

# Graduate Department of Accountancy

R854401 Advanced Auditing (高級審計學)

Fall 2021 (110 學年度第 1 學期)

1. *This mission of the College is to serve business and society in the global economy through developing professionally qualified and socially responsible business leaders as well as through advancing the frontiers of knowledge in business management.*
2. *The strategic objective of Department of Accountancy is to Explore and advance theories and practices in accounting to cultivate competitive professionals with ethical integrity, innovative capabilities and an international perspective.*

**Graduate Program Learning Goals** (goals covered by this course are indicated by checks):

✓	1	Graduate students should be able to appreciate business research and to present research findings/ results effectively in speaking and in writing.
✓	2	Graduate students should be to integrate different functional areas in solving business problems.
		Graduate students should be able to analyze business situations and to recommend innovative resolutions
✓	3	Graduate students should be able to demonstrate leadership skills of a business manager.
		Graduate students should be able to identify ethical dilemmas and to determine necessary courses of action.
	4	Graduate students should possess a global economic perspective and a vision of the global business environment.
✓	5	Graduate students should be able to coordinate actions and solve problems jointly with other members of a professional team.

## Instructor:

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Class Time and room: Wednesday 19:10~22:00 at 63210

Office: 63304

Office hour: Monday and Tuesday 18:00-22:00 and available other times by appointment.

Teach Assistant I: 劉崇淵 E-mail: [www010415@gmail.com](mailto:www010415@gmail.com)

## Prerequisite: Auditing

## Course Description and Course Objectives:

This is one semester class for graduate students. This course will introduce the audit market structure, environment change, audit cases, fraud examination, and some main issue about audit research.

The objectives of this course include: (1) To prepare students for the real world audit environment; (2) To expose students to fraud assessment procedures; (3) To help students “bridge” into the professional auditing world; (4) To let students get familiar to the audit related research literature.

**Content Summary: Class Schedule**

<b>Week</b>	<b>Chapter number or Unit</b>	<b>Contents</b>	<b>group</b>
1(9/15)		course introduction	
2(9/22)	Audit environment	The rapid change in audit environment and related requirements	
3(9/29)	Audit environment	Sarbanes-Oxley Act (SOX); Audit Market Environment in Taiwan	
4(10/6)	Audit Research	Introduction	
5(10/13)	Audit Research Paper by instructor	Introduction Akerlof, GA. 1970. The market for" lemons": quality uncertainty and the market mechanism, <i>The Quarterly Journal of Economics</i> , 84 (3): 488-500	
6(10/20)	Text Ch.1 Paper group 1	Introduction Zeff, S., 2003. How the U.S. accounting profession got where it is today: Part I. <i>Accounting Horizons</i> 17 (3):189-205 Zeff, S., 2003. How the U.S. accounting profession got where it is today: Part II. <i>Accounting Horizons</i> 17 (4): 267-286	
7(10/27)	Text Ch.2 Paper group 2  Case	Skimming Chow, C.1982. The demand for external auditing: size, debt, and ownership influence, <i>The Accounting Review</i> (April): 272-291. Case 1	
8(11/3)	Text Ch.3 Paper group 3  Case	Cash Larceny Kinney, W. R., 2005. 25 Years of audit deregulation and re-regulation: What does it mean for 2005 and beyond? <i>Auditing: A Journal of Practice and Theory</i> , 24 (Supplement), pp. 89-109. Case 1	
9(11/10)	Text Ch.4 Paper group 4  Case	Billing Schemes DeFond, M. L., and J. R. Francis, 2005. Audit research after Sarbanes-Oxley," <i>Auditing: A Journal of Practice and Theory</i> , 24 (Supplement): 5-30. Case 2	
10(11/17)	Text Ch.5 Paper group 5  Case	Check Tampering DeFond, M. and J. Zhang. 2014. A review of archival auditing research <i>Journal of Accounting and Economics</i> 58(2): 275-326. Case 2	

