

NATIONAL UNIVERSITY



Syllabus Department of Accounting

One Year Master's Course
Effective from the Session: 2013-2014

National University

Subject: Accounting

Syllabus for One-Year Master's Course

Effective from the Session: 2013-2014

Paper Code	Paper Title	Credits
312501	Applied Accounting Theory: 6201	4
312503	Advanced Cost Accounting	4
312505	Strategic Management Accounting	4
312507	Strategic Management	4
312509	Corporate Governance	4
312511	Corporate Financial Reporting	4
312513	Corporate Tax Planning	4
312514	Term Paper	2
312516	Viva-Voce	2
	Total =	32

Detailed Syllabus

Paper Code : 312501	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Applied Accounting Theory: 6201		

Paper contents

1. **Development of Accounting Theory:** Historical development. Signaling theory and accounting information. Recent development in accounting research.
2. **Conceptual Framework of Accounting and Reporting.** Disclosure requirements, regulatory bodies, IAS and IFRS.
3. Agency theory and need for accounting.
4. **Income Concepts:** Accounting and economic income, Hick's theory of income. Income concepts: capital maintenance, Hayek's capital maintenance.
5. **Control and Organization:** Corporate governance, Marx and Weberian sociology and need for control, human diversity and need for control, accountability and control, hidden costs of control.
6. **Earnings Management:** Earnings forecast model, smoothing and big bath. Accounting covenants and loan agreement, debt capital and quality of earnings.
7. **Incentive Schemes:** Profit sharing, share ownership, share options, income inequality, discipline in managerial remuneration, accounting for share options (IFRS2).
8. **Intangibles:** Goodwill, copyrights, patents, brands, trademarks, R&D, IAS 38.
9. **Valuation:** Cost, replacement cost, allocation, appraised value, market value, present value, arbitrary valuation, Tobin's Q, equity valuation based on financial information, valuation of business for merger, valuation models.
10. **Test of Uses of Accounting Information:** Market efficiency, CAPM.
11. Fair value measurement, IFRS 13.

Recommended Books:

Dhiman Chowdhury. Incentives, Control, and Development: Governance in the Private and Public Sector with Special Reference to Bangladesh, Dhaka University, 2nd edition, Dhaka, 2012.

Richard G. Schroeder and Myrtle W. Clark. Accounting Theory: Text and Readings, John Wiley & Sons, Inc.: NY, 1994.

Paper Code : 312503	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Advanced Cost Accounting		

1. **Cost Estimation and Regression Analysis:** Cost Estimation approaches-Engineering studies-Account Classification –Regression Analysis for Cost Estimation-Regression Equation –Multiple Regression –Planning for Regression Analysis of Business Data. (Kaplan & Rayburn).
2. **Cost Allocation:** The terminology for Cost Allocation-Purposes of Cost Allocation-Criteria to guide Cost Allocation Decision-Allocation costs from one department to another department-Allocating costs of service department and common costs. Cost pool-Single pool vs. Dual pool-choosing cost application bases-contribution to Cost Allocation-Cost justification and reimbursement.
3. **Direct and Absorption Costing:** Variable costing and Absorption costing-Impact of changes in Manufacturing Environment-Comparison of Variable and Absorption Costing-Advantage of Variable Costing-dangers of Variable costing-Variable costing for External Reporting –Role of various denominator levels in Absorption costing-Characteristics of Capacity-Measurement of Capacity-Inventory and Income effects-Adjusting inventories for External reporting.
4. **Joint Products and By Products:** Joint Products and by Products-Comparison with Scrap-Common Costs and Joint costs-Why to allocate Joint Cost?-Split-off point and Separable cost –Irrelevance of Joint Costs for Decision making-Assignment of Costs to Joint products-Accounting for By Products-Assigning Inventory value to By Products Produced-Income from By products sold –Journal entries for By products.
5. **Operation Costing and Backflush Costing:** Overviews of Operation Costing-Journal entries for an Operation Costing System-Operation Costing and Activity based costing-Definition of Backflush Costing-

Different versions of Backflush costing-Journal entries for Backflush Costing.

