



COURSE SYLLABUS

Classics in Accounting, 3 credits

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Course Code: FJCAC37	Education Cycle: Third-cycle level
Confirmed by: Research Board Jan 1, 2017	Research subject: Business Administration
Revised by: Research Board Nov 11, 2020	
Version: 3	

Purpose

The goal of the course is to familiarize PhD students with different texts that greatly influenced the development of the accounting literature, within financial accounting, management accounting, as well as auditing.

Intended Learning Outcomes (ILO)

On completion of the course, the students will be able to:

Knowledge and understanding

- 1. Outline the theoretical foundations of classic accounting research
2. Account for central theoretical streams and their influence and relevance to postgraduate studies

Skills and abilities

- 3. Discuss how the theoretical foundations of accounting research have been developed during the past decades
4. Apply research-based literature to describe and analyze particular aspects of accounting research related to own postgraduate studies project

Judgement and approach

- 5. Reflect on to the role of theory in accounting research
6. Propose how classics in accounting could inform one's own postgraduate studies project

Contents

The course covers accounting literature from several sub-fields in accounting, ranging from management accounting and control to financial accounting and auditing. Accounting Classics offers insights into accounting literature and introduces both classic work as well as their relevance in contemporary accounting research.

Type of instruction

The course includes lectures and interactive seminars where classic work in accounting is being discussed.

Participants are expected to read a selection of the course literature covering all three subfields of the course (management accounting, auditing and financial accounting) which is chosen

together with the examiner, and participant papers related to seminars.

The teaching is conducted in English.

Prerequisites

Admitted to a doctoral programme in business administration or a related subject of a recognized business school or university.

Examination and grades

The course is graded Fail (U) or Pass (G).

Examination is recurrent through active participation during all seminars and through the fulfillment of individual assignments. Active participation in the form of presentations and discussions at course meetings and a passing grade in the individual course papers.

The grades are 'pass' or 'fail'

The course will be examined in the following way:

- Written assignment fulfill ILOs: 1,2,3,4,5,6
- Oral presentations fulfill ILOs: 1,3,5
- Active participation in discussions fulfill ILOs: 1,2,3,4,5,6

Course evaluation

A course evaluation will be conducted at the end of the course.

Other information

Teaching format

The course will run as a hybrid i.e. JIBS Campus/Online

Course literature

Financial Accounting

Normative accounting theory

Pacioli, L. (1494/1994). "Accounting books and records" (section of Summa de arithmetica, geometria, proportioni et proportionalita translated by Jeremy Cripps). Seattle: Pacioli society. Chapters 1-14 (pp. 1-26).

Graves, O.F. (1992). Dynamic theory and replacement cost accounting: The Schmalenbach-Schmidt polemic of the 1920s. *Accounting, Auditing & Accountability Journal*, 5(1), 80-91.

Whittington, G. 2008. What the 'old guys' can tell us: Edwards and Bell's The Theory and Measurement of Business Income. *Irish Accounting Review* 15(1): 73-84. Available at: <https://iafa.ie/afgr-past-issues/>

Positive accounting theory and earnings management

Watts, R., & Zimmerman, J. (1979). The demand for and supply of accounting theories: the market for excuses. *The Accounting Review* 2: 273-305

Watts, R.L. and Zimmerman, J.L. (1990) Positive Accounting Theory: A Ten Year Perspective. *The Accounting Review*, 65(1): 131-156.

Dechow, P. M., Sloan, R. G., & Sweeney, A. P. (1995). Detecting earnings management. *Accounting review*, 193-225.

Healy, P. M., & Wahlen, J. M. (1999). A review of the earnings management literature and its

implications for standard setting. *Accounting horizons*, 13(4), 365-383.

Capital market-based accounting research

Ball, R. and Brown, P. (1968) An Empirical Evaluation of Accounting Income Numbers, *Journal of Accounting Research*, 6(2): 159-178.

Beaver, W. H. (1968). The information content of annual earnings announcements. *Journal of Accounting research*, 67-92.

Ball, R., Kothari, S. P., & Robin, A. (2000). The effect of international institutional factors on properties of accounting earnings. *Journal of Accounting and Economics*, 29(1), 1-51.

Barth, M. E., Landsman, W. R., & Lang, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research*, 46(3), 467-498.

Accounting in its historical, organizational and societal context

Burchell, S., Clubb, C., Hopwood, A. & Hughes, J. (1980). The Roles of Accounting in Organizations and Society. *Accounting, Organizations and Society* 5: 5-27

Hines, R. (1988). Financial Accounting: In Communicating Reality, We Construct Reality.

Accounting, Organizations and Society 13: 251-261

Tinker, A.M., Merino, B.D. & Neimark, M.D. (1982). The Normative Origins of Positive Theories: Ideology and Accounting Thought. *Accounting, Organizations and Society* 7(2): 167-200

Hopwood, A. G. (1987). The archeology of accounting systems. *Accounting, organizations and society*, 12(3), 207-234.

Voluntary disclosure and legitimacy

Gray, R., Kouhy, R., & Lavers, S. (1995). Corporate social and environmental reporting.

Accounting, Auditing & Accountability Journal, 8(2): 47-77.

Adams, C. A., Hill, W. Y., & Roberts, C. B. (1998). Corporate social reporting practices in Western Europe: legitimating corporate behaviour?. *The British accounting review*, 30(1), 1-21.

