



**Accounting 324- Auditing
Fall 2012
Tuesday/Thursday 10:20 – 11:30**

Instructor: Dr. Barbara Vinciguerra
Telephone: (610) 861-1377
Email: bvinciguerra@moravian.edu

Office: Comenius Hall Rm. 207
Office hours: Tues 2:30 – 4:00
Thurs 12:00 – 2:30
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:

- Recognize and relate management assertions and audit objectives for financial statements
- Design and carry out appropriate tests of transactions and balances as part of audit evidence collection
- Evaluate audit evidence and determine the appropriate auditing reports on financial statements and internal controls
- Clearly communicate and document audit evidence and provide written support for conclusions
- Apply the basic steps necessary to plan and complete a financial statement audit by completing a case study
- Understand the basics of the legal and regulatory environment affecting audits

Required Materials

Required Texts

Iris Stuart (2012). *Auditing and Assurance Services an Applied Approach* 1st edition. McGraw Hill Companies: NY, NY.

Jack Paul (2007). *Peach Blossom Cologne Short Audit Case* 4th edition. McGraw Hill Companies: NY, NY.

Other resources

- Text website www.mhhe.com/stuart1e

Preparation, Attendance, and Participation

This course is different from other accounting course you have taken. It requires a strong foundational understanding of the concepts learned in your previous financial accounting classes; however, there is little discussion of debits and credits, nor are there many problems to work. The Auditing course is more theoretical/conceptual in nature and will require you to apply audit concepts to financial information. 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 reading 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.
- Scan the review questions throughout the chapter.
- Carefully study the chapter's examples and illustrations
- 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 review questions and 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.

I will take attendance at every class period; however, there is no specific grade for attendance or participation. It is my experience that students who attend class are those who perform best in this course. Your participation is vital to the success of this course. Participation includes coming to class on time, engaging in class discussion and problem solving and asking thoughtful questions. I will consider your attendance and participation in the final assessment of grades for students who are one the borderline between grades.

*** 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.***

Homework

Homework will be assigned throughout the course. Please type your homework and 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.

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.*

Peach Blossom Cologne case

This is an audit case that will simulate all of the activities carried out by an audit team during a financial statement audit. Details of the assignments and due dates will be handed out in class.

Grade Determination

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

Exams (3)	65%
Peach Blossom Case	25%
Homework	<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 Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center. Accommodations cannot be provided until authorization is received from the Academic Support Center. Students with other needs/concerns are encouraged to make an appointment with Dr. Ronald Kline in the Counseling Center (all other disabilities). The Counseling Center is located at 1307 Main Street (610) 861-1510. Please refer to the Moravian College Student Handbook under Academic Resources for more information.

Accounting 324

Fall 2012

Tentative Schedule of Topics and Assignments

	Date	Topic	Stuart 1e Reading
T	Aug 28	Welcome and Introduction	
TH	Aug 30	Auditing Environment	Ch 1
T	Sep 4	Auditing Environment	
TH	Sep 6	Audit Planning	Ch 2
T	Sep 11	Audit Planning	
TH	Sep 13	Internal Controls	Ch 3
T	Sep 18	Internal Controls (cont'd)	
Th	Sep 20	Auditing the Revenue Cycle	Ch 4
T	Sep 25	Auditing Revenue	
Th	Sep 27	Auditing Revenue	
T	Oct 2	<i>Exam #1 Chapters 1-4</i>	
TH	Oct 4	Audit Evidence	Ch 5
T	Oct 9	Fall Break – No class	
TH	Oct 11	Auditor's Responsibility to Detect Fraud	Ch 5
T	Oct 16	Auditing the Acquisition and Expenditure Cycle	Ch 6
TH	Oct 18	Auditing the Acquisition and Expenditure Cycle	
T	Oct 23	Audit Sampling – Tests of Controls	Ch 7
TH	Oct 25	Audit Sampling – Tests of Controls	
T	Oct 30	Audit Sampling – Substantive Tests of Details	Ch 8
TH	Nov 1	Audit Sampling – Substantive Tests of Details	
T	Nov 6	<i>Exam #2 Chapters 5-8</i>	
TH	Nov 9	Cash and Investment Cycle	Ch 10
T	Nov 13	Cash and Investment Cycle	
TH	Nov 15	Completing the Audit	Ch 12
T	Nov 20	Completing the Audit	
TH	Nov 22	<i>Thanksgiving Holiday</i>	
T	Nov 27	Audit Reports	Ch 13
TH	Nov 29	Audit Reports	
T	Dec 4	Audit Profession	Ch 14
TH	Dec 6	Audit Profession	
Tuesday Dec 14th 1:30	Final Exam	<i>Exam #3 Chapters 10-14</i>	

^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.