



**Commerce 4AF3
Accounting Theory
Winter 2026 Course Outline**

**Accounting and Financial Management Services
DeGroote School of Business
McMaster University**

COURSE OBJECTIVES

This course is designed to give an overview of topics relevant to current accounting theory, research, standard setting and practice through relevant readings and by detailed examination of various accounting models.

INSTRUCTOR AND CONTACT INFORMATION

Instructor: Justin Jin, PhD, CPA, CA
E-mail: jinjus@mcmaster.ca
Office: DSB319
Office Hours: After class or by appointment

TA: Jojo Zhou
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Office Hours: After class or by appointment

Course Website: <http://avenue.mcmaster.ca/>

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	Global View:	Yes	IT Skill:	No
Avenue:	Yes	Numeracy:	Yes	Written Skill:	Yes	Ethics:	Yes
Participation:	Yes	Innovation:	Yes	Group Work:	Yes	Oral Skill:	Yes
Evidence-Based:	Yes	Experiential:	No	Final Exam:	Yes	Guest Speaker:	No

COURSE DESCRIPTION

This course is about accounting, not how to account. Accounting students have been exposed to the methodology and practice of accounting need to critically examine the broader implications of financial accounting for the fair and efficient working of our economy. The objective is to give the students an understanding of current financial accounting and reporting environment, taking into account the diverse interests of both external users and management. Various professional and conceptual topics will integrate research from Accounting, Finance, and Economic journals. The journals used will be from both the academic and professional literatures. To accomplish these implied objectives, a combination of class formats will be used including lectures, the trading floor, seminars, case analysis and expert guest lecturers. Lectures will be used to develop the foundation: the accounting process and accounting models considered alternatives to GAAP. Seminars will be led by the course participants, usually in groups of three members, to present and develop topics related to accounting theory and the accounting environment. Case study will be used to link the research topics and develop linkages from the theoretical to the practical.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Analyze the advantages/disadvantages of the various accounting models;
- Assess business health/performance as implied by the various accounting models;
- Conduct an assessment of a given situation from a political economy perspective;
- Begin to understand the many perspectives from which accounting can be studied.

REQUIRED COURSE MATERIALS AND READINGS

Financial Accounting Theory, 8th edition

William R. Scott

Patricia O'Brien

Publisher: Pearson

ISBN-13: 9780134166681

<https://catalogue.pearsoned.ca/educator/product/Financial-Accounting-Theory/013416668X.page>

<https://www.pearson.com/us/higher-education/program/Scott-Financial-Accounting-Theory-8th-Edition/PGM132792.html>

Avenue registration for course content, readings and case materials

- <http://avenue.mcmaster.ca>

CLASS FORMAT

This is an in-person 3-hour course. The three hours will consist of rapid problem-solving, mini-lecture, lengthier discussion, presentations, and more in-depth applied exercises (not

necessarily always in this order). There will be a short break part way through at a convenient time based on what we are working on. Please use this time to take care of personal needs of various kinds.

EVALUATION

- Class Participation: Participation in discussion aids in assimilation of concepts and is an essential part of your professional development. Classes are more interesting and intellectually stimulating if there is participation from everyone. In order for you to gain maximum benefit from discussions, it is essential that you complete assigned text material and/or readings in advance, as well as attempt assigned problems. Therefore class participation marks will be awarded on the basis of each student's contribution to discussions, and relevant questions and comments during lectures. Class participation is not equivalent to class attendance. Students unable to attend class should inform the instructor before class of the conflict.
- Research articles are selected for group presentations.
- Exams: Midterm Exam and Final Exam are close book exams. They consist of short-answer questions and calculations. The two exams will be invigilated by the instructor and teaching assistants.
- **Final exam is Cumulative.**
- **Group Case Report Project: Students will form group that consists of 5-7 students to complete group case report project. Each group will select and analyze a public company.** Students will submit the report.