11(11/24)	Text Ch.6 Paper group 6  Case	Payroll Schemes Lamoreaux, P. T. 2016. Does PCAOB inspection access improve audit quality? An examination of foreign firms listed in the United States. <i>Journal of Accounting and Economics</i> 61 (2-3): 313-337 Case 3	
12(12/1)	Text Ch.7 Paper group 7  Case	Expense Reimbursement Schemes Chen C. Y., C. J. Lin, and Y. C. Lin, 2008, Audit partner tenure, audit firm tenure, and discretionary accruals: Does long tenure impair earnings quality? <i>Contemporary Accounting Research</i> , 25 (2): 415-445 Case 3	
13(12/8)	Text Ch.8 Paper group 8  Case	Register Disbursements Schemes Gaver J., and S. Utke. 2019. Audit Quality and Specialist Tenure. <i>The Accounting Review</i> 94(3): 113-147. .Case 4	
14(12/15)	Text Ch.9 Paper group 9  Case	Noncash Assets Chen J. Z., M. H. Chen, C. L. Chin, and G. J. Lobo. 2020. Do Firms That Have a Common Signing Auditor Exhibit Higher Earnings Comparability?. <i>The Accounting Review</i> 95(3): 115-143. Case 4	
15(12/22)	Text Ch.10 Paper group 10  Case	Corruption Cunningham, L., C. Li, S. Stein, and N. Wright, 2019, What's in a Name? Initial Evidence of U.S. Audit Partner Identification Using Difference-in-Differences Analyses <i>The Accounting Review</i> 94(5): 139-163. Case 5	
16(12/29)	Text Ch.11 Case	Accounting Principles and Fraud Case 5	
17(1/5)	Text Ch.12	Financial Statement Fraud Scheme	
18(1/12)	Final Exam		

## TEXTS AND MATERIALS:

### A. Required

Joseph T. Wells, Principles of Fraud Examination, 4<sup>th</sup> edition, John Wiley & Sons, Inc., 2014.( 滄海書局代理 )

Papers assigned in syllabus.

Michael C. Knapp, Auditing Case, 6<sup>th</sup> edition, Thomson South-Western ( 滄海書局代理 )

### B. Recommended

Elder, Beasley, and Arens, 2013, Auditing and Assurance Services: An Integrated Approach, 15th ed. Pearson Prentice Hall.

Albrecht/ Albrecht/ Albrecht, Fraud Examination 2<sup>nd</sup> edition Thomson South-Western

Kranacher, Riley, and Well, Forensic Accounting and Fraud Examination Wiley/

戚務君，高等審計學—實證視野下的審計研究，指南書局

Statement of Auditing Standards, Accounting Research and Development Foundation (R.O.C.)  
<http://www.ardf.org.tw/html/center3.htm#審計準則公報>

Code of Professional Ethics, National Federation of Public Accountants Association (R.O.C.)  
<http://www.roccpa.org.tw/Download.php>

李華驊，鄭佳綾，公司的品格，先覺出版社

李華驊，孔繁華，公司的品格 2，先覺出版社

## Course Requirement:

All students must have read the text materials before class, and try to take the initiative to raise questions on materials that you do not understand.

## ASSIGNMENTS

- A. Most assignments will be shown on the assignment sheet distributed to you, but some assignments only will be announced in class.
- B. Assignments must be submitted on or before the due date to receive full credit.

**Class Participation:** This class will not only be ‘straight lecture’, but will need your active participation in paper and case report and discussion. Your preparation is critical to success in this course. You need to preview the text book, paper, and case.

**Case Assignments:** Cases provide an opportunity for in-depth application of concepts learned in class. Each case should be completed in 4~5 person teams.

**Grading policy:**

Participation 20% Cases presentations 25%  
 Paper presentations 25% Final Exam 30%

		Participation 20%	Cases presentations 25%	Paper presentations 25%	Final Exam 30%
<b>COMMU</b>	<input checked="" type="checkbox"/> Speaking	50%	30%	40%	
	<input type="checkbox"/> Writing				
<b>CPSI</b>	<input type="checkbox"/> Interdiscip. Competence/ Prob. Solving				
	<input checked="" type="checkbox"/> Critical Thinking/ Innovation	50%	20%	40%	80%
<b>LEAD</b>	<input type="checkbox"/> Leadership				
	<input checked="" type="checkbox"/> Ethical Reasoning		30%		20%
<b>GLOB</b>	<input type="checkbox"/> Global Vision				
<b>VSP</b>	<input checked="" type="checkbox"/> Teamwork		20%	20%	

## EVALUATION OF RESEARCH PAPER

**Title** \_\_\_\_\_

**Date** \_\_\_\_\_

**Author** \_\_\_\_\_

**Name** \_\_\_\_\_

- A. Describe the research problem or question. Evaluate the importance of the research question to audit practice.
  
- B. Explain the author's approach to solving the problem.
  
- C. Describe the major findings of the research.
  
- D. Evaluate whether the research methodology was sound.
  
- E. Evaluate whether the research conclusions are valid and relevant.
  
- F. Identify major strengths and weaknesses of the research.
  
- G. Suggest an alternative approach to solving the problem, or a related research issue you believe to be important. Relate the research to other research we have discussed.