The AUC policy and procedures will be strictly applied. These procedures are contained in the University Catalog page 69-70 and are reproduced for your careful consideration and strict adherence.

**Blackboard:** All students are expected to periodically check the Blackboard because:

- Class assignments, homework, and handouts will be periodically uploaded.
- Grades of midterms and assignments will be periodically posted.
<table>
<thead>
<tr>
<th>WK</th>
<th>DATE</th>
<th>TOPICS</th>
<th>BACKGROUND READINGS</th>
<th>ADDITIONAL READINGS</th>
<th>CASES AND ASSIGNMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>29-Jan</td>
<td>Intro&amp; Review of Syllabus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>01-Feb</td>
<td>1- Introduction to Contemp. Issues</td>
<td>Drever Ch. 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>05-Feb</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>08-Feb</td>
<td>2- The Conceptual Framework in Financial Accounting</td>
<td>Drever Ch. 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>12-Feb</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>15-Feb</td>
<td>3- IFRS</td>
<td>IFRS-Intro, IFRS Appendix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>19-Feb</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>22-Feb</td>
<td></td>
<td></td>
<td>Case 1 Write-up</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>26-Feb</td>
<td>4- Measurement and its Problems</td>
<td>Drever Ch. 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>29-Feb</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>04-Mar</td>
<td>5- Products of the Financial Reporting Process</td>
<td>Drever Ch. 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>07-Mar</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>11-Mar</td>
<td></td>
<td></td>
<td>Case 2 Write-up</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>14-Mar</td>
<td>Exam 1 (Chap. 1, 2, 4, and 5 from Drever textbook, plus the Needles and Powers (2010) Article) “proposed Presentation of Financial Statements”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>18-Mar</td>
<td>6- Corporate Governance.</td>
<td>Drever Ch. 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>21-Mar</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>25-Mar</td>
<td></td>
<td></td>
<td>RP Progress</td>
<td>Report</td>
</tr>
<tr>
<td>10</td>
<td>28-Mar</td>
<td>7- Capital-markets Research</td>
<td>Drever Ch. 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>01-Apr</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>04-Apr</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>///// April 8-16, Spring Break/////</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>18-Apr</td>
<td>8- Professional Responsibility</td>
<td>Drever Ch. 11</td>
<td>See readings section</td>
<td>Case 3 Write-up</td>
</tr>
<tr>
<td>13</td>
<td>22-Apr</td>
<td></td>
<td></td>
<td></td>
<td>Due</td>
</tr>
<tr>
<td>13</td>
<td>25-Apr</td>
<td>///// April 25, Sinai Liberation Day /////</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>29-Apr</td>
<td>9- Future of Accounting Profession</td>
<td>Drever Ch. 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>02-May</td>
<td></td>
<td></td>
<td>See readings section</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>06-May</td>
<td>10- Egyptian Accounting Profession</td>
<td>TBA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>09-May</td>
<td></td>
<td></td>
<td>See readings section</td>
<td>RP Report Due</td>
</tr>
<tr>
<td>16</td>
<td>13-May</td>
<td></td>
<td></td>
<td>Research Project</td>
<td>Presentations Week</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Final Exam</td>
</tr>
<tr>
<td>16</td>
<td>16-May</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
List of required readings for Integrative Essays by Session

**Topic 1: Introduction to Contemporary Issues in Accounting**

**A- Development of Accounting**

**B- Economic Consequences of Financial Accounting**

**Topic 2: The Conceptual Framework in Financial Accounting**

**A- Rule-based vs. Principles-based Accounting Standards**

**B- Conceptual Framework**
- Needles and Powers. 2010. IFRS: An Introduction


**A- Introduction**
B- IFRS - Global Convergence Efforts


C- Economic Consequences to IFRS Adoption


Topic 4: Measurement and its Problems

A- Balance Sheet Issues


B- Fair Value Reporting

- Herz 2008. Some facts about Fair Value Reporting. FASB Series: *Understanding the issues* (May)

