

Moravian College
Accounting 324 – Auditing
Fall 2005
Monday / Wednesday 10:10 – 11:30 a.m.

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Office hours: M/W 2 –3
T/Th 11-12 *and*
by appointment

Course Objectives

The objective of this course are [1] to develop the student's understanding of auditing theory, concepts, and standards, and [2] to develop an appreciation for the auditor's professional role and the environment in which the auditor operates.

Required Materials

Arens, A., R. Elder, and M. Beasley (2006). *Auditing and Assurance Services: An Integrated Approach*, 11th Edition.

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, class notes, and selected solutions to problems. Students should print out a copy of the notes prior to coming to class.

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. *Students should register for the Blackboard site as soon as possible, but no later than the beginning of the second week of class.* Instructions will be distributed in class.

Attendance and Participation

Your attendance and participation are vital to the success of the course; therefore, *active participation is welcomed and encouraged!* Participation includes attending class, reading the assignments prior to attending class, completing homework assignments, and participating in class discussions. Many of the concepts covered in this course build upon concepts covered earlier in the course. For this reason, it is crucial that students keep up with the readings and assignments. Please ask questions and seek help as soon as possible to avoid falling behind.

If a situation arises that would cause you to miss a class, please notify the instructor via email as soon as possible. It is the student's responsibility to make arrangements for any missed materials or assignments.

Examinations

*All students are expected to take examinations when scheduled. Make-up exams will only be given if the instructor is **notified in advance** and will only be granted for legitimate reasons. Please refer to the Schedule of Assignments on the last page of this syllabus for the exam dates.*

Homework Assignments

Class lectures and discussions are designed to give you an overview of the material. Your preparation of homework on a regular basis is essential to your gaining an in-depth knowledge of auditing; therefore, three to four homework problems are assigned for each topic. There are fifteen scheduled homework assignments listed on the Schedule of Assignment. Students will receive credit for up to TEN assignments. In order to receive full credit for homework, students must make an adequate effort at completing all of the problems. An adequate effort includes following your text and notes to satisfactorily set up the problems and making an attempt to answer all questions. Problems for which the instructor does not feel the student has made an adequate effort will not be given credit.

Homework assignments are to be turned in at the beginning of the class period when they are due. Late homework will not be accepted for credit. Students should make an extra copy of homework or case assignments so that they will be able to correct their answers when the solutions are discussed in class. Even with an excused absence from class, homework is due on the date indicated on the Schedule of Assignments on the last page of this syllabus. You may fax or email your solutions if you will not be in class on the due date.

Pinnacle Manufacturing Case (Team)

Included in the text is an integrated case assignment. Students will work on this assignment in teams. Each team will submit one solution for a team grade.

Grade Determination

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

Exam 1	25%
Exam 2	25%
Exam 3	25%
Pinnacle Manufacturing	15%
Homework	10%

Grading Scale:

94& above: A; 90 - 93 : A-; 87 – 89: B+; 84 – 86: B; 80 - 83: B-; 70 – 79: C+; 70 – 76: C; 60-69: D; < 60: F

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 2005/2006 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.

Disability Support Services

“Moravian College adheres to the principles and mandates of the Americans with Disabilities Act (1990) and the Rehabilitation Act of 1973.” “The College will provide reasonable accommodation, upon request, to students whose condition meets the legal definition of a disability under the ADA and who are considered otherwise qualified for College admission. Special classroom setups, alternate testing, physical plant alterations (on campus), and other accommodation for students with documented disabilities are available on a case-by-case basis. It is the responsibility of students with disabilities to identify themselves and request accommodation through the appropriate office.”

“Students must provide documentation of disabilities and a rationale for the requested accommodation from a professional with expertise in the condition. It is the responsibility of students to request accommodation well in advance of need in order to give the College a reasonable amount of time to evaluate the documentation and implement the request. Classroom accommodation requiring notification to faculty must be requested for each semester it is needed.” (Moravian College 2005/2005 Student Handbook)

Any student who wishes to disclose a disability and request accommodations under the ADA for this course first must meet with either Mrs. Laurie Roth in the Office of Learning Services (for learning disabilities and ADD/ADHD) or Dr. Ronald Kline in the Counseling Center (all other disabilities.) The Learning Services Office and Counseling Center are located at 1307 Main Street (610) 861-1510.

Tentative Schedule of Topics and Assignments*

	Date	Topic	Reading Assignment	Homework Assignment
M	Aug 29	Introduction		
W	Aug 31	The Demand for Audit and Assurance Services The CPA Profession	Ch 1 Ch 2	
M	Sept 5	LABOR DAY – NO CLASS		
W	Sept 7	Overview of Reporting	Ch 3	Ch1:17, Ch2:18,19
M	Sept 12	Audit Responsibilities and Objectives	Ch 6	Ch3: 1,3,9,27, 29, 33
W	Sept 14	Audit Evidence	Ch 7	Ch6: 21,25,27,29
M	Sept 19	Audit Evidence (cont'd)		Ch7: 31, 32, 36
W	Sept 21	Audit Planning and Analytical Procedures	Ch 8	
M	Sept 26	Audit Planning and Analytical Procedures (cont'd)		Ch8: 6, 33, 39
W	Sept 28	Materiality and Risk	Ch 9	Pinnacle Part I due
M	Oct 3	Materiality and Risk (cont'd)		Ch9: 25, 31, 33
W	Oct 5	EXAM #1 CHAPTERS 1,2,3,6,7,8, 9 EXAM #1		
M	Oct 10	FALL RECESS – NO CLASS		
W	Oct 12	Section 404 Audits of Internal Control and Control Risk	Ch 10	
M	Oct 17	Section 404 Audits of Internal Control and Control Risk (cont'd)		Pinnacle Part II due Ch 10: 34, 39
W	Oct 19	Fraud Auditing	Ch 11	
M	Oct 24	Overall Audit Plan and Audit Program	Ch 13	Ch 11: 23, 28
W	Oct 26	Overall Audit Plan and Audit Program (cont'd)		Ch13: 26, 30, 33
M	Oct 31	Audit of the Sales and Collection Cycle Tests of Controls and Substantive tests of transactions	Ch 14	Pinnacle Part III due
W	Nov 2	Audit of the Sales and Collection Cycle Tests of Controls and Substantive tests of transactions (cont'd)	Ch 14	Ch14: 25, 31, 33
M	Nov 7	Accounts Receivable: tests of details of balances	Ch 16	Pinnacle Part IV due
W	Nov 9	Audit Sampling for tests of controls and substantive tests of transactions	Ch 15	CH16: 23, 26, 27
M	Nov 14	EXAM #2 CHAPTERS 10,11,13,14,16		
W	Nov 16	Audit Sampling for tests of controls and substantive tests of transactions (cont'd)	Ch 15	Ch 15: 28, 29, 33
M	Nov 21	Auditing Cash	Ch 23	Ch23: 18,21
W	Nov 23	THANKSGIVING HOLIDAY – NO CLASS		
M	Nov 28	Completing the audit (cont'd)	Ch 24	Pinnacle Part V and VI due
W	Nov 30	Professional Ethics	Ch 4	
M	Dec 5	Professional Ethics	Ch 4	Ch4: 21, 24, 26, 28
W	Dec 7	Legal Environment	Ch 5	
M	Dec 12	Internal and Governmental financial auditing and operational auditing	Ch 26	Ch5: 19, 23, 27
	Dec 14 – 20	EXAM #3 CHAPTERS 4, 5, 15, 24, 25, 26		

* 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.