6. **Adapting Cost Accounting to a Cost Management Approach:** Traditional Cost Accounting Systems: Designed to monitor direct labor costs-Inventory Profits are not real profits-Economics of Scale-Holding inventory is expensive-Cost Management Concepts: Developing a Cost Management System-Benefits of Cost Management-Benefits of Cost Management-Zero defect program.
7. **Inventory Management Systems:** Economic Order Quantity-Material Requirements Planning (MRP)-Just-in-time (JIT)-Automated Environment-Impact of Not Automating –Gains from improved manufacturing performance. Cost Accounting for Tomorrow's Factory: Optimizing Productions technology (OPT)-Flexible Manufacturing Systems–Pull/Push System–Change in Performance Evaluation-Changing Methods of Reporting Cost Information.
8. **Operations Management and The Cost Accountant:** Linear Programming Model-LP requirements-Lack of Constraints-Effects of Constraints-Substitution of Scarce resources-Solution Methods-Implications of LP for Managers and Accountants. (Rayburn).

Recommended Books:

1. Horngren, C.T., G. Foster and S.M. Datar. 2000. Cost Accounting: A Managerial Emphasis. Latest Edition. New Delhi. Prentice-Hall, India Ltd.
2. Hansen, D.R. and M.M. Mowen. 2003. Cost Management: Accounting and Control. Latest Edition. Mason, OH: South-Western.

Paper Code : 312505	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Strategic Management Accounting		

1. **Strategic Management Accounting:** An Introduction: Historical evolution of Management Accounting –Strategic Management Accounting-Difference between Management Accounting and Strategic Management Accounting –Scope of Management Accounting systems Information-The relationship among financial accounting, cost accounting, cost management and strategic cost management-Theoretical perspectives of management accounting.

2. **Vision, Mission, Strategy, Goals, and Objectives and Strategy Topology:** Vision statement and mission statement-strategy-goals-strategic decisions-strategic business unit-types of strategy-environmental uncertainty,—Strategy and environment-Management Control—strategic Planning, strategic management, and program planning-economy, efficiency, and effectiveness-competitive strategy and costing systems.
3. **Activity Based Costing and Activity Based Management:** ABC-Classification of organizational activities for an ABC system-Traditional Cost systems and ABC systems—Limitations of ABC-Activity Based Management. Customer Profitability Analysis/Customer Analysis (CPA)-CPA and ABM-The implementation of CPA.
4. **Strategic Cost Management:** Lean production-JIT production and ABC-Target Costing, Kaizen costing and Product Life Cycle Costing,—Product Development-Value Engineering! Analysis-Quality Function Deployment.
5. **Quality Costing, Total Quality Management and Management Accounting Systems:** Dimensions of quality-quality costs-Hidden quality costs-Cost of dissatisfied customer-Taguchi Loss Function-TQM-Benchmarking.
6. **Accounting for Value Chain Analysis:** Value chain concept-Value Added analysis and Value Chain analysis-Porter's value chain framework- Management accounting systems in the value chain framework.
7. **Responsibility Accounting:** Decentralization a theoretical perspective-Responsibility Center and Segment Reporting-Key financial measures-ROI, RI, EVA, MVA. —Transfer Pricing.
8. **Balanced Scorecard (BSC), Measuring Non-Financial Performance:** Importance of non-financial performance measures-Key, non-financial performance measures-building a strategic performance measurement system-Balanced Scorecard evolution-Linking BSC with the strategy of the organization-arguments for Balanced Scorecard adoption. —Linking BSC with Knowledge Management.

Recommended Books:

1. Kaplan, R.S. and A.A. Atkinson. 1998. Advanced Management Accounting, 4th Edition. Delhi. Pearson Education Asia.

2. Smith, M. 1997. Strategic Management Accounting: Issues and Cases, NSW: Butterworth Publications.
3. Hoque, Z. 2001. Strategic Management Accounting: Concepts, Processes, and Issues. 2nd Edition. Rollinsford. NH: Spiro Press.

