

Moravian College
Accounting 324- Auditing
Fall 2010
Tuesday/Thursday 1:10 – 2:20

Instructor: Dr. Barbara Vinciguerra
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Office:

Office hours: M 12:00 – 2:00
Th 10:00 – 12:00
and by appointment

Catalog Description

An introduction to the practice and profession of auditing. Major topics include audit responsibilities and audit objectives, audit planning, evidence accumulation, materiality and risk, internal control, audit reports, professional ethics, and legal liability

Course Objectives

The objective of this course are to develop the student's understanding of auditing theory, concepts, and standards, and] to develop an appreciation for the auditor's professional role and the environment in which the auditor operates.

By the end of this course students should be able to:

- Prepare the documents, journals, ledgers, and financial statements for a company.
- Recognize and relate management assertions and audit objectives for financial statements
- Test transactions and balances
- Evaluate audit evidence and determine the appropriate auditing reports on financial statements and internal controls
- Perform the basic steps necessary to plan and complete a financial statement audit
- Understand the basics of the legal and regulatory environment affecting audits

Required Materials

Required Texts

Louwers, Ramsay, Sinason, Strawser, and Thibodeau (2011), *Auditing and Assurance Services 4th edition*. McGraw Hill Companies: NY, NY.

Arens and Ward, *Systems Understanding Aid 7th edition*. Armond Dalton Publishers, Inc: Okemos, MI.

Other resources

- Text website www.mhhe.com/louwers4e

Preparation, Attendance, and Participation

Preparation -- This course is different from other accounting course you have taken. It requires understanding the concepts of the auditing framework. There is little discussion of debits and credits, nor are there many problems to work. The course will take a lot of time and effort, both inside and outside the classroom. You are expected to attend each class and to complete all assigned work in a timely manner. An essential component to your successful completion of this class is to keep up with the material. Do not let yourself fall behind!

As you study the text material for Acct 324 please note that you must understand the concepts of each chapter *and* be able to apply them. A suggested approach for each chapter in this course follows:

Before the chapter is discussed in class:

- Review the chapter's learning objectives (in the front of each chapter).
- Read/review the chapter to become aware of the key concepts, content and organization.
- Complete the review questions throughout the chapter.
- Carefully study the chapter's examples and illustrations; note that you must understand both the concepts and the applications.
- Note any questions that you have on the chapter's material and bring them up in class.

After the chapter is discussed in class:

- Re-read the chapter, comparing your notes from the class session(s) to the chapter material
- Complete the multiple-choice questions at the end of the chapter.
- Practice applying the concepts presented in each chapter, by working questions, exercises, and problems assigned from each chapter for homework.
- Discuss with me any difficulties that you are still having with the chapter material.

Attendance will count toward your final grade. I will take attendance at the beginning of each class period. I understand that students will on occasion have to miss class for a variety of reasons; therefore, you can miss up to two class periods with no impact on your grade. Please note that classes missed due to other commitments such as athletics, doctor appointments, interviews, etc. are included in the two missed class periods. If a situation arises that would cause you to miss a class, please notify the instructor via email as soon as possible. It is the student's responsibility to make arrangements for any missed materials or assignments.

Participation includes coming to class on time, engaging in class discussion and problem solving and asking thoughtful questions. Homework will be assigned throughout the course and will be part of your participation and preparation grade. Please upload your homework into Blackboard and **bring a printed copy of your homework to class on the due date** so that you are able to fully participate in the class discussion. Solutions to the homework will be posted on Blackboard.

*** In order to promote a positive learning environment, please be considerate of your classmates. You should take care of your personal business (phone calls, text messages, bathroom breaks, etc.) before coming to class.***

Blackboard Course Site

Many of the materials for this course can be accessed through Moravian's Blackboard course management system. Items included on the Blackboard site include instructor prepared materials such as electronic copy of the syllabus, and class notes.

Class communications including course updates, email messages, and other important announcements will be communicated in class and through Blackboard. Students should log in to the course Blackboard site at least weekly.

Examinations

All students are expected to take examinations when scheduled. *If a student knows of a conflict, it is the student's responsibility to notify the instructor in writing via email. The student and instructor will find a time to reschedule the exam BEFORE the scheduled exam date. If extraordinary circumstances arise that prevent you from taking an exam at the scheduled time, either a rescheduled exam during a mutually determined time OR a cumulative exam will be given at the next scheduled exam date, at the instructor's discretion. Please refer to the Schedule of Assignments on the last page of this syllabus for the exam dates.*

Systems Understanding Aid

One of the key difficulties that students have when learning auditing theory is the lack of a deep knowledge of the various documents and processes in a typical accounting system. The Systems Understanding Aid (SUA) is designed to give the auditing student experience in working with the documents, journals, ledgers, subsidiary journals and subsidiary ledgers that are common elements of an accounting system. In completing the SUA, students will learn to read flowcharts, prepare standard business documents, prepare entries into appropriate journals and ledgers, and complete the month and year end closing process for a company. Details are provided in a separate handout.

