

IB230-15 Powerful Accounting: Critical Perspectives

24/25

Department

Warwick Business School

Level

Undergraduate Level 3

Module leader

Richard White

Credit value

15

Module duration

10 weeks

Assessment

Multiple

Study location

University of Warwick main campus, Coventry

Description

Introductory description

This is an elective module available to WBS, non-WBS and Exchange students.

Accounting makes organisations possible and underpins the smooth running of markets. It shapes how we act and what we value. Living in a world influenced by the products of accounting, and using accounting information well, requires critical reflection. In this module we draw on theories, concepts and empirical material to develop your critical understanding of the power of accounting. We explore, through weekly readings and an assessed essay, how accounting (including standard-setting) works and changes. We investigate its impacts on us, what it enables in economies and societies and what can and does go wrong (how scandals are possible) as well as what needs changing to deal with current challenges.

By the end of the module students will have developed their understanding of:

- i) the contingent nature of accounting information and regulation, through engaging with the importance of understanding the historical, social, economic and political nature of accounting.
- ii) the impact of financial reporting and management accounting numbers (including issues in Audit and Sustainability Reporting).
- iii) the basic elements of normative, positive and critical theory (in accounting).
- iv) the need to contextualize technical accounting information in order to interpret it.

Module aims

- i) understand how accounting is powerful.
- ii) critically examine the power of accounting in shaping accountability.
- iii) critically examine the nature and power of accounting through discussing accounting theory and practice.
- iv) understand some of the theoretical assumptions that underlie accounting regulation (standard-setting and audit), practices and research.
- iv) understand some of the controversies and difficulties embodied in accounting practices and theories.
- v) understand the contingent nature of accounting.
- vi) demonstrate a knowledge of important developments in accounting ideas and research.
- vii) understand the need to contextualise reporting practice when preparing and interpreting accounting information.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Introduction: why power and context matters

Accountability

Normative accounting theory and conceptual frameworks: truth and judgement

Normative accounting theory: the legitimacy of the IASB

Normative accounting theory: changes and tensions

Professionalisation: audit - commerciality and the public interest

Positive accounting theory: vested interests and financial reporting

Disciplinary power of accounting

Sustainability reporting (extended accountability)

Conclusion and counter-accounts

Learning outcomes

By the end of the module, students should be able to:

- Understand some of the theoretical assumptions that underlie accounting regulation, practices and research.
- Understand the contingent nature of accounting.
- Understand some of the controversies and difficulties embodied in accounting practices and theories.

- Critically examine the nature of accounting through discussing accounting theory and practice.
- Understand the role played by accounting in the globalisation of certain management ideas and practices.
- Demonstrate a knowledge of important developments in accounting ideas and research.
- Understand the need for contextualisation of accounting data.
- Understand the role of accounting in portraying and creating notions of success.
- Assess the nature of accounting information in narrative and numerical forms and understand the relationships between financial statements and narrative statements.
- Understand the wide range of theoretical approaches drawn upon by accounting.
- Appreciate the historical emergence of accounting and its concepts and the ways in which these shape accounting practice.
- Understand the effect of the standardisation and professionalisation of accounting on the relationship between concepts and practices.
- Develop personal ideas, arguments and opinions in relation to important issues in accounting.

Indicative reading list

Adams, C.A. & Mueller, F. (2022) "Academics and policymakers at odds: the case of the IFRS Foundation Trustees' consultation paper on sustainability reporting" *Sustainability Accounting, Management and Policy Journal* Vol 13 no 6

Alexander, D. and Archer, S. (2003) 'On economic reality, representational faithfulness and the "true and fair override"', *Accounting and Business Research*, 33(1), pp. 3–17.

Anderson-Gough, F., Grey, C. & Robson, K. (2000) "In the Name of the Client: the Service Ethic in Two International Accounting Firms". *Human Relations*, 53, 9, 1151-1174

Brivot, M. and Gendron, Y. (2011) 'Beyond panopticism: On the ramifications of surveillance in a contemporary professional setting', *Accounting, Organizations and Society*, 36(3), pp. 135–155

Carmona, S., Ezzamel, M. and Gutiérrez, F. (2002) 'The relationship between accounting and spatial practices in the factory', *Accounting, Organizations and Society*, 27(3), pp. 239–274.

Danjou, P. & Walton, P. (2012) "The legitimacy of the IASB" *Accounting in Europe* 9,1, 1-15

Deegan, C. and Unerman, J. (2011) *Financial accounting theory*. 2nd European edition. Maidenhead, Berkshire: McGraw Hill Education.

