

AMIS H3201 Accounting
Spring 2017
11:10-12:30 MWF
210 Gerlach

Professor Doug Schroeder
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10:00-11:00 MW
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General Description

The course deals with theory and practice in the academic discipline of accounting. Although the course has an academic focus, it is not divorced from practical issues. Indeed, by reading and analyzing scholarly work, students gain a keener understanding of the ways in which accounting is practiced.

Approach

There are many possible ways to approach the study of accounting. This course emphasizes an information content approach in which accounting reports represent one among many sources of information in a society. In this approach, we examine the structure, language, and comparative advantage of accounting reports as an information source. Uncertainty will be central to our discussions.

Class preparation is vital and involves reading and carefully working the examples. The course will operate seminar style with students actively involved in presenting examples. Currently, a written final exam is scheduled. Each class session will test our understanding of accounting. This plan can be altered if necessary. The course involves a substantial time commitment (at least two to three hours outside of class for each hour in class).

****Students are expected to have previously completed or be concurrently enrolled in honors accounting and linear algebra. If you choose not to participate in the accounting & linear algebra course expect to be at a distinct disadvantage.****

Text and Reading Materials

any *Intermediate Accounting* (IA) text.

Assignment (and additional) material is posted at the following web address:

<http://u.osu.edu/schroeder.9/amis-3201h/>

Recommended (optional):

Christensen, J. and J. Demski (CD). *Accounting Theory: An Information Content Perspective*, Irwin McGraw-Hill, ISBN: 0072296917 (strongly recommended).

Demski, J. (D) *Managerial Uses of Accounting Information*, revised edition, Springer, ISBN 9780387774503 (strongly recommended).

Group Presentations and Written Assignments

The class will be divided into thirteen groups. Each group will have the opportunity to lead the discussion of three cases during the quarter. All groups will submit for grading a written analysis of all assigned cases on the day the case is discussed (one report per group). (Cases are identified on the attached pages.)

Paper

As a part of the final exam, each student will write and submit for grading a brief paper. The topic involves the informational role of accounting as it relates to one of your favorite accounting activities (for example, production cost and inventory analysis, reporting hedging activities, earnings management and/or income smoothing, attestation, financial statement analysis, reporting consolidated operations, and so on).

Papers are to be three to five double-spaced, typewritten pages (in good form) excluding figures, tables, references, etc. The paper will be due at the time of the final exam.

Course Requirements and Grading

Grades will be assigned based on cumulative performance in the course, using the following weights for the components:

Group presentations, written assignments, and class discussion	80%
Paper	10%
Final exam (in-class portion)	10%

Tentative schedule for AMIS H3201 Spring 2017:

week	1st meeting	2nd meeting	3rd meeting
1	ACCOUNTING STRUCTURE & SYMMETRIC INFORMATION CD ch. 1, D ch. 1; Ralph's Economic Income (a)	CD ch. 3, 5, 7; D ch. 3, 9; Ralph's Economic Income (b), Ralph's Structure, [group 1]	CD ch. 1,2,3, 5, 7; Ralph's Income Ralph's Nonseparable Valuation [group 2]
2	general equilibrium, CD ch. 2; D ch. 3; Ralph's Income Benchmark [group 3]	UNCERTAINTY & INFORMATION uncertainty, CD, ch. 5, 7; D ch. 9; Ralph's Probability Assignment [group 4]	information system choice, CD, ch. 5; D ch. 9; Ralph's Information Partition (a), Bayesian Ralph (a & c) [group 5]
3	information system choice, CD, ch. 5; D ch. 9; Ralph's Normal Fallacy [group 6]	accruals & projections, CD ch. 8; notes on best depreciation schedules; Ralph's Dual Accruals (part A) [group 7]	MULTIPLE SOURCES OF INFORMATION valuation information; CD ch. 9-10; Ralph's Information Paradox [group 8]
4	valuation information; CD ch. 9-10; Ralph's Scale [group 9]	PRODUCTIVITY & MANAGERIAL EXPERIMENTATION D ch. 11, 12, notes on projections; Ralph's Technology [group 10]	optimal investment/production, D ch. 12; Ralph's Long-run Frame (A) [group 11]
5	optimal investment/production, D ch. 12; Ralph's Equilibrium Probability Assignment [group 12]	optimal investment/production, D ch. 12,13; Ralph's Long-run Incentives [group 13]	ASYMMETRIC INFORMATION & DISCLOSURE CD, ch. 8; D ch. 10; performance evaluation & incentives, CD ch. 11; D ch. 13, 15; Ralph's Private Information Challenge [group 1]

