

**The University of Illinois at Chicago  
College of Business Administration**

**Department of Accounting**

**ACCOUNTING 515**

**Fall 2005**

**4 Credit Hours**

**Class meets: Wednesday 5:30-8:30**

**Classroom: BSB 315**

**Instructor: Ahmed Riahi-Belkaoui**

**Office: 2332 University Hall Phone: 996-4400**

**Office Hours: by appointment**

**Required Textbooks:**

1. Riahi-Belkaoui, Ahmed, *Accounting Theory*, 4th Edition, Thomson, 2000 (ARBI)

**Recommended Texts**

1. Riahi-Belkaoui, Ahmed: *Accounting: A Multiple Paradigm Science*, (Greenwood, 1997) (ARB2)

2. Riahi-Belkaoui, Ahmed: *Inquiry and Accounting* (Greenwood, 1987)

3. Riahi-Belkaoui, Ahmed: *Socio-Economic Accounting* (Greenwood, 1984)

4. Riahi-Belkaoui, Ahmed: *Judgement in International Accounting* (Greenwood, 1990)

5. Riahi-Belkaoui, Ahmed: *Mortality in Accounting*, (Greenwood, 1992)

6. Riahi-Belkaoui, Ahmed: *Fairness in Accounting*, (Greenwood, 1997)

7. Riahi-Belkaoui, Ahmed: *Visions in Accounting*, (Greenwood, 1997-1998)

8. Riahi-Belkaoui, Ahmed, *The Coming Crisis in Accounting* (Greenwood, 1989)

9. Riahi-Belkaoui, Ahmed, *Designed Accounting* (Greenwood, 2003)

**Class Assignments**

References from the required textbooks are referenced by ARB I and ARB

**SESSION 1: HISTORY/DEVELOPMENT/NATURE/USES of ACCOUNTING**

1. ARBI, Chapters 1-2.

2. Johnson, L. Todd, "Research on Disclosure," *Accounting Horizons* (Sept 1991), pp. 101-123.

3. Previts, G Parker, J., Lee, D. and Coffman, E.N.: "An Accounting Historiography: Subject Matter and Methodology," *Abacus* (Sept. 1997), pp. 136-158.

4. Revsine, Laurence: "The Selective Financial Misrepresentation Hypothesis," *Accounting Horizons* (Dec. 1991), pp. 16-27.

5. Nair, R.D. and L.E. Rittenburg: "Summary Annual Reports: Background and Implications for Financial Reporting and Auditing," *Accounting Horizons* (Marc 1990), pp. 23-38.

**SESSION 2: THE TRADITIONAL AND REGULATORY APPROACHES**

1. ARBI, Chapters 3-4

2. Wyatt, A., "Accounting Standards: Conceptual or Political," *Accounting Horizons* (September 1990), pp. 83-88.

3. Brown, V.H., "Accounting Standards: Their Economic and Social Consequences," *Accounting Horizons* (Sept. 1990), pp. 89-97.

### **SESSION 3: CONCEPTUAL FRAMEWORK**

1. ARB I, Chapter 5.
2. Sprouse, R.T., "Developing a Conceptual Framework for Financial Reporting," *Accounting Horizons* ( Dec. 1988), pp. 121-27.
3. Diller, Paul B. W., "The Conceptual Framework as Reformation and Counter Reformation," *Accounting Horizons*, (June 1990), pp. 23-32.
4. Trenholm, B. and F. Aurelus, "Accounting Valuation Methods: Structuring an Unstructured Problem," *Accounting Horizons* (September 1989), pp. 82-89.
5. Elliot, Robert K.: "The Third Wave Breaks on the Shores of Accounting," *Accounting Horizons* (June 1992), pp. 61-85.
6. Agrawal, S.P.: "On the Conceptual Framework," *Journal of Accounting Literature* (6,1987), pp. 165-178.

### **SESSION 4: THE STRUCTURE OF ACCOUNTING THEORY**

1. ARB1, Chapter 6.
2. Robinson, L.E.: "The Time Has Come to Report Comprehensive Income." *Accounting Horizons* (June 1991), pp. 107-112.
3. Stanga, Keith G.: "The Relationship Between Relevance and Reliability: Some Empirical Results," *Accounting and Business Research* (Winter 1980).

### **SESSION 5: DISCLOSURE AND FUTURE SCOPE OF ACCOUNTING**

1. ARB1, Chapter 15-16.
2. ARB, *Fairness in Accounting* (Greenwood, 1997).
3. Williams, P.F. "The Legitimate Concern with Fairness," *Accounting Organizations and Society* (March 1987).
4. Barth, M. E., and C. M. Murphy, "Required Financial Statement Disclosures: Purposes, Subject, Number and Trends," *Accounting Horizons* (December 1994), pp. 1-27.
5. Elliot, Robert K., and Peter D. Jacobson, "Cost and Benefits of Business Information Disclosure," *Accounting Horizons* (December 1994), pp. 80-96.
6. Riahi-Belkaoui, A., "An Experimental Study of Entitlements, Rights, Fairness, and Intrafirm Resource Allocation," *Accounting and Business Review*, 3,2, July 1996: 201 -214.