Dillard, J. and Vinnari, E. (2019) 'Critical dialogical accountability: From accounting-based accountability to accountability-based accounting', *Critical Perspectives on Accounting*, 62, pp. 16–38.

Ezzamel, M. and K. Hoskin (2002) 'Retheorizing accounting, writing and money with evidence from Mesopotamia and ancient Egypt', *Critical Perspectives on Accounting* 13(3), pp. 333-367.

Ezzamel, M., Lilley, S. and Willmott, H. (2004) 'Accounting representation and the road to commercial salvation', *Accounting, Organizations and Society*, 29(8), pp. 783–813.

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- Himick, D. and Ruff, K. (2020) 'Counter accounts of profit: outrage to action through "just" calculation', *Accounting, Auditing & Accountability Journal*, 33(4), pp. 699–726.
- Hines, R. D. (1988) 'Financial accounting: In communicating reality, we construct reality', *Accounting, Organizations and Society*, 13(3), pp. 251–261.
- Hines, R. D. (1991) 'The FASB's conceptual framework, financial accounting and the maintenance of the social world', *Accounting, Organizations and Society*, 16(4), pp. 313–331.
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- IFRS/IASB (2015) "Working in the Public Interest" <https://www.ifrs.org/content/dam/ifrs/about-us/who-we-are/working-in-the-public-interest.pdf>
- IFRS/IASB (2018) Conceptual Framework at <https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards/english/2022/issued/part-a/conceptual-framework-for-financial-reporting.pdf>
- Kohler, H., Pochet, C. & Gendron, Y. (2022) "Networks of interpretation: An ethnography of the quest for IFRS consistency in a global accounting firm" *Accounting, Organizations and Society*
- Littleton, A. C. (1927) 'The Antecedents of Double-Entry', *The Accounting Review*, 2(2), pp. 140–149.
- Macintosh, N. B. et al. (2000) 'Accounting as simulacrum and hyperreality: perspectives on income and capital', *Accounting, Organizations and Society*, 25(1), pp. 13–50.
- McBarnet, D. and Whelan, C. (1999) *Creative Accounting and the Cross-Eyed Javelin Thrower*. Chichester: Wiley
- Mehrpouya, A & Salles-Djelic, M-L (2019) "Seeing like the market: exploring the mutual rise of transparency and accounting in transnational economic and market governance" *Accounting, Organizations and Society* 76 12-31
- Milne, M.J. (2002) "Positive Accounting Theory, Political Costs and Social Disclosure Analyses: A Critical Look Critical Perspectives On Accounting", 13, 3, 369-395
- Murphy, T., O'Connell, V. and Ó hÓgartaigh, C. (2013) 'Discourses surrounding the evolution of the IASB/FASB Conceptual Framework: What they reveal about the "living law" of accounting', *Accounting, Organizations and Society*, 38(1), pp. 72–91
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- Pelger, C. (2016) "Practices of standard-setting- An analysis of the IASB's and FASB's process of identifying the objective of financial reporting" *Accounting, Organizations and Society* 50, 51-73
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- Shah, A. K. (1996) 'Creative compliance in financial reporting', *Accounting, Organizations and Society*, 21(1), pp. 23–39.
- Sikka, P. (2009) 'Financial crisis and the silence of the auditors', *Accounting, Organizations and Society*, 34(6-7), pp. 868–873.
- Stenka, R. & Jaworska, S. (2019) "The use of made-up users" *Accounting, Organizations and Society* 78 pp.1-17
- Thomson, I., Grubnic, S. and Georgakopoulos, G. (2014) 'Exploringvaccounting-sustainability hybridisation in the UK public sector', *Accounting, Organizations and Society*, 39(6), pp. 453–476.
- Vinnari, E. and Laine, M. (2017) 'The moral mechanism of counter accounts: The case of industrial animal production', *Accounting, Organizations and Society*, 57, pp. 1–17.
- Wagner, J. W. (1965) 'Defining Objectivity in Accounting', *The Accounting Review*, 40(3), pp. 599–605.
- Watts, R.L. & Zimmerman, J.L. (1986) *Positive Accounting Theory* London: Prentice-Hall
- Whittington, G. (2008) "Fair Value and the IASB/FASB Conceptual Framework Project: An Alternative View" *ABACUS* Vol 44 No 2 pp 139-168
- Wyatt, A. R. (2004) 'Accounting Professionalism - They Just Don't Get It!', *Accounting Horizons*, 18(1), pp. 45–53.
- Young, J. J. (2006) 'Making up users', *Accounting, Organizations and Society*, 31(6), pp. 579–600.