week	1st meeting	2nd meeting	3rd meeting
6	production and incentives; D ch. 13, 18; Ralph's rationing and taxes [group 2]	performance evaluation & incentives, CD ch. 11; D ch. 13, 15; Ralph's Responsibility Assignment [group 3]	relative performance evaluation, team incentives & quantum information D ch. 19; Ralph's RPE; Ralph's Excess (B) [group 4]
7	performance evaluation & LEN model, CD ch. 11; D ch. 13, 15; Ralph's Task Balance [group 5]	accruals & LEN model, CD ch. 11; D ch. 13, 15; Ralph's Dual Accruals (part B) [group 6]	performance evaluation CD ch. 11; D ch. 13; Ralph's Implicit Incentives [group 7]
8	incentives & earnings management; D ch. 11; Ralph's Earnings Management (A) [group 8]	incentives & earnings management; D ch. 11; Ralph's Earnings Management (B) [group 9]	asymmetric information & valuation, CD, ch. 8; D ch. 10; Ralph's Accounting Reserves [group 10]
9	accounting standards & report precision, CD ch. 19-20; D ch. 19; Ralph's Regulation [group 11]	accounting standard & asset valuation, CD ch. 19-20; D ch. 19; Ralph's Asset Revaluation Regulation [group 12]	product market disclosure, D ch. 10; Ralph's Strategic Disclosure [group 13]
10	disclosure, D ch. 10; Ralph's Sanitization [group 1]	Public versus private disclosure, D 10; Ralph's Beauty Contest [group 2]	contingent claims analysis & option valuation; Ralph's 157 Dilemma [group 3]

week	1st meeting	2nd meeting	3rd meeting
11	SCALING & FINANCIAL STATEMENT ANALYSIS deferred compensation, Rubinstein, 1994, “On the Accounting Valuation of Employee Stock Options,”; Ralph's Employee Stock Options (part A) [group 4]	deferred compensation, contingent claims analysis & option valuation; Ralph's Employee Stock Options (part B) [group 5]	deferred compensation, pension & other benefit obligations, IA; Ralph's Pension Analysis [group 6]
12	private debt, IA; Ralph's Note [group 7]	private debt, IA; Ralph's Debt Securitization [group 8]	public debt (bonds), IA; Ralph's Bonds [group 9]
13	leases, IA; Ralph's Leases [group 10]	income taxes, IA; Ralph's Income Taxes [group 11]	owners' equity disclosures, IA; Ralph's EPS [group 12]
14	financial statement analysis, IA; Invertible Ralph [group 13]	financial statement analysis, IA; Ralph's Accounting Information [group ?]	financial statement analysis, IA; Ralph's Financial Statement Analysis [group ?]
		Final Exam M 4/30/18 12:00-1:45	

Group assignments:

Group	Discussion leaders	Examples
1 1 1	Bender,Ty Leighton,Connor Larkin Zagorsky,Rebecca Meyers	Ralph's Economic Income (b), Ralph's Structure Ralph's Private Information Challenge Ralph's Sanitization
2 2 2	Burchfield,Michael Mlakar,Don Joseph Zavatsky,Daniel George	Ralph's Income, Ralph's nonseparable valuation Ralph's Rationing & Taxes Ralph's Beauty Contest
3 3 3	Burdett,Brendan Michael Pierce,Ben Zhang,Gina	Ralph's Income Benchmark Ralph's Responsibility Assignment Ralph's 157 Dilemma
4 4	Chen,Andrew Round,Emma Ann	Ralph's Probability Assignment Ralph's RPE, Ralph's Excess (B) Ralph's Employee Stock Options (part A)
5 5	Chen,Kyle Brown,Peyton Hudson	Ralph's Information Partition (a),Bayesian Ralph (a&c) Ralph's Task Balance Ralph's Employee Stock Options (part B)
6 6	Connolly,Kristen Danielle Skene,Jake Gavin	Ralph's Normal Fallacy Ralph's Dual Accruals (part B) Ralph's Pension Analysis
7 7	Curry,Kevin Joseph Steffan,Matthew James	Ralph's Dual Accruals (part A) Ralph's Implicit Incentives Ralph's Note
8 8	Farthing,Taylor Jeffrey Sullivan,Kelly Shannon	Ralph's Information Paradox Ralph's Earnings Management (A) Ralph's Debt Securitization
9 9	Hamilton,Jessica Ruth Trinh,My Trang	Ralph's Scale Ralph's Earnings Management (B) Ralph's Bonds
10 10	Herrera,Thomas Alexis Unger,Joe Andrew	Ralph's Technology Ralph's Accounting Reserves Ralph's Leases
11 11	Hodosh,Gabriel C Wang,Patrick	Ralph's Long-run Frame (A) Ralph's Regulation Ralph's Income Taxes
12 12	Jin,Ange White,Mason Matthew	Ralph's Equilibrium Probability Assignment Ralph's Asset Revaluation Regulation Ralph's EPS
13 13	Johansen,Stephen Michael Wrafter,Caroline Rose	Ralph's Long-run Incentives Ralph's Strategic Disclosure Invertible Ralph