### **SESSION 6: MIDTERM EXAM**

### **SESSION 7: ACCOUNTING: A MULTIPLE PARADIGM SERVICE**

1. ARB1, Chapter 17.
2. ARB, *Research Perspectives in Accounting* (Greenwood Press, 1997)
3. ARB, " Formal Knowledge in Accounting Studies", *S.A.Journal of Accounting Research*, 1, 14,2000: 35-47

### **SESSIONS 8-9: TRUE INCOME/DEDUCTIVE PARADIGM**

#### **A. Current-Value Accounting**

1. ARB1, Chapter 12.
2. Barton, A.D., "Expectations and Achievement in Income Theory," *The Accounting*

*Review* (October 1974), pp. 664-81.

3. Gamble, G.O. and J.J. Cramer, Jr., "The Role of Percent Value in the Measurement and Recording of Nonmonetary 1992), pp. 32-41.

4. Weil, Roman L "Role of the Time Value of Money in Financial Reporting," *Accounting Horizons* (December 1990), pp. 47-67.

### **B. General Price-Level Accounting**

1. ARB1, Chapter 13.

2. Miller, E.L., "What's Wrong with Price-Level Accounting?," *Harvard Business Review* (Nov-Dec 1978), pp. 111-118.

### **C. Alternative Asset Valuation and Income Determination Models**

1. ARB1, Chapter 14.

2. Chasteen, L., "A Taxonomy of Price Change Models," *The Accounting Review* (July 1984), pp. 515-523.

3. ARB2, Chapter 4.

### **SESSION 10: THE EVENTS AND BEHAVIORAL PARADIGM**

1. ARB1, Chapter 10.

2. ARB2

3. Riahi-Belkaoui, A., *Judgement in International Accounting* (Greenwood, 1990)

4. Lieberman, A. Z and A. B. Winston, "A Structuring of an Events-Accounting Information

System," *The Accounting Review* (April 1975), pp. 246-58.

5. Bimberg, Jacob G., and Jeffrey F. Shields, "Three Decades of Behavioral Accounting Research: A Search for Order," *Behavioral Research in Accounting* (Vol. 1, 1989) pp. 23-74.

6. Riahi-Belkaoui, A. "Slack Budgeting, Information Distortion and Self-Esteem," *Contemporary Accounting Research* (Fall 1985), pp. 111-123.

7. Riahi-Belkaoui, A.: "Diagnostic and Redundant Information: The Effects on the Quality of

Loan Officers' Predictions," *Accounting and Business Research* (June 1984), pp. 249-256.

### **SESSION 11: THE PREDICTIVE PARADIGM**

1. ARB1, Chapter 11.

2. ARB2

3. Riahi-Belkaoui, A.: "Industrial Bond Rating: A Discriminant Analysis Approach," *Financial Management* (September 1980), pp. 44-51.

4. Riahi-Belkaoui, A.: "A Comparison of the Financial Characteristics of Companies in the

Core and Periphery Economies," *Advances in Quantitative Analysis of Finance and Accounting* {1, 1993), pp. 105-139 (co-author: PK).

5. Riahi-Belkaoui, A.: "Value-Added and Corporate Control," *Journal of International Financial Management and Accounting* (Fall 1991), pp. 241-257 (co-author: JB).

### **SESSION 12: THE MARKET PARADIGM**

1. ARB1, Chapter 11.

2. ARB2

3. Riahi-Belkaoui, A.: "Earnings-Return Versus Net Value-Added Returns Relation: The Case

for Nonlinear Specification,” *Advances in Quantitative Analysis of Finance and Accounting* 4, 1997), pp. 175-185.

4. Riahi-Belkaoui, A.: “The Effect of the Implementation of the Multidivisional Structure on

Shareholder's Wealth: The Contingency of Diversification Strategy,” *Journal of Business Finance and Accounting* (April 1994), pp. 349-366.

5. Belkaoui, A.: “The Impact of the Disclosure of the Environmental Effects of Organizational Behavior on the Market,” *Financial Management* (Winter 1976), pp. 26-31.

### **SESSION 13: THE ANTHROPOLOGICAL/POSITIVE PARADIGM**

1. ARB1, Chapter 11.

2. ARB2, Chapter 5.

3. Riahi-Belkaoui, A.: “The Effect of Ownership Structure and Diversification Strategy on

Performance,” *Managerial and Decision Economics* (13, 1992), pp. 343-352 (co-author EP).

4. Riahi-Belkaoui, A.: “Determinants of the Corporate Decision to Disclose Social Information,” *Accounting, Auditing and Accountability Journal* (12, 1989).

5”Antecedents and Consequences of earnings Opacity: Towards an International Contingency Theory” 2005

### **SESSIONS 14-15: COMING CRISIS IN ACCOUNTING**

1. ARB2, Chapters 1-5.

2. ARB, *Public Policy and the Problems and Practices of Accounting* (Greenwood, 1985)

3. ARB, *Morality in Accounting* (Greenwood, 1992).

4. ARB: “Leadership Style, Dimensions of Superior’s Upward Influence and Job Perception

in a Public Accounting Firm: A Re-examination of the ‘Pelz Effect’,” *Accounting and Business Review*, (July 1995), pp. 201-216.