**C- Income Statement Issues**

**Topic 5: Products of the Financial Reporting Process**
• Levitt. 1999. The numbers game.

**Topic 6: Accounting Aspects of Corporate governance**
• Romano (2004). The Sarbanes-Oxley Act and the making of quack corporate governance

**Topic 7: Capital Markets Research**

Topic 8: Professional Responsibility

Topic 9: Future of the Accounting Profession
• THE FUTURE OF ACCOUNTING: WHY YOU MAY WANT TO BE A CPA IN AN ACCOUNTING FIRM IN 2010, A WHITE PAPER, ILLINOIS CPA SOCIETY. 2001 (http://www.icpas.org/uploadedFiles/Com_ _Students_and_Educators/High_School/Future%20of%20Accounting.pdf)
• Kapnick, Accountants – Accountable to Whom?, p. 45-51.
• Kapnick, Return to Professionalism, pp. 219-227

Topic 10: The Egyptian Accounting Profession
A- Background
• KPMG. 2010. Differences between Egyptian Accounting Standards and IFRS.
• Farag, S. 2009. The accounting profession in Egypt: Its origin and development
• Dahawy, K. State of accounting in Egypt.

B- Governance and Compliance Issues
Research project instructions

The Research Proposal (See assigned dates on last page of syllabus)

The research proposal is basically the introduction section in your final report (see the general structure below). It identifies the topic and some of the articles/references that will be used in your research. The proposal will explain what the group intends to do with respect to the research project.

The Research Report (See assigned dates on last page of syllabus)

Each group will submit a 10-page typewritten report. LATE SUBMISSIONS WILL NOT BE ACCEPTED. The report is basically a literature review on the topic selected. The format and structure of your report and references should comply with the Chicago Manual of Style. The report will be graded on scope of the topic, depth of analysis, and credibility of your sources/references. All members of the group will receive the same group report score. Material for the group research report should come from 8 articles (per group) from one or more of the following suggested sources:

- **Websites:** maaw.info, aaahq.org, aicpa.org, accountingeducation.com, journalofaccountancy.com

The Research Paper

General Structure

i. Title page: contains (1) the title of the research report, (2) names of team members and affiliation, (3) course code and title (ACCT 403 Contemporary Issues in Accounting), (4) submission date

ii. Executive Summary/Abstract: 150-word executive summary/abstract providing the topic, method of research, and brief findings.

iii. Paginated Table of contents.

1. Chapter 1—Introduction (see below)
2. Chapter 2—Review of Literature and Outline of Methodology
3. Chapters 3 (+)—Discussion and development
4. Final chapter—Summary and conclusions
5. References

Chapter 1—Introduction (details) (Proposal)

1.1 Statement of problem (25 words or less)
1.2 Background (1 page)
1.3 Importance of research (1/2 page)
1.4 General questions to be explored (1/2 page)
1.5 Summary of basic literature (provides outline of methodology) (1 page)
1.6 Limitations (Time is not one of them.) (1/4 page)
1.7 Structure of the paper (1/2 page). Identify the chapter subject.

The Research Presentation (Presentations week: See assigned dates on last page of syllabus)

The research presentation will be conducted by all members of the group. You must use visual aids, including Microsoft PowerPoint slides. Each group presentation will last for a maximum of 15 minutes,
during which group members will highlight the main points of the research paper in the final presentation and be ready to answer questions on it.

**Possible topics:**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value reporting</td>
<td>The current state of financial reporting</td>
</tr>
<tr>
<td>Intangibles: R&amp;D Costs; “Intellectual Capital”</td>
<td>XML/Custom financial reporting</td>
</tr>
<tr>
<td>Derivatives and other exotics</td>
<td>Unusual and Extraordinary items</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>Proforma reporting</td>
</tr>
<tr>
<td>Whose GAAP: US and/or International?</td>
<td>Political process of accounting standard setting</td>
</tr>
<tr>
<td>Environmental accounting</td>
<td>2008 Financial crisis and accountants’ responsibility</td>
</tr>
</tbody>
</table>