Components and Weights

Participation (individual)	10%
Research Article Presentations (group)	5%
Midterm Exam (close-book and individual)	35%
Final Exam (cumulative, close-book and individual)	35%
Final Group Case Report 10% and Presentations 5% (group)	15%
Total	100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf>

Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 - 69
A	85 - 89	C	63 - 66
A-	80 - 84	C-	60 - 62
B+	77 - 79	D+	57 - 59
B	73 - 76	D	53 - 56
B-	70 - 72	D-	50 - 52
		F	00 - 49

Communication and Feedback

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student.

All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

Requesting Relief for Missed Academic Work

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar [“Requests for Relief for Missed Academic Term Work”](#) and the link below*;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

Course Modification

From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

Generative AI

There are three approved statements on the use of AI in the classroom. Please choose the one that best fits your policy

USE PROHIBITED

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

SOME USE PERMITTED

Example One

Students may use generative AI in this course in accordance with the guidelines outlined for each assessment, and so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside assessment guidelines or without citation will constitute academic dishonesty. It is the student’s responsibility to be clear on the limitations for use for each assessment and to be clear on the expectations for citation and reference and to do so appropriately.

Example Two

Students may use generative AI for [editing/translating/outlining/brainstorming/revising/etc] their work throughout the course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside the stated use of [editing/translating/outlining/brainstorming/revising/etc] without citation will constitute academic dishonesty. It is the student’s responsibility to be clear on the limitations for use and to be clear on the expectations for citation and reference and to do so appropriately.

Example Three

Students may freely use generative AI in this course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside assessment guidelines or without citation will constitute academic dishonesty. It is the student’s responsibility to be clear on the expectations for citation and reference and to do so appropriately.

UNRESTRICTED USE

Students may use generative AI throughout this course in whatever way enhances their learning; no special documentation or citation is required.

Academic Integrity

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

Authenticity/Plagiarism Detection

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. Avenue to Learn, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. **All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

Courses with an On-Line Element

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn, LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

Online Proctoring

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

Conduct Expectations

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

Academic Accommodation of Students with Disabilities

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

Academic Accommodation For Religious, Indigenous or Spiritual Observances (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office normally within 10 working days of the beginning of term in which they anticipate a need for accommodation or to the Registrar’s Office prior to their

examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

Copyright and Recording

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

Extreme Circumstances

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, Avenue to Learn and/or McMaster email.

Acknowledgement of Course Policies

Your enrolment in Commerce 4AF3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

Commerce 4AF3
Accounting Theory
Winter 2026 Course Schedule

WEEK	TOPIC AND ACTIVITY
1 January 5-9	Course Outline Chapter 1: Introduction Chapter 2: Accounting under Ideal Conditions
2 January 12-16	Jojo Zhou (Guest Speaker) Presentations
3 January 19-23	Chapter 3: The Decision Usefulness Approach to Financial Reporting Research Article Presentations
4 January 26-30	Chapter 4: Efficient Securities Markets EBITDA and Three Factors Model Research Article Presentations
5 February 2-6	Chapter 5: The Value Relevance of Accounting Information Research Article Presentations
6 February 9-13	Midterm Exam (close-book) Description: COMMERCE 4AF3 Date: FRIDAY, 2/13/2026 Time: 6:00 PM - 8:00 PM Room: BSB B135
7 February 16-20	Mid-term recess

WEEK	TOPIC AND ACTIVITY
8 February 23-27	Chapter 6: The Measurement Approach to Decision Usefulness Clean Surplus Theory Feltham and Ohlson papers Research Article Presentations
9 March 2-6	Chapter 7: Measurement Applications Research Article Presentations
10 March 9-13	Valuation Models Research Article Presentations
11 March 16-20	Chapter 8: The Efficient Contracting Approach to Decision Usefulness Research Article Presentations
12 March 23-27	Chapter 10: Executive Compensation Research Article Presentations
13 March 30-April 3	Chapter 11: Earnings Management Research Article Presentations
April 6-7	Group Case Presentations Group Case Due Date (April 7, Noon 12:00PM)
TBA	Final Exam (close-book)

This course outline is subject to changes by the instructor.