

## AG419 Accounting and Risk 2023/24 SEMESTER 1

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### CLASS DESCRIPTION

This class will explore the impact of accounting from risk perspectives. Existing techniques will be deconstructed using risk theories and new ways of accounting for risk explored.

### AIMS

To develop an enhanced understanding of risk perspectives and how this can offer new accounting insights into existing problems and phenomena. The class achieves these aims through students reading and developing an understanding of interdisciplinary perspectives on risk and case studies of contemporary challenges facing society and accountants.

### LEARNING OUTCOMES

#### Subject-specific knowledge and skills

On completing this class you will be:

- A1 aware of the new risk literature
- A2 aware of the history and transformation of understanding of risk
- A3 aware of the different theoretical and philosophical roots of accounting for risk
- A4 aware of the subjective not objective nature of risk in society and business
- A5 aware of 'new' techniques and developments related to risk accounting
- A6 able to evaluate critically the effectiveness of accounting models and techniques from a risk perspective
- A7 able to design accounting techniques that more effectively manage risk than conventional techniques

#### Cognitive abilities and non-subject specific skills

During the class, you will:

- B1 develop intellectual and professional competencies by analysing and evaluating evidence, logical reasoning and practical applications.
- B2 develop communication skills – explaining, listening, questioning, and presenting to defend your position on risk definition, assessment, management and disclosure (risk communication).

B3 develop intellectual understandings, clarifying concepts and theories by thinking, doing, observing and constructing connections.

B4 develop a mature learning stance by accepting personal responsibility for progress and direction of learning, questioning institutional authority and practices.

B5 grow as a person, clarifying your values, changing your attitude towards prior received wisdom, developing self-esteem, self-confidence.

## **ASSESSMENT**

The Department of Accounting and Finance is returning to on campus, in person examinations in all modules. The assessments are designed in a way to support you in your exam preparation in this module. All assignments are inter-linked and the modes of assessment are listed below. A mixed approach is taken as no single assessment can be expected to assess your achievements in the range of knowledge, skills and understandings appropriate to this class.

<b>Assessment Element</b>	<b>% Weighting</b>	<b>Date Due</b>
Journal Article Review	15	Fri week 4
Reflective Case Study	15	Mon week 7
Case Presentation	10	Wed week 7
Case Study Exam	60	Exam diet

**The pass mark for this class is 40%**

### **Journal Article Review**

Each student is required to prepare and submit a 1,000 word review of an article listen at the end\* of this outline on the topic of ‘risk’.

This review must be submitted online by **noon Friday Week 4**

The book review should address the following questions/ points:

1. What do you feel is the main message of the article?
2. How is risk defined in the article?
3. Why is risk defined in this way?
4. What are your favourite ‘quotes’ and/or ‘facts’?
5. What are the most important things related to risk you learned from reading this article?
6. What things in the article did you interpreted or consider irrelevant?
7. How has your understanding of how to account for risk changed as a consequence of reading this article?
8. Identify a number of accounting reforms that you believe the accounting profession must take if they are going to effectively respond to the risk agenda contained in the article.

Any queries on this piece of coursework should be raised in the class meetings or directly with the class co-ordinator as soon as possible.

**The criteria used to assess the book review are listed below:**

Main Message of Text	Not done						Done Well
Favourite Quotes	Not Done						Done Well
Important Lessons	Not Done						Done Well
Irrelevant Items	Not Done						Done Well
Accounting Reforms	Not Done						Done Well
Altered perspective on Accounting	Not Done						Done Well
Critical Engagement	Passive						Informed critique
Knowledge of Text	Limited						Comprehensive
Originality	Ordinary						Inventive
Personal Reflection	None						Extensive
Structure of Essay	Fragmented						Coherent
Quality of Essay	Poor						Excellent
Quality of Writing	Bad						Good
New Ideas	None						Lots
Length	Too short						Too Long

### Reflective Case Study

Each student is required to complete a 2,000 word reflective case study. The case study should be submitted by **noon Monday week 7**.

A basic outline of the case will be introduced in week 5 and will be based on a real event study. Research will be required by students to further familiarise themselves with the case in week 6. This may involve drawing upon personal experiences, prior learning and classes, books, academic and professional journal articles, newspaper articles, the internet, government/ professional body reports, annual accounts, gathering a limited set of empirical data or any other sources as appropriate.