Paper Code : 312507	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Strategic Management		

1. **Strategic Management:** Concepts, definition, benefits and limitation of strategic management. Guidelines for strategic management.
2. **Key Terms in Strategic Management:** Strategy, competitive management, vision and mission statement, SWOT, objectives-long term and short-term policies.
3. **Strategic Management Process/Model:** Detailed explanation of vision and mission statement, importance of mission statement, components of mission statement.
4. **The External Environment:** Remote environment, industry environment, how competitive forces shape strategy, operating environment.
5. **Internal Analysis:** How well is the company's present strategy working-approaching used to determine the strengths and weakness of the company-SWOT analysis-functional analysis-value chain analysis.
6. **Formulating Strategy:** Long-term objectives-types of strategies-means for achieving strategies-first mover advantage-outsourcing.
7. **Choice of Strategy:** SWOT Matrix-Boston Consulting group Matrix-Industry attractiveness-business strength matrix-grand strategy selection matrix.
8. **Implementing Strategy:** Short-term objectives- action plan-functional tactics that implement business strategies-role of policies in strategy implementation.
9. **Strategy Evaluation:** Meaning, nature and characteristics-components of an effective evaluation systems-strategy evaluation frame work.
10. **Strategic Management:** Case analysis-What is a strategic management case- preparing a case for class discussion-preparing written case

analysis-steps in preparing a comprehensive written analysis-making an oral presentation.

Recommended Book:

David, F. 2006. Strategic Management: Concepts and Cases. 11th Edition. New York, NY: Prentice-Hall.

Paper Code : 312509	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Corporate Governance		

Paper Contents:

1. **Agency Relationship and Agency Problems:** Different types of organizations, agency relation in joint stock companies, emergence of the concept corporate governance, management vs. corporate governance. Agency costs: self-interests, moral hazard, adverse selection, executive remuneration, insider dealings, corporate giving, related party transactions.

2. **Management Control:** Control and organization, contingency theory of control, incentive schemes as control mechanisms, external control, corporate governance as a control mechanism, management control versus corporate governance, Marx and Weberian sociology and need for control, human diversity and need for control, hidden costs of control, accountability and control, internal control, remuneration committee, audit committee, reporting and disclosures, inherited control and firm performance, control for self-interest vs. control for imperfections of knowledge, control in plc and government, control system as a package.

3. **Monitoring and Control Devices:** Corporate governance as an intersection of management and market, ownership, corporate board, non-executive directors, kinship, model of independence, changing environment and corporate governance structure, market based corporate governance, merger and acquisition, Anglo-American vs. European corporate governance, developing countries and family control, SME vs. PLC, exit and voice, crony capitalism and governance in Bangladesh, remuneration committee, audit committee, corporate governance codes, measures of corporate governance, corporate governance and performance, corporate social responsibility.

4. **Capital Structure and Corporate Governance:** Shareholders, lenders, ownership structure, interlocking ownership, role of institutional ownership, major corporate governance bodies, proxy contests, bond covenants, free cash flow, debt as a disciplining device.

5. Independent Non-executive Directors in Corporate Sector and Independent MPs in the Parliament: History of parliament, history of corporate governance, who are non-executives, bicameral parliament, unicameral parliament, variations in the parliament system, international organizations.

6. Incentives: Financial incentives schemes and benefits, profit sharing, share ownership, and share options, agency problems and incentive schemes, labor market competition, group vs. individual schemes, role of government, incentive schemes around the world, problems.

7. Performance Related Pay in Bangladesh: Wage theories, socio-economic scenario, extent of employee profit sharing, profit sharing in small companies, remuneration and performance, discipline in managerial remuneration, market imperfections and government regulation, extent of employee share ownership, absence of share option schemes in family business.

8. Competition: Competition and performance, competition as knowledge discovery, competition, trust, and cooperation, individualism and collectivism, logical opposites, cartels, collusion and merger, competition law and policy, subsidies, intellectual property rights, work time.