Apollo Shoes Case

Students will work in teams to complete an audit of a company. The case materials can be found on the text website. Additional details will be provided in class.

Quizzes

Several short quizzes will be scheduled throughout the semester. The quizzes are designed to test your pre-reading of the days' discussion. You can drop your three lowest quiz grades.

Grade Determination

The final grade for the course will be determined as follows:

Exams (3)	45%
Systems Understanding Aid	15%
Apollo Shoes Case	20%

Quizzes	10%
Attendance, Participation, and Preparation	<u>10%</u>
	<u>100%</u>

Extra Credit points – Extra credit assignments are available for students to add up to 3% to the final course grade. Assignments will be detailed in Blackboard.

Grading Scale:

A = 94% and above	B- = 80% to 83%	D+ = 67% to 69%
A- = 90% to 93%	C+= 77% to 79%	D = 64% to 66%
B+ = 87% to 89%	C = 74% to 76%	D- = 60% to 63%
B = 84% to 86%	C- = 70% to 73%	F = below 60%

Academic Honesty

“Academic integrity is the foundation on which learning at Moravian College is built. Moravian expects its students to perform their academic work honestly and fairly. In addition, a Moravian student should neither hinder nor unfairly assist the efforts of other students to complete their work successfully.” (Moravian College Student Handbook, Academic Honesty). Academic dishonesty includes, but is not limited to plagiarism, cheating, helping or hindering others, and false testimony. The College’s expectations and the consequences of the failure to meet those expectations are outlined in the Student Handbook.

www.moravian.edu/studentLife/handbook/academic/academic2.html

Disability Support Services

Students who wish to request accommodations in this class for a disability should contact Mr. Joe Kempfer, Assistant Director of Learning Services for Disability Support, 1307 Main Street (extension 1510). Accommodations cannot be provided until authorization is received from the office of Learning Services. Students with other needs/concerns are encouraged to make an appointment with Dr. Ronald Kline in the Counseling Center (all other disabilities.) The Learning Services Office and Counseling Center are located at 1307 Main Street (610) 861-1510. Please refer to the Moravian College Student Handbook under Academic Resources for more information. www.moravian.edu/studentLife/handbook/academic/academic4.html

Accounting 324
Fall 2010
Tentative Schedule of Topics and Assignments^a

	Date	Topic	Reading Assignment^b	Assignment Due^c
T	Aug 30	Introduction	Ch 1	
TH	Sep 1	Auditing and Assurance Services	Ch 1	
T	Sep 6	Professional Standards	Ch 2	
TH	Sep 8	Professional Standards		SUA 1
T	Sep 13	Management Fraud and Audit Risk	Ch 3	
TH	Sep 15	Management Fraud and Audit Risk		SUA 2
T	Sep 20	Management Fraud and Audit Risk		
TH	Sep 22	Engagement Planning	Ch 4	SUA 3
T	Sep 27	Engagement Planning		
TH	Sep 29	Engagement Planning		Apollo Shoes 1
T	Oct 4	Exam #1 Chapters 1,2,3,4		
TH	Oct 6	Risk Assessment: Internal Control Evaluation	Ch 5	
T	Oct 11	Fall Break – No class		
TH	Oct 13	Risk Assessment (cont'd)		
T	Oct 18	Employee Fraud and the Audit of Cash	Ch 6	
TH	Oct 20	Employee Fraud and the Audit of Cash		
T	Oct 25	Revenue and Collection Cycle	Ch 7	
TH	Oct 27	Revenue and Collection Cycle		Apollo Shoes 2
T	Nov 1	Acquisition and Expenditure Cycle	Ch 8	
TH	Nov 3	Acquisition and Expenditure Cycle		Apollo Shoes 3
T	Nov 8	Exam #2 Chapters 5,6,7,8		
TH	Nov 10	Production Cycle	Ch 9	
T	Nov 15	Production Cycle		Apollo Shoes 4
TH	Nov 17	Completing the Audit	Ch 11	
T	Nov 22	Completing the Audit		
TH	Nov 24	Thanksgiving Break		
T	Nov 29	Reports on Audited Financial Statements	Ch 12	
TH	Dec 1	Reports on Audited Financial Statements		
T	Dec 6	Professional Ethics	Module B	Apollo Shoes 5
Monday Dec 12th	Final Exam	Ch 9, 11, 12, Module B		

^a This is a tentative schedule of assignments; exact dates assigned to each topic may change depending on the pace of class discussion. Changes to the schedule will be announced in class. It is the student's responsibility to ensure that he or she is aware of all changes.

^b Text readings in Louwers Ramsay Sinason Strawser Thibodeau 4th edition