



ACC 31103: Accounting Theory and Practice

Level: 3000

Number of Credits : 03

Course Description

Accounting theory and practice covers the historical evolution of accounting, standard setting process and the international harmonization of accounting practices. Further, it discusses conceptual framework in financial reporting, different perspectives of accounting theories and developments in accounting practices.

Intended Learning Outcomes

At the end of this course, students will be able to,

- Describe the evolution of accounting
- Identify different perspectives of accounting theories
- Explain the conceptual framework in financial reporting
- Discuss accounting standard setting process and international harmonization of accounting practices
- Evaluate accounting practices in relation to social and environmental perspectives.

Teaching and learning methods

Lectures, seminars and workshops

Methods of Assessments

In-course assessments : 30%
End semester Examinations : 70%

Course content

- 1 Introduction to accounting theory and practice
Scope of accounting theory, accounting as a social phenomenon
- 2 Historical evolution of accounting
Primitive accounting, double entry book keeping, industrial revolution, scientific accounting
- 3 Accounting as an Information system
Elements of accounting information system, accounting information system installation, accounting information system in a company's value chain
- 4 Approaches in accounting theory
Descriptive and normative accounting
- 5 Conceptual framework in financial reporting
Purposes of conceptual framework, objectives of general purpose financial statements, qualitative characteristics, elements of financial statements, concept of capital and capital maintenance
- 6 Accounting standard setting process
Sri Lanka Accounting and Auditing Standards Act, Financial Accounting Standard Board, accounting standard setting process, international harmonization

- 7 Social and environmental accounting
Social responsibility accounting, human resource accounting, environmental accounting, triple bottom line reporting
- 8 Value relevance of accounting information
Capital market and accounting information
- 9 Contemporary concepts of accounting
Cloud based accounting, forensic accounting

Recommended readings

- 1 Godfrey, J., Hodgson, A., Tarca, A., Hamilton, and Holmes, S., (2010) Accounting Theory (7th edition) Milton: John Wiley & Sons
- 2 Harry, I.W., James, L.D., John, J. R. (2017) Accounting Theory: Conceptual issues in a political and economic environment (9th edition), SAGE publication Inc