Interdisciplinary

Draws on some materials influenced by sociological and philosophical considerations.

International

Briefly encourages, at a general level, students to consider the applicability of IFRS uniform accounting and its values across different national contexts.

Subject specific skills

Understand the practical and ethical importance of contextualising accounting information when preparing and using accounting.

Articulate in a general way the importance of understanding measurement assumptions and their impact on accounting numbers.

Explain the theoretical and organisational complexity and pragmatism underlying the standard-setting process and subsequent judgements in financial reporting.

Explain the importance of accountability as an important aspect of accounting.

Transferable skills

Demonstrate written communication skills.

Critically evaluate ideas about issues in accounting.

Demonstrate team work and oral communication.

Appreciate the range of academic accounting literature and its relationship to accounting practice.

Study

Study time

Type	Required
Lectures	10 sessions of 1 hour (7%)
Seminars	9 sessions of 1 hour (6%)
Online learning (independent)	10 sessions of 1 hour (7%)
Private study	48 hours (32%)
Assessment	73 hours (49%)
Total	150 hours

Private study description

Directed reading; seminar preparation, private study.

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group A

	Weighting	Study time
Participation	10%	8 hours
Individual Assignment	90%	65 hours

Assessment group R1

	Weighting	Study time
Individual Assignment	100%	

Feedback on assessment

Feedback will be provided via my.wbs.

Availability

Pre-requisites

To take this module, you must have passed:

- Any of
 - [IB124-15 Introduction to Financial Accounting](#)
 - [IB146-15 Accounting for Business](#)
 - [IB133-15 Foundations of Accounting](#)
 - [IB2D3-15 Accounting in Practice](#)

Courses

This module is Optional for:

- UIBA-MN34 Law and Business Four Year (Qualifying Degree)
 - Year 3 of MN34 Law and Business Studies Four Year (Qualifying Degree)

- Year 4 of MN34 Law and Business Studies Four Year (Qualifying Degree)
- UPHA-L1CA Undergraduate Economics, Psychology and Philosophy
 - Year 2 of L1CA Economics, Psychology and Philosophy
 - Year 2 of L1CC Economics, Psychology and Philosophy (Behavioural Economics Pathway)
 - Year 2 of L1CD Economics, Psychology and Philosophy (Economics with Philosophy Pathway)
 - Year 2 of L1CE Economics, Psychology and Philosophy (Philosophy and Psychology Pathway)
 - Year 3 of L1CA Economics, Psychology and Philosophy
 - Year 3 of L1CC Economics, Psychology and Philosophy (Behavioural Economics Pathway)
 - Year 3 of L1CD Economics, Psychology and Philosophy (Economics with Philosophy Pathway)
 - Year 3 of L1CE Economics, Psychology and Philosophy (Philosophy and Psychology Pathway)
- UPHA-L1CB Undergraduate Economics, Psychology and Philosophy (with Intercalated Year)
 - Year 4 of L1CG Economics, Psychology and Philosophy (Behavioural Economics Pathway) (with Intercalated Year)
 - Year 4 of L1CH Economics, Psychology and Philosophy (Economics with Philosophy Pathway) (with Intercalated Year)
 - Year 4 of L1CJ Economics, Psychology and Philosophy (Philosophy and Psychology Pathway) (with Intercalated Year)
 - Year 4 of L1CB Economics, Psychology and Philosophy (with Intercalated Year)
 - Year 4 of L1CB Economics, Psychology and Philosophy (with Intercalated Year)
- Year 2 of UIPA-L8N1 Undergraduate Global Sustainable Development and Business
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- UIBA-MN32 Undergraduate Law and Business Studies
 - Year 3 of MN32 Law and Business Studies (Four-Year)
 - Year 4 of MN32 Law and Business Studies (Four-Year)
- UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
 - Year 2 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
 - Year 5 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)
 - Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)
 - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)
 - Year 2 of MN36 Law and Business Studies with Intercalated Year (4+1)
 - Year 5 of MN36 Law and Business Studies with Intercalated Year (4+1)

This module is Unusual option for:

- UPHA-L1CA Undergraduate Economics, Psychology and Philosophy
 - Year 2 of L1CA Economics, Psychology and Philosophy
 - Year 3 of L1CA Economics, Psychology and Philosophy

- UPHA-V7ML Undergraduate Philosophy, Politics and Economics
 - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)
 - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)
 - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)

This module is Option list G for:

- UPHA-V7ML Undergraduate Philosophy, Politics and Economics
 - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
 - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
 - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)