



UNIVERSITAS INDONESIA
FACULTY OF ECONOMICS AND BUSINESS
DEPARTMENT OF ACCOUNTING
UNDERGRADUATE PROGRAM

SYLLABUS
TEORI AKUNTANSI KEUANGAN (FINANCIAL ACCOUNTING THEORY) - ECAU601401
EVEN SEMESTER 2020/2021

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| Subject Code | ECAU601401 |
| Subject Title | Financial Accounting Theory |
| Credit Value | 3 |
| Pre-requisite/ Co-requisite/ Exclusion | Intermediate Financial Accounting 2 |
| Role and Purposes | This course is part of the financial accounting core subjects. It discusses the frame of reference that affects financial accounting practices. The discussion is conducted by considering the different financial accounting theories which are often developed to perform various functions: (1) to <i>describe accounting practice</i> ; and (2) to <i>prescribe accounting practices</i> . The theories of accounting are also developed because of applying various value judgements. That acceptance of one view in preference to others will in part be tied to one's value judgements. Therefore, students should critically evaluate theories (the underlying logic, assumptions made, and evidence produced) before accepting them. |



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| | Accounting students should study accounting theories as part of their broader accounting education. They should be able to evaluate, compare, and apply those frames of reference in justifying their arguments and solutions addressing the accounting cases. The topics discussed include the introduction and approach to the formulation of accounting theory, accounting theory development, and determination of accounting policies. | | | |
| Subject Learning Outcomes | <p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Evaluate the appropriateness of accounting policies used in preparing financial statements (T3) <ol style="list-style-type: none"> Explain the meaning of accounting theory and how accounting theories are constructed. Explain the theories underlying a conceptual framework and measurement in accounting, evaluate the suitability of measurement policies and the application of measurement theory in preparing financial statements. Explain the underlying theory elements of financial statements and evaluate the appropriateness of policies regarding the components used in preparing financial statements. Demonstrate the ability to evaluate, analyze and compare rules of accounting information towards accounting regulations, capital market research and behavioral research (C2) <ol style="list-style-type: none"> Explain the construction of accounting theories and assess the application of the views to regulation Explain and compare the approach applied in capital market research and behavioral research in accounting Demonstrate the ability to justify an argument or solution with supporting evidence/relevant references related to positive accounting theory and contemporary issues in accounting and auditing (C3) <ol style="list-style-type: none"> Explain the positive approach of accounting policy; disclosures, and justify arguments and solutions on the theory Explain and justify discussions on the problems in accounting standard. Setting and the contemporary issues in accounting and auditing. | | | |
| Subject Synopsis/ Indicative Syllabus | | | | |
| | Week # | Topic | LO | Required Reading |
| | 1 | Introduction Accounting Theory Construction <ul style="list-style-type: none"> Overview of Accounting Theory Pragmatic Theories Syntactic and Semantic Theories Normative Theories Positive Theories Other Perspectives and Issues | a | <ul style="list-style-type: none"> Godfrey Ch.1 Godfrey Ch.2 |



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| | 2 | Applying Theory to Accounting Regulation <ul style="list-style-type: none"> The Theories of Regulation Relevant to Accounting and Auditing How the Theories of Regulation | a | <ul style="list-style-type: none"> Godfrey Ch.3 Scott Ch.13 (Sub 13.2) |
| | | Apply to Accounting and Auditing Practice <ul style="list-style-type: none"> The Regulatory Framework for Financial Reporting The Institutional Structure for Setting Accounting and Auditing Standards | | |
| | 3 | A Conceptual Framework <ul style="list-style-type: none"> The Role of Conceptual Framework Objectives of Conceptual Frameworks Developing a Conceptual Framework A Critique of Conceptual Framework Projects Conceptual Framework for Auditing Standards | b | <ul style="list-style-type: none"> Godfrey Ch.4 Kerangka Konseptual Pelaporan Keuangan (KKPK) |
| | 4 & 5 (CL) | Measurement Theory <ul style="list-style-type: none"> Importance of Measurement Scales Permissible Operations of Scales Types of Measurement Reliability and Accuracy Measurement in Accounting Measurement Issues for Auditors Accounting Measurement System <ul style="list-style-type: none"> Income and Capital Measurement System Historical Cost Accounting Current Cost Accounting Financial Capital versus Physical Capital Exit Price Accounting Value in Use versus Value in Exchange A Global Perspective and IFRS Issues for Auditors | b | <ul style="list-style-type: none"> Godfrey Ch.5 Godfrey Ch.6 PSAK 8 PSAK 68 |



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| | 6 | Assets <ul style="list-style-type: none"> ☐ Asset Defined ☐ Asset Recognition ☐ Asset Measurement ☐ Challenges for Standard Setters ☐ Issues for Auditors Liabilities and Owner's Equity <ul style="list-style-type: none"> ☐ Proprietary and Entity Theory ☐ Liabilities Defined ☐ Liability Measurement ☐ Challenges for Standard Setters | c | <ul style="list-style-type: none"> • Godfrey Ch.7 • Godfrey Ch.8 • PSAK 13 • PSAK 16 • PSAK 19 • PSAK 57 • PSAK 48 |
| | 7 | Assets <ul style="list-style-type: none"> • Asset Defined • Asset Recognition | c | |



