

<b>Title of Module:</b>	<b>ACCOUNTING THEORY &amp; HISTORY</b>
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<b>Code: ACCT10006</b>	<b>SCQF Level: 10</b>	<b>Credit Points: 20</b>	<b>ECTS: 10</b>
<b>School:</b>	<b>Business School</b>		
<b>Module Co-ordinator:</b>	<b>Professor Sam McKinstry</b> (N.B. The person identified might <u>not</u> necessarily teach the module)		
<b>Trimester:</b>	<b>One</b>		

**Summary of Module:**

The purpose of this module is to study the theoretical dimension of accountancy, focussing on the reasons for its development. There are two strands: first, *accounting history*, where the development of accountancy is traced, by means of refereed journal articles, from mediaeval charge and discharge accounting through Pacioli's double entry and its transmission throughout Europe, and on to early 18c/19c industrial accounting. The study of High Industrial Revolution accountancy in a manufacturing context follows, after which 20c costing and financial accounting developments are covered. The evolution of financial reporting in municipal corporations is next studied. Critical expositions of the journal articles are presented by groups of students, following which discussion of the reasons for the accounting developments featured in each paper takes place. The theories studied in this strand include the 'economic rationalist', self-interested positivist, critical and Foucauldian explanations of accounting development.

The second strand of the course, operating in parallel with the first, examines contemporary financial accounting theory, including the normative, conceptual framework-based approach to theorisation, an example being accounting for changing prices. There then follows a study of political economy theory, legitimacy theory, stakeholder theory, institutional theory and also critical theory. This aspect of the module is centred on class discussion of key textbook chapters.

There are scene-setting lectures on the general historical context against which western accountancy has developed, and also on the broad epistemological approaches adopted in explaining its development, past, present and future, namely, normative/deductive (*a priori*) and positive/inductive (*empirical*) arguments, together with their limitations and interdependencies. Students also learn that theory has a history, and that history is not value free: it is dependent on theory. The module seeks to develop students' ability to critically evaluate theories, leading to a better conceptual grasp of accounting and a wider intellectual perspective on its evolution and social construction.

**Learning Outcomes:**

At the end of this module the student will be able to:

- L1 Explain the various stages in the evolution of western accountancy
- L2 Evaluate contrasting theories of accounting and accounting development
- L3 Distinguish between a priori and empirical approaches to the construction and interpretation of accounting theory and history

(N.B. The above learning outcomes should relate to SCQF Level Descriptors referred to within Section 7.)

<b>Pre-requisites:</b>	Before undertaking this module the student should have undertaken the following:		
	<b>Module Code:</b>	<b>Module Title:</b>	Financial Accounting 3

**Learning and Teaching:**

<b>Learning Activities/Categories:</b>	<b>Student Learning Hours</b>
During completion of this module, the learning activities undertaken to achieve the module learning outcomes are stated below:	(Normally totaling 200 hours): (Note: Learning hours include both contact hours and hours spent on other learning activities)
Lectures	12
Student presentations	12
Preparation for student presentations	24
Individual study	42
Tutorials for assessment	10
Preparation/personal study for coursework	100
	<b>200 Hours Total</b>

**Assessment: (also refer to Assessment Outcomes Grids at end of document)**

Assessment consists of a course essay, worth 100%.

**Indicative Resources: (eg. Core text, journals, internet access)**

The following materials form essential underpinning for the module content and ultimately for the learning outcomes:

**COURSE TEXTS**

*Financial Accounting Theory (European edition)* McGraw Hill 2006 (or later edition), C Deegan and J Unerman

**Refereed Journal Articles and Conference Papers:**

- 1) *Accounting for Bailliffship*, C Noke, *Accounting and Business Research*, Spring 1981
- 2) *Luca Pacioli - The Perfect Accountant*, F Volmer, ICAS 1994
- 3) *British Entrepreneurs and Pre-Industrial evidence of Cost Management*, R Fleischman and L. Parker, *Accounting Review*, April 1993
- 4) *Dowlais Iron Company- Accounting Policies*, JR Edwards and C Baber, *Accounting and Business Research*, Spring 1979
- 5) *The Financial Reporting Practices of British Municipal Corporations*, HM Coombs and JR Edwards, *Accounting and Business Research* Spring 1995
- 6) *Cost Accounting in the Shipbuilding, Engineering and Metals Industries of the West, of Scotland 'The Workshop of the Empire', c1900-1960*, AIM Fleming, S McKinstry and K Wallace, *Accounting and Business Research*, Summer 2000
- 7) *Engineering Culture and Accounting Development at Albion Motors, 1900-c1970*, S McKinstry, *Accounting, Business and Financial History*, July 1999
- 8) *The Demand for, and Supply of, Accounting Theories – The Market for Excuses*, R Watts and J Zimmerman, *Accounting Review*, April 1979
- 9) *The Industrial Revolution and the Managerial Revolution*, K Hoskin and Richard Macve, *Accounting Business and Financial History* Conference Paper, 1993
- 10) *An Archivist Responds to the New Accounting History*, T Tyson, *Accounting, Business and Financial History* Conference Paper, 1993
- 11) *Christie Malry's Own Double Entry, by BS Johnson: an Interpretation as Foucauldian Discourse*, S McKinstry, *Critical Perspectives on Accounting*, in press, August 2006

The above articles and papers may be substituted from time to time. Students are advised to refer to latest publication listings provided at the start of the course.

**RECOMMENDED READING**

*The Social and Organisational Context of Management Accounting*, Academic Press, 1993, A. Puxty (now out of print but in Library stock).

(\*\*N.B. Although reading lists should include current publications, students are advised (particularly for material marked with an asterisk\*) to wait until the start of session for confirmation of the most up-to-date material)