Management Accounting

Economic approach

Johnson, H. (1983). The Search for Gain in Markets and Firms: A Review of the Historical Emergence of Management Accounting Systems. *Accounting, Organizations and Society*, 8 (2/3), pp. 139-146

Kaplan, R. (1984). The Evolution of Management Accounting. *The Accounting Review*, 59 (3), pp. 390-418.

Non-economic approach

Ezzamel, M., K. Hoskin and R. Macve (1990). Managing it by numbers; A review of Johnson and Kaplan 'Relevance Lost'. *Accounting and Business Research*, 20 (78), pp. 153-169

Hoskin, K. and R. Macve (1988). The genesis of accountability: The Western point connection. *Accounting, Organisations and Society*, pp. 207-234.

Miller, P., & O'Leary, T. (1987). Accounting and the construction of the governable person.

Accounting, organizations and society, 12(3), 235-265.

MA History

Gigliani, G. B., & Bedeian, A. G. (1974). A conspectus of management control theory: 1900-1972. *Academy of Management Journal*, 17(2), 292-305.

Agency

Baiman, S. (1990). Agency research in managerial accounting: A second look. *Accounting, Organizations and Society*, 15(4), 341-371

Hölmstrom, B. (1979). Moral hazard and observability. *The Bell journal of economics*, 74-91.

Ross, S. A. (1973). The economic theory of agency: The principal's problem. *The American economic review*, 63(2), 134-139.

Contingency

Chapman, C. S. (1997). Reflections on a contingent view of accounting. *Accounting, organizations and society*, 22(2), 189-205.

Hayes, D. C. (1977). The contingency theory of managerial accounting. *Accounting review*, 22-39.

Otley, D. T. (1980). The contingency theory of management accounting: achievement and prognosis. In *Readings in accounting for management control* (pp. 83-106). Springer, Boston, MA.

Ouchi, W. G. (1977). The relationship between organizational structure and organizational control. *Administrative science quarterly*, 95-113.

Strategic management accounting

Govindarajan, V. (1988). A contingency approach to strategy implementation at the business-unit level: integrating administrative mechanisms with strategy. *Academy of management Journal*, 31(4), 828-853.

Govindarajan, V., & Gupta, A. K. (1985). Linking control systems to business unit strategy: impact on performance. In *Readings in Accounting for Management Control* (pp. 646-668). Springer, Boston, MA.

Langfield-Smith, K. (1997). Management control systems and strategy: a critical review. *Accounting, organizations and society*, 22(2), 207-232.

Kaplan, R. S., & Norton, D. P. (1996). Using the balanced scorecard as a strategic management system.

Kaplan, R. S., & Norton, D. P. (2000). Having trouble with your strategy? Then map it. *Focusing Your Organization on Strategy—with the Balanced Scorecard*, 49.

Auditing

Anderson-Gough, F., Grey, C., and Robson, K. (2000). In the name of the client: the service in two professional services firms. *Human Relations*, 53(9):1151-1173.

DeAngelo, L. E. (1981a). Auditor independence, "low balling", and disclosure regulation. *Journal of Accounting and Economics*, 3(August): 113-127.

DeAngelo, L. E. (1981b). Auditor size and auditor quality. *Journal of Accounting and Economics*, 3(December): 183-199

Dirsmith, M., and McAllister, J. (1982a). The organic vs. the mechanistic audit. *Journal of Accounting, Auditing & Finance*. 5(3): 214-228.

Dirsmith, M., and McAllister, J. (1982b). The organic vs. the mechanistic audit: problems and pitfalls. *Journal of Accounting, Auditing & Finance*, 82(6): 60-74.

Grey, C. (1998). On being a professional in a "big six" firm. *Accounting, Organizations and Society*, 23(5/6): 569-587.

Ijiri, Y. (1983). On the accountability-based conceptual framework of accounting. *Journal of Accounting and Public Policy*, 2: 75-81

Knapp, M. C. (1985). Audit conflict: an empirical study of the perceived ability of auditors to resist management pressures. *The Accounting Review*, 60(2): 202-211.

Koh, H. C., and Woo, E. S. (1998). The expectation gap in auditing. *Managerial Auditing Journal*, 13(3): 147-154.

- Pentland, B. T. (1993). Getting comfortable with numbers: auditing and the micro-production of macro-order. *Accounting, Organizations and Society*, 18(7/8): 605-620.
- Power, M. (2000). The Audit Society — Second Thoughts. *International Journal of Auditing*, 4(1), 111-119.
- Power, M. K. (2003). Auditing and the production of legitimacy. *Accounting, Organizations and Society*, 28(4): 379-394.
- Solomon, I. (1987). Multi-auditor judgment/decision making research. *Journal of Accounting Literature*, 6: 1-25.
- Watts, R., and Zimmerman, J. (1981). The markets for independence and independent auditors. Working Paper Series, No. GPB 80-10, Graduate School of Management, The University of Rochester.
- Willmott, H. (1986). Organising the profession: a theoretical and historical examination of the development of the major accountancy bodies in the U.K. *Accounting, Organizations and Society*, 11(6): 555-580.
- Willmott, H. C. (1991). The auditing game: a question of ownership and control. *Critical Perspectives on Accounting*, 2(1): 109-121.