

Accounting, Controlling, and Taxation

# Accounting Theory

Winter Semester

Institute:	Institute for Accounting and Control
Lecturer:	Prof. Dr. Christian Hofmann
Assistant:	tba
Weekly hours:	6
Credits	9 ECTS
Examination:	Exam
Prerequisites:	
Course Material:	

## Course Description & Main Objectives

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The course consists of weekly lectures, three extra sessions, and tutorials, which will take place in person and are held in English.

During the lectures, theoretical concepts regarding accounting in markets and hierarchies will be taught.

In the three extra sessions, we introduce important topics in management accounting, financial accounting, and tax. In the management accounting session, we discuss how researchers convert theoretical insights into practically-relevant research questions, how they operationalize theoretical constructs using empirical measures, how they typically structure the presentation of a research study, and what criteria they use to assess a study's contribution to the management accounting literature. In the financial accounting session, we introduce corporate reporting – the language of business. Combining traditional financial reports and ESG-related sustainability disclosures, corporate reporting can be a source of transparency for external corporate stakeholders. We discuss the conditions and mechanisms that translate corporate reporting into useful transparency, and how the regulation of corporate reporting can improve the outcomes of markets. The session will highlight current corporate challenges, regulatory developments in corporate reporting, and related research insights. We will close with an outlook of our MSc courses, which further explore these topics. In the tax session, we cover an introduction to

theories and principles of International Taxation and learn to apply them in cases. The extra sessions are integral part of the course and part of the exam.

During the tutorials, you will learn how to apply the concepts discussed during the lecture to exercises and problems.

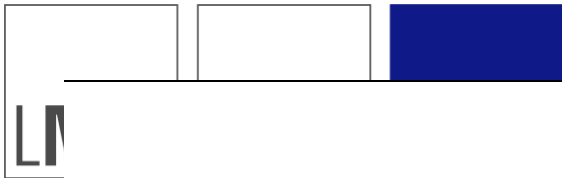
## Lectures Overview/ Course Outline

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### Lecture

Time: Tuesday, 10:15 – 11:45

No.	Time	Topic	Literature
L1	10:15 11:45	– Introduction / The Reporting Organization	Chapter 1&2
L2	10:15 11:45	– Economic Foundations	Chapter 3
L3	10:15 11:45	– Accounting Foundations	Chapter 4
L4	10:15 11:45	– Accounting System as an Information Channel	Chapter 7
L5	10:15 11:45	– Information in a Valuation Setting, Part 1	Chapter 8
L6	10:15 11:45	– Information in a Valuation Setting, Part 2	Chapter 8
L7	10:15 11:45	– Accounting Information in a Valuation Setting	Chapter 9
L8	10:15 11:45	– Accounting and Nonaccounting Information in a Valuation Setting, Part 1	Chapter 10
L9	10:15 11:45	– Accounting and Nonaccounting Information in a Valuation Setting, Part 2	Chapter 10
L10	10:15 11:45	– Information in a Managerial Contracting Setting, Part 1	Chapter 11



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<b>L11</b>	10:15 11:45	– Information in a Managerial Contracting Set- ting, Part 2	Chapter 11
<b>L12</b>	10:15 11:45	– Additional Information in a Managerial Con- tracting Setting	Chapter 12
<b>L13</b>	10:15 11:45	– Conflict among Uses & Institutional Consider- ations and Q&A**	Chapter 13 & 19

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\* Room M110

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## Literature

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Class material consists of a set of lecture slides and the book "Accounting Theory: An Information Content Perspective" by J. A. Christensen and J. S. Demski (2003).

Lecture slides and the relevant chapters of the book can be found on <https://moodle.lmu.de/course/view.php?id=29532>. The enrollment key in Moodle is "Accounting".

The set of exercises can be downloaded on Moodle.

Additional reading material:

Scott, W. R.: Financial Accounting Theory, 6th ed., 2012.