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| | | <ul style="list-style-type: none"> ❑ Asset Measurement ❑ Challenges for Standard Setters ❑ Issues for Auditors <p>Liabilities and Owner's Equity</p> <ul style="list-style-type: none"> ❑ Proprietary and Entity Theory ❑ Liabilities Defined ❑ Liability Measurement ❑ Challenges for Standard Setters | | <ul style="list-style-type: none"> • PSAK 71 • PSAK 73 • Tugas: <ul style="list-style-type: none"> - Implementasi PSAK 71 pada Perusahaan Non Keuangan (Berdasarkan LK Audited 2020) - Implementasi PSAK 73 pada Perusahaan (Berdasarkan LK Audited 2020) |
| | 8 & 9 (CL) | <p>Revenue</p> <ul style="list-style-type: none"> • Revenue Defined • Revenue Recognition • Revenue Measurement • Challenges for Standard Setters • Issues for Auditors <p>Expenses</p> <ul style="list-style-type: none"> • Expenses Defined • Expenses Recognition • Expenses Measurement • Challenges for Standard Setters | c | <ul style="list-style-type: none"> • Godfrey Ch.9 • Godfrey Ch.10 • PSAK 72 • Tugas: <ul style="list-style-type: none"> - Implementasi PSAK 72 pada Perusahaan Konstruksi, Properti dan Real Estate atau Telekomunikasi (Berdasarkan LK Audited 2020) |
| | 10 | <p>Positive Theory of Accounting Policy and Disclosure</p> <ul style="list-style-type: none"> • Contracting Theory • Agency Theory • Agency Problems • Signaling Theory • Political Process • Agency Cost • Empirical Test of Theory and Evaluating the Theory • Issues for Auditors | d,e | <ul style="list-style-type: none"> • Godfrey Ch.11 |
| | 11 | <p>Capital Market Research</p> <ul style="list-style-type: none"> • Philosophy of Positive Accounting Theory • Strength of Positive Theory • Scope of Positive Accounting Theory • Capital Market Research and the Efficient Market Hypothesis • Impact of Accounting Profits Announcements on Share Prices • Trading Strategies • Issues for Auditors | d,e | <ul style="list-style-type: none"> • Godfrey Ch.12 |



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| | 12 | Behavioral Research in Accounting (BAR) <ul style="list-style-type: none"> • Definition and Scope • Why is BAR Important? • Representativeness: The Evidence • Accounting and Behavior • Limitation of BAR • Issues for Auditors | d,e | <ul style="list-style-type: none"> • Godfrey Ch.13 |
| | 13 | Standard Setting <ul style="list-style-type: none"> • Standard Setting: Economics Issues • Standard Setting: Political Issues | g | <ul style="list-style-type: none"> • Scott Ch.12 and 13 (Except sub 13.2) |
| | 14 | Contemporary Issues in Accounting and Auditing | h | <ul style="list-style-type: none"> • Sustainability and Environmental Accounting. • Corporate Reporting on the SDGs: what are the challenges and opportunities? • Developments Related to the Use of XBRL in Digital Financial Reporting. • The development of earnings management research A review of literature from three different perspectives. |

Teaching/Learning Methodology

Students-oriented learning (referred to as student-centred Learning or SCL) is used as the teaching method in this subject. Active participation from students is highly needed. Students are expected to build self-knowledge actively and independently, while the primary role of the teaching staff is as a facilitator.

Learning methods used in these subjects is active and collaborative learning. The selection of the learning method is based on the suitability of learning methods to the characteristics of the material covered so those specific instructional objectives can be achieved optimally.

Each group should prepare a group paper in the form of a PowerPoint presentation discussing pertaining topics in each session. Quizzes will be administered at the end of the session, in which 4 (four) highest grades of each student will be selected for the assessment.

For the final paper, each group should prepare a short essay (maximum of five pages) discussing emerging issues in financial accounting.

| Assessment Method in Alignment with Intended Learning Outcomes | Specific Assessment Methods/Tasks | % Weighting | Intended Learning Outcomes to be Assessed | | | | | |
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| | | | a | b | c | d | e | f |
| | Continuous Assessment | | | | | | | |
| | GROUP | 25% | | | | | | |
| | Group Paper (15%) | | √ | √ | √ | √ | √ | √ |
| | Presentation (10%) | | √ | √ | √ | √ | √ | √ |