Students will be allocated a role in the case and given a series of questions to answer from the perspective of their role. Answering the questions will require students to apply their knowledge of risk gained in the class to the case study while drawing on their research insights in the process.

**A marking guide for the reflective case study is as follows:**

Role identification	Passive						Engaged
Knowledge of the Case	Limited						Comprehensive
Use of Evidence	Limited						Extensive
Critical Engagement	Passive						Informed critique
Understanding of Accounting	Limited						Extensive
Conceptualisation of risk	Not Done						Done well

Synthesis of theory & practice	Limited						Extensive
Originality	Ordinary						Inventive
Structure of Essay	Fragmented						Coherent
Quality of Writing	Bad						Good
New Ideas	None						Lots
Length	Too short						Too Long

Following assignment submission, the case will be the subject of a class debate (presentation) in week 7. Class presentation has a weightage of 10%. The reflective case study will be a useful in developing skills which students can draw upon for the case study exam. Please raise any queries on this piece of coursework in the online class meetings or directly with the class co-ordinator.

### **Case Study Exam**

The exam will take place in the Semester 1 exam diet. The examination will take the format of a case study.

You will be given a copy of the case study memorandum and introductory readings in Week 10 after the class. The memorandum will outline the role you are required to play in the case, key case circumstances, and introductory reading material. The provision of the memorandum in Week 10 will allow you time to familiarise yourself with the case and to research relevant points. You will not be given the questions that relate to the case study in advance of the examination. In the examination you will be given four questions related to the case and expected to answer two. You will be allowed to use a copy of the memorandum and your research on it to answer the questions.

As this is a new examination format for many students, the reflective case study assignment has been designed to complement the exam and introduce students to case study assessment. Additional time has been set aside in week 10 to hold a revision workshop based on a prior paper for the class.

### **REASSESSMENT**

No resit exam will take place for this class.

### **PENALTIES FOR LATE SUBMISSION**

The Business School follows the University's policy for the late submission of assessed work:

[POLICY and procedure for LATE SUBMISSION OF COURSEWORK \(strath.ac.uk\)](http://strath.ac.uk)

**It is a requirement for course completion to submit all parts of the class**

**assessment. Non-submission of any part will result in an overall mark of zero being awarded for the class.**

## **FEEDBACK**

The standard turnaround time for all feedback and marking within SBS is 15 working days from assessment submission.

The University policy on Assessment and Feedback is available here:

[Assessment and Feedback Policy \(strath.ac.uk\)](http://strath.ac.uk)

## **PREREQUISITES**

There are no prerequisites for this class.

## **COMPENSATION SCHEME**

[POLICY ON Compensation Scheme \(strath.ac.uk\)](http://strath.ac.uk)

## **RECOMMENDED READING**

Each week readings and activities have been set as preparation for the class. The content of these are potentially subject to assessment. Please see the class programme that follows and reading list on the MyPlace class site as a guide to each class reading.

## **TEACHING AND LEARNING**

### **Class Programme**

<b>wk</b>	<b>Topic</b>	<b>Set reading/ search</b>	<b>Hand-in</b>
1	Introduction to Accounting and Risk. The Need to Account for Risk	Cooper et al., 2011	
2	Organized Uncertainty and Risk Culture	Themson &Skaerbeck, 2018 Brian Wynne You Tube	
3	Internal Control and Governance  Measuring and Monetizing Risk	Spira & Page, 2003  Search UNEP FI	
4	Operational Risk and Enterprise Risk Management	Search Deep Water Horizon	<b>Due Friday Article Review</b>

5	Sustainable Development Risk	Bebbington and Unerman, 2018	
6	<i>Case Study week</i>	<i>Research and reading week</i>	
7	Case Study Debate	Assignment & Feedback	<b>Due Monday Reflective Case Study</b>
8	Reputational Risk Management Technological Risk	Bebbington et al. 2008 Unerman, 2008 Adams, 2008	
9	Modern Slavery Risk Transparency, Auditing and Reporting	Christ, Burritt and Islam. 2023 Power 2007	
10	Case Study Workshop	Prior year case study exam	

**\*Journal Article List AG419**

Cooper C., Coulson, A. B. And P. Taylor (2011) Accounting for Human Rights: Doxic Health and Safety Practices: the accounting lessons from ICL. *Critical Perspectives on Accounting*, 22, pp. 738-758.

