

Accounting Theory (ACCT 511)
An Outline for the Course
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The Week of*	Topics
6/3/1431	<p>Going over the syllabus, and introducing the course then starting the first lecture:</p> <ul style="list-style-type: none"> • An overview of the discourse about accounting theory and the current state of accounting theory • An early history of accounting and the emergence of corporations as a challenge to the accounting profession • Definitions of accounting • Defining theory and accounting theory • The nature of accounting theory • Different levels of theories • The importance of accounting theory:
13/3/1431	<ul style="list-style-type: none"> • The argument of whether accounting is art or science • The emergence (evolution) of double-entry • The elements and the structure of <i>a theory</i> • Research methodology and approaches to theorize in the accounting discipline <hr style="border: 0.5px solid red;"/> <p style="text-align: center;">If time permits, we will learn</p> <ul style="list-style-type: none"> • The regulatory approach to formulating an accounting theory
20/3/1431	<ul style="list-style-type: none"> • The structure of accounting theory • <u>Examples</u> of proposed deductive accounting theories: <ol style="list-style-type: none"> a) The proprietary theory (Sprague, 1907; Hatfield, 1909) b) The entity theory (Patton, 1922) c) The fund theory (Vatter, 1968) d) The commander theory e) The residual equity theory f) The enterprise theory (Bricker and Previts (1992) call it Hendriksen's Enterprise Theory) • Income statement vs. balance sheet as a criterion of classifying the proposed accounting theories
27/3/1431	<ul style="list-style-type: none"> • The change of the objectives of financial accounting to decision usefulness • The need for a conceptual framework: • FASB's conceptual Framework (CF)
4/4/1431	<ul style="list-style-type: none"> • GAAP and their authoritative status • Measurement

11/4/1431	<ul style="list-style-type: none"> Income determination and measuring income Income concepts: The nature of income, income recognition, and income recipients
18/4/1431	<ul style="list-style-type: none"> Financial statements: The income statement
25/4/1431	Break (Enjoy yourselves.....)
3/5/1431	<ul style="list-style-type: none"> Financial statements: The balance sheet and the statement of cash flows
10/5/1431	<ul style="list-style-type: none"> Working capital:
17/5/1431	<ul style="list-style-type: none"> Long term assets I: Property, plant, and equipment
24/5/1431	<ul style="list-style-type: none"> Long term assets II: Investments and intangibles
1/6/1431	<ul style="list-style-type: none"> Long-term liabilities:
8/6/1431	<ul style="list-style-type: none"> Equity:
15/6/1431	A Contemporary Topic: Rules-based accounting versus principles-based accounting
22/6/1431	A Selected Topic: Positive theorizing in accounting and introducing agency theory: <ul style="list-style-type: none"> Dismay over efforts in building normative accounting theory: Required reading: <ul style="list-style-type: none"> Some foundations upon which positive theorizing in accounting was based: <ol style="list-style-type: none"> I. Efficient market hypothesis (EMH) and capital asset pricing model (CAPM): II. Information content of earning: Agency theory (contracting theory) as a theoretical framework for the line of research concerning the decision-model approach:
29/6/1431	Finals Begin (I wish you all the best....)

* Dates are in Hijri.