

**ACCOUNTING 45
AUDITING
FURMAN UNIVERSITY**

**SPRING SEMESTER (January 8 – April 20, 2007)
Wednesdays – 6:00 – 8:45 PM
University Center of Greenville**

INSTRUCTOR: Gregory W. Haselden, CPA
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COURSE DESCRIPTION:

This course introduces, with some degree of depth and critical analysis, the principles of auditing. Major objectives of the course would include the individual's ability (1) to identify the role of the auditor in today's economy; (2) to become familiar with professional auditing standards, professional ethics, and the legal liability of auditors; (3) to understand the various types of audit risk, the methods used in planning audits, and the purpose of internal control procedures; and (4) to identify and to be able to draft various auditors' and accountants' reports and to become familiar with other attestation functions and accounting services.

TEXTS:

Whittington, O. Ray, and Kurt Pany. Principles of Auditing and Other Assurance Services (15th edition). New York: McGraw-Hill/Irwin, 2006.

Knapp, Michael C. Contemporary Auditing: Real Issues & Cases (6th edition). Thomson/South Western, 2006.

GRADING STRUCTURE:

	<u>Points</u>
Examination I (Chapters 1-4)	25
Examination II (Chapters 5-7 + Portions of 8-9)	30
Examination III (Chapters 16-19 + Portions of 20)	30
2 written projects (5 pts. each)	10
Attendance and participation	<u>5</u>
Total	<u>100</u>

A 10-point grading scale will be used for this course (i.e. 90 – 100 = A; 80 – 89 = B; etc...) with grades given in accordance with University regulations.

“HOMEWORK” PROBLEMS & EXERCISES:

The timely completion of assigned “homework” problems and exercises is integral in mastering the topics covered in this course. Assigned problems will either be reviewed in class upon completion of each chapter, or you will be provided with a copy of the solution.

CLASS ATTENDANCE:

The class meetings are a critically important part of the course, and accordingly, class attendance is expected. Students are encouraged to get class notes for missed class sessions. Students are expected to be present on test days as scheduled. Exceptions will be made in rare and unusual circumstances.

WRITTEN PROJECTS:

There are two required written projects for this course. Students should prepare a “memorandum to the files” on the following topics:

- A. What is “audit evidence?”
- B. Discuss the auditors’ responsibility for reporting on internal control in PCAOB audits.

Students should draft a typed, one-to-two page, single-spaced memo on each of the above subjects. Due dates will be communicated during class.

CLASS SCHEDULE:

A schedule of assignments and activities by class period is attached.

STUDENTS WITH DISABILITIES:

If a student with a disability desires an accommodation, it is the student's responsibility to identify himself or herself as having a disability and to make a formal request for appropriate accommodations. The Disabilities Services Coordinator at Furman is Ms. Susan Clark at (864) 294-2322.

ACADEMIC DISHONESTY:

Academic dishonesty in any form is a fundamental offense against the integrity of the entire academic community and is always a threat to the standards of the college and to the standing of every student. In taking tests, examinations, doing homework, laboratory work, and writing papers, students are expected to perform with honor.

One of the most common forms of academic dishonesty is plagiarism. Plagiarism is the use of another's words and ideas as if they were one's own. To avoid plagiarism, students should acknowledge their sources, using whatever documentation is appropriate to the discipline in which their work is being done.

SCHEDULE BY CLASS PERIOD

January 10, 2007

Introduction to the course
Discussion of Chapter 1

January 17, 2007

Assigned problem review Chapter 1
Discussion of Contemporary Cases
Discussion of Chapter 2
Assigned problem review Chapter 2

January 24, 2007

Discussion of Chapter 3
Assigned problem review Chapter 3
Discussion of Contemporary Cases

January 31, 2007

Discussion of Chapter 4
Assigned problem review Chapter 4
Discussion of Contemporary Cases
Phar Mor Case Study
Review for Examination I

February 7, 2007

Examination I

February 14, 2007

Review of Examination I
Discussion of Chapter 5
Assigned problem review Chapter 5
Discussion of Contemporary Case

February 21, 2007

Discussion of Chapter 6
Assigned problem review Chapter 6
Discussion of Contemporary Cases
Memo #1 Due

February 28, 2007

Discussion of Chapter 7
Assigned problem review Chapter 7

March 7, 2007

Discussion of Chapters 8-9
Assigned problem review Chapters 8-9
Review for Examination II

March 14, 2007

Examination II

March 21, 2007

Review of Examination II
Discussion of Chapter 16
Assigned problem review Chapters 16

March 28, 2007

Discussion of Chapter 17
Assigned problem review Chapter 17

April 4, 2007

Discussion of Chapter 18
Assigned problem review Chapter 18

April 11, 2007

Discussion of Chapters 19-20
Assigned problem review Chapter 19-20
Memo #2 Due
Review for Final Exam

April 18, 2007

Final Examination

NOTE: Modifications to this schedule may be made as necessary. Any such modifications will be communicated during class.

ASSIGNED PROBLEMS

- Chapter 1: 25, 26, 27, 28, 30, 31, 32
- Chapter 2: 1, 2, 4, 19, 29, 30, 31, 32, 33, 34, 36, 38
- Chapter 3: 5, 13, 14, 17, 22, 23, 28, 29, 30, 31, 32, 33
- Chapter 4: 20, 23, 28, 29, 30, 31, 34, 36
- Chapter 5: 4, 5, 6, 7, 9, 10, 11, 12, 15, 18, 19, 20, 25, 26, 29, 30, 31, 32, 36, 39, 45, 46, 47, 53
- Chapter 6: 1, 3, 6, 8, 9, 12, 14, 15, 18, 19, 21, 22, 27, 31, 34, 36
- Chapter 7: 1, 2, 4, 6, 9, 10, 11, 12, 15, 16, 17, 18, 21, 22, 23, 27, 31, 37, 39, 42
- Chapter 8: 6, 8, 9, 12, 14, 16, 21, 28, 30, 31
- Chapter 9: 1, 2, 9, 19, 41
- Chapter 16: 14, 15, 16, 17, 18, 20, 22, 24, 25, 34, 43, 44
- Chapter 17: 1, 3, 4, 5, 8, 10, 16, 17, 18, 19, 21, 25, 26, 29
- Chapter 18: 1, 2, 3, 4, 7, 9, 10, 11, 12, 18, 22, 23, 25, 28, 29
- Chapter 19: 2, 3, 5, 6, 9, 11, 12, 13, 15, 16, 18, 20, 22, 28, 31, 38
- Chapter 20: 1, 5, 9, 12, 16, 18, 29

CONTEMOPORARY CASES

- Chapter 1: 7.4 *Hopkins v. Price Waterhouse*
6.3 Sarah Russell, Staff Accountant
- Chapter 3: 6.1 Leigh Ann Walker, Staff Accountant
4.3 Suzette Washington, Accounting Major
5.5 Koger Properties, Inc.
1.1 Enron Corporation
- Chapter 4: 4.6 Laurel Valley Estates
8.1 Fred Stern & Company, Inc. (*Ultramares Corp. v. Touche et al.*)
8.2 First Securities Company of Chicago (*Ernst & Ernst v. Hochfelder et al.*)
- Chapter 5: 1.9 ZZZZ Best Company, Inc.
- Chapter 6: 6.4 Tommy O'Connell, Audit Senior
6.2 Bill DeBurger, In-Charge Accountant
8.3 Equity Funding Corporation of America