9. Market: Free command and mixed economies, share economy, concentration, barriers to entry, concentrated, dispersed, and interlocking ownership, Fama's efficient market hypothesis, information and transaction costs, government and regulation.

10. Size and Number of Firms: Large firms, limits to growth of large firms, homogeneous assumption, SMEs,

11. Regulations: Companies' Act, Securities and Exchange Commission, banking laws, insurance laws, monopolies and restricted trade practices, minimum wages, copy rights, institutional shareholders' guidelines, Cadbury report, Sarbanes-Oxley Act, OECD guidelines on MNCs, UNCTAD, World Bank.

12. Corporate Governance in Other Sectors: Corporate sector vs. public sector, problem of ownership and incentives, state owned enterprises and incentive schemes, and performance related pay, corporate reports vs. government reports, Secretary's reports vs. CEO's reports, the role of independent outside experts, auditor's independence, agency system and accrual accounting, growth through depreciation, financial reporting and disclosure.

Recommended Books:

Chowdhury, D. Incentives, Control, and Development: Governance in Private and Public Sector with Special Reference to Bangladesh, 2nd Edition, Dhaka University, 2012.

Mallin C. Corporate Governance, 2nd Edition, Oxford University Press: Oxford, 2007.

Paper Code : 312511	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Corporate Financial Reporting		

1. **Financial Reporting Fundamentals:** Brief Resume of Basic Accounting Concepts- Business Entity-Going Concern-Money Measurement-Accounting Period-Consistency-Historical Cost-realization-Matching Cost and Revenue-Dual Aspect –Matching cost and revenues-Conservatism-Materiality-Realization Application and limitations of the Basic Concepts.
2. **Users and Uses of Financial Reports:** Principal categories of users of Financial Statements-External User: Shareholders, Prospective Shareholders, Investors, Prospective Investors-Bond/Debtenture holders-Creditors of Different Types-Financiers of Different Types-Securities and Exchange Commission-National Board of Revenue-Government/Public Agencies-Outside Agencies and Institutions-A host of other Interest Groups outside of the Organization-and Anybody in the World at large, Internal Users: Different Tier of Management.
3. **Financial Reporting and Disclosure:** The Nature of Disclosure-Disclosure of Quantities Data-Disclosure of No quantitative Information—Disclosure of Post-Statement Events-Disclosure of Segment Information-Accounting Difficulties –Methods of Disclosure-Form and Arrangement of Formal Statements-Terminology and Detailed Presentations-Parenthetical Information-Supplementary Statements and Schedules footnotes-The Auditor’s Certificate-The Chairperson’s Letter.
4. **Fragments of Corporate Reporting:** Income Measurement and reporting-revenue Recognition. Reporting Extraordinary and Unusual Items. Reporting Assets-Long-lived Fixed Assets-Intangible Assets-Inventories etc. Reporting Long-term Financial Commitments-leases-Retirement Benefits. Reporting Shareholders’ Equity, Reporting Interim Period results and Contingencies.
5. **Special Reporting:** Preparation and Reporting of Consolidated Statements-Consolidation Policy-Control-Similarity of Activities-Why to

Consolidate? Preparation of Consolidated accounts of subsidiaries and associated companies-Minority interest-Classification-Adjustment of Minority Interest-Treatment of intercompany transactions-Transfer Pricing Problems of Transfer Pricing. Foreign Activities-Exchange Rates-Foreign Currency Transaction & problems relating thereto.

6. **Reporting the Effect of Price Change:** The Nature of Price Changes: General Price-level Changes-Specific Price Changes-Relative Price Changes-The Monetary and Non-monetary Classifications-Gains and Losses on Monetary items. Price-level Restatement Approaches.
7. **International Financial Reporting Standards:** IFRS #1: First-time adoption of IFRS; IFRS#2: Share-based payment; IFRS#3: Business combinations; IFRS#4: Insurance contracts, IFRS#5: Non-current assets held for sale and discontinued operations, IFRS#6: Explanation for and Evaluation of Mineral Resources and IFRS#7: Financial Investment: Disclosure.