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|--|--|---------------------------|-----|----------|----------|------------------------|----------|--------------|----------|--|--|--|----------|-----|---|---|---|------------------|--|--|-----|--|-----|-----|-----|
| | <table><tr><td>INDIVIDUAL</td><td>75%</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Mid-Term Exam (20%)</td><td></td><td>40%</td><td>30%</td><td>30%</td><td></td><td></td><td></td></tr><tr><td>Final Exam (20%)</td><td></td><td></td><td>30%</td><td></td><td>30%</td><td>15%</td><td>25%</td></tr></table> | INDIVIDUAL | 75% | | | | | | | Mid-Term Exam (20%) | | 40% | 30% | 30% | | | | Final Exam (20%) | | | 30% | | 30% | 15% | 25% |
| INDIVIDUAL | 75% | | | | | | | | | | | | | | | | | | | | | | | | |
| Mid-Term Exam (20%) | | 40% | 30% | 30% | | | | | | | | | | | | | | | | | | | | | |
| Final Exam (20%) | | | 30% | | 30% | 15% | 25% | | | | | | | | | | | | | | | | | | |
| | <table><tr><td>Participation (15%)</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td></tr><tr><td>Quizzes (20%) (4 out of 6, each 5%)</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td></tr></table> | Participation (15%) | | √ | √ | √ | √ | √ | √ | Quizzes (20%) (4 out of 6, each 5%) | | √ | √ | √ | √ | √ | √ | | | | | | | | |
| Participation (15%) | | √ | √ | √ | √ | √ | √ | | | | | | | | | | | | | | | | | | |
| Quizzes (20%) (4 out of 6, each 5%) | | √ | √ | √ | √ | √ | √ | | | | | | | | | | | | | | | | | | |
| Details of learning methods | <p>The specific learning methods used in this subject are:</p> <ol style="list-style-type: none">Active Lecturing and Group presentation Active lecturing approach, which is preceded by the presentation of students (in-group consists of 2-3 members), it is applied for all sessions except those using CL. Each group should present twice (before and after mid-term test). The presenter group prepares and submits group paper containing the materials discussed in each session, this must be pre-recorded, upload it on google drive or You Tube. The group that does not present must make a list of questions with a minimum of 3 questions. All assignments must be submitted 1-day in advance through EMAS.CL (Collaborative Learning) for sessions: 4,5,8 and 9 Collaborative learning is used for topics that have many sub-topics and require a deep understanding. This method allows students to focus on the mastery of a particular material and then share and gain an understanding of other material from other students. Under this method, students are divided into groups and discuss the specific cases in Home Group Discussion (HGD) and Focus Group Discussion (FGD). There are several sub-topics for FGD, and then all FGD's topics will be discussed in HDG. In each discussion (FGD and HGD), students will assess their peer in a peer review form. Finally, each group will present the results of discussions with the lecturer as a facilitator. Results of the conversation and presentations are expected to improve students understanding of the concept and its implementation. The presentation sessions are also likely to benefit the students to learn from other focus group discussion.Group paper Choose one topic and apply it to the real case study, make literature review, regulation or accounting standard analysis. The essay should contain between 2.000 – 3.000 words, excluding references. Group paper must be submitted by end of week 14. | | | | | | | | | | | | | | | | | | | | | | | | |
| Student Study Effort Expected | <table><tr><td colspan="2">In-Class Contacts:</td></tr><tr><td>Lectures</td><td>32 Hours</td></tr><tr><td>Collaborative Learning</td><td>10 Hours</td></tr><tr><td>Presentation</td><td>28 Hours</td></tr><tr><td colspan="2">Other student study efforts (off-class contacts):</td></tr><tr><td>Preparation for project/assignment/tests</td><td>30 Hours</td></tr><tr><td></td><td></td></tr></table> | In-Class Contacts: | | Lectures | 32 Hours | Collaborative Learning | 10 Hours | Presentation | 28 Hours | Other student study efforts (off-class contacts): | | Preparation for project/assignment/tests | 30 Hours | | | | | | | | | | | | |
| In-Class Contacts: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lectures | 32 Hours | | | | | | | | | | | | | | | | | | | | | | | | |
| Collaborative Learning | 10 Hours | | | | | | | | | | | | | | | | | | | | | | | | |
| Presentation | 28 Hours | | | | | | | | | | | | | | | | | | | | | | | | |
| Other student study efforts (off-class contacts): | | | | | | | | | | | | | | | | | | | | | | | | | |
| Preparation for project/assignment/tests | 30 Hours | | | | | | | | | | | | | | | | | | | | | | | | |
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| Reading List and References | <p>Required Readings:</p> <ol style="list-style-type: none"> 1. Godfrey, Jayne, Allan Hodgson, Ann Tarca, Jane Hamilton, and Scott Holmes. Accounting Theory, 7th Ed. John Wiley & Sons, Inc. 2010 (GOD) (prescribed textbook). 2. Scott, William R. Financial Accounting Theory, 7th Ed. Pearson Prentice Hall, 2015 (WRS) 3. Ikatan Akuntan Indonesia, Standar Akuntansi Keuangan, Jakarta: Salemba Empat, 2017 (PSAK), and Kode Etik Ikatan Akuntan Indonesia. <p>Supplementary Readings: Students are expected to actively search for other relevant readings which are relevant to the topics.</p> |
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