Themsen, T. and Skaerbaek (2018) The performativity of risk management frameworks and technologies: the translation of uncertainties into pure and impure risks. *Accounting, Organizations and Society*. 67, 20-33.

Spira L. F. and M. Page (2003) Risk Management: the reinvention of internal control and the changing role of internal audit. *Accounting, Auditing and Accountability Journal*, 16 (4), 640-661.

Endsley, M. R. (1995) Toward a Theory of Situation Awareness in Dynamic Systems. *Human Factors*, 37(1), 32-64.

Reason, J. (1998) Achieving a safe culture: theory and practice. *Work & Stress*, 12, 293-306.

Bebbington, J., Larrinaga, C. and J. M. Moneva (2008) Corporate social reporting and reputation risk management. *Accounting, Auditing and Accountability Journal*, 21 (3), 337-361.

Unerman, J. (2008) Strategic reputation risk management and corporate social responsibility reporting. *Accounting, Auditing and Accountability Journal*, 21 (3), 362-364.

Power, M. (2007) Business risk auditing - Debating the history of its present. Accounting, Organisations and Society, 32, 379-382.

Christ, K. L., Burritt, R. L., & Islam, M. A. (2023). Modern slavery and the accounting profession. The British Accounting Review, 55(3), 101174.

For further details please see the full reading list, website links and diary of activities provided on the MyPlace Class site.

**UNIVERSAL MARKING GUIDE (ASSESSMENT DESCRIPTOR)**

%	Descriptor
80 – 100	<p><u>Outstanding demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• wide, appropriate knowledge and understanding (and where appropriate effective project work) including insight and originality</li> <li>• evidence of reading and thought beyond course/assignment materials</li> <li>• appropriate use of references and exemplars</li> <li>• an outstanding standard of writing and communication and/or presentation</li> </ul>
70 – 79	<p><u>Excellent demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• wide, appropriate knowledge and understanding (and where appropriate effective project work) including insight or originality</li> <li>• evidence of reading and thought beyond course/assignment materials</li> <li>• appropriate use of references and exemplars</li> <li>• an excellent standard of writing and communication and/or presentation</li> </ul>
60 – 69	<p><u>Comprehensive demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• wide appropriate knowledge and understanding (and where appropriate effective project work) with only occasional lapses in detail</li> <li>• evidence of reading and thought beyond course/assignment materials</li> <li>• a high standard of writing and communication</li> </ul>
50 – 59	<p><u>Satisfactory demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• sound knowledge and understanding of essential material (and where appropriate essential project skills)</li> <li>• general accuracy with occasional mistakes and/or uncoordinated use of information</li> </ul>
40 – 49	<p><u>Adequate demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• basic knowledge and understanding (and where appropriate basic project skills)</li> <li>• omissions and/or weaknesses of presentation and/or logic and/or evidence</li> </ul>
30 – 39	<p><u>Limited demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• some relevant information and limited understanding (and where appropriate some project work completed under supervision)</li> </ul>

	<ul style="list-style-type: none"> <li>• omissions and/or weaknesses of presentation and/or logic and/or evidence</li> <li>• lack of familiarity with the subject of assessment and/or assessment vehicle</li> </ul>
20 – 29	<p><u>Inadequate demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> <li>• a few key words, phrases or key ideas</li> <li>• extensive omissions and/or weaknesses of presentation and/or logic and/or evidence</li> <li>• serious errors</li> <li>• inadequate evidence of learning or inadequate project work</li> </ul>
1 – 19	<p><u>Weak performance in learning outcomes</u></p> <ul style="list-style-type: none"> <li>• serious errors</li> <li>• extensive omissions and/or weaknesses of presentation and/or logic and/or evidence</li> <li>• deficient evidence of learning or deficient evidence of project work</li> </ul>
0	No relevant work submitted for assessment