Recommended Books:

1. Hawking, D.F. 1986. Corporate Financial Reporting & Analysis (Text & Cases). New York. NY: Irwin/McGraw-Hill.
2. Bernstein, L.A. and J.J. Wild. 1998. Financial Statement Analysis. 6th Edition. New York. NY: MacGraw Hill-Irwin.
3. The Companies Act 1994. United Nations Organization (UNO). 1984. International Accounting and Reporting Issues. New York. NY: UNIDO.

Paper Code : 312513	-----	Credits : 4	Class Hours :120 hrs.
Paper Title :	Corporate Tax Planning		

1. **Introduction:** Corporate Tax Planning-An Introduction: Corporate Entities and Corporate Income Tax Rates-Why Tax Planning Arises? – Tax evasion, Tax avoidance, Tax planning, and Tax Management – Traditional vs. Effective Tax Planning- Tax Research –Types of tax planning, Restriction on taxpayer behaviour, Legislative process and sources of tax information.
2. **Intertemporal Tax Planning:** Intertemporal Tax Planning using alternative Savings Vehicles – Constant Tax Rates – Changes in Tax Rates -Implications for Bangladesh.

3. **Corporate Tax Consequences:** Corporate Formation – Taxation of Corporate Operations - Possible Tax Benefits of Leverage in Firm's Capital Structures-Debt-Equity Hybrids-Taxation of Distributions and Share Repurchases-Tax planning using the Tax Rules for Distributions and Share Repurchases- Taxation of Liquidations.
4. **Implicit Taxes, Clienteles and Tax Arbitrage:** Tax-Favored Status and Implicit Taxes- Implicit, Explicit and Total Taxes and Tax Rates – Importance of Adjusting for Risk Differences-Clienteles –Implicit Taxes and Corporate Tax Burdens –Tax Arbitrage: Organizational-form Arbitrage and Clientele-Based Arbitrage.
5. **Non-tax Costs of Tax Planning:** Symmetric Uncertainty, Progressive Tax Rates, and Risk Taking- Tax Planning in the Presence of Risk-Sharing and Hidden-Action Considerations-Tax Planning in the Presence of Hidden-Information Considerations-Tax Planning and Organizational Design-Conflicts between Financial Reporting and Tax Planning.
6. **Importance of Marginal Tax Rates and Dynamic Tax Planning Considerations:** Marginal Tax Rate: Definitional Issues-Tax Planning for Low Marginal Tax Rate Firms –Adaptability of Tax Plans-Reversibility of Tax Plans-Ability to Insure against Adverse Changes in Tax Status- Tax Planning When a Taxpayer's Marginal Tax Rate is Strategy-Dependent.
7. **Corporate Compensation Planning:** Components of Compensation and Tax Consequences-Tax Planning regarding Salary versus Deferred Compensation-Tax Planning regarding Salary versus Fringe Benefits-Tax Planning regarding other benefits provided to employees.
8. **Multinational Tax Planning:** Overview of Multinational Taxation-How Taxes Affect the Location and Structure of Investments-Decision to Repatriate or Reinvest-Shifting Income Across Jurisdictions.

Recommended Books:

01. Scholes, Myron S. Mark A. : Taxes and Business Strategy: A Wolfson, Merle Erickson, Planning Approach. Upper saddle River, New Jersey: Prentice-Hall
Edwad L. Maydew and Terry Shevlin. 2002

02. Lakhotia, R.N. and S. Lakhotia. : Corporate Tax Planning. New Delhi: Vision Books. 1998
03. Karayan, John E., Charles W. Swenson, Joseph W. Neff. Strategic Corporate Tax Planning. Hoboken, New Jersey: John Wiley & Sons, Inc. 2002

Paper Code : 312514		Credits : 2	
Paper Title :	Term Paper		

Paper Code : 312516		Credits : 2	
Paper Title :	Viva-Voce		